

Core Strategy Review - Submission Draft

Regulation 19 Version

Consultation on amendments to policies
and text relating to housing supply



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About the Consultation

1 About the Consultation

1.1 Introduction

Folkestone & Hythe District Council (F&HDC) is undertaking a review of its adopted Core Strategy (2013). The aim of the Core Strategy Review (CSR) is to ensure that sufficient land is allocated to meet the identified development needs of the district for the plan period up to 2036/37.

The Council consulted on the Core Strategy Review – Submission Draft under Regulation 19 of the Town and Country Planning (Local Planning) (England) Regulations 2012, between the 25th January and 11th March 2019.

Following the National Planning Policy Framework (NPPF, 2018) and Planning Practice Guidance (PPG, 2018), the CSR planned for a minimum of 12,845 new homes by 2036/37 - the equivalent to 676 new dwellings a year. However, several updates to national policy and guidance have since been published, one of which amended the standard method by which Local Planning Authorities (LPAs) have to calculate their minimum housing needs.

The purpose of this consultation document is to set out the proposed amendments to the Core Strategy Review that reflect the new minimum housing need figure and to invite comments under Regulation 19.

Consultation

The consultation will run for a period of seven weeks between the **2nd December 2019** and **5pm on the 20th January 2020**.

Further information on how to comment is set out below in Section 1.4.

1.2 Why is there a change to the minimum housing need?

A key government priority has been to deliver more and better-designed homes, and to do so faster.

Therefore, it has consulted a number of times in recent years on proposed changes to the way that housing need is calculated. The aim of these reforms has been to ensure local planning authorities plan for the right homes in the right places, in an open, transparent and sustainable way.

In July 2018, a revised version of the NPPF was published introducing a standard method for identifying housing need to ensure local authorities and the communities they serve have a consistent starting point when understanding how many homes are needed in their local area. NPPF paragraph 60 stated:

“To determine the minimum number of homes needed, strategic policies should be informed by a local housing needs assessment, conducted using the standard method in national planning guidance.”

The new approach was based on district-level data published by the Office for National Statistics (ONS). This was intended to remove the need for local planning authorities to undertake their own assessments of housing need and speed up the process of preparing local plans.

Further changes were introduced to the NPPF and PPG in 2019. The principal change has been that LPA's are now required to use the 2014-based household projections to set the 'baseline' for the standard method calculation, rather than the more recent 2016-based household projections.

1.3 What is the new minimum housing need?

Given the changes to national planning policy and guidance, the Council has reviewed the District's minimum annual housing need figure to ensure that the emerging CSR reflects the most up-to-date housing position.

The PPG for Housing and Economic Needs Assessment sets out a two-step process for identifying housing need.

Step 1 - Setting the baseline

The first step is to set the baseline figure using the 2014-based national household projections published by the ONS for Folkestone & Hythe District.

These projections identified an annual projected household growth of 556 households a year for the District. This was determined by calculating the projected average household growth over a consecutive ten-year period, with the current year being used as the starting point.

Step 2 - An adjustment to take account of affordability

The second step then adjusts the average annual projected household growth figure based on the affordability of housing in the area.

This adjustment uses the most recent median workplace-based affordability ratio published by the ONS, which compares the average house price to earnings. For Folkestone & Hythe district this ratio is 9.2. This figure has then been substituted into a standard formula to calculate an 'adjustment factor' of 1.325.

The final stage was to multiply the annual projected household growth of 556 by the affordability adjustment factor of 1.325, which results in an annual minimum housing need of **738 new homes a year** for the district. Applying this figure from the current year (2019/20) to the end of the Core Strategy Review plan period (2036/37), a period of 18 years, means a total minimum figure of **13,284 new homes**.

Given the changes to the NPPF and PPG, the Planning Policy Team has assessed how the District can meet the new housing need. This has involved a number of areas of work, assessing past trends as well as reviewing current and future sources of housing supply. This work, in addition to the 'fully worked' housing need calculation, can be found in the Core Strategy Review: Revised Housing Need and Supply Evidence-Based Document, which is published alongside this consultation.

The Core Strategy Review is also supported by several statements of common ground with neighbouring local authorities and statutory consultees and these are also available to view and comment on, alongside this document.

This work shows that F&HDC can meet the revised minimum housing need figure without the need to identify any additional housing sites as part of the Core Strategy Review. The Council is not looking to neighbouring authorities to meet any of Folkestone & Hythe's housing need.

1.4 How to Comment

The consultation on the proposed amendments to the Core Strategy Review runs for a period of seven weeks between the **2nd December 2019** and **5pm on 20th January 2020**.

Hard copies of the consultation document are available to view at all local libraries within the district and at the Council offices in Folkestone during normal opening hours.

Any representations should address whether the proposed amendments to the Core Strategy Review are considered to be legally compliant and 'sound'. The National Planning Policy Framework states that plans are 'sound' if they are:

- **Positively prepared** – providing a strategy which, as a minimum, seeks to meet the area's objectively assessed needs; and is informed by agreements with other authorities, so that unmet need from neighbouring areas is accommodated where it is practical to do so and is consistent with achieving sustainable development
- **Justified** – an appropriate strategy, taking into account the reasonable alternatives, and based on proportionate evidence

- **Effective** – the plan should be deliverable over its period and based on effective joint working on cross-boundary strategic priorities
- **Consistent with national policy** – the plan should enable the delivery of sustainable development in accordance with the policies in national planning policy

Comments should be made through the consultation portal or by completing the appropriate representation form. **A separate form should be used for each comment you wish to make.**

Using the consultation portal

Comments on the amendments to the Core Strategy Review can be made directly online using the Council's consultation portal, which allows you to decide which document, policy or paragraph you want to comment on and summarise your main points in your own words. You can view the portal by following this link: <http://consult.folkestone-hythe.gov.uk/portal>

Using a representation form

Alternatively, a representation form (for filling in electronically or printing out) can be downloaded from the Council's website. This form can be returned:

- By email to: planning.policy@folkestone-hythe.gov.uk
- By post to: Planning Policy, Folkestone & Hythe District Council, Civic Centre, Castle, Hill Avenue, Folkestone, Kent CT20 2QY

It would help the Planning Inspector if you say in your response whether you support or object to the amendments in the Consultation Document, based on whether or not you agree that it complies with the legal and procedural requirements, and is sound, as outlined above. If you don't think the proposed changes meet a requirement you should explain why. It will also be helpful if you say how the amendments set out in Section 2 should be changed to meet the relevant requirement.

1.5 Next Steps

Following the consultation, the Council submit the Core Strategy Review to the Planning Inspectorate for Examination. An independent Planning Inspector will then be appointed to consider whether the Core Strategy Review has been prepared in accordance with the legal and procedural requirements, and whether it is 'sound'.

For queries about the consultation

If you have any queries about the consultation, or would like further advice about how to make your comments, please contact the Planning Policy Team:

By email: planning.policy@folkestone-hythe.gov.uk; or

By telephone: 01303 853000 and ask for the Planning Policy Team.

Amendments to the Core Strategy Review

2 Amendments to the Core Strategy Review

2.1 The Proposed Amendments

The changes introduced by government, outlined in section 1.2, require us to make a small number of amendments to Core Strategy Review policies and supporting text.

These amendments are set out in the policies, numbered paragraphs and table in the pages that follow. The numbered paragraphs are the numbers in the Regulation 19 Core Strategy Review; the text of the Regulation 19 Core Strategy Review can be seen [here](#).

The amended policies are presented first, followed by paragraphs of supporting text.

About the amendments

Please note, we are **only** consulting on the changes set out in this section of the document, as well as the accompanying Sustainability Appraisal, Habitats Regulations Assessment.

The original text of the Regulation 19 Core Strategy Review is shown in black, new text is shown in red underlined (new text) and deleted text is shown in red struckthrough (~~deleted text~~).

If you made comments to the Regulation 19 Core Strategy Review earlier in 2019 there is no need to repeat these comments - these will be passed on to the Planning Inspectorate alongside the comments to this consultation.

2.2 Amendments to Policies

Policy SS2: Housing and the Economy Growth Strategy, page 61

Policy SS2

Housing and the Economy Growth Strategy

The core long-term requirement is to deliver **676 738 dwellings (Class C2/C3) a year on average from 2018/19-2019/20 to 2036/37**, a total requirement of **42,845-13,285 new homes** over the plan period. This will be achieved by major strategic growth in the district including the delivery of a new garden town, as well as a number of small- and medium-sized sites as allocated in the Places and Policies Local Plan.

Allied to this rate of housing delivery, business activity and the provision of jobs will be facilitated through supporting employment opportunities in the garden settlement, existing town centres, the protection of sufficient employment land across the district, allocations and delivering rural regeneration (especially in the south and west of the district).

Use	Target amount of additional development 2018/19 2019/20-2036/37	Delivery of plan period
Housing (Classes C2/C3)	Minimum of 42,845 13,284 dwellings	A requirement is set to deliver land for an average of 676738 dwellings a year over the plan period (49 18 years)
Employment Uses (B classes)	<ul style="list-style-type: none"> Approximately 8.1 ha strategic employment allocation at new garden settlement (36,760 sqm floorspace) Employment sites in Places and Policies Local Plan policies E1 and E2 	Targets to be monitored and employment/retail needs to be reviewed every five years. Any future studies will be a material planning consideration and may trigger a review of relevant plan policies.
Goods Retailing (Class A1-A5, excluding A2 services)	Approximately 31,205 sqm gross, comprising 4,620 sqm convenience goods floorspace and 26,585 sqm comparison goods floorspace	

Table 4.2

Provisions to ensure the effective implementation of this policy are detailed in section 5.3.

Policy SS6: New Garden Settlement - Development Requirements, pages 88 to 90

Policy SS6

New Garden Settlement - Development Requirements

Land is allocated within the North Downs area for a new garden settlement as shown on the Policies Map.

[...]

(1) New homes

a. The settlement shall provide for a minimum of ~~6,375~~5,925 new homes in a phased manner **within this plan period** (2019/20 to 2036/37) with potential for future growth to provide a total of 8000-10,000 homes (subject to detailed masterplanning) within the site allocation area beyond the plan period;

[...]

2.3 Amendments to Supporting Text

Paragraphs 4.8 to 4.14, pages 49-50

~~Local Assessment of Housing Need~~

~~4.8 The Core Strategy Review is now looking to a longer period, to 2037. In planning for this period, the council undertook a Strategic Housing Market Assessment (SHMA) for the district, working in partnership with Dover District Council[†]. The SHMA assesses housing need by considering a range of factors including:~~

- ~~• Demographic evidence (such as births, deaths, migration into and out of the area and the rate at which new households are likely to form);~~
- ~~• The numbers of homes delivered in the past;~~
- ~~• House prices and the housing market; and~~
- ~~• Likely future economic growth.~~

~~4.9 Taking account of these factors, the SHMA determined that the local housing need for the district stands at 633 new homes a year.~~

National Methodology for Calculating Housing Need

~~4.10 While the council has been preparing the Core Strategy Review, the government consulted on and then introduced the introduction of a standard national methodology for calculating housing need. 'Planning for the Right Homes in the Right Places' was published by the Department for Communities and Local Government (DCLG) in September 2017. Following this consultation, the Ministry of Housing, Communities and Local Government (MHCLG) prepared and consulted on a revised draft of the National Planning Policy Framework. The final version of the National Planning Policy Framework was published in July 2018. This was brought into force following the introduction of a revised National Planning Policy Framework in 2019. Regarding new housing, this states that, "To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance - unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals"².~~

~~4.11 The national methodology for housing need factors in the latest household projections³ and information on housing affordability⁴ to arrive at a figure for the minimum number of new homes that local authorities should plan for. **At the time of**~~

~~preparing the Submission Draft Core Strategy Review;~~ The latest household projection and affordability ratio for the district indicate that the council should plan for ~~676-738~~ new homes a year.

4.12 Given this, the Core Strategy Review will plan for a total of ~~12,845-13,284~~ new homes over the period ~~2018/19-2019/20~~ to 2036/37. This will provide for the minimum amount of new development required by national planning policy.

~~4.13 The local housing need calculated using the standard method may be relied upon for a period of two years from the time that a plan is submitted to the Planning Inspectorate for examination, after which it may change. National policy requires local planning authorities to update their local plans at least every five years, or sooner, if housing numbers are likely to change. It should be noted that the government may introduce further changes to the national methodology, following the publication of revised household projections in September 2018⁵. If necessary, any changes to the housing requirement for the Core Strategy Review will be dealt with through a review of the plan.~~

4.14 It is clear from this that the district's future housing requirement will not be met unless ambitious new growth initiatives are brought forward, at pace. The time is right, therefore, for the council to consider a strategic response to provide significant medium- and long-term housing growth in the district.

Highlighted green box, page 52

Overview of key features of change proposed in the spatial strategy, and associated major proposals for delivery:

- The creation of a major new settlement based on garden town principles in the North Downs Area. *See policies SS6, SS7, SS8 and SS9.*
- Develop Folkestone's centre, employment sites and deprived residential neighbourhoods to improve connectivity, vibrancy and activity led by major opportunities on 'brownfield' land at Folkestone seafront and Shorncliffe Garrison, as well as employment sites, with opportunities to consolidate and improve the existing housing, commercial and retail stock. *See policies SS1, SS3, SS4, SS10, SS11 and CSD6.*
- Focus major new development in Hythe on regenerating the west/south of the town, and maintain the character and vitality of the town centre, improving opportunities for sport, recreation and leisure. *See policies SS2, SS3, SS4 and CSD7.*
- Regenerate Romney Marsh through a positive approach to sustainable economic development and infrastructure opportunities, and through increasing the strategic role of New Romney town in serving the area, as the key service, health, education and employment hub for the Marsh. *See policies SS1, SS4, CSD3 and CSD8.*
- Improve precious habitats, critical landscapes and efficiency of natural resource use (including water) and manage carbon emissions and flood risks in response to climate change. *See policies SS1, SS3, CSD4 and CSD5.*
- Target construction of ~~676~~738 dwellings per year to 2036/37. *See policies SS2 and SS3*
- Accommodate new retail, leisure and an improved public environment at Folkestone, Hythe and New Romney town centres. *See policies SS3, SS4 and CSD6-8.*
- Secure resources from developers for new physical and social infrastructure through developer contributions, including the Community Infrastructure Levy. *See policy SS5.*
- Provide public access to major new green infrastructure for Folkestone, Hythe and the district at Seabrook Valley, Folkestone seafront and elsewhere. *See policies SS11 and CSD4.*

Paragraph 4.42, page 58

Approach to housing provision

4.42 Section 4.1 sets out the government's methodology for assessing how many homes councils need to plan for. Using the latest household projections and affordability figures, the government methodology requires the provision of a minimum of:

- **676 738 new homes a year on average** over the period 2018/19-2019/20 to 2036/37 (19-18 years); or
- **42,845 13,284 additional homes in total.**

Paragraphs 4.63 to 4.64 and Table 4.3 (pages 61-62)

4.63 The table below shows how the housing requirement to 2036/37 will be met. Due to the scale of strategic allocations (policies SS6-SS11) and need for phasing with infrastructure, they will play a medium- and long-term role in maintaining housing supply.

Source	Contribution (net dwellings)⁴
Delivery through the allocated garden settlement over the plan period ^{1,2}	6,375 <u>5,925</u>
Delivery through the further expansion of Sellindge ³²	350 <u>188</u>
Delivery through allocated development sites (remaining Core Strategy Policy CSD8 and Places and Policies Local Plan allocations) without planning permission.	1,400 <u>1,703</u>
'Windfall' sites - allowance of <u>55-95</u> units per annum for <u>17-15</u> years. Windfall development accounts for the housing delivery arising from small sites of one to four <u>nine</u> dwellings ⁵³	935 <u>1,425</u>
Delivery (minimum) through extant planning permissions and sites under construction. ⁴	4,100 <u>4,274</u>
Total <u>2018/19-2019/20</u> – 2036/37 (minimum)	13,160 <u>13,515</u>

Table 4.3: How the minimum housing requirement will be delivered through the plan period

Footnotes

¹ ~~Rounded to the nearest 5 dwellings.~~

² ~~2018/19 to 2036/37~~¹ Core Strategy Review Policies SS6-SS9

³ ² Core Strategy Review Policy CSD9. Remaining part of proposed allocation without planning permission.

⁴ ~~10 per cent deducted from total to account for non-delivery of sites.~~

⁵ ³ Windfall development accounts for the housing delivery arising from small and medium sites of one to ~~four~~ nine dwellings. Evidence from the years ~~2007/08~~ 2012/13 to ~~2016/17~~ 2018/19 indicates an average of ~~62~~ 97 dwellings from windfall development per annum. Early years have been discounted to avoid double-counting with existing planning permissions.

⁶⁻⁴ ~~10~~ 5 per cent deducted from sites where construction has not started to take account of non-delivery.

4.64 Table 4.3 shows the different components of the housing land supply over the Core Strategy Review plan period, including allocations in the Places and Policies Local Plan, existing planning permissions, 'windfall' delivery (small sites of one to ~~four~~ nine dwellings) and the strategic allocations in this plan. A cautious approach has been taken, with deductions made for the possible non-delivery of sites (where planning permissions lapse, sites are developed for fewer homes than anticipated or some homes are completed beyond the plan period) and a conservative estimate has been made for windfall development. It is estimated that ~~approximately a minimum of 13,160~~ 13,515 new homes will be delivered over the plan period, exceeding the requirement of ~~12,845~~ 13,284 currently set by the Government's national formula for housing need. in Policy SS2: Housing and the Economic Growth Strategy.

Paragraphs 4.145 to 4.147, page 82

4.145 As set out in Section 4.2: Housing and the Economy Growth Strategy, there is a need to plan for significantly more homes than was identified in the 2013 Core Strategy. The Core Strategy Review plans for an overall requirement of an average of ~~676~~ 738 new homes a year over the period ~~2018/19~~ 2019/20 to 2036/37, a minimum of ~~12,845~~ 13,284 new homes in total for the district.

New Garden Settlement

4.146 Policies for a new garden settlement in this section follow from ~~a comprehensive assessment of the need for new homes the new national method for determining housing need~~ and the capacity of the district to accommodate growth. This introductory section outlines this assessment.

4.147 The provision of new homes is an important priority for the government and the council with legislation and policy seeking to significantly boost the supply. ~~The council identified the need for significant growth following the conclusions of the Strategic Housing Market Assessment (SHMA) - an average of 633 new homes a year⁴⁷~~: A new national methodology has ~~since~~ been introduced by government; this indicates that the district needs to plan for ~~an average a minimum of 676-738~~ new homes a year.

Paragraph 5.173, page 160

5.173 A housing implementation strategy is required. The spatial strategy builds in flexibility by providing a framework with options to ensure a suitable long-term supply of housing. Specific sites are available in excess of the period required in national policy (15 years) by identifying growth options to 2036/37. The primary housing land policy (SS2) is expressed at an average level of ~~676-738 new dwellings a year~~ - and provisions are made to ensure delivery is not unnecessarily delayed (policies SS5–SS11).

Paragraph 5.177, page 161

5.177 'Windfall' sites (not previously identified) have historically provided a proportion of the district's housing land supply, and a cautious estimate of ~~55-95~~ dwellings a year has been included in the housing land supply (see Table 4.3); sites of ~~fewer than five-nine or fewer~~ new dwellings ~~net~~ have provided an average of ~~62~~ 97 dwellings a year over the period ~~2007/08-2012/13~~ to ~~2016/17-2018/19~~.

