MAIDSTONE BOROUGH COUNCIL

CABINET

15 SEPTEMBER 2010

REPORT OF DIRECTOR OF CHANGE, PLANNING AND THE ENVIRONMENT

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1. CORE STRATEGY HOUSING TARGETS AND DISTRIBUTION OF DEVELOPMENT

1.1 Issue for Decision

1.1.1 The Local Development Document Advisory Group (LDDAG) has considered successive drafts of the Core Strategy, but has yet to reconsider a housing target for the Core Strategy. This report addresses the setting of this target; a similar report to this has been considered by LDDAG and Prosperity and Leisure Overview and Scrutiny Committee and their comments will be available at the meeting as references.

1.1.2 This report: (a) outlines a methodology and considerations in the setting of a housing provision target and the implications of the target on the strategy for the spatial distribution of development; (b) seeks endorsement of this approach; and (c) seeks agreement to shortlisted key options to be the subject of further detailed consideration. A further report to LDDAG on 25 October will further advise over the final recommendations to be made to Cabinet in November.

1.2 Recommendation of Director of Change, Planning and the Environment

1.2.1 That the Cabinet consider the references from the Local Development Document Advisory Group (13 September 2010) and the Leisure & Prosperity Overview and Scrutiny Committee (14 September 2010).

1.2.2 That Cabinet agree:

a) The methodology and approach to target setting outlined in diagram Appendix A and section 1.3 of this report be endorsed, together with any comments or amendments the Cabinet agree

b) That the three Options 1-3 outlined in sections 1.3 E and F, be agreed as the basis for the further more detailed testing outlined in the report in order to identify the most suitable housing target for the borough. All of the options plan for the balance of housing necessary after the existing development pipeline of 5,800 dwellings is completed, to achieve total housing target figures of: Option 1 - 8,200 dwellings, Option 2 - 10,080 dwellings, and Option 3 – 11,000 dwellings. Options 1 and 2 would distribute the remainder development in a disperse pattern, Option 3 would focus 2,500 – 3,500 dwellings into a single strategic development area with the remainder dispersed. All three options are assessed on the basis of housing densities averaging 45 dwellings to the hectare.

c) That the LDDAG be advised of the decisions of Cabinet, and that Cabinet request that the LDDAG consider their final recommendations to Cabinet to enable Cabinet to agree in November a housing target and distribution strategy, as the basis of the draft Core Strategy for public consultation.

1.3 Reasons for Recommendation

The evolution of the Core Strategy to date

1.3.1 The LDF Core Strategy has been in preparation over a considerable period of time; extensive evidence has been gathered and public consultation conducted and these matters thoroughly considered by the Advisory Group. An 'issues and options' public consultation in 2006 was followed by the preparation of and public consultation upon, a 'preferred options' document in early 2007. Further development of the draft plan was then halted later that year until August 2009 whilst the Council determined the representation made to the Core Strategy and the planning application submitted for the Kent International Gateway.

1.3.2 Meantime the Council bid for and was awarded Growth Point status with the requirement for the LDF Core Strategy to provide for a rate of development equivalent to 10,080 dwellings over the plan period. The Council also adopted various other relevant strategies including the Sustainable Community Strategy and Economic Development Strategy, all consistent with this and with which, the Core Strategy should be prepared with regard to. Subsequently the Regional Strategy (South East Plan) was published by Government in 2008 with a Maidstone Borough housing target of 11,080 additional dwellings over the plan period 2006-26.

1.3.3 However, as reported at the 26 July meeting of LDDAG, on 6 July 2010 the new Government revoked the Regional Strategies and advised

local authorities to proceed with preparing LDF Core Strategies on the basis of their own local determination of suitable housing targets.

1.3.4 Since August 2009 much of the evidence base on which the draft plan has been prepared has been updated or published, much of it underpinned by the need to achieve a housing target of 11,080 additional dwellings. Members have had briefings on much of this evidence and this contributed directly to the successive drafts of the plan considered by LDDAG over the last 5-6 months. In February, June and July the content of the plan, the 'spatial vision', 'spatial objectives' and 'core policies' were all considered. However, LDDAG have yet to reconsider the housing target figure and consequential effects on spatial distribution in the light of the revocation of the Regional Strategy.

Opportunity to set a district housing target

1.3.5 Setting of the housing target must be done on the basis of clear and sound evidence that will withstand scrutiny at independent examination into the Core Strategy. It is important that the target forms an integral part of the plan strategy and is not considered in isolation from the Vision and Objectives that the plan seeks to achieve. For instance the right balance must be struck between housing and employment targets, the spatial distribution strategy must be capable of delivering these targets and the target must be sufficiently ambitious to deliver the aspirations of the vision and objectives of the draft plan. In the event of significant change to the target these and other aspects of the plan may need to be revised significantly too.

1.3.6 Previously, housing targets were primarily determined at a strategic level, principally by Counties and other first tier authorities engaging with the regional planning body and in turn, the regional body with government; individual Boroughs and other second tier authorities had relatively little input to methodology and techniques of population, household and economic forecasting nor the national and regional scale policy debates that resulted, other than making representations alongside all other interest groups on the output figures. Districts such as Maidstone have not previously been empowered to determine their own housing targets and Government advice, best practice and regulations do not yet exist to indicate how this should be done. The Council now faces both a great challenge and opportunity to determine its own target in a robust manner.

Methodology for setting a housing target

1.3.7 While all local planning authorities in England have this same opportunity few have to act as quickly as Maidstone, which has a pressing need to update the saved Local Plan policies and which was

about to publish a draft Core Strategy based on the Regional Strategy just as it was revoked. Officers have been liaising with colleagues across Kent and beyond to 'compare notes' and method and are working with KCC research and intelligence group who have expertise in population and economic projections to develop an approach.

1.3.8 An overview of the approach adopted is represented by a diagram illustrating an iterative evidence based approach to determining housing targets - attached as **Appendix A**. Each aspect is explained in more detail in the headed sections A – K below.

1.3.9 It is clear that Members require extensive sound evidence to inform their decision making around all the realistic options available; not all aspects of this have been completed in the time available so far. Some verbal update on the ongoing work will be possible at the meeting, but whilst a clear picture of the likely key options for decision is emerging and confidently informs this report, it is not possible in certain respects, to make a firm recommendation at this time. Where this is the case a clear note is made. The recommendations at 1.2 above seek endorsement of the approach adopted and the agreement of key emerging options as the basis for more detailed consideration before final recommendations to Cabinet are made.

1.3.10 The explanations below refer to the draft 'spatial vision' and 'spatial objectives' for the draft Core Strategy previously considered by the Advisory Group, as well as to some of the background evidence that that has been reported previously.

1.3.11 To reiterate, it is vital that the options for the housing target figure and consequential effects for the spatial distribution strategy are not considered in isolation but as an integral part of the vision and objective the plan is seeking to achieve. To assist Members, an extract of the vision and objectives of the draft Core Strategy are attached as **Appendix B.**

<u>Methodology and considerations</u>

A. Meeting population and housing need

1.3.12 Previously, projections of the change in population and households, and therefore the need for more dwellings were determined at strategic level, providing district level targets of additional dwelling numbers.

1.3.13 Projections of change in population and household numbers are anchored on the 2001 Census with precise projection forecasts made on the basis of broad trend based or policy based assumptions about future behaviours; thus wide variations between different projections

of apparently precise figures are not uncommon. Concerns over the veracity of previous projections has led to joint work with KCC research and intelligence team to:(a) review previous trends in population and housing growth in Maidstone and the previous projections made to identify the most accurate 'control' point for making new projections; (b) to prepare a range of projections using different trend based assumptions of net migration; and to compare these with (c) alternative population projections assuming 10,000 or 11,000 additional dwellings are built. Comparison of these projections will help identify the level of additional dwelling targets required. Initial results should be available for verbal report at the meeting and will be analysed before the meeting of 25 October.

1.3.14 The dwellings requirement figure indicated by these projections does not necessarily determine the target but can be adjusted to achieve policy objectives or otherwise relate with the other factors A-K indicated in the diagram at **Appendix A**.

1.3.15 The Strategic Housing Market Assessment published in March 2010 considered the need for additional affordable and market housing, the types of housing needed and stock condition. It identified a need for 1,081 affordable homes per annum. The Assessment suggested that 38% of all housing built over the whole of the plan period (using a target of 11,080 dwellings) represented a balanced market option to meet need. Clearly, if the housing target is reduced then less affordable housing will be built or if a higher target is set, outstanding housing need might be addressed more quickly.

1.3.16 The policy response to the needs evidenced in the SHMA will also influence the provision of the right size and type of dwellings in all sectors of the housing market. A comprehensive approach is required, including in the affordable stock the requirement for: 76% social rent/24% intermediate; 45% 1-2 bedroom/55% 3-4 bedroom.

1.3.17 Local needs housing in rural areas is an important aspiration in meeting housing need and this influences decisions on the spatial distribution of housing made in the Core Strategy.

1.3.18 Underneath the 1,081pa figure, the SHMA also identifies different groups of need: those in the private rented sector who are willing and able to pay more than 25% of their income on housing (280pa); and those in private rented housing on local housing benefit support (460pa). (It is not sustainable and is poor value for public money for large numbers of households to be in private rented housing on housing benefit.) The remainder of 341pa are in acute housing need. The effects of insufficient housing are various; rising numbers on housing revenue support, homelessness, repossessions, various health

and wellbeing effects, and poor cost effectiveness of measures taken in response.

1.3.19 More widely, the Office of National Statistics (ONS) estimates national population growth to be around 65million by 2020 with almost 12 million below 30 years of age. Many of these will be first time buyers squeezed by lack of mortgage credit and lack of housing supply – nationally a housing market structural imbalance. Furthermore, the poor quality of some of the housing stock requires further replacement dwellings to be built although these will not be net dwelling additions.

1.3.20 The Core Strategy Spatial Vision and Spatial Objectives considered previously (extract included at **Appendix B**) stress the need for adequate number and mix of housing (para 4.13 and 4.18 k). However, the council's aspirations to meet housing need also need to be balanced with competing aspirations, including for providing strategic and local infrastructure from new development and safeguarding environment.

B. Policy aspirations and drivers for prosperity

1.3.21 There are a number of council strategy aspirations for improving the economy and prosperity of the borough that can be delivered through the LDF and in particular the Core Strategy. These help form the context for setting the strategy for development and can indicate a policy driven case for adjusting the housing need target indicated by population change as above. The council's prosperity agenda aims to:

- Achieve a step change in prosperity, and to ensure Maidstone establishes a role that complements rather than competes with the growth areas in Kent Thamesside, Ashford and East Kent

- Redress an imbalance in employment growth in that past job creation rates in Maidstone which are below south east growth rates.

- Introduce a quantitative and qualitative step change in local employment, including by the creation of local higher skilled jobs opportunities, to half out-commuting from some 38%

- Maintain and enhance Maidstone's role as the County town and premier shopping centre

- Regeneration of areas of deprivation and sites in the town centre

- Provision of integrated development of employment and housing with sustainable infrastructure for place shaping and to attract investment into the borough.

- Key elements of the strategy include – shifting the balance of local employment from non-B Class shops and services and B8 warehousing towards higher skilled B1 and some B2 Class uses; developing strong sector specialism, promotion of new further and higher education facilities, investment in transport access, and ensuring a suitable supply of sites to support this.

1.3.22 Clearly, economic prosperity is not increased simply by increasing population / resident workforce supply and a range of measures are required to increase demand for local employment. The jobs target is based on a Gross Value Added growth rate rather than dwellings or labour supply. However, a higher housing target will increase labour supply and will increase local demand for goods and services. In general terms, inadequate labour supply can be a major constraining factor to economic growth. Further work is in hand to assess past performance compared to other factors.

1.3.23 Economic prosperity and growth underpins the demand for housing through the impact on household incomes and migration. Similarly, the economy affects household formation and housing demand. The gap between local wages and house prices is clearly of concern to residents; overall a good housing balance supports long term economic growth prospects.

1.3.24 Literature reviews confirm that an area's offer of good housing locations (and a mix of relevant facilities) will attract higher and intermediate social economic groups which are vital to developing/maintaining a robust resident labour supply and therefore improving the prosperity of the local economy.

1.3.25 The Spatial Vision stresses the aspiration of sustainable economic growth and regeneration, strengthening the boroughs retail and leisure offers, creation of high quality employment and regeneration and encouraging a wide range of new development including shops and businesses (see **Appendix B**).

1.3.26 The overall aspiration of the Economic Development Strategy and Sustainable Community Strategy is for 10,000 additional jobs. Demographic patterns mean that 10,000 additional dwellings would produce less than 10,000 additions to the workforce so the achievement of this target will also need a significant increase in inward commuting for work and a significant decrease in outward commuting, however, the contribution of the growth in the resident employee workforce will be a significant factor.

1.3.27 With the Regional Strategy evidence base and a target of 11,080 dwellings this aspiration appeared achievable. Detailed ongoing work

with the KCC research and intelligence unit will refine new estimates of resident workforce growth associated with differing options for dwelling growth levels, and help indicate the realism of the policy aspiration to achieve 10,000 new jobs and the other measures necessary to achieve this or any future revision to this target. Further information and recommendations in this respect will be made in the 25 October report.

C. Past housing figures and trends

1.3.28 In the process to determine development targets, it is important to consider past building rates, which can give an indication of future trends and also the realism of the future options being considered. In the 19-year period between 1991 and 2010 a total of 10,130 units have been constructed across the borough, which translates to an annual average rate of 533 dwellings.

1.3.29 There are wide variations over individual years but over the period 1991 to 2000 annual rate averaged 513; over the past 10 years (2000 to 2010), the annual average completion rate increases to 626 dwellings; and for the past 5 years (2005 to 2010) construction rates have been even higher at 697 dwellings p.a. Furthermore, despite the recession, Maidstone constructed 581 units during the year ending March 2010.

Period	No. of years	Annual dwelling construction rates
1991 to 2010	19	533
1991 to 2000	9	513
2000 to 2010	10	626
2005 to 2010	5	697
2009 to 2010	1	581

1.3.30 Further work is in hand to consider significant changes in the net migration rates into/out of Maidstone as part of population change over these periods.

1.3.31 If taking forward these trends based on past completion rates and taking into account the number of units that have been constructed in the period 2006 to 2010 (2,728 units), the outcome for the period 2006 to 2026 would be:

- For a 5-year trend rate - 13,900 dwellings
- For a 10-year trend rate - 12,750 dwellings
- For a 19-year trend rate - 11,250 dwellings.

D. Past policy targets

1.3.32 For comparison, it is helpful to consider the plan-led housing targets that have been based on previous population forecasting but adjusted to meet planning policy strategies. The KCC submission to the South East Plan was below past trend rates and reflected a policy of seeking lower house building targets in total in the southeast, and then directing growth in Kent to the Kent Thamesside and Ashford and East Kent growth areas. The MBC submission in fact reflected past long term trend building rates and which equated to an up lift on the RPG9 regional plan. The adopted South East Plan figure reflects the then governments policy of significantly increasing housebuilding in England and the southeast in particular to support economic growth.

Former South East Plan	Housing target 2006 to 2026	Annual dwelling target
KCC submission to examination	8,200	410
MBC submission to examination + new growth point target	10,080	504
Former South East Plan target	11,080	554

E. Commitments and completions:

1.3.33 In setting a housing target for 2006 to 2026, the number of dwellings that have already been built since 2006 plus outstanding planning permissions must be taken into account. It is also prudent to build in a 10% contingency figure after deducting the completed dwellings from the target, to address the possibility that not all planning consents within the plan period will be built and to allow some flexibility in the delivery of local housing targets. This approach will help to meet the tests of soundness which will be applied to the Core Strategy at examination and is provided for in the provision figures set out below.

1.3.34 Between April 2006 and March 2010 2,728 dwellings were built and at April 2010 there were 3,077 dwellings with an outstanding planning consent, representing a total housing land supply of some 5,800 dwellings of the total target already in hand. Plan strategy now needs to be focussed on this balance.

1.3.35 At this stage it is recommended that 3 options for housing targets are further tested in detail. First, a target of 8,200 representing County's submission to the former south east plan examination in December 2005. Second, the target of 10,080 which identified by this Council and was the basis for Maidstone securing Growth Point status and funding. The third target for testing should be 11,000 which approximates to the adopted Regional Plan target and the long term trend in Maidstone's housing growth. When accounting for completions and

outstanding planning consents, the residual balance or target for each option is set out below.

Option	Plan period target 2006 to 2026	Residual target 2010 to 2026	Annual dwelling rate 2010 to 2016[1]	Annual dwelling rate 2016 to 2026
1	8,200	2,942	513	294
2	10,080	5,010	513	501
3	11,000	6,022	569	569

F. Environmental capacity and land availability

1.3.36 Members are aware of the environmental and policy factors that constrain the growth of the borough and the need for measures to mitigate the impact of development. The council's evidence base has addressed, for example, issues of flooding have been assessed in detail in the Strategic Flood Risk Assessment, water supply and sewage in the Water Cycle Strategy, landscape sensitivity and quality in the ongoing Landscape Character Strategy, built and natural heritage, habitat and bio-diversity with reference to appropriate evidence bases that are maintained and updated and augmented by specialist bodies.

1.3.37 The Strategic Housing Land Availability Assessment (SHLAA), taking account of these constraints, 'rejected' many sites and 'accepted' sites potentially capable of supplying some 16,300 units of housing land in the borough. After excluding the known development pipeline, this provided for over 10,700 potential new sites. However, some of the 'accepted' sites will be found more suitable than others for some form of development once more detailed assessments are complete. Further work is in hand, but initial analysis by officers has broadly categorised sites into three groups: (a) those with few constraints, (b) those with more constraints, and (c) those with many. Under different options more all sites in category (a) and more in (b) or possibly (c) would be required.

1.3.38 These are only informed assumptions at this stage to help appraisal of the different housing target options. It must be stressed, however, that any sites identified for this testing are not recommendations for allocating development to sites, and nor is there any presumption that such sites would be released for development.

1.3.39 With the range of targets identified in section E above, it is not necessary to 'urgently' allocate strategic housing sites in the Core Strategy because the scale of recent building rates and planning

[1] Years 2010-2016 include commitments of 3077 (513 p.a.)

permissions means the council can readily maintain and plan for a rolling 5-year supply of housing land supply. Sites will need to be identified in due course in a land Allocations DPD or successor Local Plan. However, a target significantly higher than 11,000 would present a challenge to demonstrating a five year supply.

1.3.40 The scale and delivery rate within the plan period for a potential urban extension – referred to as the 'strategic development area' - are in the region of 2,500 and 3,500 dwellings, dependent on the planning policy objectives. However, looking beyond 2026, the total capacity of a mixed use urban extension could be 5,000 to 6,000 dwellings to achieve a maximum benefit of a properly planned new community with new supporting infrastructure.

1.3.41 Realistically, with existing housing commitments Option 1 (8,200 dwellings) is too small a target to support a strategic development area and a dispersed spatial pattern of development would be the only realistic pattern. Conversely, it appears that option 3 (11,000 dwellings) could only be delivered with significant reliance on a strategic development area, although a combination of an single larger urban extension and development on some of the more suitable dispersed greenfield sites at the urban periphery and rural service centres is achievable. Option 2 (10,080) can be accommodated with a dispersed pattern of development, although this approach would require the use of the more constrained and less suitable sites in category (b) above.

1.3.42 Options 2 or 3 could deliver a strategic development area with very little development elsewhere, but could be a high risk strategy, is less flexible or potentially deliverable in a period of economic uncertainty, and is likely to be challenged by some developers with sites of equal potential but located elsewhere. Option 2 could not allocate enough dwellings for a properly planned new community in addition to dispersal.

1.3.43 The realistic shortlisted options emerging as most suitable for further testing are:

Option 1 - 8,200 dwellings
The option could result in retail, office and housing development in Maidstone town centre with limited additional housing development dispersed within the built up area of the town and at the edge of the town and villages. The option would not include a strategic development area. After allowing for the existing development pipeline of 5,800, mostly on urban brownfield sites, plan making would focus on a residual of 2,942 to mostly greenfield sites.

Option 2 – 10,080 dwellings
The option could result in greater demand for retail, office and housing development in Maidstone town centre and some housing development within the built up area of the town. In addition to the housing pipeline as in Option 1, plan making would focus around the edge of Maidstone town the majority of new housing development for 5,010 dwellings to be concentrated in larger pockets of approximately 100 – 600 units on greenfield sites around the edge of the urban area. There would be a need for greenfield sites for employment development at the edge of Maidstone town and the villages. In addition, this option would result in the greatest amount of development at the villages and the greatest dispersal of development. The option would not include a strategic development area.

Option 3 – 11,000 dwellings
The option will result in the greatest level of demand for retail, office and housing development in Maidstone town centre and some housing development within the built up area of the town. After the existing housing pipeline as in Options 1 and 2, plan making would focus on the further 6,022dwellings around Maidstone town where the majority of housing development together with some employment opportunities would be located in a mixed use new strategic development area at the edge of the town together with some larger pockets of housing around the edge of the urban area. There may be scope to expand the strategic development area beyond the plan period in order to maximise the benefits of sustainable development. There would be a need for greenfield sites for employment development at the edge of Maidstone town. This option would also result in some additional development at the villages.

1.3.44 The recommendations as 1.2 seek endorsement of these key options for further testing and the identification of any further options that should be considered in greater detail. Further evidence assessing the shortlisted options will be presented at the 25 October meeting. These options are discussed in greater detail in a later section of this report.

G. Infrastructure capacity

1.3.45 Consultations with stakeholders in respect of existing infrastructure capacity and the need for new infrastructure were well advanced but focussed on the original housing target of 11,080 using a SDA and a more dispersed alternative pattern of development. Providers have now been requested to respond to alternative growth target options and spatial distributions and many of the necessary responses are not yet available. Further information will be available for the 25 October

meeting, including on further transport modelling and resultant infrastructure assessments that are underway.

1.3.46 Initial indications are that infrastructure costs for a specific target number of dwellings, whether provided in a SDA with new significant new infrastructure or a dispersed pattern and utilising more existing infrastructure in different locations but encountering a wider number of shortcomings to be resolved, are not greatly dissimilar. However, the new options involve three target levels and a critical issue will be that of the transport implications and necessary sustainable transport infrastructure.

1.3.47 Transport modelling work on further alternative patterns and targets is not yet completed but issues are clearly emerging. A SDA concentrates traffic growth on certain sectors whereas a dispersed pattern increases flows across the outer-traffic model cordon throughout the town. These lead to requirement for differing sets of measures and costs and impacts that need to compared. The require transport strategy will provide for the preferred approach and therefore cannot be finalised at this time.

1.3.48 Further updates will be possible in October and a full report on infrastructure matters in November. One particular uncertainty is the funding of necessary infrastructure identified; new Government intentions signalled in the Planning Green Paper for a 'development incentive' or New Homes Bonus scheme based on grant matching Council tax income are now unclear and no further information is available yet on the intended reforms to the system of Community Infrastructure Levy or s106 based planning tariffs. The strength of the housing market and developers / landowners ability to contribute will also have significant effect.

1.3.49 The ability to deliver the necessary infrastructure associated with the three key options for housing targets and spatial distribution is likely to be a very significant factor to decision making; at this point in time it is not possible to make full recommendations to Members in this respect. Further information will be available for 25 October and most likely, further still after the Government's Spending Review in the Autumn.

H. Place Making

1.3.50 Alongside the setting of Maidstone's quantitative housing targets, decisions must be made about the distribution of development. Options include that of reliance on the creation of a single large strategic development area to accommodate the vast majority of development in a new mixed use community, or a very dispersed

pattern of development, or a combination of the two.

1.3.51 A dispersed development pattern can exploit the capacity of existing infrastructure, potentially offer investment into enhancing the capacity of existing infrastructure, spread negative impacts more 'thinly', and help absorb new residents into existing communities. Dispersal spreads the risk of development sites not coming forward as planned, and it creates flexibility in the phasing of the release of sites to achieve objectives. However, transport modelling of the greater resulting trip generation and are yet to be fully modelled. Further, this approach would create the need to develop all identified sites at the edge of Maidstone urban area and a greater amount of development would need to be directed to the rural service centres and smaller villages. There is no strategy looking beyond 2026.

1.3.52 The planning of a new community has a number of advantages, particularly in terms of co-ordinating the provision of physical, social and green infrastructure. The economies of scale present more scope for shared local infrastructure, it offers the greatest opportunity for exemplar and visionary masterplanning to create a new community development, and also provides potential for development and a transportation strategy that looks beyond 2026 to future planning and transport needs. The promotion of a 'new place' can help attract investment in housing and new employment opportunities as well as facilitate more sustainable patterns of travel, reduce trip generation rates and facilitate community scale sustainable green and blue strategy, energy and waste schemes. Infrastructure can be viewed in new ways as demonstrated at 'The Bridge' in Dartford where new education, health and community facilities are coordinated in one integrated development with share facilities.

1.3.53 A combination of the two approaches would mitigate risk of development sites not coming forward as planned. The approach would create the opportunity to develop a well integrated, coordinated and sustainable community and to develop it at a slower rate for flexibility; and would not require the need to develop all the identified potential sites at the edge of Maidstone urban area in one go or require such significant quantities for housing in the rural service centres.

1.3.54 One important point of detail is the densities of development assumed in the option testing. The SHLAA assessments and subsequent work applied specific site density assumptions based on site circumstances but averaging 45 dwellings to the hectare but a minimum of 30/ha reflecting the previous PPS3 minimum requirement of 30/ha. PPS3 was recently amended to remove this minimum standard but the land take calculations used for the Core Strategy continue with these assumptions at this time. Clearly, if the density standards are reduced then more land will be required. Members are requested to express

any comment on this approach now as it underpins all the option testing. Whether to set a minimum density is an issue Members will need to return to in consideration of the relevant Core Policy.

1.3.55 The recommendations at paragraph 1.2 seek agreement to the spatial distributions options (including assumptions on housing density) as the basis of further testing and for members to identify any further combinations they wish to see assessed in similar detail.

I. (Initial draft) Sustainability Appraisal

1.3.56 Having deliberated the potential options for setting housing targets together with the distribution of development, the sustainability of the 3 options set out above can be tested with further objectivity by reference to the Sustainability Framework adopted for all the Maidstone LDF documents.

1.3.57 Members will recall approving the Sustainability Appraisal Scoping Report for the Core Strategy in December 2009. The scoping report sets a framework against which Core Strategy policies and objectives can be assessed. The 3 options are being appraised against 18 sustainable objectives derived from the scoping report **(Appendix C)**. The results will be colour coded so that green indicates the option would likely meet the sustainability objective, amber that it partially meets the objective, and red that it does not significantly contribute to meeting the objective. This cannot be completed as yet a identified above but patterns are emerging.

1.3.58 Option 1 (8,200 dispersed) does not appear to be a sustainable development option. It appears (subject to further detailed assessment) to not cater for the natural growth of the borough nor established trends in migration, it would mean a shortfall in necessary housing and a reduced supply of affordable housing, and would not support the council's wider objectives of prosperity and regeneration, employment growth, and would secure the least funding for infrastructure.

1.3.59 Option 2 (10,080 dispersed) appears closer to meet natural growth in population but not migration trends (subject to further testing). It would appear to generate investment in new social and green infrastructure. Less affordable housing would be provided than option 3. This option could be likely to meet the council's employment aspirations (subject to further testing, to be confirmed), and to some extent support the prosperity agenda and regeneration. However, this option would result in the greatest amount of development at the edge of Maidstone urban area and the villages and category more constrained sites and would result in trips of greater length. There would be little opportunity for a focused approach to sustainable

transport measures. The option could perform poorly in terms of air pollution and the emission of greenhouse gases.

1.3.60 Option 3 (11,000 strategic development area with some dispersal) appears to meet the needs of the natural growth of the borough and much of recent migration trends, provides for the highest number of affordable homes, and supports the council's economic development strategy. This like Option 2 would help to deliver the prosperity agenda and would be a catalyst for the regeneration of certain areas of deprivation but comparison of the two in this respect is ongoing. This option could support a new community adjacent to the urban area with a focused approach to sustainable transport measures, and would provide opportunities for a well designed and integrated sustainable development.

J. Risks

1.3.49 There will be a number of risks associated with any set housing targets and agreed development strategy. The prime risks include:

- The potential for ongoing legal challenge to the Government's action to revoke the Regional Plans, this could mean the reintroduction of the previous targets.
- The viability and deliverability of development
- The availability of Government funding streams and mechanisms for development contributions for necessary supporting infrastructure
- Ensuring targets and the distribution of development are based on sound methodology evidence to withstand challenge at examination – Maidstone appears to be one of the earlier authorities to be taking this challenge on.

K. Localism and the local agenda

1.3.61 It is critical that the council's housing and employment targets, together with its strategy for distributing development, are based on sound evidence, but also very important are the views of residents and businesses. It may be that with the expectations of the new 'localism agenda' accompanied by the lack of clear explanation of the 'development incentive' New Home Bonus scheme from government, that it is increasing hard to make the case for necessary development to local communities.

1.3.62 Public consultation on the Core Strategy will be one means of inviting comment on the strategy, but the council has already engaged with stakeholders and the public, bringing together local views through the production of various documents and holding of stakeholder events:

- Sustainable community strategy
- Strategic plan
- Economic development strategy
- Core Strategy evidence base and stakeholder workshops
- Town centre management
- Parish councils
- Developers and agents
- Service providers.

Recommendation

1.4 The recommendations at 1.3 seek endorsement and comment to the methodology and approach outlined above, agreement to the 3 shortlisted options as the basis of further testing to identify Maidstone's housing target and associated approach to the distribution of development. A further report on 25 October with additional evidence available will enable me to make clear recommendation on the preferred option to be incorporated into the draft Core Strategy.

1.4.1 Alternative Action and why not Recommended

1.4.2 A number of alternative options have been considered throughout this report. The three options appear realistic options to focus to enable Members and the public a clear set of options to consider.

1.5 Impact on Corporate Objectives

1.5.1 The Options 2 and 3 (subject to further assessment) appear to best reflect the spatial elements of the Council's Sustainable Community Strategy, the Strategic Plan and the Economic Development Strategy.

1.6 Risk Management

1.6.1 The different risks associated with the delivery of the options are addressed in the report.

1.6.2 The risks have been mitigated by testing the viability and availability of development sites; including a 10% contingency for housing targets to manage sites not coming forward; building flexibility into the option 3 through the planned dispersal of development sites in addition to the identification of a strategic development area; ensuring that all options are built on evidence testing and sound sustainability principles; and testing soundness further through public engagement, seeking to build

local consensus. Risks associated with government funding decisions cannot be controlled, other than by responding to changes promptly.

1.7 Other Implications

1.	Financial	X
2.	Staffing	
3.	Legal	
4.	Equality Impact Needs Assessment	
5.	Environmental/Sustainable Development	X
6.	Community Safety	
7.	Human Rights Act	
8.	Procurement	
9.	Asset Management	

1.7.1 **Financial**: There are no financial implications directly arising from this report. However, this report recommends targets for housing and the strategy for distributing development in the Core Strategy DPD, which will have implications for the securing of funding for local and strategic infrastructure, and affordable housing, through various funding streams. The production of the Core Strategy DPD during 2010/11 can be managed within the LDF budget.

1.7.2 **Environmental/Sustainable Development**: The options set out in this report have been initially tested against the sustainability objectives of the Sustainability Appraisal Scoping Report for the Core Strategy.

1.8 Relevant Documents

Maidstone Borough Council Sustainability Appraisal Scoping Report (November 2009)

1.9 Appendices

Appendix A: An evidence based approach to determining housing targets
Appendix B: extract for the 26 July draft Core Strategy - spatial vision and spatial objectives
Appendix C: Comparison of Options against the Sustainability Appraisal Scoping Report

1.10 Background Documents

None

IS THIS A KEY DECISION REPORT?

Yes ☐ No **X** ☐

If yes, when did it first appear in the Forward Plan?

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This is a Key Decision because: It affects all wards and parishes, and it will influence the Core Strategy which sets the Council's planning policy framework.

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Wards/Parishes affected: All wards and parishes.

……..