## **Council's Response to Inspectors Issues and Questions**



27 March 2018

Issue 2: Are the spatial vision and objectives for Ashford sound having regard to achieving sustainable development and the trends and challenges in the Borough?

Issue 3 - Are the strategic objectives and the strategic approach to housing delivery and economic development delivery in terms of distribution and location sound having regard to the needs and demands of the Borough, national policy and Government objectives and the evidence base and preparatory processes? Has the Local Plan been positively prepared?

- i) Is the strategy selected for the distribution of housing and economic growth, with the emphasis on Ashford town, justified compared to the reasonable alternatives? What is the proportion of development proposed in the urban and rural areas across the plan period? How sensitive are the rural areas to further growth?
- 1. The assessment of different strategies for the distribution of housing and economic growth was undertaken in the Sustainability Appraisal (SD02). Section 3.8 of the May 2016 Environmental Report considered four alternative strategies ranging from focusing all development in or on the periphery of Ashford to focusing significant development outside the urban area with the creation of a new settlement. Each of the alternatives were assessed against the 13 SA Objectives with the results shown in Table 11 of the Report.
- 2. The SA report at paras. 3.8.19 3.8.29 discussed the findings of the assessment against the objectives and concluded that the alternatives that focused most development in or around the Ashford urban area had the most beneficial effects on the SA objectives and, on balance, alternative 4.2, which sought to focus the focus a large majority of development in and on the periphery of the Ashford urban area supported by proportionate growth in Tenterden, the rural service centres and other villages, was the preferred strategy for the distribution of new development.
- 3. In preferring this strategy, the SA highlighted clear advantages over the alternatives that focused larger amounts of development in the rural parts of the borough. In particular, the six SA objectives that related to landscape and townscape quality; accessibility to services and facilities; the encouragement of modal shift and connectivity; relationship to current and future infrastructure requirements; the efficient use of land; and the facilitation of economic growth and employment opportunities, all showed a significant advantage for the alternative strategies that focused most development at Ashford itself.

- 4. The SA Report then went on to consider the options for development in and around the Ashford urban area. Section 3.9 of the SA Report considered three alternatives based on growth to the north-west of the town; growth to the south of Ashford; and a more distributed pattern of development. Again, these alternatives were assessed against the 13 SA objectives in Table 12 of the report and it was concluded that the third option (dispersed distribution) was the most sustainable.
- 5. Alongside the Main Changes consultation in 2017, the Council also prepared and consulted on an Addendum to the SA Report (July 2017). This reviewed the outcome of the main SA report by assessing the effects of additional housing allocations in the rural areas of the borough to ensure that this would not significantly affect the preferred strategy for development in the Local Plan.
- 6. Whilst acknowledging that more housing development in the rural areas presents a risk in relation to some of the SA objectives, the Council also recognised the need to provide for both more housing overall (as a result of the updated SHMA) and address concerns over short term housing delivery given the inability at that stage to be able to demonstrate a five year housing land supply. This led to the large majority of additional allocations being located in the rural parts of the borough but with the focus being on the proportionately larger allocations being related to locations at or near rural service centres or along the A20 corridor between Ashford and Charing where accessibility is good and proximity to main services is relatively high.
- 7. The overall approach to the distribution of housing and economic development in this Plan is substantially consistent with the widely acknowledged and accepted model of development for the borough that has formed the basis for Local Plans in the borough over the last 30 years. The Core Strategy approach was of course influenced by the regional planning strategy of the time and Ashford town's designation as a regional growth centre. It represented a magnified version of previous growth strategies based on the sustainability credentials of the Ashford urban area and the desire to retain the character of the wider countryside and the many attractive and historic settlements that lie within it. It is notable that it was not the whole of the borough that was designated as regional growth area but that entirely different strategies were adopted for the urban area and the rural areas with separate housing targets (policy CS2 of the Core Strategy). This is discussed in the Housing Topic Paper (SD08) at paragraphs 36-38.
- 8. Since the adoption of the Core Strategy, Ashford town has seen major infrastructure improvements at M20 Junction 9 and the associated Drovers roundabout to the west of the town and is now seeing the improvements to Junction 10/10a and the A2070 coming forward. Crucially, Ashford's traditional role as a rail hub has also been strengthened by the introduction of domestic services on High Speed 1 to central London in 2009. The reduction of the rail journey to the capital to 38 minutes (via the huge new redevelopment areas at Ebbsfleet and Stratford) coupled with its place on the International Rail network to mainland Europe makes the town almost uniquely connected outside the major conurbations. This can only serve to increase the town's sustainability.
- 9. The sensitivity of the rural parts of the borough to additional development has been considered in the SA. There are nationally designated areas (two AONBs, SSSIs, etc) that act as a natural constraint to development but the sensitivity of the character and beauty of non-designated countryside to significant growth should not be underestimated, as it is the wider character and beauty of the countryside and the villages that sit within it that creates the attractive environment that is characterised as the 'Garden of England'. Significant additional growth here, at least in many areas, risks

undermining those qualities and character.

- 10. The nature of the rural areas of the borough means that most higher order services are provided in Ashford, or to a lesser extent, Tenterden. Inevitably, access to such services will for most residents be via the private car. Significant increases in the rural population through new development will place both added pressure on the limited services available but also greatly add to the need for use of the private car, contrary to the aims of the NPPF.
- 11. If the peripheral allocations around Ashford are considered 'urban', as they should be, then the proportion of all development identified in the Plan / housing trajctory (excluding windfalls) in rural areas is around 15%. Policy SP2 identifies the urban / rural split for allocations that are either 'new' in this Local Plan or rolled forward from existing non-started allocations (i.e. the 6,749 figure in Table 1 of the Submission Plan), the proportion of housing allocated in rural locations is c. 23%. If only 'new' allocations are counted, the equivalent proportion in rural areas is approximately 24%.
  - ii) Is the plan period of sufficient length to ensure the delivery of the strategic objectives?
- 12. Yes. The Council believes that the period to 2030 is adequate for the delivery of the strategic objectives and vision in the Plan. It is acknowledged that there is a risk that external factors may exert an influence on this (wider macro-economic fluctuations, the effects of any eventual Brexit 'deal' between the UK and EU, etc) but the Plan contains flexible policies and a significant housing buffer that can help to ameliorate such factors locally if they arise. Key infrastructure such as M20 Junction 10a is now being delivered and so there are no key constraints to growth coming forward, whilst there is now clear evidence on the ground, especially in Ashford town centre, that previously stalled aspects of the local housing market are now growing and diversifying.
  - iii) Will the strategy satisfactorily and sustainably deliver the new development and infrastructure needed over the plan period?
- 13. Yes. The Local Plan strategy reflects a mix of sites of different size and location within an overall model of sustainable development which has been robustly assessed through the evidence base that supports the Plan. Deliverability and developability have been assessed as appropriate through the SHELAA and the SA and viability has been assessed to ensure that there are no undue burdens within the Plan's polices that might prevent development coming forward, all in line with the NPPF and guidance.
- 14. Key infrastructure necessary to enable development to come forward, such as M20 Junction 10a, is designed and costed and now in the process of being delivered. Where site specific infrastructure is required, this has been fully considered and included in the relevant site policies. The Council has worked closely with its partners to identify where new services and facilities will be needed to mitigate the additional pressures arising from new development and this is set out at length in the Infrastructure Delivery Plan that accompanies the Local Plan.

- iv) In assessing the viability of the Local Plan and having regard to paragraph 173 of the NPPF has sufficient account been taken of all the relevant standards in the Plan and the future implications of CIL?
- 15. Para 173 of the NPPF focusses on deliverability of the plan and requires that sufficient account is taken of the costs of policy requirements along with the normal development costs and mitigation, with competitive returns to a willing land owner and willing developer.
- 16. As part of the preparation of the Local Plan, the Council commissioned Three Dragons to assess the viability impact of then draft policies affecting development costs and this work is contained in the 2016 and 2017 viability studies jointly making up document SD09. The 2017 study used the same value and cost data as the 2016 work, but took account of the draft Local Plan main changes to affordable housing and accessibility policies. Overall, SD09 takes account of the cost of policy requirements along with the normal cost of development and mitigation as follows:
  - The viability testing was based upon a residual value assessment, where the
    value of development net of the build, policy and other costs is compared to
    benchmark land values. The residual value approach is recommended by the
    guidance in Viability Testing Local Plans<sup>1</sup>.
  - The values for market housing use Land Registry price paid data along with consultation with estate agents active in Ashford Borough.
  - The values of affordable housing are included in the modelling at the proposed rates and tenure mixes set out in the Local Plan. This information makes use of a survey of registered providers active in Ashford Borough.
  - Cost allowances for development standards such as accessibility and water efficiency are included (using published cost estimates<sup>2</sup>), and the case study characteristics used in the testing include space standards, green space, parking and private amenity requirements. Larger sites include a proportion of self-build.
  - Normal costs of development such as build costs, plot servicing, professional fees, finance and local mitigation are included in the viability testing. This is based upon sources such as BCIS as well as various inputs discussed with the development industry during the 2015 workshop<sup>3</sup>.
  - Developer returns are built into the viability testing at standard risk-related rates. Developer returns were discussed during the 2015 workshop.
  - Larger case studies include additional development allowances in recognition of the higher costs often associated with this scale of development. Strategic site infrastructure cost allowances were discussed during the 2015 workshop.
  - The residual value of development is compared to benchmark land values, which are estimates of the value that a landowner will be incentivised to sell a site.

<sup>&</sup>lt;sup>1</sup> Local Housing Delivery Group, 2012, Viability Testing Local Plans, page 25

<sup>&</sup>lt;sup>2</sup> EC Harris for DCLG, September 2014, Housing Standards Review Cost Impacts

<sup>&</sup>lt;sup>3</sup> See workshop notes in Annex 1 in the 2016 and 2017 Viability Studies (SD09)

- Benchmark land values were discussed during the 2015 workshop and are also reviewed in the Viability Studies<sup>4</sup>.
- The 2017 viability testing also indicates the 'headroom' on a per dwelling basis for additional infrastructure or s106 costs beyond that already included as policy compliant normal development costs.
- 17. Sections 2 and 3, along with Annex 2 in both the 2016 and 2017 Viability Studies (SD09) contain the assumptions used in the viability testing.
- 18. Through this testing, it has been established that the Local Plan 2030 does not apply policy burdens or obligations that would lead to development viability being threatened. Para 10 in the summary of the 2017 Viability Study (SD09) notes that overall the development proposed in the Local Plan is viable when tested against the Policy HOU1 requirements and that there is capacity to provide additional infrastructure in line with the Local Plan's wider policy requirements. This includes the two strategic sites (Court Lodge and Kennington). However, there are some types of development (e.g. flats in Ashford Town) where viability is weak but this is reflected in the Local Plan policy approach for development in that area.
- 19. It is accepted that the viability testing at this stage can only ever be a snapshot in time and that it applies a strategic approach to the issue of policy burdens, but the extensive and iterative nature of the work clearly ensures that sufficient account has been taken regarding viability.
- 20. In order to take account of individual site circumstances, outside the characteristics of the case studies in the viability testing, the Local Plan adopts a highly flexible approach to the issue of viability (SP5, HOU1, IMP2). It sets out that should viability evidence demonstrate that a site cannot meet all requirements, then either deferred contributions are triggered or certain infrastructure / obligations may be set aside where the benefits of delivering the development outweigh the harm. This flexible approach is already being successfully applied by the Council and has been for a number of years. Examples can be provided if required.
- 21. When the Council proceed with CIL in due course, then the Charging Schedule will take account of all the standards in the Local Plan in determining what levy can be supported without jeopardising development.
- 22. It is worth noting that the 2016 viability testing (SD09) was based upon the 2016 draft Local Plan requirements and at the time the approach was accompanied by a 2016 CIL Preliminary Charging Schedule. This proposed rates of between £30-£60/sq m where affordable housing is being provided (except in Ashford Town) and £75-200 sq m for smaller developments without affordable housing (except flats in Ashford Town). While some aspects of the Local Plan have been amended since 2016, many of the key requirements are the same and the principle remains that development is generally viable and able to contribute to infrastructure as well as providing affordable housing.

<sup>&</sup>lt;sup>4</sup> See Annex 3 in the 2016 and 2017 Viability Studies (SD09) Council's Response to Issues 2 and 3

- v) In setting the strategic objectives and the approach to delivery has regard been had to the purposes of the Areas of Outstanding Natural Beauty within the Borough as required by Section 85 of the Countryside and Rights of Way Act 2000 and as explained in the PPG on Natural Environment? (ID-8-003-20140306)
- 23. Yes. In accordance with Section 85 of the Countryside and Rights of Way Act 2000, which requires relevant authorities to have regard to the purpose of conserving and enhancing land in an AONB in exercising or performing any functions in relation to, or so as to affect, land in an AONB, the overarching Vision of the Local Plan (paragraph 3.11) commits the Ashford Local 2030 Plan to the conservation and enhancement of the two AONBs that fall within the boundary of Ashford Borough.
- 24. The Strategic Objectives (Policy SP1), which deliver the Plan's Vision, form the basis for the Plan's policy framework and provide the Plan's core delivery principles, require all new development to conserve and enhance the Borough's natural environment, including designated landscapes and biodiversity. Strategic objective SP1 b) underpins Policies ENV1 and ENV3b and all site policies affecting land in or affecting the Kent Downs or High Weald AONBs.
- 25. A Statement of Common Ground has been agreed between the Council and the Kent Downs AONB Unit. With regard to the strategic approach to delivery, the Statement includes confirmation that AONB Unit is satisfied that Policy ENV3b as amended addressed its concerns on this issue. (The High Weald AONB Unit did not make representations on the strategic objectives and the overarching policy approach to delivery).
- vi) Does the Local Plan plan positively for the infrastructure required across the Borough? Does the Local Plan make clear, for at least the first five years, what infrastructure is required, who is going to fund and provide it, and how it relates to the anticipated rate and phasing of development in line with the PPG on Local Plans (ID 12-018-20140306)? In particular, the Infrastructure Delivery Plan (SD10) identifies a need for additional provision in respect of education, waste water, health infrastructure, sports provision, strategic parks, green space and allotments. Where and how is that provision to be made?
- 26. Please note, the response to this question should be read in conjunction with the Council's response to Issue 11 which covers issues relating to transport infrastructure.
- 27. Yes, the Local Plan positively plans for infrastructure that is required to meet the needs of the development proposed. The Local Plan approach is informed by an extensive Infrastructure Delivery Plan (IDP, document SD10) which has been produced in tandem

- with the Local Plan and in early consultation with local providers to understand their investment plans and critical dependencies.
- 28. The Local Plan is infrastructure led in that the majority of development utilises existing infrastructure, or infrastructure that is soon to be in place in response to extant commitments, many of which are under construction. Stakeholders support this principle as it represents the most sustainable and cost effective option and does not require significant levels of new infrastructure to be built in unsustainable locations. More details are provided in the Housing Topic Paper (SD08), see Section 3.
- 29. It should be noted that the Council has a strong track record of working with public stakeholders and partners, as well as developers, to ensure that new development is properly served by new or existing infrastructure. In recent years, a substantial amount of funding has been secured to aid the delivery of significant infrastructure, as expressed under Section 1 of the IDP.
- 30. With regards the first five years of the Plan, the IDP provides an itemised list of infrastructure projects in Section 3, the Infrastructure Delivery Schedule (IDS). It also sets out the intended delivery body, the anticipated funding amounts, where funding sources are already agreed and to what extent new development is directly reliant on its delivery. As the PPG recognises, there is less detail provided for the latter part of the plan period, as the providers are more uncertain about their requirements and the potential sources of funding to deliver them.
- 31. The Local Plan responds to this evidence by making explicit references to required infrastructure where it is necessary to do so. Examples include:
- Policy S1 refers to the need for proportionate contributions towards the delivery of strategic parking provision in the town,
- Policy S2 requires the delivery of a primary school on site,
- Policy S3 provides for the expansion of Discovery Park, including the provision of additional areas of publically accessible open space as well as the delivery of a local centre and associated play facilities,
- Policy S4 requires the delivery of community facilities on site,
- Policy S12 secures contributions towards the provision, enhancement and maintenance of Victoria Park,
- Policy S14 requires an extension to the green corridor along the eastern part of the site,
- Policy S19 requires contributions to help deliver the vision for the nearby Conningbrook Lakes Country Park (one of two Strategic Parks),
- Various policies include requirements for proportionate contributions towards the delivery
  of Junction 10a, improvements to the local road network, improvements to the bus
  service, contributions towards primary education, provision of new cycle and pedestrian
  links and ensuring connectivity to the local sewage network.
- 32. It should be noted that a range of significant infrastructure is also due to come forward as part of the Chilmington Green development, a 'garden suburb' of 5,750 currently being built that will be supported by four primary schools, a secondary school, significant amounts of open space and sports facilities, community buildings and health provision.
- 33. Although Chilmington Green falls outside the scope of the Local Plan, the infrastructure it intends to deliver is relevant as it will provide a range of facilities that are able to be enhanced or expanded when new development in the Local Plan comes forward, where it is justified to do so, for example through the application of policies COM2 COM4.

- Doing so utilises existing or planned infrasutrure wherever possible, which is the most sustainable approach.
- 34. The Local Plan supplements the detailed approach with a range of policies that are relevant to the delivery of infrastructure, most notably under Section E (Community Facilities) and Section F (Implementation). Policies within these sections establish the requirement for development to meet its needs, as the community is established, and sets out that localised need should normally be provided on-site with wider needs targeted towards hubs (COM1 and COM2). This covers a range of provision, including sports, arts, community, voluntary sector, education and health, open space and play areas.
- 35. Policy IMP1 sets out that the Council's commitment to continue joint working with relevant service providers to ensure and secure infrastructure to support development as it takes shape. Policy IMP2 outlines the means through which funding will be secured through development while providing flexibility both for developers and to take account of future changes in the ways contributions can be collected and whether any contributions could be deferred if justified.
- 36. With regards the issue of viability, the 2016 and 2017 Viability Studies (SD09) consider the capacity of development to contribute towards infrastructure. In addition to the standard development costs, the viability testing includes £2,000 per dwelling for infrastructure to mitigate local site-specific impacts, and the larger sites include allowances of between £50,000 and £200,000 per net ha for larger scale development site infrastructure. This is in addition to the allowances for external works, which will also form part of the funding for site infrastructure.
- 37. In addition to these site-based infrastructure allowances, the 2016 and 2017 viability studies also considered funding for strategic infrastructure, but in different ways:
  - The 2016 study tested specific infrastructure contribution amounts, which included £5,500 per dwelling for J10a for some case studies. Other case studies were tested with amounts ranging from £7,500 to £15,000 per dwelling to explore the impacts on viability. Based on this testing the Council consulted on a Preliminary Draft Charging Schedule which proposed rates of between £30-£60/sq m where affordable housing is being provided (except in Ashford Town where £0/sq m was proposed) and £75-200 sq m for smaller developments without affordable housing (except flats in Ashford Town where £0/sq m was proposed). CIL will now be dealt with by a separate examination process but the principle remains that development is generally viable and able to contribute to infrastructure as well as providing affordable housing.
  - The 2017 study used a different approach, with the case study viability testing exploring the potential for infrastructure funding on a per dwelling basis. In addition to the standard small and large-scale development costs and the allowance for £2,000 per dwelling, the 2017 viability testing showed that the majority of case studies were able to provide £5,000-£9,000 per dwelling in Ashford Town, £2,000-£10,000 per dwelling in Ashford Hinterlands and £2,000-£28,000 per dwelling in Rest of Borough (see SD09 2017 Table 5-2). The two strategic sites at Court Lodge and Kennington were able to provide approximately £6,000 per dwelling for infrastructure (see SD09 2017 Table 6-2).
- 38. While the amount of infrastructure funding from development will vary depending on location and site characteristics, it is clear from the analysis that development will be able to play a role in the infrastructure funding strategy in the IDP (SD10), which relies on a combination of developer contributions, service providers, economic development

- agencies and local authority funding (see P8 onwards).
- 39. In summary, the Council considers that the Local Plan provides the right balance between providing as much certainty as possible regarding the level and type of infrastructure needed, balanced against being as flexible as possible to ensure that the needed infrastructure will be delivered. In doing so, the approach is considered consistent with the guidance contained in the PPG.
- 40. It should also be noted that the Council continue to have discussions with local providers over the delivery of infrastructure and these will continue over the plan period. This includes engagement with the South East Local Enterprise Partnership (SELEP), the Ashford Strategic Delivery Board, Kent County Council, various water bodies through the Ashford Water Group and the Ashford Health and Wellbeing Board. More details are provided in the Local Plan (paras 2.20 to 2.25).