

**MAIDSTONE BOROUGH COUNCIL**  
**RECORD OF DECISION OF THE CABINET**

Decision Made: 25 July 2012

**Budget Strategy 2013 14 Onwards**

**Issue for Decision**

To review the medium term financial strategy (MTFS) for 2013/14 and to consider the draft assumptions that will be used to set the MTFS for planning purposes and for consultation.

**Decision Made**

1. That, for planning purposes, the expected strategic revenue projection be selected as giving the appropriate outcome.
2. That a 2.5% increase in the level of Council Tax increase be agreed for planning purposes.

**Reasons for Decision**

Due to the complex nature of the two issues, this year the Medium Term Financial Strategy ("MTFS") was initially being reported to Cabinet in two separate reports. One on the capital programme and one on the revenue budget.

The MTFS currently approved by Council is a five year rolling strategy that is reviewed and updated annually as a key element of the development of the budget. The strategy sets out the revenue and capital spending plans of the Council and states the criteria by which decisions in relation to the development of the annual budget are to be made. The report of Corporate Leadership Team reviewed the strategy specifically in relation to the revenue budget and considers options for the development of the five year strategy.

Since the approval of the current MTFS at Council on 29<sup>th</sup> February 2012 there has been substantial work carried out surrounding the key issues facing the Council in the immediate and medium term future. Along with briefing and training sessions for members, working groups with a Kent wide focus have considered subjects as diverse as the localisation of council tax benefit and business rates to sharing best practice on savings strategies. The report of Corporate Leadership Team brings together the current situation regarding these issues so that Cabinet could consider initial assumptions to be used for future planning.

The Council's MTFS and its Strategic plan are both closely aligned. This enables the Council to obtain maximum benefit from both strategies. The detailed actions required to achieve the key priorities set out in the strategic plan are contained within the Council's service plans.

Achievement of these actions requires resources to be available at specific budget head level. At the level of this budget strategy, the links with the strategic plan require the assurance that the Council reaches a balanced budget and funding is available for priority service areas.

The report firstly considered the context in which the MTFS for 2013/14 onwards is being developed. It then considered each major element of the strategic revenue projection in relation to any known developments or emerging issues that may possibly require amendment to the projection or the strategy.

### Background

Attached at Appendix A to the report of Corporate Leadership Team is the budget summary for 2012/13. This was agreed at Council on 29<sup>th</sup> February 2012 but has been reconfigured to show the current Cabinet structure. The 2012/13 budget was developed from the work on the MTFS during 2011/12 and forms the base point for the consideration of possible amendments detailed in the report of Corporate Leadership Team.

Also attached for further information to the report of Corporate Leadership Team were the following:

- Appendix B – The MTFS for 2012/13 onwards;
- Appendix C – The statement of balances projected to March 2013

### The Local Context

The outturn position for 2012/13 was reported to Cabinet in May 2012. The report showed a net under-spend against budget of £1.1m, after allowance for carry forward requests approved by Cabinet at that time. The total under-spend was £4.65m and a breakdown of the sum into its component parts is given in the table below.

	<b>£,000</b>
Capital Support	2,304
Grants and Contributions	549
Carry Forwards	687
Net underspend	1,113
<b>Total Underspend</b>	<b>4,653</b>

Available balances, as set out in Appendix C to the report of Corporate Leadership Team, are at least £2.9m above the level of working balances set by Cabinet. At its meeting in May 2012 Cabinet requested that officers report back on options to utilise the £1.1m added to balances at the end of 2011/12. Proposals put forward by officers are being assessed for their links to the Council's strategic priorities and will be reported to a future Cabinet meeting.

At this time it is appropriate to mention a link between the proposals for the use of balances, the MTFS report and the capital programme report. One option Cabinet may wish to consider in relation to use of the additional balances is to set aside funds for the implementation of commercial development activity. This could ensure initial borrowing costs are covered while start up schemes are given the opportunity to generate the expected benefits or it could be used as research and development funding for proposals that require professional advice not available internally. A more detailed assessment will be incorporated, if necessary, in any report back to Cabinet arising from the recommendations in the capital programme report.

The budget set out at Appendix A to the report of Corporate Leadership Team for 2012/13 is, as a result of the work carried out in 2011/12, a balanced budget. Monitoring of the savings set out in the strategy for 2012/13 shows that there are only small variations to those planned and these have all been resolved by management action. This means the budget remains balanced and affordable.

In considering the MTFS in earlier years Cabinet has already identified actions to save £0.6m during 2013/14 and work is already progressing to identify further savings. As an enhancement to the work on the strategy, this year the analysis of savings proposals will include an individual rating as to the risk of non-delivery. This will enable Cabinet to take a broader view on the level of savings targeted allowing the strategy to account for potential non-delivery. This revision is essential given the current economic climate and the financial expectations as set out in the next section.

These local factors contribute to a very stable base on which to build the 2013/14 budget.

### The National Context

Since 2010/11 the Council's MTFS has been considered within the framework of the government spending review of October 2010. Public sector spending reductions form a major part of that review and are central to the government's objective of removing the structural deficit. The initial reductions in grant aid to local government formed a major part of that reduction and it was expected that the year 2013/14 would see much smaller reductions in resources at a local level.

Since that time the government has progressed with some of its localisation plans culminating in two further significant changes from 1<sup>st</sup> April 2013. These are:

- The localisation of business rates and, for this Council at least, the end of formula grant; and
- The change of council tax benefit into a local discount as part of the wider universal credit reforms.

Although these changes will take effect from 1<sup>st</sup> April 2013 much of the information in relation to the level of resources arising from these changes await clarification from central government.

To date the effect on the economy of the Government's plan has not been as significant as expected. The economy has proven resistant to the efforts and international economic problems have increased pressure on the UK economy. Tabulated below are the economic indicators of growth and national debt for the past five years.

	2008	2009	2010	2011	2012 (current)
Growth	3.5%	-3.6%	1.5%	0.7%	-0.2%
National Debt	£614.4bn	£796.9bn	£909.0bn	£921.3bn	£1,013.4bn

A range of other indices have a direct effect upon the MTFs and are useful for consideration at this point. Tabulated below are the RPI (Retail Price Index), CPI (Consumer Price Index), the base rate and the LIBOR (London Inter-Bank Offered Rate) over a similar period.

	Mar 2009	Mar 2010	Mar 2011	Mar 2012	May 2012 Current
RPI	-0.4%	4.4%	5.3%	3.6%	3.1%
CPI	2.9%	3.4%	4.1%	3.5%	2.8%
Base Rate	0.5%	0.5%	0.5%	0.5%	0.5%
LIBOR 1mth	0.533%	0.237%	0.253%	0.241%	0.243%

As previously stated the government is in consultation with local government over localising business rates and local powers to grant council tax discounts that will replace centrally funded benefits.

### The Strategic Revenue Projection

The strategic revenue projection is a model used annually by Cabinet to concisely project the effect of major local and national priorities on the future revenue budget of the Council. In the past Cabinet has used, at this early stage, a document that models three outcomes: the currently expected outcome; the worst case; and the best case. This enabled cabinet to consider the currently expected outcome, recommended by the report of Corporate Leadership Team, against alternatives.

All three models use predictions regarding factors such as inflation rates and the consequences of local and national initiatives on the future revenue budget of the Council. The most significant factors are set out individually below.

The three strategic revenue projections are given at Appendix D to the report of Corporate Leadership Team. Cabinet could select one as the future planning tool or modify any of the three to meet their favoured assumptions. There is a significant amount of detail in each of the three models created by the assumptions. They are set out in detail in Appendix E to the report of Corporate Leadership Team. Where specific values are quoted in the report of Corporate Leadership Team they relate to the values calculated in the "currently expected" model unless otherwise stated.

It was recommended that Cabinet adopt the "currently expected" model as the planning tool used for consultation and future MTFs planning.

## Significant Assumptions in the Strategic Revenue Projection ("SRP")

### Inflation Indices

These were considered in detail for their effect on the subjective elements of the revenue account. The budget for 2012/13 has been divided between employee costs, energy costs, business rates, contractual commitments and other running costs. For each subjective element the appropriate index and rate have been discussed with services managers. In the case of employee costs a new, simplified grade structure was introduced for 2012/13 and the index reflects the cost of expected increments within that new structure.

### Welfare Reform

The major consequence of welfare reform is the localisation of council tax benefit as a discount. A separate report detailed the work to produce an affordable scheme and prepare for its administration. The main assumptions in this SRP are that the scheme recommended in the full report elsewhere on the Cabinet agenda will be agreed. This scheme provides reasonable assurance that additional costs will be supported by the major preceptors and not become a burden on this Council.

That report and the MTFs assumptions are based upon the latest guidance from central government. The guidance suggests that the DCLG forecasts a significant reduction in benefit claimants and has calculated future grant payments on that basis. This is contrary to the Council's experience and the Council has reported its concerns to the DCLG through the Local Government Association. The strategic revenue projections have been developed assuming that this specific loss, should claimants numbers not reduce as the DCLG expects, will not be reimbursed by major preceptors under the Kent wide agreement. The strategic revenue projection reports an increased budget pressure of £0.2m from this additional loss.

Another element of welfare reform is a move to universal credit. This will begin to affect Council services during 2013/14. The most likely effect is that administration costs of the localised council tax discount scheme will increase due to the reduction in service levels as claimants pass on to universal credit from housing benefit. This will actually occur over a period of four years from 2013 to 2017. The cost is assumed to affect the Council in 2014/15.

### Council Tax Freeze Grant

The grant given to those authorities that froze their council tax in 2012/13 was a one year grant and will end in 2013/14. In addition the four year grant given for the freeze in 2011/12 was expected to end in 2015/16. The consultation on localisation of business rates made it clear that this grant will be integrated into the baseline for retained business rates and will not be received separately after 1<sup>st</sup> April 2013. This means that the Council must provide for non-receipt of both council tax freeze grants in 2013/14.

### King Street Car Park

Provision was made in 2012/13 for the lost rental from the ground floor retail unit at the car park but further consideration is now being given through the capital programme to essential major works on the property. Whatever works are carried out can be expected to have a direct impact on revenue income from the site and provision is made here for the loss of up to £0.2m.

### Local Development Framework

As work on the core strategy progresses it has become possible to more accurately assess the resources required to complete the task. This assessment and operational changes to the work required have enabled a reduction in the resources required of £0.08m from the £0.13m previously assumed.

### Income from Services

In general the income from service activity forms part of the net revenue budget and is treated separately from Council Tax and Business Rate income. For 2012/13 Cabinet considered all fees and charges within a single report enabling decisions based on a corporate strategy that met the priorities set in the strategic plan and enabled Cabinet to consider possible increase in light of the cumulative impact on single families through a knowledge of all proposed changes at the same time.

It is intended to provide the same single review of fees and charges for 2013/14. Completed in this way, the increase in fees and charges is not included in the strategic revenue projection but is reported in the savings proposals at a later date.

### Localised Business Rates

The strategic revenue projection includes assumptions regarding the expected level of income that the Council will be permitted to retain from the collection of business rates. The assumptions are derived from work completed on behalf of the Council by the consultants LG Futures.

In the latest feedback from government there are signs of a relaxation of some of the issues raised previously with Cabinet. The major risk of non-collection has now been shared with central government by the proposed use of proportionate rather than absolute shares. The actual value of shares and the effect of top slicing other resources from retained business rates are likely to remain unclear until the third quarter of 2012/13.

The Government has recently announced its intention to complete a further spending review in 2014. Given the current economic climate and the government's previously announced plans, modelling by the Local Government Association suggests that the reductions facing the public sector will be as severe if not worse than those announced after the spending review in 2010. It is therefore possible that within the lifetime of

the current MTFs there will be further significant reduction in resources derived from taxation. It has been assumed at this time that the expected additional loss and the effect of business rates growth in the borough will have a neutral effect on the local share of business rates.

### Council Tax

The level of council tax is affected by two factors. These are changes in the property base within the borough and increases in the charge set by the Council. For 2013/14 the changes to the property base will be significant as this is the process by which the local council tax discount will replace the council tax benefit scheme. By reducing the claimants' liability rather than paying the tax due on their behalf.

All three strategic revenue projections set out in Appendix D to the report of Corporate Leadership Team include a 2.5% council tax increase, an assumed 0.5% increase in the tax base and an assumed 2.4% increase in benefit caseload.

A 2.5% increase in the level of council tax for this Council is £5.56 per annum for a band D tax payer. This would increase the current band D council tax from £222.39 to £227.95. The council tax raised by the increase is not directly comparable to the council tax raised for 2012/13 because of the previously discussed council tax discount. However the additional resource due to the council is estimated to be in the region of £0.16m

### Savings & Efficiency

The strategic revenue projections identify the predicted levels of resource available to the Council and the additional budget pressures facing the Council for each year of the MTFs. From this information the level of savings and efficiency required to create a balanced budget can be deduced.

The three versions of the strategic revenue projection attached as Appendix D to the report of Corporate Leadership Team produce the savings tabulated below

	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
	<b>£,000</b>	<b>£,000</b>	<b>£,000</b>	<b>£,000</b>	<b>£,000</b>
Worst Case	2,227	1,362	1,370	1,219	709
Expected	2,035	976	982	866	431
Best Case	1,748	849	107	358	67
Savings Proposals	(608)	(335)			

The work completed on the MTFs in previous years means that some proposals already exist to achieve the required savings for 2013/14 and 2014/15. Based on the figures from the expected model and allowing for the savings already proposed there is still a need to identify savings and efficiencies as follows:

<b>Year</b>	<b>Saving £,000</b>
2013/14	1,427
2014/15	641
2015/16	982
2016/17	866
2017/18	431
	<b>4,347</b>

A number of initiatives can assist the Council in identifying actions that will achieve these revised targets, such as:

- The corporate improvement plan;
- Proposals around income generation as part of the commercial development proposals;
- A review of major contracts;
- Ongoing reviews of new ways of working and staff structures.

### Consultation

Budget consultation is a formal and necessary element of the budget strategy process. It allows residents, customers, business and other stakeholders to provide feedback and opinion to Cabinet on the developing strategy.

In recent years the budget consultation has proven to be a successful event providing general support for Cabinet's plans and feedback including proposals for further savings.

At this time the Head of Finance & Customer Services and the Head of Communications are assessing options for this years consultation exercise and will report those options to Cabinet in August 2012.

### **Alternatives considered and why rejected**

The Cabinet could at this stage have awaited the outcome of a number of the developments occurring this year. For example the details relating to business rates localisation and the new arrangements for council tax benefit will all be updated by the third quarter of 2012/13. It is however prudent to agree a revenue projection at this stage to enable planning for the required savings and for consultation.

With reference to the specific issues and assumptions within the report of Corporate Leadership Team, it is inevitable that Cabinet will need to take a view on each issue and assess their future impact on the Council. The three strategic revenue projections are developed to assist Cabinet with this issue. It was the intention of the report of Corporate Leadership Team to initiate discussion and to provide Cabinet and interested members with the opportunity to raise issues and concerns for consideration as the MTFS develops.



## **Background Papers**

Strategic Plan 2012/13 Onwards

Business Rates consultation

Localisation of Council Tax Benefit DCLG guidance

Should you be concerned about this decision and wish to call it in, please submit a call in form signed by any two Non-Executive Members to the Head of Change and Scrutiny by: **3 August 2012.**

## **MAIDSTONE BOROUGH COUNCIL**

### **RECORD OF DECISION OF THE CABINET**

Decision Made: 25 July 2012

#### **Capital Programme 2012 to 2016**

##### **Issue for Decision**

To determine the strategy for developing the future Capital Programme for 2013/14 onwards as part of the consideration of the Medium Term Financial Strategy (MTFS) and to consider and approve the amount and allocation of capital resources for the delivery of the objectives of the strategic plan and other key strategies.

##### **Decision Made**

1. That the proposed amendments to the capital strategy including the principle of prudential borrowing where this achieves commercial development, as outlined in section 1.5 of the report of Corporate Leadership Team be agreed.
2. That officers develop and present proposals that achieve the councils objectives through commercial development, as set out in section 1.5 of the report of the Corporate Leadership Team.
3. That the evaluation of resources available and scheme proposals as set out in paragraph 1.6.5 of the report of the Corporate Leadership Team identifying the appropriate uses of the resources available be approved.

##### **Reasons for Decision**

Due to the complex nature of the two issues, this year the initial consideration of the Medium Term Financial Strategy ("MTFS") has been reported to Cabinet in two separate reports. The report of Corporate Leadership Team reviews the strategy specifically in relation to the capital programme and considers options for the development of the capital programme for future years.

Although the capital programme is considered and reviewed quarterly by Cabinet, the last comprehensive review was in May 2009. At that time Cabinet amended both the programme and the criteria stated in the MTFS. The decision for May 2009 details the main changes to the capital programme as:

- A reduction in annual capital funding for asset management programmes of £0.44m per annum, as given in the table below.

<b>Programmes</b>	<b>Annual Sum Pre 2009 £,000</b>	<b>Current Annual Sum £,000</b>
Sundry Corporate Properties	200	100
IT Systems Replacement	250	180
Small Scale Capital Works	70	0
Play Area Improvements	250	50
	<b>770</b>	<b>330</b>

- A reduction in the funding of the support for social housing. This was funded to deliver 450 new homes over the period of the programme.

Following the approval given a further review was carried out that focused on the various housing grants. This led to the funding for grants also being reduced over the period of the programme. At the same time the grants offered by the Council were focused on those able to most effectively reduce revenue pressures.

In the period since May 2009 Cabinet has considered and approved a number of further amendments in order to keep the programme and the resources in balance. The major changes approved are tabled below.

<b>Pressures Identified</b>	<b>£m</b>	<b>Approved Changes</b>	<b>£m</b>
Growth Point Grant	1.5	Use of NHB	2.5
Capital receipt timing	2.4	Use of Fleming VAT	1.5
Museum Contributions	1.4	High Street Phase 2	1.3
	<b>5.3</b>		<b>5.3</b>

Attached at Appendix A to the report of Corporate Leadership Team is the current capital programme. This was approved by Council on 29<sup>th</sup> February 2012 and amended by Cabinet following their consideration, in May 2012, of the Outturn for 2011/12. In 2012/13 two of the Council's three flagship schemes will report their final accounts with the third due early in 2013/14. The approved programme ends in 2014/15, which is in line with previous assumptions about available resources.

#### Maximising Capital Resources

The table below, for the current year and the following five year period of the MTFs, summarises the currently available funding and compares this to the currently approved programme, taken from Appendix A to the report of Corporate Leadership Team. The table includes the potential sale of 26 Tonbridge Road but makes no further assumptions about asset sales or about the use of future new homes bonus.

<b>Total Resources</b>	<b>Estimate 2012/13 £,000</b>	<b>Estimate 2013/14 £,000</b>	<b>Estimate 2014/15 £,000</b>	<b>Estimate 2015/16 £,000</b>	<b>Estimate 2016/17 £,000</b>	<b>Estimate 2017/18 £,000</b>
Estimated Spend	5,525	2,053	1,820	450	450	450
Resources						

Revenue Support	3,884	350	350	350	350	350
Grant / Contribution	2,084	472	450	450	450	450
Asset Sales / Receipts	3,006	550	0	0	0	0
Total Resources	8,974	1,372	800	800	800	800
<b>Accumulating Balance</b>	<b>3,449</b>	<b>2,768</b>	<b>1,748</b>	<b>2,098</b>	<b>2,448</b>	<b>2,798</b>

The last row of the table above shows the cumulative unused resources available to the programme at the end of each financial year. At the end of 2014/15 a balance of approximately £1.75m existed. As this is the lowest cumulative value in the table, it represents the maximum resources available for immediate use in the development of the programme. This assumes the receipt of £0.55m in 2013/14 from asset sales as identified in paragraph 1.4.1 of the report of Corporate Leadership Team. If this receipt is not forthcoming, the available resources will be £1.2m. In addition, from 2015/16 onwards, the increase in resources available is equal to the accumulated annual revenue support.

In order to consider a programme for future years it is essential to consider all possible resource options. There are four major resource types available to fund any future capital programme, these are: revenue support; grants and contributions from third parties; receipts from the sale of council assets; and prudential borrowing.

#### Revenue Contributions

Over the last three years the Council has set aside resources for an annual revenue support budget of £0.35m. This represents 1.8% of the Council's net revenue budget, is funded within the base budget and is included in the table at paragraph 1.4.1 of the report of Corporate Leadership Team. An increase in the level of support, although possible, would place additional pressure upon the revenue budget. The strategic revenue projection suggest savings of £3.5m already need to be found over the medium term, in order to deliver a balanced budget.

There are other sources of revenue support available to the Council and in recent years these sources have been used effectively to support the current programme. The two major sources are the general fund balance and new homes bonus.

The general fund balance has been utilised in previous years to make a £1.5m one-off contribution to the programme and occasionally for necessary contributions to achieve urgent or emergency works. It is estimated that the unallocated general fund balance will be £5.2m by 31<sup>st</sup> March 2013. Of this sum the minimum working balance set by Cabinet is £2.3m and the absolute minimum balance set by Council is £2m. This means that approximately £2.9m is available. As this is a revenue resource there are pressures arising from the revenue budget that may demand equal prominence when considering its use.

The government's new homes bonus scheme (NHB) has now been in operation for two years and the amounts received by the Council so far are £0.9m for 2010/11 and £1.8m for 2011/12. With the exception of £0.18m set aside for one-off projects, these resources have supported the

capital programme. The Council can reasonably expect to receive a sum greater than £1.8m for 2012/13 reflecting the previous receipt plus a further bonus for new dwellings in 2012/13.

The £0.18m set aside from 2011/12 NHB for specific one-off projects includes £0.1m provisionally set aside for work on the play areas programme. This resource could be immediately introduced into the Capital programme at this time.

The risk relating to NHB in future years is the government's plans for a spending review in 2014. At that time the government may amend or remove the scheme in order to maintain progress in its plan to reduce public sector spending. Although future NHB payments are possible, it would not be prudent to consider their use until the spending review or another announcement clarifies the position.

### Grants and Contributions

Recent schemes that have received support through grants and contributions include the Museum, Mote Park, and the High Street. Some government grants are annual sums, such as the disabled facilities grant, but the majority of sums are one-off and scheme specific.

Part of the developer contributions often received for new developments, commonly known as section 106 agreements, can be received for capital purposes although the specific use of the resource is defined in the s106 agreement. This funding source is regularly used for parks and open spaces expenditure. Under a scheme resulting from the Planning Act 2008 the Council intends to develop a community infrastructure levy that will partly replace s106 agreements. The Council is expecting to utilise this levy to fund the works set out in the infrastructure delivery plan.

The Council could increase its focus on the development of schemes that achieve funding from such sources and the MTFS currently identifies the level of external funding as one element in the prioritisation of schemes. It does not recommend that schemes should be developed to specifically achieve external funding because such an action could potentially focus schemes away from the Council's priorities and towards the objectives of the third party that is providing the support.

### Capital Receipts

Since the voluntary transfer of the housing stock in 2004, receipts from the sale of assets have been the main source of funding for the capital programme.

By 2008 the resources from the transfer had been fully utilised. Since that time, the council has sold surplus assets to provide support to the programme. Receipts in the current programme represent all major assets that have been identified as surplus with the exception of one asset which, although included in the programme, remains surplus to requirements and for sale.

Further asset sales are restricted by two key issues, the difficulty in obtaining best consideration for the asset during the recession and evidencing, in advance of sale, the greater benefit to be derived from the proceeds of the sale when compared to current or alternative uses of the asset.

### Prudential Borrowing

When the Council received the proceeds of the voluntary transfer it made a decision to repay all debt, not just the debt related to the housing stock that had been sold. By doing this the Council became debt free and has remained debt free since that time.

The Council has the power to borrow to finance capital expenditure subject to the guidance set out in the Prudential Code. This code of practice is published by the Chartered Institute of Public Finance and Accountancy and covers the full range of capital planning not just potential borrowing. Compliance with the code is a statutory requirement. In summary the key objectives of the code are:

- to ensure within a clear framework that capital expenditure plans are affordable, prudent and sustainable;
- that treasury management decisions are taken in accordance with good professional practice;
- that local strategic planning, asset management planning and proper option appraisal are supported; and
- to provide a clear and transparent framework to ensure accountability.

If the Council were to consider prudential borrowing as a source of funding for the capital programme it would be required to evidence that such funding is affordable, prudent and sustainable. Given the current economic circumstances and the expected future pressure on resources, borrowing would place additional pressure on the savings requirements of the Council. At this time it would only be appropriate to consider borrowing where the overall benefit of the schemes within the programme outweighs the additional pressure on the general fund or the outcome is self-supporting.

### Resources Available

The review in this section of the report has identified the following resources that are, or will be available to the programme now or in the immediate future:

<b>Resources Type</b>	<b>Availability</b>	<b>£m</b>
Cash held	Immediate	1.2
Balances set aside for Play Areas	Immediate	0.1
NHB for 2012/13 (minimum)	By 01/04/2013	1.8
Future revenue support	2015 onwards	0.7
<b>Total</b>		<b>3.8</b>

The table excludes the value of the unsold assets set out in paragraph 1.4.1 of the report of Corporate Leadership Team.

### Developing a Capital Strategy

The current strategy states that “although commitment to a scheme is given by its inclusion in the programme, the strategy requires that funding is identified in advance of formal commencement of work”. This means that the appraisal and prioritisation of schemes occurs prior to the decision to enter into contractual commitments. Contractual commitment requires the scheme to be firstly detailed in the capital programme and then for the resources to complete the scheme to have been identified and certain.

The strategy further states that “the inclusion of specific capital schemes within the overall programme requires an assessment based on affordability in revenue and capital terms, including the whole life cost, deliverability in terms of ability to complete and a full risk assessment”. While these assessment criteria meet the requirements of the Prudential Code the Council also assesses schemes for their ability to deliver on the objectives set out in the strategic plan.

Following the assessment of the report of Corporate Leadership Team, it was agreed to consider an update to the current strategy that will support the development of a future capital programme in the current economic climate and reflect the revenue pressures faced by the Council. A strategy that includes the principles set out below was agreed.

#### Capital expenditure

All schemes and programmes within the capital programme are subject to appropriate option appraisal. Such appraisal must comply with the requirements of the Prudential Code.

Where schemes fit within a specific strategy that has programmed resources, such as the IT Strategy, the schemes should also be subject to appraisal and prioritisation against the objectives of that strategy and funded from the approved budgets allocated to that strategy.

Where schemes can be demonstrated to be commercial, producing a return that makes them effectively self-funding, they must also produce either an additional financial benefit or support the strategic plan priorities.

Where schemes do not fit within the criteria above but an appropriate option appraisal has been completed, the prioritisation of such schemes will be as follows:

1. For statutory reasons;
2. Fully or partly self-funded schemes focused on strategic plan priority outcomes;
3. Other schemes focused on strategic plan priority outcomes;
4. Other non-priority schemes with a significant funding gearing.

## Capital resources

The Council will maximise the resources available to finance capital expenditure in line with the requirements of the Prudential Code. The Council has budgetary provision for revenue funding of £0.35m. In addition to this resource the council will:

1. Maximise the use of external grants and contributions, subject to maintaining a focus on the priority outcomes of its own strategies;
2. Consider opportunities to obtain receipts from assets sales subject to the benefits of assets sales demonstrably outweighing the benefits of current and alternative uses of each asset;
3. Allow prudential borrowing when the following criteria also apply to the schemes funding by this method:
  - a. They are commercial in nature;
  - b. The outcome returns a financial benefit at least equal to the cost incurred by borrowing to fund the schemes;
  - c. After covering the cost of funding, a further financial or non-financial benefit accrues to the Council that directly or indirectly supports the strategic plan's priority outcomes.

## Capital Expenditure and a Future Programme

The report of Corporate Leadership Team set out a prudent limit to the resources that can be considered available for use, of up to £3.7m. It also reviewed the current programme and detailed the May 2009 reductions made across the capital programme.

Much of this reduction occurred to the asset management programmes and programmes within the housing strategy. The prudential code supports the use of such programmes and affords them high importance in option appraisal. It was agreed to give consideration to the full or partial replacement of the resources removed in 2009, a total of £0.44m per annum for the asset management programmes and a variable amount for both housing programmes.

It has been difficult to provide enough detail for amendments to those resources levels to be approved and to allocate any funding across the programmes. However Cabinet wished to consider the action in principle and set a maximum amount for this purpose and review each programme later in the year as part of the further development of the MTFS for 2013/14. It was also noted that the infrastructure delivery plan and to a lesser extent some other programmes (i.e. Play Areas) will receive future funding from section 106 agreements and the community infrastructure levy.

In developing the proposals set out in the report of Corporate Leadership Team, officers identified schemes that could form an updated capital programme. At this time Corporate Leadership Team is completing a full options appraisal however estimated values have given an indication of



the level of resources required have been summarised into the following categories:

<b>Scheme Category</b>	<b>£,000</b>	<b>Timescale</b>
Schemes that are high priority because of their legislative importance, i.e. for Health & Safety reasons.	800	Immediate
Schemes that meet the objectives of an asset management strategy that is considered for funding on an annual basis. It is assumed that these schemes will be funded from within the allocated resources	2,200	Funding to be considered
Housing Grants (2015/16 and 2016/17)	1,300	Per Annum
Support to Social Housing	2,070	When approved
Schemes that deliver one or more of the priority outcomes from the strategic plan or the corporate improvement plan.	4,445	When approved
Local Authority Mortgage Scheme	500	Long Term Investment
Schemes that offered a commercial potential and could be expected to deliver a return that would cover the cost of the scheme	1,000	When approved
<b>Total value of schemes being appraised</b>	<b>12,315</b>	

The resources available now or in the immediate future, as set out in paragraph 1.4.19 of the report of Corporate Leadership Team, demonstrate that options to update the programme are available at this time. The following proposal, based on the details in the report of Corporate Leadership Team, has been agreed:

- From the immediately available resources of £1.2m it is possible to commence those schemes identified as high priority for legislative reasons totalling £0.8m and including the necessary support for the provision of a new Gypsy and Traveller site;
- From the balance of the £1.2m above and the use of the annual revenue contribution, it would be possible to partially reinstate the funding of the programmes set out in paragraph 1.3.2. Cabinet may wish to consider utilising funding set aside for play areas and an immediate £0.2m to support an increased corporate property programme and receive reports on the current status of all strategies and their relative need before further distribution of any resources;
- From the minimum level of NHB for 2012/13, of £1.8m, it would be possible to commence work on one or more priority scheme providing commitment occurred and work commenced following the funding announcement in January 2013.

Elsewhere on the agenda was a report on the final stage of the High Street scheme. When Cabinet last considered the funding available for the High Street scheme, and agreed to progress with Phases 1a and 1b, Cabinet requested that officers report back on options when resources were available to complete the second phase of the scheme. The report on this agenda was brought back to cabinet at this time because the proposal above identifies the availability of £1.8m.

Cabinet were asked to also note two further matters regarding the High Street scheme:

- The scheme is featured within the draft infrastructure delivery plan;
- The community infrastructure levy will require public inspection including an assessment of the use of NHB in the provision of infrastructure.

### **Alternatives considered and why rejected**

Cabinet could at this time have chosen to take no further action in relation to the capital programme. An approved programme through to the financial year 2014/15 exists as set out in Appendix A to the report of Corporate Leadership Team. Whilst Cabinet could have chosen to wait, giving consideration at a future time, resources are available for immediate use and it is appropriate to consider options as part of the medium term financial strategy for 2013/14 onwards.

Cabinet could have chosen not to amend the strategy for the development of the capital programme and continue with the strategy currently in existence. It would have been possible to develop a programme using that strategy. It was however appropriate to consider the future needs of the organisation in keeping with the strategic plan priorities. Amending the strategy at this time reflects the current market conditions and the progressive ambitions of the Council.

Cabinet could have chosen to use prudential borrowing to finance a larger capital programme. Whilst achieving the Council's strategic aims at a quicker pace, such a strategy would place additional pressure on the revenue account. An alternative strategy such as this would not, at this time, support the requirements of the Prudential Code. The strategy recommended in the report of Corporate Leadership Team is that prudential borrowing should only be considered by this Council where a commercial assessment of a scheme indicates it is suitable. Criteria that identify a suitable scheme are that a return on the investment can be made that is, at least, equal to the resources required to maintain the necessary debt repayments.

### **Background Papers**

The Prudential Code, published by the Chartered Institute of Public Finance and Accountancy

Should you be concerned about this decision and wish to call it in, please submit a call in form signed by any two Non-Executive Members to the Head of Change and Scrutiny by: <b>3 August 2012.</b>
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**MAIDSTONE BOROUGH COUNCIL**  
**RECORD OF DECISION OF THE CABINET**

Decision Made: 25 July 2012

**Localisation of Council Tax Support**

**Issue for Decision**

To consider the options available to the Council in developing a local discount to replace the existing council tax benefit scheme. To endorse the principals of the recommended scheme and approach to consultation.

**Decision Made**

That the Council undertakes a formal consultation, as outlined under point 5 of the report of the Director for Regeneration and Communities, identifying option 6 (set out in Appendix A to the report of the Director for Regeneration and Communities) as the preferred scheme for implementation.

**Reasons for Decision**

Background

The current national scheme for council tax benefit will cease on the 31<sup>st</sup> March 2013 and be replaced by a new locally determined discount scheme. The new local scheme is intended to be administered in a similar way to other discounts, such as the single person discount, as opposed to a benefit payment; albeit that the scheme will at least initially still retain an element of means testing as part of its qualifying criteria.

With responsibility for funding the scheme transferring from the Department for Work and Pensions to the Department for Communities and Local Government, a 10% saving is assumed by the Treasury in the overall cost of the scheme. Funding will also be awarded in the form of a fixed grant as opposed to being demand led, with the cost currently met in full.

As a discount, the cost of the scheme has the effect of reducing the council tax base and thus affects all tiers of authorities, including Parish Councils and Major Preceptors.

In addition to the changes within the benefit system, the Local Government Finance Act, which is currently progressing through Parliament, also provides new local discretion in relation to the discounts and exemptions provided for empty properties and second homes.

This includes the option to remove the current 10% discount that is provided for second homes and replace the current mandatory exemptions for the following categories of properties with a reduced level of discount.

- Properties that are empty and in need of substantial refurbishment or repair (Class A)
- Properties that are empty for up to 6 months (Class C)
- Properties where the mortgagee is in possession (Class L)

Whilst further work is required in relation to the wider opportunities to be introduced through the Local Government Finance Act, consideration has been given to how the changes could support and help mitigate the full impact of the changes to council tax benefit, whilst reducing the period that properties remain empty within the Borough.

As a consequence, Kent County Council has been actively involved in coordinating a number of options, which have been modelled and discussed at officer level through the Kent Finance Officers Group, Kent Benefit Managers Group and at Member level through the Kent Forum. These options are set out within Appendix A to the report of the Director of Regeneration and Communities.

There are 6 primary options which have been considered, with option 6 representing a variation to a County wide scheme (option 5) that was proposed jointly by Kent County Council and other major preceptors.

Option 6 has been identified as the preferred scheme on the basis that it supports;

- The policy aim of the welfare reform agenda to make work pay and reduce benefit dependency
- Households currently in receipt of Council Tax Benefit by mitigating in part the reduction in Government funding for the scheme.
- The wider public interest by avoiding the reduction in Grant being met through a general increase in council tax or reduction in local services.
- The aim of reducing the length at which properties remain empty within the Borough.
- The financial standing of the Council by limiting the financial impact of any increase in demand and cost for the scheme, whilst recognizing and contributing to the anticipated cost of collection.

The scheme outlined within option 6 will provide for a 13% reduction in current council tax benefit entitlements, whilst otherwise retaining the existing rules and criteria. It will also use the new discretion to be introduced through the Local Government Finance Act to remove the 10% discount provided for second homes and reduce the exemption that empty properties receive from 6 to 3 months.

The financial impact of each option is shown in Appendix B to the report of the Director of Regeneration and Communities.

The issue that requires a decision is 'what option would be most appropriate for the people of Maidstone?'

The Council needs to decide whether it will absorb the 10% reduction in funding or develop a scheme that can be maintained within the reduced level of funding.

If the Council decides to meet the anticipated shortfall in grant it will place an additional burden on the level of council tax charged across the Borough or requires a reduction in spending on services.

If a local scheme is developed which reflects the reduction in grant, those households currently receiving support in the form of council tax benefit will have a reduction in the level of financial support provided, increasing the contribution which they are required to make towards the payment of council tax.

Residents of pensionable age are identified by government as a group to be protected from any adverse change or reductions in benefit as a result of implementing a new local scheme. No other groups have been identified.

#### Who will we consult following the decision

Following agreement as to the principle of the scheme to be adopted, a formal consultation will be undertaken with residents, local businesses, landlords, voluntary sector partners and precepting authorities.

The consultation is planned to start on the 6<sup>th</sup> August and close on the 5<sup>th</sup> October 2012.

An outline of the proposed scheme and details of its impact will be provided within the consultation document. The consultation will be sent by post to key stakeholders and households directly affected by the change, with wider comments invited through the consultation pages of the Councils website. The final decision, taking account of the consultation responses will be taken by Full Council later this financial year.

#### **Alternatives considered and why rejected**

It is not possible to devise a completely new scheme by April 2013 and software suppliers have indicated that only limited changes to the current software may be possible.

Should the Council fail to adopt a local scheme by the 31<sup>st</sup> January 2013 the Council would by default be required to continue a scheme based on the current rules regarding entitlement, requiring it to absorb the 10% reduction in grant funding.

The modelling of alternative schemes can be progressed in the future

but the timescale, software changes required and delay in the regulations for the new local scheme severely limit the options available in designing a scheme for April 2013. The other major constraint is the requirement to fully protect pensioners so that they receive the same level of support as they receive under the current system, whilst achieving a 10% reduction in the overall funding of the scheme.

Further, the Government is encouraging authorities to consider the impact of proposed schemes on other vulnerable groups and not to devise schemes that act as a disincentive to work.

A summary of the options, their benefit and limitations is shown at Appendix A to the report of the Director of Regeneration and Communities.

## **Background Papers**

DCLG Publications and Guidance:-

Statement of Intent  
Funding Arrangements Consultation  
Taking Work Incentives into Account  
Vulnerable People – Local Authority Duties

<p>Should you be concerned about this decision and wish to call it in, please submit a call in form signed by any two Non-Executive Members to the Head of Change and Scrutiny by: <b>3 August 2012</b>.</p>
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## **MAIDSTONE BOROUGH COUNCIL**

### **RECORD OF DECISION OF THE CABINET**

Decision Made: 25 July 2012

#### **Phase 2 High Street Improvement Project**

##### **Issue for Decision**

To consider whether to progress with Phase 2 of the High Street Improvement Project

##### **Decision Made**

1. That Phase 2 is progressed and the project funded from the Council's Capital Programme with a budget total of £1.7 million.
2. That delegated authority be given to the Director of Regeneration and Communities, in consultation with the Cabinet Member for Economic and Commercial Development, to agree design changes to Phase 2 before and during the construction period to keep the project within budget.
3. That delegated authority be given to the Head of Legal Services to enter into a contract (on terms to be agreed by the Director of Regeneration and Communities) with a contractor to undertake the construction of Phase 2.
4. That delegated authority be given to the Head of Legal Services to enter into a contract (on terms to be agreed by the Director of Regeneration and Communities) for a Designer, a Project Manager, a Quantity Surveyor and Construction Design Management Coordination Services (CDMC).
5. That delegated authority be given to the Head of Legal Services to enter into a Section 278 agreement with Kent County Council to undertake works to the public highway.

##### **Reasons for Decision**

In March 2011 a phased approach to the High Street Regeneration Project was agreed due to the fact that the forecast of available resources at that time did not permit the completion of all projects in the capital programme. It was agreed that a further report should be brought to Cabinet to consider the implementation of Phase 2 when capital resources became available.

Elsewhere on this agenda the capital programme for 2013/14 onwards has identified resources in excess of £1.7m that are immediately available for new capital schemes. A number of possible capital projects have been proposed by Officers for the Cabinet to consider alongside the Infrastructure Delivery Plan which is separately reported on this agenda. The High Street Phase 2 project is one of these proposed for funding within the capital programme following the Cabinet decision in March 2011.

Phase 1 and 2 covers the areas set out in Appendix 1 to the report of the Assistant Director of Regeneration and Cultural Services. The sum proposed in the capital programme for Phase 2 will require design changes to be made to the original designs for the Lower High Street to meet the new proposed allocated budget of £1.7m.

The design changes proposed reduce the costs and risks of delivery. These include:

- Retaining the Cannon Plinth in its current state, rather than building a new plinth.
- Retaining the three existing trees but not planting new ones.
- Retaining the existing utility cabinets.
- Reducing the amount of granite used by 33% and replacing with other material. Grass is currently proposed but long term maintenance will need to be considered.
- Retaining granite paving along the building lines to tie together Phase 1 and Phase 2.

Early design concepts and illustrations are shown in Appendix 2 to the report of the Assistant Director of Regeneration and Cultural Services and these will be further refined over the next few months, in consultation with the public, residents, businesses and other stakeholders including bus operators, taxi representatives and the disability focus group. It will be necessary to consider whether these design changes once agreed require planning permission.

Draft Project Costs are set out in the Exempt Appendix to the report of the Assistant Director of Regeneration and Cultural Services.

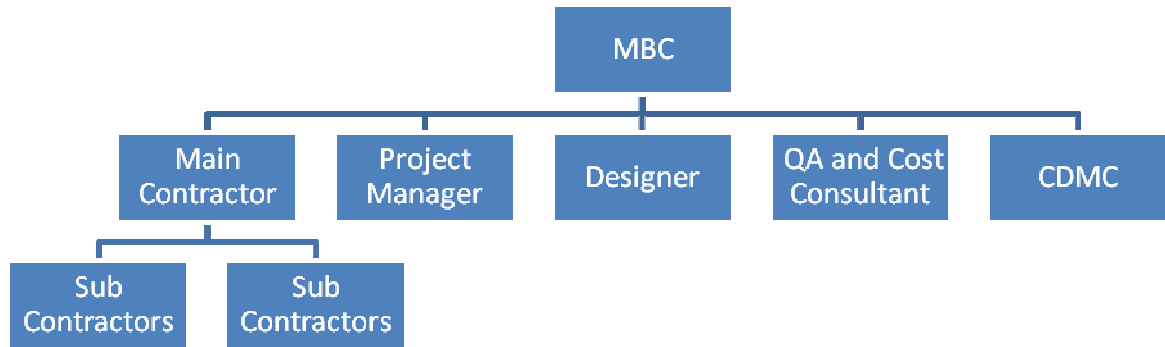
### Procurement

Following an OJEU restricted tendering procedure, Eurovia was appointed as the main contractor in May 2010. It was the intention at that time to deliver the project in the whole of the High Street, including Bank Street and part of King Street. However the contract with Eurovia reflected the decision to phase the High Street works and covers the first phase only. The contract sum for the Phase 2 work is below the requirement to follow the OJEU procedure but the Council's procurement rules remain and a tender process or a waiver to the Council's contract procedure rules will be considered.

Contract Structure:

The contract structure proposed is set out below.

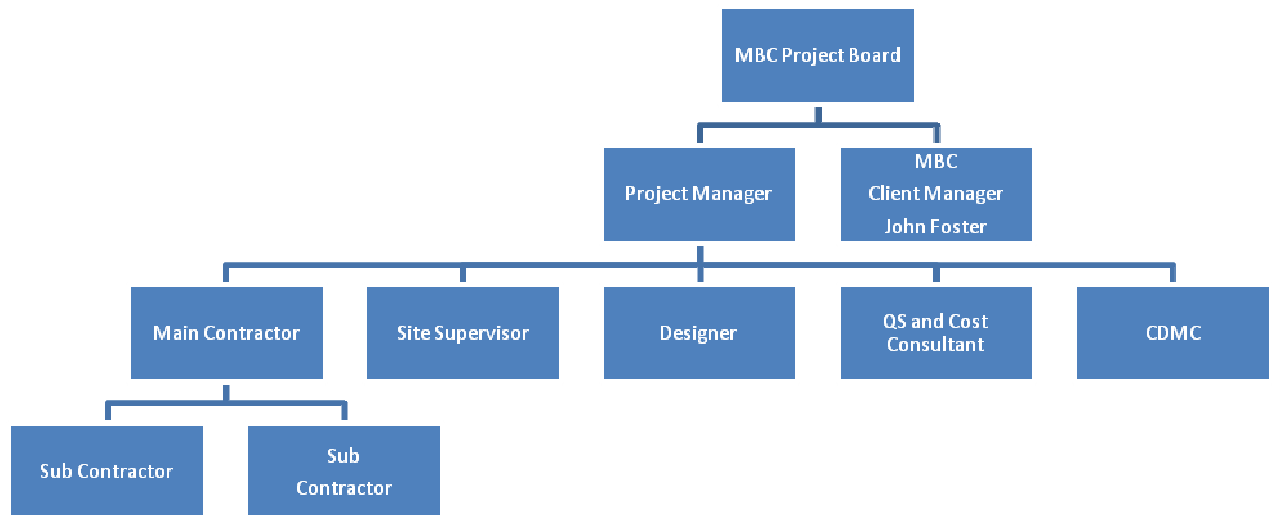




Project Management

Mid Kent Audit Partnership carried out a review of the Phase 1 Project Management arrangements in December 2011. The review aimed to confirm the governance arrangements over delivery and management of the project; and to ensure that the planning, monitoring and control of all aspects of the project are in place to achieve the project objectives on time and to the specific cost and quality requirements. The review concluded that the controls in place over the High Street Regeneration project currently provide a substantial level of assurance. It is intended to replicate these arrangements for Phase 2, and update the Project Management Documentation accordingly.

Reporting lines:



## Programme

A number of factors will influence the timetable up to the time when a contractor can start on site. What tender process is followed and whether a new planning application is required will be the most significant influences on the programme. Consultation with stakeholders and agreeing the works with Kent County Council, as Highway Authority, through the Section 278 Agreement also need to be considered. As a broad indication a start on site in spring next year is likely.

### **Alternatives considered and why rejected**

The do nothing option:

The need for the project and the benefits have been set out in the report by Colin Buchanan and Partners. If the project does not go ahead the Lower High Street will remain in a poor physical state and opportunities to attract new footfall and visitor expenditure will be diminished.

Reduce the size of Project:

It may be possible to reduce the size of the project or phase it further. If only part of the Street were to be improved the visual impact may be lessened and the consequential projected visitor expenditure and increase in footfall may be reduced.

Reduce Capital Costs Option:

Changing the specification of the materials further may offer some savings on capital costs. However a vital element of the scheme is to raise the quality of the environment of the entire High Street complementing the existing historic architecture and features. Care must be taken not to significantly reduce the visual impact which could reduce the desired objective to increase footfall and visitor numbers.

### **Background Papers**

None

Should you be concerned about this decision and wish to call it in, please submit a call in form signed by any two Non-Executive Members to the Head of Change and Scrutiny by: <b>3 August 2012.</b>
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## **MAIDSTONE BOROUGH COUNCIL**

### **RECORD OF DECISION OF THE CABINET**

Decision Made: 25 July 2012

#### **Core Strategy Public Participation: Key Issues and Responses**

##### **Issue for Decision**

To consider the key issues arising from the representations made during public participation consultation on the draft Core Strategy, together with the Officers responses

##### **Decision Made**

1. That, without prejudice to consideration of all representations prior to the approval of the Core Strategy for the next round of public consultation planned for December 2012 (regulation 19<sup>1</sup>), and the key issues arising from the 2011 public participation consultation on the draft Core Strategy, the officers' responses be noted, and the following be agreed:
  - i) Replace the 10,000 jobs target set out in policy CS1 with a specific employment floorspace requirement expressed in square metres;
  - ii) Retain junction 8 of the M20 motorway as a strategic location for economic development to address qualitative and quantitative employment needs and the aspirations of the Council;
  - iii) Retain junction 7 of the M20 motorway as a medical campus, and allocate land for development in the Core Strategy in conjunction with the adjacent redevelopment of Newnham Court Shopping Village, to be guided by an approved development brief;
  - iv) Retain the housing target of 10,080 dwellings in a dispersed pattern of development;
  - v) Retain the two strategic housing development locations to the north west and south east of the urban area, and allocate land for development in the Core Strategy to be guided by development briefs;
  - vi) Update Maidstone's 5-year housing land supply and housing trajectory to a base date of 1 April 2012, and engage with the development industry to achieve consensus over the methods of calculating elements of land supply, including a 5% contingency

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<sup>1</sup> Town and Country Planning (Local Planning)(England) Regulations 2012

allowance;

- vii) Include housing targets in policy CS1 for each of the rural service centres in accordance with those set out in the Cabinet report of 9 February 2011, reproduced at paragraph 1.5.22 of the report of the Director of Change, Planning, and the Environment;
- viii) Include reference to the early release of a proportion of suitable greenfield sites at the rural service centres in the Core Strategy in advance of the adoption of the Development Delivery Local Plan where supported by evidence of need;
- ix) Note that work is being undertaken on the viability of Core Strategy policies, including affordable housing, and that a subsequent report on this issue will be presented to Cabinet;
- x) Retain the five rural service centres of Harrietsham, Headcorn, Lenham, Marden and Staplehurst;
- xi) Note that the draft Integrated Transport Strategy, which is the subject of a separate report attached to the agenda, addresses the issues relating to improvements to highways and public transport raised by respondents;
- xii) Rename green wedges as green and blue corridors, transfer references to corridors in policy CS3 to policy CS1, and amend the green wedges notations on the key diagram;
- xiii) Reword the Gypsy and Traveller accommodation policy (CS12) to provide clarity and to include a landscaping criterion; and
- xiv) That the work that is ongoing to provide for a suitable public site(s) for Gypsy and Traveller accommodation be noted

## **Reasons for Decision**

The Core Strategy Local Plan is the key document of the local planning policy framework. It sets out the Council's spatial vision and objectives over a 20 year period from 2006 to 2026, and it contains a number of spatial policies that explain how much development will be provided over the plan period, where this will be located and (equally important) where it will be resisted. The Core Strategy also contains a number of core policies that focus on delivering the strategy and setting criteria against which development applications can be determined.

The public participation consultation on the draft Core Strategy commenced on 2 September 2011 and ran for 6 weeks. This stage in the plan making process was formerly known as regulation 25 consultation, but it equates to regulation 18 under new legislation<sup>2</sup>. The consultation was widely publicised through advertisement, the website, leaflet drops to

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<sup>2</sup> Town and Country Planning Act (Local Planning) (England) Regulations 2012

householders and a newsletter to all those listed on the Council's local plans database. A number of events were organised, including roadshows at key locations across the borough and a permanently staffed exhibition at the Town Hall throughout the consultation period. Presentations were made to all parish councils, the business community, and hard-to-reach resident groups.

A total of 585 individuals and organisations responded to the consultation, submitting nearly 2,800 comments, which is a reflection of the success of the consultation. A breakdown of the 585 respondents is set out below.

- 436 members of the public (74%)
- 75 from the development industry (13%)
- 27 from parish councils (5%)
- 27 other organisations (such as Kent Wildlife Trust, Arriva, Southern Water) (5%)
- 17 Maidstone Borough Councillors (3%)
- Kent County Council
- Tonbridge & Malling Borough Council
- Medway Council.

Since the initial consultation the Council has spent a considerable amount of time investigating and reviewing the issues that arose from the representations, including the production of new evidence and re-engagement with some of the stakeholders and infrastructure providers, in order to fully respond to the comments made and to provide a robust evidence base. Legislative changes have also taken place including the government publishing the National Planning Policy Framework (NPPF) and Planning Policy for Traveller Sites in March 2012. This caused further delay to the programme while the impacts of new national policies on the Core Strategy were assessed.

The key issues raised by these representations are the background to this decision. In moving forward, it is vital that any significant changes to the strategy are agreed by Cabinet. A further report will be presented to Cabinet later this year, which will include a summary schedule of all of the representations made during the public participation consultation on the Core Strategy last autumn (including minor proposals) as well as representations submitted during the public consultation on strategic housing and employment sites to be undertaken this summer. The schedule will summarise the individual comments received, together with officers' responses and recommendations for each.

The full schedule of representations and recommended responses has not been completed at this point due to the Cabinet decision on 16 May 2012 to undertake public consultation on strategic housing and employment site allocations, which resulted in amendments to the Core Strategy work programme. Cabinet is requested to give preliminary consideration to the key issues together with officers' responses set out below, but without prejudice to Cabinet's final decisions on the Core Strategy that will be made in November 2012. Cabinet will then be able to review all of the representations and officer recommendations in advance of preparing for public consultation on the Core Strategy in December 2012 (new

regulation 19).

## Employment Targets and the Distribution of Development (CS1)

### Representations

Twelve respondents (2% of the total comments on this policy) have challenged the jobs target. Some say the target is too high and others too low. Objectors are concerned that there is not enough evidence to explain where 10,000 new jobs will come from, and also raise concerns that commuting to out-of-town employment locations is not acceptable. Respondents would prefer the Core Strategy to focus on providing high quality employment only, objecting to the prioritisation of warehousing because it is considered that such jobs are low skilled.

Some respondents seek a more flexible approach to changes of use where an existing employment site does not meet modern business requirements, and are looking for flexibility in policies to allow for additional office development outside of the town centre. There is also a call for a wider distribution or a dispersal pattern of employment sites, in line with the distribution of housing sites.

There is support from the public and the development industry for the identification of junction 8 of the M20 motorway as an employment location (22 respondents or 5%). There are also suggestions that this location could accommodate housing or mixed use development for housing and employment. There is a high level of opposition to development at junction 8 from local residents (254 respondents or 52%), who object on the grounds of the KIG appeal decision, the impact on the landscape, the loss of Special Landscape Area protection, increased traffic congestion, and the provision of low skilled jobs in this location. Alternative employment sites are proposed at Detling Airfield Estate, Park Wood and Hermitage Lane. Apart from a subsidiary part of Detling Airfield, none of these sites are being promoted by the landowners. Undeveloped land to the west of Detling Estate has been put forward by the landowner.

There is support for medical research facilities at junction 7, provided development has adequate links to the motorway. There is also a minority view that reference to medical research in the policy is unnecessarily specific, and those developers are seeking general employment or mixed use development (including housing and retail) in this location. Objections to development at junction 7 are based on concerns about the impact of development on the landscape, in particular the setting of the Area of Outstanding Natural Beauty, and traffic congestion. There is a suggestion that any proposals for research and development should be located at Maidstone Hospital or at Detling Showground, but not by the landowners of those sites.

### Officers' response

The workforce for the 10,000 additional jobs will come, in part, from the increase in resident labour supply resulting from the completion of 10,080 new dwellings. This target provides for an additional resident labour

supply of 5,000 workers<sup>3</sup>. The balance of jobs will be provided by reducing out-commuting and increasing in-commuting, with a particular focus on the delivery of a proportion of employment development that attracts well paid jobs. This objective underpins the Economic Development Strategy 2008 (EDS) and the land requirements set out in the Employment Land Review Partial Update 2011 (ELR). Development, such as the medical campus proposed at junction 7 of the M20 motorway and premium offices at junction 8, is likely to attract residents currently commuting out of the borough, including to London. Further objectives of the EDS include an overall increase in economic activity rates in the borough as well the promotion of higher and further education, thereby expanding the pool of local skilled labour available to match the jobs supply. While it is important to reduce out-commuting, the borough should be providing for a balance of jobs. The Council cannot of course control the number of jobs created, only the hectareage or square metres of floorspace of employment allocations to encourage employers to locate in the borough.

While the Core Strategy will allocate land for employment development, wider promotional initiatives will play a key role in achieving economic prosperity and attracting employers to assist in achieving the right balance of jobs and reduce out-commuting. Thus it is more appropriate for the Core Strategy to reflect the demand for employment floorspace and the Council's aspirations in terms of land use and, consequently, it is recommended that the 10,000 jobs target set out in policy CS1 of the draft Core Strategy 2011 be replaced with a specific employment floorspace requirement expressed in square metres, which is easier to monitor.

The ELR sets out the m<sup>2</sup> and hectareage demand for each of the B use classes based on 2009/10 data. Although this data will be updated (with the amount of employment floorspace granted planning permission in the intervening period) prior to the next round of public consultation on the Core Strategy (regulation 19<sup>4</sup>) in December 2012, the need to provide for a range of employment uses persists. The Council's targets will be redefined in policy CS1 to support the employment needs for the borough, including identified demand and the Council's aspirations to provide for advanced manufacturing and industrial uses.

Office development must be directed towards the town centre in accordance with the National Planning Policy Framework 2012 (NPPF) and the application of the sequential test. The borough's quantitative office needs can be provided for in its town centre. To meet qualitative demand, further office development is provided at Eclipse Park to deliver some flexibility and choice for the market, and demand will also be met through a quantum of research and development facilities proposed at the medical campus and premium office development at junction 8. It has been demonstrated<sup>5</sup> that the borough's industrial/warehousing employment needs cannot be met through a dispersed pattern of development.

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<sup>3</sup> Demographic and labour supply forecasts 2010

<sup>4</sup> Town and Country Planning (local Planning) (England) Regulations 2012

<sup>5</sup> Cabinet 9 February 2011

With regard to the strategic employment location at junction 8 of the M20 motorway, officers have undertaken an assessment of the alternative sites proposed by respondents to the 2011 public consultation event, despite not having any current evidence of their availability for redevelopment.

The suitability of the Parkwood Industrial Estate for significant intensification and expansion is limited by highway constraints. Existing vacant floorspace at the industrial estate has already been accounted for in demand calculations. The loss of existing floorspace as a result of redevelopment would need to be taken into account, so any net gain would not be enough to meet requirements for additional industrial/warehouse development.

Detling Airfield Estate is located within the nationally designated Area of Outstanding Natural Beauty (AONB). The site has limited capacity and the existing employment floorspace on the estate lost through redevelopment would have to be offset against gains. Traffic would be directed via junction 7 of the M20 motorway which does not have the capacity of junction 8, and development would require transport infrastructure (such as a large roundabout on the A249) which it could not fund. The undeveloped land between the estate and the County Showground has been promoted by the landowner for development. The same transport concerns raised for the redevelopment of the estate would apply, and the landscape concerns of development on a greenfield site within a nationally designated AONB would be even more acute.

Key constraints to industrial and warehouse development in the broad location of Hermitage Lane at Allington is the lack of capacity at junction 5 of the M20 motorway and the A20/Hermitage Lane junction to cope with additional HGV movements, as well as the proximity of such uses to residential properties and the Maidstone Hospital. A critical mass of employment uses could not be delivered in this location.

Maidstone's employment needs cannot be met through a dispersed pattern of development. Junction 8 is the best location for a critical mass of employment uses, including premier office development, industry and warehouse uses, which will provide for a qualitative scheme in a parkland setting to help mitigate the impact of development on the landscape. Junction 8 has transport capacity, and studies demonstrate that the impacts on local roads, including HGV movements, are within reasonable limits. Development will be guided by a development brief approved by the Borough Council and undertaken in consultation with local stakeholders. The preferred site in this location will be subject to public consultation, and is discussed in a separate report on strategic site allocations.

Junction 7 of the M20 motorway is identified as a strategic location on the draft Core Strategy 2011 key diagram for a medical hub. Following progress on the construction of the Kent Institute of Medicine and Surgery (KIMS) clinic in this location and the identification of further opportunities for medical facilities in association with the clinic, the site is considered as part of the strategic site allocations report.



A medical campus provides an opportunity for Maidstone to become a centre for medical excellence. It supports the Council's objectives for economic prosperity and the allocation will deliver a well designed and sustainably constructed development that will attract a skilled workforce and assist in balancing the jobs market. There are no alternative sites suitable for this type of development in the borough because of the nature of demand for these facilities, and the proximity of the campus to the KIMS clinic and motorway junction. Development will have an impact on the landscape so mitigation measures will be critical to the site's development. Development will be guided by a development brief approved by the Borough Council, which will include a range of mitigation measures, including highway and public transport improvements.

General employment or mixed use development including housing is not an appropriate use for this site, and such uses have been provided for elsewhere. The site has been identified as a unique opportunity for a medical campus to provide specialist medical facilities, research and development and medical teaching.

The medical campus is adjacent to Newnham Court Shopping Village, and the owners of the Village are currently seeking to make improvements to existing retail facilities. The redevelopment of the shopping village together with the medical campus will attract the investment funding required to facilitate highway improvements necessary to serve the development. Extending the development brief for the medical campus to incorporate the shopping village will provide an opportunity to secure a well planned, well designed and comprehensive development at an important gateway into Maidstone. The impact of replacement retail facilities on the town centre will be addressed through the requirement for retail impact assessments and policy restrictions.

### Housing Targets and the Distribution of Development (CS1)

#### Representations

There are mixed responses to the Council's 10,080 dwelling target whereby some respondents support the target (22 respondents or 5%) while others believe it is too high or too low (42 respondents or 9%). A proportion of the development industry is proposing a higher target, while residents are seeking a reduction. There are also objections to the housing target on grounds that it is not in conformity with the South East Plan target of 11,080 dwellings. A few developers feel there is a lack of testing of alternative options for delivering housing development.

There are a number of challenges from the development industry to the Council's housing land supply (19 respondents or 4%), and some objectors are seeking a 20% contingency allowance for the non implementation of planning permissions when undertaking 5-year housing land supply calculations.

There is a consensus of support from both the development industry and residents for a dispersed pattern of development that delivers housing at the urban fringe and at rural service centres, although a minority of

respondents do object in part or as a whole.

There is support for the principle of identifying a strategic housing development location to the north west of the urban area in the vicinity of Allington, although some objections focus on reducing the amount of housing proposed. A number of residents and the adjoining local authority unconditionally object to development in this location (47 respondents or 10%) on the grounds of increased traffic congestion, the impact on the landscape, and maintenance of the strategic gap between conurbations.

There is general support for the south east strategic housing development location around Park Wood and Otham (6 respondents or 1%). In the main, objections are from a minority section of the development industry which is objecting to a move away from a strategic development area that would accommodate 3,000 or 5,000 dwellings supported by a strategic link road.

One objector from the development industry has suggested that a north Maidstone corridor should be identified more firmly as a suitable mixed use business location that would have housing potential to support the employment uses.

With regard to the distribution of development at rural service centres, there is a call for the inclusion of specific targets for the villages in the Core Strategy, as opposed to a single target to be distributed amongst the 5 villages (27 respondents or 6%). Additionally, developers have referred to the importance of the 9 February 2011 Cabinet report, which discussed the potential to release a limited amount of appropriate development sites at rural service centres in advance of land allocation documents, provided there is firm evidence of local need. The development industry would like to see this reference included in the Core Strategy.

Some landowners, developers and/or agents have focused their comments on the strategy and the proposed distribution of development, and have not used the consultation as a vehicle to promote their sites. Others have promoted individual sites and used their availability as part of the argument in support of the Core Strategy or as a tool for seeking an amendment. There is a call from part of the development industry for the Core Strategy to include detailed strategic development site allocations, as opposed to the strategic development locations identified on the key diagram of the draft Core Strategy.

#### Officers' response

On 16 May 2012 Cabinet approved the inclusion of strategic site allocations within the strategic development locations identified on the key diagram of the draft Core Strategy 2011. This decision was made in the context of a review of the Local Development Scheme and in response to representations made during public participation consultation (2 September to 14 October 2011). There were a number of benefits to this approach set out in the May report, not least good planning practice and the certainty it gives to the public and the development industry about the quantity and location of development. The recommended strategic

housing and employment site allocations, which will be the focus of a partial public consultation on the Core Strategy (regulation 18), are the subject of a separate report. Following consultation on strategic housing and employment site allocations, the draft Core Strategy as a whole (as amended by both regulation 18 consultations) will be approved for Publication consultation (regulation 19) in December 2012.

The Council has been through an extensive exercise to determine how much development (with supporting infrastructure) the borough can accommodate, and has also tested distribution patterns of growth against a number of different factors. During the preparation of its Core Strategy, the Council approved a methodology to test 5 development options using 3 potential housing targets and 2 distribution patterns of development (concentrated and dispersed)<sup>6</sup>. The 3 dwelling targets were based on:

- 8,200 representing natural growth and the draft South East Plan 2006 target
- 10,080 representing Growth Point submissions and the South East Plan EiP Panel<sup>7</sup> recommendations
- 11,000 in line (approximately) with the adopted South East Plan 2009 target of 11,080 imposed by the Secretary of State (contrary to the EiP Panel's recommendations)

The option testing focused on the Council's priorities for Maidstone to have a growing economy and to be a decent place to live, but also took into consideration infrastructure capacity, environmental and ecological capacity, place shaping and deliverability. The Council's evidence base was expanded to include demographic and labour supply forecasts; transport modelling; a Strategic Housing Land Availability Assessment; a Strategic Housing Market Assessment; a Water Cycle Strategy; and studies on employment, retail and the town centre. Furthermore, the infrastructure and service providers were consulted on the options for developing the housing strategy. All of these elements contributed to the decision making process.

The methodology was objectively assessed by the Council's Business Transformation team and, following a report on the results of the exercise<sup>8</sup>, Cabinet approved a target of 10,080 dwellings for public consultation. A full assessment of the options is also included in the Sustainability Appraisal that will support the strategic site allocations during public consultation and the Core Strategy through its various stages of production.

In brief, the option of 8,200 could only be tested in a dispersed pattern of development and was rejected because the cost of infrastructure required to support this option was considerably in excess of the funds that could be secured through development. The remaining four options of 10,080 and 11,000 dwellings in dispersed or concentrated development distribution patterns had contrasting strengths due to the broad differences in distribution. Some options better met the housing need and prosperity aspirations of the Council while others minimised the impact of

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<sup>6</sup> Cabinet 29 September 2010

<sup>7</sup> South East Plan Examination in Public Panel Report (2007)

<sup>8</sup> Cabinet 9 February 2011

development on environmental and ecological capacity. Certain options were better at delivering infrastructure and place making, while others built more flexibility and choice into the strategy or better balanced urban and rural development. Development could fund the infrastructure required to deliver the remaining four options, including transportation measures, but could not finance a strategic link road to required standards. However, unlike the higher housing target tested, 10,080 dwellings could be delivered without relying on SHLAA<sup>9</sup> sites that proved difficult to develop<sup>10</sup>.

A local housing target of 10,080 dwellings for the plan period, to be provided in a dispersed pattern of development, was the best option to ensure the Core Strategy is affordable and deliverable, offering choice and flexibility. This option took account of the demand for new and affordable housing, the availability of suitable development sites, and the need for new infrastructure required to support new development. The range of policies contained in the former South East Plan and the emerging draft Core Strategy were taken into account when developing the housing target and development distribution, a number of which aim to protect the environment and manage traffic congestion.

It is accepted that Maidstone borough has performed well in the housing market over the past 5 years and has delivered its targets<sup>11</sup>. However, past high building rates are a reflection of the completion of high density flatted development on a number of brownfield sites that became available in the town. The strong relationships internally between planning and housing and externally with the registered providers of affordable housing, together with external funding from the Homes and Communities Agency, have also contributed to a strong market performance. Given the current economic climate, changes in government funding for housing and borrowing rates, these development rates will not continue, particularly when new site allocations are adopted and lower density greenfield sites are released. Not all SHLAA sites will be suitable for development once further appraisals are undertaken. Past development rates alone cannot be relied on to extrapolate future housing targets. Local housing targets should be based on evidence and engagement with the community.

A target of 10,080 dwellings delivered in a dispersed pattern of development remains the most sustainable for Maidstone borough. This approach strikes a good balance between growth and environmental capacity; and a balance between securing economic prosperity and decent affordable housing with protecting the environment and minimising the impact of development on traffic congestion. The strategy delivers the Council's spatial vision and there does not appear to be any compelling evidence to suggest a move away from a target of 10,080 dwellings.

The National Planning Policy Framework (NPPF) was published in March 2012. It makes clear that regional strategies form part of the development plan until such time as they are abolished by Order using the powers of the Localism Act (2011). The NPPF also confirms that local

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<sup>9</sup> Strategic Housing Land Availability Assessment 2009

<sup>10</sup> Strategic Sites Assessment 2009

<sup>11</sup> Annual Monitoring Report 2010/11

planning authorities can continue to draw on evidence that informed the preparation of regional strategies to support local plan policies (paragraph 218). The Core Strategy must be in general conformity with all policies of the NPPF and the South East Plan, including those that seek to protect the environment and relieve traffic congestion. It is considered that the strategy meets these requirements and the dwelling target of 10,080 units is therefore in general conformity with both documents, and is based on evidence submitted to the South East Plan EiP.

Several respondents challenge Maidstone's 5-year housing land supply. Annual housing land surveys are undertaken, and supply is calculated using tried and tested methods. There can be disagreement over the phasing of sites that have outstanding planning permissions, which is a more subjective part of the assessment, but each year officers contact all applicants with sites of 10 units or more to check the delivery of their sites. Nevertheless, this is an important year because the data as at 1 April 2012 will form part of the evidence base to support the Core Strategy at examination, and it would be prudent to try to identify and resolve areas of disagreement with the development industry. Consequently, officers will hold round table sessions with representatives of the development industry with a view to gaining a consensus on the methodology for calculating 5-year housing land supply and other elements of supply that contribute to the 20-year housing trajectory. These sessions will be held over the summer, in advance of updating the 5-year supply data for Maidstone's Annual Monitoring Report and the 20-year housing trajectory that will support the Core Strategy at Publication, Submission and Examination stages.

The adopted NPPF requires local authorities to build in an additional 5% buffer when calculating their 5-year housing land supply (rolling forward on an annual basis). The buffer is only increased to 20% for those authorities who have poor past delivery rates of their housing targets. This is certainly not the case in Maidstone.

In developing its strategy, the Council has moved away from an urban extension (Option 7C) for good reasons set out in this report. The strategic site allocations report examines the capacity of sites in the strategic locations identified on the draft Core Strategy 2011 key diagram, and looks at the impact of development on the landscape, the environment and the transport network among other issues. Development will be guided by a development brief for each site, and policies will set out the mitigation measures necessary for development to proceed. The public will have an opportunity to comment on specific site allocations in August/September before the Core Strategy is amended for public consultation in December.

The Council is proposing to meet specific development needs by releasing prime location sites at junction 7 for a medical campus and junction 8 for premium offices, industrial and warehouse development. Both sites will be contained by structural and internal landscaping and there are no proposals for future expansion. These are not appropriate locations for housing or general business use, and to reduce employment capacity at junctions 7 and/or 8 to accommodate residential development would affect the Council's ability to meet its employment needs. Housing

development in addition to the employment proposed at junction 8 would compromise the setting of the AONB. There is no firm evidence to support the identification of a north Maidstone corridor for employment and/or housing development, and there is no justification for moving away from a sustainable housing strategy locating new housing in and at the edges of the urban periphery and at the rural service centres.

Policy CS1 of the draft Core Strategy 2011 sets an overall target of 1,130 dwellings to be accommodated on new greenfield sites at the five rural service centres of Harrietsham, Headcorn, Lenham, Marden and Staplehurst. The Strategic Housing Land Availability Assessment 2009 and the Strategic Sites Assessment 2009 demonstrated an adequate choice of sites to meet this target. The distribution of this target (used for testing purposes) was illustrated in the Cabinet report of 9 February 2011. Given the need for neighbourhood plans to be in conformity with development plan policies, and to provide clarity for the public and the development industry, it is appropriate to include the targets for each village:

- Harrietsham                    315 dwellings
- Headcorn                        190 dwellings
- Lenham                         110 dwellings
- Marden                         320 dwellings
- Staplehurst                    195 dwellings

With regard to the early release of suitable greenfield sites at the rural service centres, paragraph 1.2.7 of the 9 February 2011 report stated:

*"However, the Core Strategy will need to be flexible and deliverable. The majority of development in recent years has been located on brownfield sites within the urban area, so it is important to focus a proportion of development at Rural Service Centres to support the continuing viability aspirations of these settlements. Therefore, where there is firm evidence to demonstrate a local need at a Rural Service Centre that cannot be met through a local needs housing site, a proportion of suitable greenfield housing development may be permitted before 2014, in advance of allocating specific sites in site allocations documents that will follow the Core Strategy. Any such proposals will need to cater for the physical and social infrastructure needed in the Rural Service Centre area."*

Although this paragraph did not form part of the formal recommendation, it was part of the justification in setting a local housing target of 10,080 dwellings and seeking Cabinet approval for the target. Statistical analysis of 2009/10 housing land data demonstrated that 15% of all dwellings completed between 2006 and 2010 and in the pipeline at 2010 were on rural sites. The Core Strategy seeks to direct 20% of all development over the plan period (2006 to 2026) to the rural area through land allocation documents.

It is acknowledged that the majority of residential development in recent years (and therefore the provision of affordable housing) has been located on brownfield sites within the urban area. Potential development sites located at the rural service centres are too small to meet the criteria for strategic site allocations in the Core Strategy, so land at these locations

will not be allocated until the Development Delivery Local Plan is adopted in 2015. Thus it is important to focus a proportion of appropriate development at rural service centres where there is firm evidence of need that cannot be met through an exceptions site (ref MA/11/0592 Hook Lane Harrietsham). This approach will also assist the parish councils with the preparation of their neighbourhood plans. It is recommended that the Core Strategy is amended to acknowledge this need.

### Affordable Housing (CS10)

#### Representations

A number of respondents unconditionally support the Core Strategy affordable housing and local needs housing policies (38 respondents or 24%), but opinions on the flexibility of the affordable housing policy are split. The main concerns relate to the part of the policy which states that affordable housing provision could be reduced where viability is affected as the level of reduction is not defined. Residents feel the policy is too flexible while the development industry has an opposing view. Developers believe the tenure split is too prescriptive and should be left to market forces. With one or two exceptions, respondents feel there should be no specifically identified affordable housing contribution towards Gypsy and Traveller accommodation in the affordable housing policy (11 respondents or 7%). A number of respondents, including developers and parish councils, have suggested the 40% target should be adjusted according to location. There is a cross section of developer comments proposing variable targets for affordable housing and calling for appropriate viability testing of such options.

#### Officers' response

The NPPF confirms that local planning authorities should use their evidence base to ensure objectively assessed needs for market and affordable housing are met. Policies should seek to provide for affordable housing on-site, unless there is robust evidence for off-site provision or contributions, and policies should be sufficiently flexible to respond to changing market conditions over time. The NPPF also makes clear that all policies, including those for affordable housing, should be deliverable and viable. The Core Strategy provides for a mix of market and affordable housing, but also for a mix of tenures to reflect the prospect that future generations may only be able to afford part ownership in a property.

Affordable housing is a policy burden for developers, and their ability to provide this accommodation is influenced by the availability of grant funding. Advice contained in the newly published Viability Testing Local Plans (June 2012), jointly prepared by the Local Government Association and Home Builders Federation, will assist in ensuring Core Strategy policies are sound. The prioritisation of the infrastructure needed to deliver the Core Strategy is discussed in the strategic site allocations report.

In partnership with Swale Borough Council, Maidstone Borough Council has recently appointed consultants (Peter Brett Associates) to undertake a joint viability assessment of both councils' local plans/ core strategies,

with the intention of this work feeding into the Community Infrastructure Levy Charging Schedule. The studies will consider different aspects of viability, including affordable housing contributions, site specific considerations, and wider infrastructure impacts. The work will address options for varying the percentage of affordable housing by area. It is acknowledged by officers that a blanket 40% affordable housing target cannot be applied without a viability study because it would not provide certainty about delivery to the development industry and the public.

Clarity is needed to reassure respondents that the affordable housing contribution towards Gypsy and Traveller accommodation will be part of the total affordable housing requirement set in the policy, and it is not in addition to the target (as the wording of the policy currently implies). So whatever overall affordable housing percentage is ultimately set in the policy, a proportion of that target will provide for public Gypsy and Traveller pitches.

The affordable housing percentage requirement and tenure breakdown will be tested through public consultation on strategic site allocations in August/September 2012. A review of the affordable housing policy will be undertaken once viability evidence has been completed, in time for the December public consultation (regulation 19) on the Core Strategy. A further report will be presented to Cabinet in November.

#### Rural Service Centres (CS4)

##### Representations

A number of respondents are unconvinced that Harrietsham should be designated a rural service centre (8 respondents or 7%). Concerns surround the lack of village facilities without a clear village centre, and its proximity to facilities in Lenham. Conversely, respondents argue that Coxheath offers a wide range of services, including a district centre, consistent with the role of a rural centre (2 respondents or 2%).

##### Officers' response

The criteria and justification for designating rural service centres was set out in detail in Policy Evolution (Appendix 3 to the draft Core Strategy 2011). Following engagement with a number of parish councils through a workshop in 2009, the designation of Harrietsham was influenced by its infrastructure capacity to accommodate development, including employment, school facilities and sewage capacity, together with its good public transport connections to Maidstone town centre and local retail and employment facilities.

Coxheath was not designated a rural service centre because of its proximity to Maidstone's urban edge with good bus links to the town centre. Coxheath had also absorbed a significant amount of housing development in recent years, particularly with the redevelopment of Linton Hospital, and was adjusting to the increase in population. Local aspirations pointed to a need for local needs housing and small employment sites to support population growth, rather than the need for



targeted growth.

No objections to the designation of Harrietsham as a rural service centre, or to the exclusion of Coxheath, were received from the parish councils during the public participation consultation on the Core Strategy in 2011.

### Transport Infrastructure (CS7)

#### Representations

Respondents are highlighting the need to improve the bus services and/or the park & ride services throughout the borough, and improve rail links and services, particularly to London (32 respondents or 23%). There is a call for the Core Strategy to give a higher priority to walking and cycling, to achieve this objective by redesigning the borough's roads (19 respondents or 12%).

Respondents have raised concerns over inadequate access routes for HGVs, which will be made worse by employment development proposals at junction 8 (14 respondents or 10%). HGVs need to be diverted away from the town centre and rural service centres. Objectors are particularly worried about the highway capacity to the north west of the borough, and have expressed concerns over increased congestion (which forms part of the overall objections to the strategic development location in the vicinity of Allington). Some respondents are seeking the construction of a ring road or bypass to the south of the urban area in order to improve access from the south by relieving congestion (17 respondents or 12%). There are mixed views on town centre parking provision: there is a perceived lack of parking for the public and businesses, or views that parking should be constrained in order to encourage more sustainable forms of transport.

#### Officers' response

The Integrated Transport Strategy (ITS) is the subject of a separate report which addresses these concerns. Public consultation on the draft ITS will be undertaken in tandem with the partial public consultation (regulation 18) on draft Core Strategy strategic site allocations in August/September 2012.

### Green Wedges/Green and Blue Corridors (CS3)

#### Representations

It is clear from the comments received about green wedges, which are shown on the draft Core Strategy 2011 key diagram and referred to in policy CS3 for the urban area, that there is some confusion over their role and function (30 respondents or 20%). Additionally respondents have pointed out that, while policy CS3 refers to the urban area, green wedges are also identified in the countryside, so there should be policy cross referencing. As a result of this confusion, some respondents are interpreting the green wedges as a landscape layer which is seen as a restriction to development. Hence there are calls for extensions or reductions to the green wedges shown on the key diagram.

### Officers' response

To avoid confusion, green wedges should be referred to as green and blue corridors. The corridors form part of the strategy for the spatial distribution of development, so references to the corridors should be transferred from policy CS3 to policy CS1.

The green and blue corridors are not intended as a protection of the countryside for its own sake, and nor are they an additional layer of landscape protection. A characteristic of Maidstone is the way in which tracts of rural and semi-rural land penetrate into the urban area, giving the urban area its unique stellar shape and its population access to the countryside. Green and blue corridors have two prime purposes:

- As a specific local anti-coalescence function by maintaining open land between areas of development spreading out from the town; and
- To focus attention on opportunities for public access from the town to the countryside.

The corridors have helped to develop the Core Strategy strategic development locations, and strategic site allocations for housing and employment<sup>12</sup> have had regard to the corridors. It is recognised that some of the green and blue corridors do contain local landscape features and areas of ecological interest, which should not be compromised where development is proposed to be allocated. These features will be explored in more depth through the preparation of a Green and Blue Infrastructure Strategy.

The green wedge notations on the Core Strategy key diagram need to be amended to better reflect their purpose in supporting the Council's spatial strategy.

### Gypsy, Traveller and Travelling Showpeople Accommodation

#### Representations

There is general support for this policy (29 respondents or 28%) but respondents are seeking further clarity. The main issue is around the robustness of the 2005/06 Gypsy and Traveller Accommodation Assessment and a call for the pitch target to cover the whole Core Strategy period to 2026. Respondents are seeking the early identification of Gypsy and Traveller sites to aid the integration of the Traveller community and to allow for appropriate enforcement (8 respondents or 8%). There are concerns that some parts of the borough have high concentrations of Gypsy and Traveller sites, and a feeling that the spread across the borough should be more even.

### Officers' response

The Gypsy and Traveller Accommodation Assessment was updated in 2012<sup>13</sup> in order to set an up-to-date pitch target in the Core Strategy from

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<sup>12</sup> Cabinet report on Core Strategy Strategic Site Allocations 25 July 2012

<sup>13</sup> Gypsy and Traveller and Travelling Showpeople Accommodation Assessment 2012

2010 to 2026. Cabinet approved a revised target of 157 pitches on 14 March 2012 and this target will be included in the December consultation draft of the Core Strategy. The policy will be reviewed in the context of new national guidance published in 2012<sup>14</sup> and, prior to the December consultation, will be reworded to provide the clarification sought by respondents and the addition of a landscaping criterion.

Private pitches will be allocated in the Development Delivery Local Plan but, in the interim, the Council has secured funding for a public site<sup>15</sup> and work to provide a suitable site(s) is ongoing.

The Council cannot restrict the concentration of Gypsy and Traveller sites or control the spread of sites through Core Strategy policies, but it can refuse planning applications that cumulatively have an adverse impact on the landscape.

The Cabinet were informed that the Regeneration and Economic Development Overview and Scrutiny Committee were recommending the following:-

1. Consultation with neighbouring districts be undertaken as per the legislation and that Cabinet put in place a methodology for public consultation. (Site allocations and ITS)
2. Approximate figures for jobs are provided in the document alongside employment square footage. (Site Allocations)
3. The option to install a bus lane on the A274 be re-assessed (ITS)
4. That recommendation 2 of the public participation report be amended to say:

Reject Junction 8 of the M20 motorway as a Strategic Development Site location for industrial and warehouse development, together with premium office development and do not allocate land for development in the Core Strategy to be guided by an approved development brief.

The Cabinet were also informed that the Spatial Planning Strategy Advisory Group were recommending the following:-

All the recommendations set out in the report were agreed subject to the following amendment:-

- a) Recommendation (ii) re Junction 8 was agreed but in addition the following resolution was also agreed.

That in respect of the proposals relating to Junction 8 on the M20 motorway and the Woodcut Farm site the 7ha site to the north west of the site would be given over to a landscaped area should come into public ownership either through the Council or a Charitable Trust and that the proposal is communicated to the community setting out the Council's intention through this proposal to protect the land to the north west of this area as open countryside.

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<sup>14</sup> Planning Policy for Traveller Sites March 2012

<sup>15</sup> Cabinet decision 8 June 2011

b) Recommendation (iii) be reworded as follows:

“Retain Junction 7 of the M20 motorway as a medical campus and that the Cabinet give further consideration to the allocation for land as development in the Core Strategy in conjunction with the adjacent redevelopment of Newnham Court Shopping Centre which would have been guided by an approved Development Brief”.

c) Recommendation (xii) be reworded as follows:

“Rename Green wedges as Green and Blue corridors, transfer references to corridors in policies CS3 to policy CS1 and amend the Green wedges notations on the Key diagram but that in so doing these changes are cross referenced to the NPPF”.

d) New recommendation (xv) be inserted in the following terms:

“That the Cabinet give consideration to the Maidstone Town Centre being allocated a strategic site or highlighted in policy in a way that has the same effect as that of a strategic site allocation.

### **Alternatives considered and why rejected**

Alternative options are contained within the reasons above.

### **Background Papers**

None

Should you be concerned about this decision and wish to call it in, please submit a call in form signed by any two Non-Executive Members to the Head of Change and Scrutiny by: <b>3 August 2012.</b>
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**MAIDSTONE BOROUGH COUNCIL**

**RECORD OF DECISION OF THE CABINET**

Decision Made: 25 July 2012

**Core Strategy Strategic Site Allocations**

**Issue for Decision**

To consider the draft Core Strategy strategic site allocations for housing and employment, together with the policy for the presumption in favour of sustainable development and the distribution of housing targets for rural service centres, and to approve the document attached at Appendix A to this report for public consultation in accordance with regulation 18 of the Town and Country Planning (Local Planning) (England) Regulations 2012.

**Decision Made**

1. That the site allocation policies set out in the Core Strategy Strategic Site Allocations: Public Consultation 2012 document (as attached at Appendix A to the report of the Director of Change, Planning and the Environment) with the exclusion of SS3 be approved for public consultation subject to the following amendments:-

East of Hermitage Lane

1. After paragraph 3.16 add new paragraph: "East of Hermitage Lane lies, in part, within an identified biodiversity opportunity area (BOA). The Greensand Heaths and Commons BOA, in which the north eastern portion of the site is located, is characterised by a concentration of woodlands on the Greensand Ridge where areas of heathy vegetation and acid grassland are a feature. The larger field, which is proposed for development, has been ploughed on a number of occasions, although opportunities exist for targeted habitat restoration and creation as part of the development."
2. Delete paragraph 3.17 and replace with: "At the south western end of the site is a smaller field with an area of protected trees to the north east. The field and trees, which are to be retained as informal/natural open space, offer the chance to create an enhanced biodiversity corridor through and around the proposed development. Retention of the smaller field also allows a section

of archaeological remains to be left in situ, as advised by the County Archaeologist. The retention and enhancement of this part of the site will also screen the proposed development from Hermitage Lane and maintain the setting of Maidstone Hospital.”

#### North of Sutton Road

3. Paragraph 4.10 following “and enclosure to development” add:  
“The County Ecologist has identified the eastern part of the site as having ecological potential so more detailed consideration should be given to this area through the submission of an ecology survey, incorporating mitigation measures, to be approved by the Borough Council. Existing landscape features within the site should be retained where possible. Bicknor Wood to the north of the site and the trees running along the eastern boundary are subject to tree preservation orders (TPO No.37 of 1981 and TPO No.36 of 1981).”
4. Policy SS2c add new criterion: “Submission of a full landscape assessment and ecology survey, to be approved by the Borough Council”.

#### Newnham Park

5. Paragraph 6.10 after “views from the AONB” add: “Of particular prominence is the hill to the north east of the field located to the east of the stream, so development will not be permitted on this part of the site.”
6. Paragraph 6.15 amend to read “The medical campus will provide for up to ~~200,000m<sup>2</sup>~~ **150,000m<sup>2</sup>** of specialist medical facilities”.
7. Policy SS4(1) amend to read “Provision of a maximum 200,000m<sup>2</sup> of specialist medical facilities set within an enhanced landscape structure” and replace with “Provision of a maximum ~~200,000m<sup>2</sup>~~ **150,000m<sup>2</sup>** of specialist medical facilities set within an enhanced landscape structure”.
8. Policy SS4(2) before the word “vicinity” add the word “immediate”.
9. Policy SS4(5) after “...use of the topography in site layout plans ...” add: “to exclude development on more prominent parts of the site.”
10. Policy SS4(7) amend to read “The cumulative quantum of retail floorspace will be restricted to the provision of up to 500sqm

above that which already exists and any additional retail floorspace above this limit must be complementary to town centre uses and ~~the need for~~, **by means of a sequential sites assessment, demonstrably require** an out of town location justified.

11. Paragraph 6.16 after the first sentence insert the following: **“As confirmed in Core Strategy policies CS1 And CS2, the regeneration and revitalisation of Maidstone’s town centre is a priority and the town centre will continue to be the primary retail and office location in the borough.”**
  
2. That the strategic employment location identified around J8 of the M20 motorway is further considered by being included in the public consultation referred to in 1 above, to enable a more informed decision to be made on the allocation of strategic site(s) at this location and that the consultation should make clear the Council’s requirement that any strategic sites already identified to the Council at this location, in response to the advertisement of 11 May 2012, and included in the Sustainability Appraisal, or further promoted as a result of this consultation, should be accompanied by development proposals that respond to the relevant planning considerations, particularly landscape, ecology and highways and include evidence of dialogue with the public and their response.
  
3. That policy NPPF1: Presumption in favour of sustainable development set out in the Core Strategy Strategic Site Allocations: Public Consultation 2012 document (as attached at Appendix A to the report of the Director of Change, Planning and the Environment) be approved for public consultation.
  
4. That the inclusion of dwelling targets for rural service centres in the Core Strategy, and that the targets set out in the Core Strategy Strategic Site Allocations: Public Consultation 2012 document (as attached at Appendix A to the report of the Director of Change, Planning and the Environment) be approved for public consultation:
  - Harrietsham                    315 dwellings
  - Headcorn                        190 dwellings
  - Lenham                         110 dwellings
  - Marden                         320 dwellings
  - Staplehurst                    195 dwellings
  
5. That it be noted that the Maidstone Strategic Site Allocations Sustainability Appraisal July 2012 (Appendix C to the report of the Director of Change, Planning and the Environment) forms part of the evidence base; and requests that the consultants (URS) be asked to provide a summary of the significant environmental effects of the options chosen and the reasonable alternatives rejected, as set out in the Plans and Programmes Regulations 2004, Schedule 2.

- 6 That, subject to the viability testing of strategic site allocations and Core Strategy policies, the prioritisation of planning obligations agreed in 2006 be reviewed and final decisions reflected in the Core Strategy policy on infrastructure delivery.

### **Reasons for Decision**

The main purpose of this decision is to undertake public consultation on proposed strategic site allocations for housing and employment for inclusion in the Core Strategy. A primary consideration running through the list of recommended sites is the provision of supporting infrastructure for highways improvements and public transport. Whilst the requirements for appropriate transport infrastructure is set out in the allocated policies (as at Appendix A to the report of the Director of Change, Planning and Environment), this decision should be read in conjunction with the draft Integrated Transport Strategy decision. Equally important are decisions updating progress on the Infrastructure Delivery Plan and responses to key issues arising from representations made on the draft Core Strategy last autumn.

The report of the Director of Change, Planning and Environment gave some background to the allocation of strategic sites for housing and employment, and set out the process for allocating sites, including the sustainability appraisal of alternative sites. This was an important exercise so that the Core Strategy is found sound at examination. The reasons for rejecting and recommending site allocations have been summarised. Site capacities have been examined in detail using recognised planning principles to arrive at the number of dwellings or square metres of development, although these will be refined when the Council gives consideration to detailed planning applications. The report of the Director of Change, Planning and Environment also included recommendations to include the Planning Inspectorate's model policy on the presumption in favour of sustainable development, and addresses the issue of including dwelling targets for the rural services in the Core Strategy.

### **Background**

The Council published its Core Strategy Local Plan for "public participation" consultation on 2 September 2011, which ran for 6 weeks to 14 October. This public engagement event was known as regulation 25 consultation which, under new plan making regulations that came into effect in April 2012, is regulation 18 consultation. The next round of public consultation on the Core Strategy would normally be regulation 19, called "publication". Publication is the final consultation before the Core Strategy is submitted to the Secretary of State for independent examination into the local plan.

A total of 585 individuals and organisations responded to the 2011 consultation, submitting nearly 2,800 comments. Since then the Council has spent a considerable amount of time investigating and reviewing the issues that arose from the representations, including the production of



new evidence and re-engagement with some of the stakeholders, in order to fully respond to the comments made. A call for the allocation of strategic development sites in the Core Strategy (as opposed to identifying strategic locations on the key diagram) was a major issue. Cabinet gave consideration to this specific issue at its meeting on 16 May 2012, and resolved to include strategic site allocations for housing and employment in the Core Strategy as good planning practice, and to give certainty to the public and the development industry about the quantity and location of development. The balance of smaller land allocations will be made in the Development Delivery Local Plan that will follow the Core Strategy.

Given the significance of this change, the Council must give the public an opportunity to comment on proposed strategic site allocations before they are incorporated into the Core Strategy for "publication" consultation (regulation 19). The report of the Director of Change, Planning and Environment therefore sought approval to undertake what is known as a partial public consultation on the Core Strategy strategic site allocations, to commence on 17 August 2012 for 6 weeks, which is the same stage of the plan making process (regulation 18) as that completed in the autumn of 2011.

Following consultation on strategic sites, a report will be presented to Cabinet at a special meeting in November 2012, which will seek approval to undertake "publication" consultation (regulation 19) on an amended draft Core Strategy. The report will include the consideration of all representations submitted during public consultation on the Core Strategy in 2011, as well as those received on the strategic sites consultation. At that stage, the draft Core Strategy will include strategic site allocations, and will incorporate all of the recommended changes arising from the consideration of both consultations. Meanwhile, the most significant issues that arose during the 2011 consultation, together with officers' responses, are the subject of a separate report.

The proposed timetable is set out below.

Date	Stage	Reg	Description
August 2012	Preparation	18	6-week partial public consultation on proposed strategic housing and employment site allocations, housing targets for rural service centres and the model NPPF1 policy
December 2012	Publication	19	7-week (to allow for public holidays) public consultation on the complete draft Core Strategy
March 2013	Submission	22	Submission of the Core Strategy to the Secretary of State
July 2013	Independent Examination	24	Examination into the Core Strategy by an appointed Planning Inspector

## Process for allocating strategic sites

The process for making strategic housing and employment site allocations began with a "call for sites" exercise between 11 May and 15 June 2012 inviting landowners, developers and their agents to use a pro forma to submit information about available sites within the strategic locations identified on the key diagram of the draft Core Strategy 2011. The call for sites focused on strategic housing locations to the north west and the south east of the urban area, and the strategic employment location at junction 8 of the M20 motorway. The strategic location at junction 7 of the M20 for a medical hub did not form part of this initial exercise because proposed development is associated with the medical hospital currently under construction, so there were no alternative sites. For the same reasons that sites in other strategic locations are examined, land at junction 7 forms part of this assessment.

Even if no further information came forward as part of the recent call for sites, all sites known to the Council that are located within the strategic development locations have been assessed on equal terms in respect of their impact on the environment. To assist in the assessment of the suitability of sites for development, the categories on which information was sought included, but were not limited, to:

- Current site use
- Adjacent site uses
- Landscape
- Ecology
- Site access/transport issues
- Air quality
- Noise pollution
- Flood zone
- Access to services.

By their nature, strategic sites must be large sites that are critical to the delivery of the Core Strategy. Counsel's advice was sought on the criteria to use to determine which sites can be classed as strategic. For the purpose of making strategic housing site allocations in the Maidstone Core Strategy, a strategic site is defined as "a site which individually, or collectively with other sites in very close proximity to one another, is capable of providing at least one year's supply of the housing requirement for the plan period, i.e. 504 dwellings". Consequently, the call for sites focused on the larger urban periphery strategic housing locations and not the rural service centres where smaller residential allocations will be made in the Development Delivery Local Plan.

The first step in the assessment process discounted sites that were located outside of the strategic locations identified on the key diagram of the draft Core Strategy 2011 because they were not critical to the delivery of the strategy. Housing sites that were not located adjacent to the urban area were also discounted. Some of the discounted sites will be given consideration during the preparation of the Development Delivery Local Plan when land providing the balance of Maidstone's housing needs will be

allocated.

A map showing the potential alternative development sites that lie within the strategic locations was attached at Appendix B to the report of the Director of Change, Planning and Environment. All alternative sites in the strategic development locations have been assessed on an equal basis, using sound evidence. Reasons for the proposed allocation or rejection of sites are set out below, under the strategic location headings.

All policies and proposals in local plans are subject to sustainability appraisal, which informs various stages of plan preparation. A Sustainability Appraisal (SA) of strategic site allocations (attached at Appendix C to the report of the Director of Change, Planning and Environment) had been undertaken by appointed consultants. The conclusions in the SA have helped to inform the selection of sites, as well as highlighting where mitigation measures will be required to minimise the impact of development on the environment. A full SA will accompany the Core Strategy at publication and submission stages of the plan making process.

The NPPF makes clear that all policies in local plans should be deliverable and viable. New advice on Viability Testing Local Plans, jointly prepared by the Local Government Association and the Home Builders Federation, was published in June 2012. In partnership with Swale Borough Council, Maidstone Borough Council has recently appointed consultants (Peter Brett Associates) to undertake a joint viability assessment of both councils' local plans/core strategies, with the intention of this work feeding into the Community Infrastructure Levy Charging Schedule. The studies will consider different aspects of viability, including affordable housing contributions, site specific considerations, and wider infrastructure impacts. The viability assessment will include an assessment of strategic site allocations.

Mitigation measures to reduce the impact of development on the landscape are required for all development proposals, making the best use of existing landscape features together with additional structural and internal landscaping. Improvements to highways and public transport are essential. So too is the permeability of individual sites, through the provision of pedestrian and cycle links giving access to existing and new housing and employment areas, open space, shops and community facilities. Mitigation measures appropriate for each site are set out in the proposed site allocation policies.

A summary of the results of the assessment is set out below. Strategic sites that are recommended for allocation, together with supporting infrastructure requirements, are set out in the specific allocation policies for each site included in the consultation document attached at Appendix A to the report of the Director of Change, Planning and Environment.

#### North west strategic housing location

Following the call for sites exercise, only one previously unknown site was submitted for consideration – South of Allington Way (HO-08-NW).

### Rejected sites in the north west strategic location

South of Allington Way (HO-08-NW) is a small site capable of accommodating up to 15 dwellings. The site is situated adjacent to East of Hermitage Lane to the west of the main Allington settlement. The site in itself is not difficult to develop and the primary question would concern access. The characteristics of the site are such that it is more suited to an infill style of development rather than as a strategic allocation. If the site were allocated as part of the wider East of Hermitage Lane allocation it would unduly affect the layout of that development for relatively little gain.

Bell Farm (HO-16-NW) is a large site, capable of accommodating up to 260 dwellings west of North Street in Barming. The site is open and slopes to the south. The primary reasons for not allocating Bell Farm for development concern character and landscape. While Bell Farm is not highly visible from the A26 Tonbridge Road, which runs south of the site, it is visible from the opposite side of the Medway valley, an important local landscape. The development of Bell Farm would also require a change in the semi-rural character to North Street that is inappropriate at this location. Heath Road would come under pressure as a primary access to the site, although the restricted width of the road with cars parked either side as far as the junction with Fountain Lane means that this would likely be an unsafe option to pursue.

Bunyards Farm (HO-20-NW) is a small triangle of land located on the northern side of Beaver Road, adjacent to the A20 London Road in Allington and the Maidstone Borough Council boundary with Tonbridge and Malling Borough Council. This site would provide a minimal amount of dwellings and would not contribute significantly to the wider objectives for the north west strategic location.

Land at Gatland Lane/Farleigh Lane (HO-21-NW), overlooks the Medway valley to the west of Fant and south of the A26 Tonbridge Road. There are two primary reasons for rejection; these being that this area is a locally important landscape which provides part of a green and blue corridor into the centre of Maidstone; and that development of this site would result in the loss of grade 1 agricultural land, of which the borough has a limited supply.

### Allocated sites in the north west strategic location

The West of Hermitage Lane site is allocated for 300 dwellings and is comprised of two portions of land. The largest portion, West of Hermitage Lane (HO-11-NW) is situated opposite Maidstone Hospital on Hermitage Lane and is shaped like an arrow pointing west and is situated adjacent to the Tonbridge and Malling boundary. The smaller portion, Oakapple Lane (HO-07-NW), runs from the tip of the arrow on a north east-south west axis. The site as a whole is suitably screened from longer distance views, with a dip in the centre of the larger portion, and has close access to local facilities and services. Vehicular access will be taken from Hermitage Lane only, with Oakapple Lane providing pedestrian and cycling access via a complimentary upgrade of its unmade north western section. Along the

north western boundary of the larger portion of the site a 30 metres wide buffer will be required to protect the setting of the existing ancient woodland.

East of Hermitage Lane (HO-10-NW and HO-13-NW) is allocated for 415 dwellings. It was submitted as two separate sites, the larger HO-13-NW which crosses the Tonbridge and Malling boundary, and the smaller HO-10-NW site, which incorporates a redundant reservoir. This land south east of the Hermitage Lane to Allington footpath/restricted byway is an existing housing allocation and it is this land which is re-allocated for housing. The site will be split roughly 1/3 to 2/3, with the north eastern 2/3 of the site (a large open field incorporating the reservoir site) developed as housing and the south western 1/3 of the site designated as informal open space. Primary access is from an upgrade of part of the footpath/restricted byway, with emergency, bus, pedestrian and cycling access provided from Howard Drive. The site is visible from the North Downs, although the inspector for the Maidstone Borough Wide Local Plan 2000 considered that the site encroaches on the urban area, rather than vice versa.

Bridge Nursery (HO-19-NW) is allocated for 165 dwellings. It is an existing housing allocation in the Maidstone Borough Wide Local Plan 2000. It is located at the far north western end of the A20 London Road and is adjacent to the Tonbridge and Malling boundary. Primary access to the site will be taken from the A20. The location of this site means that it is able to take advantage of the existing community, retail, health, education and open space facilities in Allington. The site is well screened and the Maidstone East railway line provides a boundary to the north eastern edge of the site.

#### South east strategic housing location

The overall approach to assessing housing sites to the south east of the urban area was influenced by a need to protect the rural character of the area, the setting of listed buildings, and to create a softer development edge to the urban area in this location. The accessibility of the sites, proximity to the town centre, and permeability through the sites to existing residential areas and services was also extremely important. Nine sites came forward in the south east in response to the call for sites, and three were discounted due to location and/or size.

#### Rejected sites in the south east strategic location

A number of sites have been rejected based on landscape character, setting of listed buildings and grounds of accessibility. These sites include Land at Gore Court (HO-05-SE), Bicknor Farm (HO-01-SE), Land South of Sutton Road (HO-04-SE) and the northern section of land North of Sutton Road (HO-14-SE).

#### Allocated sites in the south east strategic location

Two of the sites adjacent to the urban edge at Langley Park (HO-15-SE) and Land North of Sutton Road (HO-14-SE south section and HO-09-SE) are allocated for residential development in the Maidstone Borough Wide

Local Plan 2000, and are still considered the most sustainable sites to develop in this area. Both sites allow direct access to Sutton Road and would make best use of proposed improvements to public transport linkages to the town centre, as well as pedestrian and cycle access to local services and community facilities. For the most part, the sites have strong boundaries and are not considered to be of as high a landscape quality as other sites in this area. The site boundaries can be improved to strengthen the containment of development and help to mitigate against pressure for expansion in the future.

Of the remaining sites assessed, a further section of land North of Bicknor Wood (HO-14-SE) was considered most appropriate to accommodate development of the size and scale necessary in this location. This site has well defined boundaries with Gore Court Road to the west, Bicknor Wood to the south and White Horse Lane to the north, and can be screened from the high quality open countryside to the east by extending a section of Bicknor Wood to meet East Wood, which lies just to the north of White Horse Lane.

North of Bicknor Wood is a large open field of approximately 9.5 hectares in relatively close proximity to Sutton Road. Bicknor Wood screens this site from the existing local plan allocation at North of Sutton Road. Accessibility to the site can be improved by connecting the site to Sutton Road via a new access road through the proposed North of Sutton Road allocation, which will meet Gore Court Road at the western edge of Bicknor Wood. Existing public footpaths allow easy access to local shops and community facilities in the adjacent residential area of Senacre, and to planned improvements to public transport linkages to the town centre.

The allocation of North of Bicknor Wood ensures that the developed edge of Maidstone does not creep further east than Langley Park or further north than White Horse Lane. This also ensures that development is consolidated in this area to make best use of planned transport improvements on Sutton Road and accessibility to existing local services and facilities. Although the North of Bicknor Wood site is in an attractive rural setting, it can be screened from its surrounding open countryside, and development of the site will not impact on Bicknor Farm and Rumwood Court, which are both Grade II listed buildings.

#### Junction 8 strategic employment location

Three sites came forward at J8 in response to the call for sites.

#### Rejected sites at the junction 8 strategic location

The site to the east of M20 J8 (EMP-01-J8) is too small to make a significant contribution to the identified requirements. Further developable area would be likely to be lost to retain an adequate landscaped buffer around the edges of the site (for ecology and to protect residential amenities of Old England Cottage) and also to accommodate the necessary changes to the site's form to enable a development platform to be created. Highway access to the site would require extensive improvements to the A20 to provide a suitable and safe means of access directly from the A20. The use of the access, the construction of

the access road, and the likely extensive works to create the development platform are all likely to adversely affect the setting of the adjacent listed building. The Conservation Officer has raised concerns on these grounds. Use of the site access road is likely to affect the residential amenity of the occupiers of Old England Cottage. It was recommended that this site is not suitable for allocation.

#### Comparison of Woodcut Farm and Land to the south of the A20

The other two sites submitted are land at Woodcut Farm (EMP-03-J8) and land to the south of M20 J8 (EMP-02-J8). Both sites are in countryside locations, removed from the main built up area of Maidstone and comprise open agricultural fields. Development of either site would clearly substantially alter their existing character. The existing urban influence in the vicinity of the Woodcut Farm site is slightly greater, provided by the residential and small commercial development along the A20 and the road interchange itself. The vicinity of the site to the south of the A20 is more rural in character. The site appears as a component of the rolling countryside to the south, particularly in views from the south and from the public right of way which crosses it.

The site to the south of A20 has defined boundaries created by the watercourses to the south and east and by the roadside banks to the north west and north east. These features would contain development and help to mitigate against pressure for expansion of the site in the future. The Woodcut Farm site has strong boundaries in the form of the A20 and M20. If the site were developed, it is likely there would be pressure in the future to bring forward the triangle of land between Musket Lane and the A20. The western boundary of the site is defined by Crismill Lane and the tree belt along it but the pressure could come to expand in this direction in the longer term. If the site were to be developed it would be important to strengthen this boundary with substantial structural landscaping to provide a buffer to the wider countryside to the west to help to mitigate this risk.

The Woodcut Farm site forms part of the setting of the Kent Downs Area of Outstanding Natural Beauty (AONB) and represents a continuation of the landform of the North Downs. It is also visible, at a distance, from points in the AONB. Views from the AONB of the site to the south of A20 are limited. In views from the south it is seen as part of the foreground to the AONB.

It is considered that the size and characteristics of the Woodcut Farm site do offer an opportunity for the landscape impacts of development to be mitigated. This could be achieved by ensuring the existing topography of the site is respected through minimal site levelling, through significant additional structural landscaping and through careful design in terms of the buildings' scale, siting, orientation and materials. To develop the site to the south of A20 requires extensive excavation which would be a substantial and unavoidable alteration to the prevailing form of the landscape. There is significantly less opportunity on this site to soften the impacts of development through enhanced landscaping.

Archaeology is a factor on both sites and the actual potential requires confirmation including through additional survey if necessary. In addition, development on the Woodcut Farm site would need to take account of the setting of the listed farmhouse.

For the Woodcut Farm site, the impacts on protected species and sites are judged, at this stage, likely to be minimal, recognising that further surveys will be required as part of a planning application. For land to south A20, measures are required to mitigate impacts on the River Len millpond and Carr Local Wildlife Site. There are concerns about the further landscape change resulting from these measures and the impact of both these measures and the overall excavation required on the hydrology of the site.

The view of County Highways is that access to the Woodcut Farm site would be taken from the A20 Ashford Road with some improvements to the A20 roundabout, which is expected to be required to increase its capacity. Development on the site to the south of the A20 would necessitate more substantive changes to the roundabout, including the creation of a fourth "arm" to access the site, which it is judged would be more complex and costly. Development of either site would contribute to highway improvements elsewhere on the network, subject to more detailed transport assessment in conjunction with a planning application.

The promoters of the site to the south of the A20 contend that the site could deliver, within its boundaries, the initial part of a South East Maidstone Strategic Link. The link road does not form part of the emerging development or transport strategies for the borough, so this proposal for the site has been given no weight in the assessment.

In conclusion, land to the south of the A20 would require substantial landscape change to accommodate development, and has potential to impact on the adjacent Local Wildlife Site. Given the size of the Woodcut Farm site and its capacity to provide for extensive structural and internal landscaping, as well as its capability to accommodate development within a parkland setting, it was recommended that this site be allocated for employment development.

#### Junction 7 strategic location for a medical hub

Newnham Park (EMP-04-J7) at junction 7 of the M20 motorway is identified as a strategic location for a medical hub. It is a 28.5ha site located to the north of the urban area approximately 2.5km from the town centre. The site is bounded by Horish Wood to the north and Pope's Wood to the west. To the south is Bearsted Road, beyond which are Vinters Park Crematorium, Vinters Park Local Nature Reserve, and the Grove Green housing estate. The eastern boundary is formed by the A249 Sittingbourne Road, beyond which are Eclipse Business Park and the Hilton Hotel. The Kent Institute of Medicine and Surgery (KIMS) hospital is under construction on the northern perimeter of the site together with a new access road. The hospital is due to open in 2014.

The medical campus provides an opportunity for Maidstone to become a centre for medical excellence. It supports the Council's objectives for



economic prosperity and the allocation will deliver a well designed and sustainably constructed development that will attract a skilled workforce and assist in balancing the jobs market. There are no alternative sites suitable for this type of development in the borough because of the nature of demand for these facilities, and the proximity of campus facilities to the KIMS clinic and motorway junction.

Development will have an impact on the landscape because the site is located in the countryside and lies within the setting of the Area of Outstanding Natural Beauty (AONB), so mitigation measures will be critical to the site's development. Newnham Park will be developed in a woodland/parkland setting with appropriate provision of open space. Necessary structural and internal landscaping will incorporate existing landscape features and watercourses running through the site, and will contain development as well as protect adjacent ancient woodland from the impacts of development. New woodland will be planted on the rectangular field to the south east of the site to provide net gains in biodiversity and ecological connectivity between Pope's Wood and Horish Wood, and to serve as additional screening to new development.

Buildings at Newnham Park will be built to a high standard of design and construction, and will include a range of measures to control building heights, mass and construction materials (including green roofs). Permeability is an important aspect of the site's development, and enhanced pedestrian and cycle links to the residential areas of Grove Green, Vinters Park and Penenden Heath, and to Eclipse Business Park, will be provided. Developer contributions for highway and public transport improvements will be sought and delivered through legal agreements. Development will be guided by a development brief approved by the Borough Council.

Newnham Court Shopping Village is located adjacent to the medical campus, and the owners of the Village are currently seeking to make improvements to existing retail facilities. The redevelopment of the shopping village together with the medical campus will attract the investment funding required to facilitate highway improvements and other infrastructure necessary to serve the development. Extending the development brief for the medical campus to incorporate the shopping village will provide an opportunity to secure a well planned, well designed and comprehensive development at an important gateway into Maidstone. The quantum and type of retail facilities will be restricted, and the impact of replacement retail facilities on the town centre will be addressed through the requirement for retail impact assessments and policy restrictions.

It was recommended that Newnham Park is allocated for a medical campus, retail park and nature reserve, together with extensive structural and internal landscaping and supporting infrastructure.

## Priorities for delivering infrastructure

In July 2006, Cabinet<sup>16</sup> agreed its priorities for the negotiation of Section 106 planning obligations<sup>17</sup> as follows:

### Housing Development

1. Affordable housing/provision of open space and recreational facilities
2. Education contributions
3. Transportation infrastructure
4. Medical provision
5. Community safety

### Business and Retail Development

1. Transportation infrastructure
2. Open space/landscaping
3. Education/training contributions
4. Community safety
5. Clean and tidy borough
6. Other

### Leisure Development

1. Transport infrastructure
2. Community safety
3. Open space/landscaping
4. Education/training contributions
5. Clean and tidy borough
6. Other.

The context in which priorities were considered included two emerging development plan documents on affordable housing and open space, and consultation with Planning Committee and the Environment and Transportation Overview and Scrutiny Committee. Cabinet resolved "that the schedule of completed Planning Obligations be available online", and "that following the adoption of these priorities, a Supplementary Planning Document on Developer Contributions be prepared in accordance with the timetable set down in the adopted Local Development Scheme".

A supplementary planning document was not produced, and the list of priorities for planning obligations was never uploaded to the Council's website or used extensively in the development management process. However, affordable housing and open space contributions have been given priority when determining planning applications in accordance with the two adopted development plan documents for these policies. The reasons for not pursuing a supplementary planning document are not clear. It may have been due to the lack of consultation, viability assessment, explicit scoring criteria, etc., and that the business and retail contributions priorities did not follow the development plan policies at that time. Consequently, no formal public consultation or examination/ inquiry into the methodology or the selection of planning obligation priorities have been undertaken.

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<sup>16</sup> Cabinet 12 July 2006

<sup>17</sup> Town and Country Planning Act 1990

A key issue for the Council in 2012 is the delivery of transport infrastructure to support new development, particularly strategic housing and employment sites that are proposed to be allocated in the Core Strategy. The allocations will be subject to viability testing, but sites cannot be delivered without the necessary improvements to highways and public transport set out in the policies (attached at Appendix A to the report of the Director of Change, Planning and Environment), the draft Integrated Transport Strategy and the draft Infrastructure Delivery Plan. The Core Strategy will be found unsound if transport infrastructure is not given sufficient priority in the delivery of the strategy.

It was therefore recommended that, subject to viability testing of strategic site allocations and Core Strategy policies as a whole, the prioritisation of planning obligations is reviewed in the context of the proposed housing and employment allocations, and that the policy on infrastructure delivery (policy CS14) reflects those decisions.

### NPPF model policy

The National Planning Policy Framework (NPPF) was published in March 2012, and the key theme running through the framework is a presumption in favour of sustainable development. The Planning Inspectorate has published a model policy for local plans, which is considered to be an appropriate way of meeting the expectations of the presumption in favour. The model policy addresses the need to proactively engage with applicants to find solutions to problems and, where there are no up-to-date policies, to grant planning permission without delay unless material considerations indicate otherwise. The model policy has been inserted into a number of core strategies by the presiding inspector at recent core strategy examinations.

Although the requirements of the policy are set out in the NPPF, and the Borough Council implements best practice by working proactively with applicants, a decision to exclude the policy from the Core Strategy at this stage of the plan making process could lead to the Core Strategy being found unsound at examination. The consultation on strategic housing and employment site allocations offers a vehicle to also consult the public on the model policy, despite there being limited opportunity to amend the wording. It was recommended that policy NPPF1: Presumption in favour of development is included in the Core Strategy and that the policy is published for public consultation (as at Appendix A to the report of the Director of Change, Planning and Environment).

### Rural Service Centres

Sites for housing development at the rural service centres (RSC) will be allocated in the Development Delivery Local Plan. Three of the key issues that respondents raised during the 2011 public participation consultation on the Core Strategy relate to the designation of villages as RSCs, the need for flexibility through the early release of sites at RSCs where a local need has been demonstrated, and the inclusion of specific residential targets for the five RSCs.

These three issues are discussed in detail in the report on the public participation consultation. It is proposed to retain the five designated RSCs, and to carry forward to the Core Strategy the paragraph allowing flexibility at RSCs as well as the individual village dwelling targets set out in the Cabinet report of 9 February 2011. The Core Strategy will be amended to reflect these changes prior to Cabinet's approval to undertake publication consultation in December.

However, any major changes to the strategy contained in the publication version of the Core Strategy following consultation in December would result in the need for a further round of public consultation on those changes. To mitigate the risk to the Core Strategy programme, it was recommended that the dwelling targets set out for the RSCs in the 9 February 2011 Cabinet report be included in the consultation document attached at Appendix A to the report of the Director of Change, Planning and Environment. These are:

- Harrietsham                    315 dwellings
- Headcorn                        190 dwellings
- Lenham                         110 dwellings
- Marden                         320 dwellings
- Staplehurst                    195 dwellings

The Cabinet were informed that the Regeneration and Economic Development Overview and Scrutiny Committee were recommending the following:-

5. Consultation with neighbouring districts be undertaken as per the legislation and that Cabinet put in place a methodology for public consultation. (Site allocations and ITS)
6. Approximate figures for jobs are provided in the document alongside employment square footage. (Site Allocations)
7. The option to install a bus lane on the A274 be re-assessed (ITS)
8. That recommendation 2 of the public participation report be amended to say:  
    Reject Junction 8 of the M20 motorway as a Strategic Development Site location for industrial and warehouse development, together with premium office development and do not allocate land for development in the Core Strategy to be guided by an approved development brief.

The Cabinet were also informed that the Spatial Planning Strategy Advisory Group were recommending the following:-

The recommendations in the report were agreed taking into account any decisions made in respect of the previous item and the amendment sheet circulated by the Director of Change, Planning and the Environment relating to amendments to the document of:

- 1) East of Hermitage Lane.
- 2) North of Sutton Road.
- 3) Woodcut Farm.
- 4) Newnham Park.

In respect of recommendation 1.2.4, the Advisory Committee agreed the amended recommendation as submitted by the Director of Change, Planning and the Environment in the following terms:-

“The Cabinet notes that the Maidstone Strategic Site Allocations Sustainability Appraisal July 2012 (Appendix C) forms part of the evidence base; and requests that the consultants (URS) be asked to provide a summary of the significant environmental effects of the options chosen and the reasonable alternatives rejected, as set out in the Plans and Programmes Regulations 2004, Schedule 2.”

### **Alternatives considered and why rejected**

The Council could publish its Core Strategy for regulation 19 consultation without the allocation of strategic sites for housing and employment, and retain the strategic development locations on the key diagram only. However, the inclusion of allocated strategic sites for housing and employment not only gives clarity on the amount and location of proposed development, but also results in a more robust Core Strategy. The assessment of alternative sites is integral to the site selection process.

### **Background Papers**

None

Should you be concerned about this decision and wish to call it in, please submit a call in form signed by any two Non-Executive Members to the Head of Change and Scrutiny by: <b>3 August 2012</b> .
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**MAIDSTONE BOROUGH COUNCIL**

**RECORD OF DECISION OF THE CABINET**

Decision Made: 25 July 2012

**Draft Integrated Transport Strategy**

**Issue for Decision**

To consider the Draft Integrated Transport Strategy for public consultation.

**Decision Made**

That the Draft Integrated Transport Strategy as attached at Appendix A to the report of the Director of Change, Planning and the Environment and its preferred option, using a 'do minimum plus' basis for further improvements, be approved for public consultation subject to the following amendments:-

- 12.Paragraph E3.1; at the end of the paragraph an additional sentence should be added: "**Overall, these transport infrastructure improvements and initiatives are expected to cost £39.5m**"
- 13.Paragraph 5.0.3 amend to read: "Unfortunately however, it is not forecast to significantly reduce town centre congestion, which was one of its key objectives **overcapacity is still flagged on some key routes; therefore it is unlikely to reduce traffic congestion on the scale that was initially hoped to be achieved**"
- 14.Paragraph 5.4.1, first sentence, amend to read: "The **only** remaining deliverable alternative left available to MBC was to **proceed with** an option that included only those components of the options modelled....."
- 15.Paragraph 5.4.1; after "within the vicinity of Junction 8" add "**and M20 Junction 7**"
- 16.Paragraph 5.4.1; amend to read "at a total capital expenditure of some £38 **£39.5** million"
- 17.Paragraph 5.4.1; last sentence, after "transport infrastructure necessary to support the development proposed by the Core

Strategy" add **"and help manage existing traffic congestion issues"**

18. Paragraph 6.2.2 (b) should be amended to read: "**A249 / Bearsted Road / ~~New Cut~~ Roundabout**. This includes capacity improvements and provision of a pedestrian crossing at Bearsted Roundabout ~~and at New Cut Roundabout~~."
19. Paragraph 6.2.2 an additional point should be inserted between points (b) and (c) to read: "**(c) Bearsted Road / New Cut Road Roundabout. This includes capacity improvements and an enlargement of the roundabout"**
20. Paragraph 6.2.3; "Projects (a) – (r)" should be amended to read "Projects (a) – (**s**)"; and "Locations (s) to (w)" should be amended to read "Locations (**t**) to (**x**)"
21. Paragraph 6.2.3; within the table, an additional row between the "M20 Junction 7 Bearsted / Roundabout" row and the "Bearsted Rd, between Bearsted Roundabout and New Cut Roundabout" row should be inserted labelled "**A249 / Bearsted Rd Roundabout"** and should have an associated minimum and maximum cost of **£386,000 and £530,000** respectively
22. Paragraph 6.2.3; within the table, the row "Bearsted Roundabout / New Cut Roundabout" should have an associated minimum and maximum cost of **£423,000 and £559,000** respectively
23. Paragraph 6.2.3; within the table, the row "Bearsted Rd, between Bearsted Roundabout and New Cut Roundabout" should have an associated minimum and maximum cost of **£2,765,000 and £3,304,000** respectively
24. Paragraph 6.2.3; within the table, the row "New Cut Rd / A20 Ashford Rd junction improvements" should have an associated minimum and maximum cost of **£470,000 and £604,000** respectively
25. Paragraph 6.31.3; should be amended to read: "~~This scheme will be funded only by KCC through its Integrated Transport Block Funding Allocation but will not be required to be contributed towards by new development coming forward~~ **The delivery of this scheme will be managed by KCC which will primarily seek to secure funding through its Integrated Transport Block funding allocation.**"
26. Page 79 of the ITS; the "ITS Action Plan" table; last row should be amended to read: "TOTAL ~~£38m~~ **£39.5m"**

## **Reasons for Decision**

Maidstone Borough Council (MBC) and Kent County Council (KCC) have prepared the strategy in partnership. The Integrated Transport Strategy ("ITS") sits beneath the two principal KCC transport strategies:

- Kent Local Transport Plan 2011 – 2016 (LTP)(2011).
- Growth Without Gridlock (2010).

The ITS sets the direction for transport in Maidstone until 2026. It assesses the policy context in which it sits and cross references these with the local context of the existing transport network. Using this baseline, it outlines the transport issues that arise from the development aspirations of the Core Strategy and details in its vision, objectives and action plan for how these will be addressed.

The ITS aims to deliver transport infrastructure and wider reaching transport measures in a way that supports the new development proposed in the Maidstone Core Strategy [and future local plan documents], as well as supporting the residents and stakeholders that already live and work in Maidstone. Among some of the broader issues, the wider reaching measures of the ITS will seek to:

- Reduce congestion
- Increase the 'people-moving' capacity of the existing transport network
- Promote a shift to more sustainable methods of travel such as walking, cycling and public transport use
- Improve road user safety
- Address air quality issues
- Improve the public realm
- Address climate change issues

MBC and KCC have employed professional, independent transport expertise [from JMP Consultants Limited and Jacobs Engineering Limited] to conduct extensive traffic modelling, parking surveys, park and ride customer satisfaction surveys, cost/benefit analysis, economic impact assessments, environmental impact assessments and a more generalised wider appraisal of the measures and options proposed.

Extensive stakeholder engagement has been undertaken during the preparation of the ITS, including:

- MBC member workshops
- Presentation to the Joint Transportation Board
- Highways Agency consultation
- Consultation with local transport operators
- Local business workshop
- Consultation with the development industry



## Initial option testing

Four options were developed around the delivery of primary infrastructure measures. These were developed through the modelling of these options with the VISUM traffic model [recognized by both KCC and the Highways Agency as a best practice model] which enables journey times and vehicle flows to be forecast for 2026 [the end of the plan period]. Using the 'Do minimum' option as a baseline for 2026 the remaining three options were compared against this in terms of costs, benefits and journey times.

Section 5 of the ITS provides a detailed narrative of the option testing process and details how the primary options were tested, that have in turn evolved into the option recommended in the report of the Director of Change, Planning and the Environment:

- **'Do minimum'** – maintaining the existing park and ride network with additional small scale improvements.
- **'Radial park and ride sites'** – an increase in the amount of park and ride locations to six, serving the primary entry/exit routes into and out of town, combined with some bus priority measures.
- **'North/south park and ride spine'** – closure of the existing park and ride sites and the construction of two large park and ride sites with significant bus priority measures to and through the town centre. The sites tested were at M20 junction 6 and Langley Park adjacent to the Park Wood industrial estate.
- **'SEMSL'** – the provision of the South East Maidstone Strategic Link joining M20 junction 8 to a point on A274 Sutton Road between Park Wood and the Five Wents junction.

Section 5 of the ITS explains how the recommended option, do minimum plus, was selected by a process of both elimination and deliverability.

The **'do minimum'** option was not in itself deselected, but was seen to be able to be improved in the longer term with the inclusion of additional elements beyond those already proposed, this is explained below as 'do minimum plus'.

The **'radial park and ride'** option was not selected because the ratio of cost to benefit was not balanced far enough in the benefit category to warrant the capital expense required (£41-56million). The capital expense in itself was seen to be a major obstacle.

The **'north/south park and ride spine'** option was proven to be a successful proposal in cost/benefit terms with significant improvements to the traffic situation, however, following modelling the demand for park and ride sites was proven to be biggest at M20 Junction 7 and the Linton crossroads (A229/B2163). The capital cost for this option was estimated at £53-68million, again a significant constraint to its potential progress.

The **'SEMSL'** option was proven not viable in terms of developer contributions when combined with a dispersed pattern of development as proposed in the Core Strategy. Its cost to benefit ratio was not as substantially balanced toward the benefit category as those provided by

the park and ride options. SEMSL could not provide the extra funding for transport demand measures and there was no discernible easing of town centre congestion indicated in the modelling exercises.

### Further option testing

These results led to the testing of two further options:

- **Hybrid option** – retaining the north south concept with a link through town, however, with different sites at M20 Junction 7 and Linton crossroads (A229/B2163) and with fewer priority measures.
- **Do minimum plus** – building on the do minimum as already tested and implementing further measures, some taken from other options.

To ensure sites were available to deliver the hybrid option, a call for sites was issued from 18 May 2012 to 22 June 2012 seeking expressions of interest for developing park and ride sites that would address the demand that the '**hybrid option**' sought to satisfy. One site in each location was proposed, however, the likely high land acquisition costs similar to those detailed for the two previous park and ride options, and significant planning issues relating to landscape and biodiversity impacts meant that neither part of the option could proceed. The M20 Junction 7 is constrained in large parts due to the setting of the Kent Downs AONB, as well as a designated local wildlife site (LWS). The location at Linton crossroads is primarily constrained due to its location in the countryside south of the Greensand Ridge escarpment and issues relating to the inter-visibility with the Linton conservation area. If the site at Linton Crossroads were to be developed it would also lead to unacceptable coalescence between rural settlements with each other and the urban area.

### Do minimum plus

The '**do minimum plus**' option was selected because the measures included were proven to be deliverable and appropriate to achieve the aims. Importantly, this option makes best and most efficient use of the existing infrastructure.

The elements of '**do minimum plus**' can be delivered in conjunction with the Core Strategy strategic land allocations (utilising section 106 agreements and possibly CIL depending on further advice) at the north west and south east strategic locations, as well as through the future implementation of the Community Infrastructure Levy (CIL).

In detail, the '**do minimum plus**' option seeks to implement:

- Retention and enhancement of the existing park and ride sites.
- Northbound bus lane on A274 Sutton Road between Willington Street and the Wheatsheaf junction (funded by a mixture of section 106 agreements and CIL).
- Bridge gyratory bypass scheme to assist town centre traffic flow (funded by integrated transport block funding).
- Improvements to the M20 junctions 5, 7 and 8 (funded by a mixture of section 106 agreements, CIL and integrated transport block funding).

- Improvements to Bearsted Roundabout and New Cut Roundabout
- The widening and upgrade of Bearsted Road to a dual carriageway between Bearsted Roundabout and New Cut Roundabout
- Constructing bus priority measures on New Cut Road and the junction with Ashford Rd
- Improvements to the Coldharbour roundabout at M20 junction 5 (funded by a mixture of section 106 agreements, CIL and integrated transport block funding).
- A subsidised shuttle bus between the Strategic Development Location at M20 Junction 7 and the town centre
- Improvements to the roundabout entering the 20/20 industrial estate at Allington (funded by a mixture of section 106 agreements, CIL and integrated transport block funding).
- Improvements to the Fountain Lane/A26 Tonbridge Road junction (funded by a mixture of section 106 agreements, CIL and integrated transport block funding).
- A new pedestrian crossing over B2246 Hermitage Lane to improve access to Barming Rail Station
- Improvements to the B2246 Hermitage Lane/A20 London Road junction (funded by a mixture of section 106 agreements, CIL and integrated transport block funding).
- Constructing a new access road between Gore Court Road and Bicknor Wood to provide sufficient access to the new strategic site north of Bicknor Wood
- Widening Gore Court Road between Bicknor Wood and White Horse Lane
- Capacity improvements to the A274 Sutton Road/Willington Street junction (funded by a mixture of section 106 agreements, CIL and integrated transport block funding).
- Capacity improvements to the A20 Ashford Road/Willington Street junction (funded by a mixture of section 106 agreements, CIL and integrated transport block funding).
- Public realm improvements in the town centre (funded by a mixture of CIL and integrated transport block funding) to encourage more walking.
- Implement the Maidstone Cycling Strategy to improve existing and create new cycle routes through the borough
- Implement travel demand measures including raising long stay (4+ hours) council parking tariffs by 50% to encourage a shift to more sustainable modes of travel

Discussions have been had with the Highways Agency (HA) regarding the above junction improvements and the impacts on the M20 and M2. The HA has not raised any objections. Arriva, the primary bus operator in Maidstone, has also been engaged in discussions with officers and there is agreement that the proposed improvements to the bus network, such as increased bus frequencies, can be delivered. This includes current enhancements to bus routes on A20 London Road that are already operating 7 min bus frequencies throughout the day.

Overall, the '**do minimum plus**' option is expected to require a capital investment of **£38m** however this sum is not expected to be only funded through developer contributions. In particular, Action 30 regarding the construction of the Bridge Gyrotory Bypass Scheme is expected to cost

£4.8m and this will be funded solely by KCC through its Integrated Transport Block Funding.

### Funding

The funding and delivery plan within the ITS identifies the funding sources for the schemes as included above. This also details when each of the schemes should be implemented. Reading sections 6 and 7 of the ITS in conjunction with one another, there are a number of further schemes that can be implemented in conjunction with the 'do minimum plus' option. Identifying and securing the funding of these schemes is a pre-requisite to their delivery.

To reinforce the deliverable nature of the ITS and the Core Strategy/Local Plan Maidstone Borough Council, with Swale Borough Council, has jointly commissioned Peter Brett Associates to undertake viability testing of proposed strategic development sites and of the Core Strategy/Local Plan as a whole. The results of the viability testing will feed into the preparation of the CIL charging schedule, which sets the level of contributions that developments pay. Importantly, the charge has to be set for any development to be viable after making its contribution.

In addition to funding secured through section 106 and CIL, additional/alternative revenue sources are available. These sources include:

- Integrated transport block funding – capital funding paid to KCC on an annual basis by the Department for Transport (DfT). This is the primary means by which the measures identified in the LTP are funded.
- Revenue funding – the formula grant paid to local authorities by the Department for Communities and Local Government (DCLG) on an annual basis. MBC and KCC could potentially allocate a portion of the formula grant towards ongoing costs such as concessionary fares and socially necessary bus services e.g. rural services that might otherwise be commercially unviable. The 2010 Comprehensive Spending Review confirmed that this grant would be reduced by a total of 28% over the period 2011/12 to 2014/15.
- New homes bonus – the match funding mechanism whereby Central Government matches the council tax raised from new properties and empty properties brought back into use. The bonus is paid in the first six years that the property is available.

As part of the work towards the viability testing and CIL charging schedule, the council will need to prioritise transport improvements alongside other infrastructure schemes that have been identified in the Infrastructure Delivery Plan (IDP). The consideration of these factors in a holistic manner, taking into account additional and alternative sources of funding, will allow the council to determine which other schemes listed in section 6 can be implemented alongside those from the '**do minimum plus**' option.

## Performance monitoring

The ITS will need to be performance monitored in the short and longer terms to measure the success or otherwise of implemented schemes and to allow MBC and KCC to adjust the strategy as necessary. Working with each other and with relevant delivery partners and stakeholders, the ITS will be measured against 12 targets included in the performance monitoring plan at section 8 of the document. The targets may be added to or removed in the longer term as a result of periodical reviews.

**'Do minimum plus'**, the agreed option, is the pragmatic option. Iterative testing of the other options indicates that it is also considered the only truly deliverable option in the context of the Core Strategy/local plan in that it seeks to maximise, through modifications and improvements, the efficiency of the existing infrastructure.

The Cabinet were informed that the Regeneration and Economic Development Overview and Scrutiny Committee were recommending the following:-

9. Consultation with neighbouring districts be undertaken as per the legislation and that Cabinet put in place a methodology for public consultation. (Site allocations and ITS)
10. Approximate figures for jobs are provided in the document alongside employment square footage. (Site Allocations)
11. The option to install a bus lane on the A274 be re-assessed (ITS)
12. That recommendation 2 of the public participation report be amended to say:  
Reject Junction 8 of the M20 motorway as a Strategic Development Site location for industrial and warehouse development, together with premium office development and do not allocate land for development in the Core Strategy to be guided by an approved development brief.

The Cabinet were also informed that the Spatial Planning Strategy Advisory Group were recommending the following:-

The recommendation was agreed subject to the following amendments:-

- a) That a greater emphasis is given to pedestrian movement in and around the Maidstone town centre within the Strategy.
- b) That the Cabinet investigate and seek clarity from the Kent County Council on what level of funding it would underwrite the schemes set out in the ITS Action Plan.

## **Alternatives considered and why rejected**

Alternative actions and the reasons for not pursuing them are detailed above.

## **Background Papers**

None

Should you be concerned about this decision and wish to call it in, please submit a call in form signed by any two Non-Executive Members to the Head of Change and Scrutiny by: **3 August 2012**.