

Report to Folkestone and Hythe District Council

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Inspectors appointed by the Secretary of State

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Planning and Compulsory Purchase Act 2004 (as amended)

Section 20

Report on the Examination of the Folkestone and Hythe District Core Strategy Review

The Plan was submitted for examination on 10 March 2020

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Abbreviations used in this report

| | |
|--------------------|--|
| AAP | Area Action Plan |
| AONB | Kent Downs Area of Outstanding Natural Beauty |
| CIL | Community Infrastructure Levy |
| CSR | Folkestone and Hythe District Core Strategy Review |
| DPA | Dwellings per annum |
| ELNA | Otterpool Park Employment Land Needs Assessment 2018 |
| FRA | Flood risk assessment |
| GTAA | Gypsy and Traveller Accommodation Assessment |
| Ha | Hectares |
| HRA | Habitats Regulations Assessment |
| HS1 | High Speed 1 rail line |
| LLP | Limited Liability Partnership |
| NPPF | National Planning Policy Framework |
| PPG | Planning Practice Guidance |
| PPLP | Folkestone and Hythe District Places and Policies Local Plan |
| 2013 Core Strategy | Shepway Core Strategy adopted in 2013 |
| SHMA | Strategic Housing Market Assessment |
| SPA | Special Protection Area |
| SPC | Special Area of Conservation |
| TA | Transport Assessment |

Non-Technical Summary

This report concludes that the Folkestone and Hythe District Core Strategy Review (the CSR) provides an appropriate basis for the planning of the District, provided that a number of main modifications are made to it. Folkestone and Hythe District Council (the Council) has specifically requested that we recommend any main modifications necessary to enable the CSR to be adopted.

Following the hearings, the Council prepared a schedule of the proposed main modifications and carried out a sustainability appraisal and habitats regulations assessment (HRA) of them. The main modifications were subject to public consultation over a six-week period. We have recommended their inclusion in the CSR after considering the sustainability appraisal and HRA and all the representations made in response to consultation on them.

The main modifications can be summarised as follows:

- Introducing a phased approach to annual housing requirements and a realistic housing trajectory to reflect the likely timescales for the New Garden Settlement;
- Strengthening and clarifying the approach to the protection of the Kent Downs Area of Outstanding Natural Beauty (the AONB) and its setting;
- Providing clarity in relation to transport and other infrastructure requirements resulting from the New Garden Settlement and the approach towards phasing, monitoring and mitigation;
- Introducing safeguards on nutrient enrichment for the Stodmarsh designated sites; and
- A number of other main modifications to ensure that the CSR is positively prepared, justified, effective and consistent with national policy.

Introduction

1. This report contains our assessment of the CSR in terms of Section 20(5) of the Planning and Compulsory Purchase Act 2004 (as amended). It considers first whether the CSR's preparation has complied with the duty to co-operate. It then considers whether the CSR is compliant with the legal requirements and whether it is sound. Paragraph 35 of the National Planning Policy Framework 2021 (NPPF) makes it clear that in order to be sound, a local plan should be positively prepared, justified, effective and consistent with national policy.
2. The starting point for the examination is the assumption that the Council has submitted what it considers to be a sound plan. The CSR document dated February 2020 and submitted on 10 March 2020 (EB 01.00) is the basis for the examination. This incorporates the Submission Draft document published for consultation in January 2019 (EB 01.40) and the consultation document on amendments to policies and text relating to housing supply published in December 2019 (EB 01.30).

Context of the CSR

3. Folkestone and Hythe is a coastal District in Kent. It is well connected nationally and internationally via the M20, A20, Eurostar and High Speed 1 rail line (HS1) and contains the Channel Tunnel Terminus. The District is made up of three distinct character areas which are reflected in the CSR.
4. The urban area is a continuous built up area containing the towns of Folkestone and Hythe which are connected by the coastal neighbourhoods of Sandgate and Seabrook. Folkestone is the main town with just under half of the District's population. It provides the focus for employment, retail and other main town centre uses and the full range of social and community infrastructure. The North Downs area is largely made up of the AONB and has a number of smaller settlements. The Romney Marsh area is a large and distinctive area of countryside and coastline in the south and west of the District which includes the towns of New Romney and Lydd and the Dungeness Peninsula.
5. The existing settlement pattern and scope for future growth is very significantly affected by physical and environmental constraints including the coastal location, topography, landscape, nature

conservation designations and flood risk. This context has a major influence on the options for strategic growth and the strategy of the CSR.

6. The CSR is a very strategic plan. The Council adopted the Folkestone and Hythe District Places and Policies Local Plan (the PPLP) in September 2020. The PPLP contains detailed development management policies and a large number of relatively small site allocations across the District. Once adopted, the CSR will completely replace the Shepway¹ Core Strategy, adopted in 2013 (the 2013 Core Strategy). To a large extent the CSR seeks to roll forward policies and proposals from the 2013 Core Strategy with relatively minor amendments and updates. This includes strategic site allocations at Folkestone Seafront and Shorncliffe Garrison, Folkestone and the strategies for Central Folkestone, Hythe, New Romney and Sellindge.
7. The CSR is based on meeting local housing needs in full as established using the standard methodology. This results in a requirement for an average of 738 dwellings per annum (dpa). This represents a substantial increase from the minimum requirement of 350 dpa and target for delivery of 400 dpa established in the 2013 Core Strategy. The CSR introduces a new and significant element to the spatial strategy in the form of the New Garden Settlement (otherwise known as Otterpool Park). This is the key change from the 2013 Core Strategy and understandably has been the focus of public interest and a significant proportion of the examination.

Main Modifications

8. In accordance with section 20(7C) of the 2004 Act the Council requested that we should recommend any main modifications necessary to rectify matters that make the CSR unsound and/or not legally compliant and thus incapable of being adopted. Our report explains why the recommended main modifications are necessary. The main modifications are referenced in bold in the report in the form **MM01**, **MM02** etc, and are set out in full in the Appendix.
9. Following the examination hearings, the Council prepared a schedule of the proposed main modifications and carried out a sustainability appraisal and HRA of them. The main modifications were subject to public consultation for six weeks. We have recommended the inclusion of the main modifications in the CSR after considering the sustainability appraisal, HRA and all the representations made in

¹ The Council was known as Shepway District Council up until 2018

response to consultation on them. Following consultation, we have amended the wording of main modification **MM01** to reflect the up to date position on Dungeness B Power Station. This does not alter the substance or meaning of the main modification or the CSR.

Policies Map

10. The Council must maintain an adopted policies map which illustrates geographically the application of the policies in the adopted development plan. When submitting a local plan for examination, the Council is required to provide a submission policies map showing the changes to the adopted policies map that would result from the proposals in the submitted local plan.
11. In this case, the site allocation for the New Garden Settlement would result in a change to the adopted policies map. However, a proposed submission policies map was not published at Regulation 19² stage nor when the CSR was submitted. Whilst Figure 4.5 of the CSR shows the site boundary, it does not fulfil the criteria for the policies map set out in Regulation 9 in that it is not reproduced from or based on an Ordnance Survey map. We raised this issue with the Council early in the examination and a plan complying with the Regulations was added to the examination documents. We are satisfied that the proposal for the New Garden Settlement and the boundary of the site concerned was clear at the time of publication and submission, that interested parties were aware of it and were able to make informed representations and that no one's interests were prejudiced.
12. The policies map is not defined in statute as a development plan document and so we do not have the power to recommend main modifications to it. However, main modification **MM16** requires a further corresponding change to be made to the policies map. This further change to the policies map (EX.131) was published alongside the main modifications.
13. When the CSR is adopted, in order to comply with the legislation and give effect to the CSR's policies, the Council will need to update the adopted policies map to include the two changes referred to above.

² The Town and Country Planning (Local Planning) (England) Regulations 2012

Public Sector Equality Duty

14. We have had due regard to the aims expressed in S149(1) of the Equality Act 2010. This has included our consideration of several matters during the examination including specialist homes for older people, adaptable homes and the accommodation needs of Gypsies, Travellers and Travelling Showpeople.

Assessment of Duty to Co-operate

15. Section 20(5)(c) of the 2004 Act requires that we consider whether the Council complied with any duty imposed on it by section 33A in respect of the preparation of the CSR.
16. In terms of housing provision, the CSR has been prepared on the basis of fully meeting identified needs for the District. Neighbouring authorities (Ashford, Canterbury and Dover in Kent and Rother in East Sussex) have not identified any unmet needs which would be required to be accommodated in Folkestone and Hythe. The Council has worked closely with these authorities and also Thanet District Council as part of the East Kent group of authorities at all key stages during the preparation of the CSR. There are no concerns from other authorities regarding the scale of housing provision proposed in the CSR.
17. The Council has also worked closely with these authorities and other relevant organisations including Kent County Council, National Highways, the Environment Agency and Natural England in relation to the proposal for the New Garden Settlement. The Council has demonstrated a constructive approach to dealing with specific issues and has amended the detailed policy approach during the preparation of the CSR, for example in relation to infrastructure needs and the impact on heritage assets.
18. A range of Statements of Common Ground have been agreed with local authorities and other key organisations. Whilst further work has been undertaken during the examination to resolve issues, particularly on transport infrastructure requirements and mitigation and the impact on water quality and the Stodmarsh designated sites, none of the other local authorities or relevant organisations have raised concerns over compliance with the duty to co-operate.
19. Overall, the Council has demonstrated constructive, active and ongoing engagement with local authorities and relevant organisations

on strategic matters. The issues have been resolved effectively and there are no concerns from these authorities and organisations regarding the duty to co-operate. We conclude therefore that the Council has complied with the duty to co-operate.

Assessment of Other Aspects of Legal Compliance

20. The CSR has been prepared in accordance with the Council's Local Development Scheme (May 2020) although the timetable for the examination and adoption has slipped largely due to Covid 19 and the need for additional work to be undertaken by the Council during the examination.
21. Consultation on the CSR and the main modifications was carried out in compliance with the Council's Statement of Community Involvement.
22. The Council carried out a sustainability appraisal of the CSR, prepared a report of the findings of the appraisal, and published the report along with the CSR and other submission documents under regulation 19. Policies SS5, SS10, SS11, CSD3, CSD4, CSD6, CSD7 and CSD8 of the submitted CSR sought to roll forward policies from the 2013 Core Strategy with only relatively minor amendments. These were not subject to sustainability appraisal as part of the submitted report. Following our request early in the examination this was rectified by an addendum to the sustainability appraisal report (Appendix 1 to Council's hearing statement on Matter 1). The appraisal was further updated to assess the published main modifications.
23. The HRA sets out that an appropriate assessment was required in relation to potential likely significant effects on the Folkestone to Etchinghill Escarpment Special Area of Conservation (SAC) as a result of changes in air quality and recreational disturbance and the Dungeness SAC, Special Protection Area (SPA) and Ramsar site in relation to recreational disturbance. The Appropriate Assessment concluded that, subject to the implementation of safeguards, the CSR will not result in adverse effects on these sites.
24. Following the submission of the CSR, Natural England alerted the Council to the issue of water quality impacts on the Stodmarsh SAC, SPA and Ramsar site due to the potential for harmful nutrient levels, including nitrogen and in particular phosphorous. In the case of phosphorous levels, the concern relates mainly to wastewater discharges into the River Stour catchment. Whilst Stodmarsh is in the

Canterbury City Council area, the issues relating to the Stour catchment affect a number of authorities in Kent. Natural England issued detailed advice to relevant authorities in July 2020.

25. For Folkestone and Hythe, specific concern was raised in relation to potential wastewater discharges from the New Garden Settlement, although other smaller developments in the catchment would also potentially have effects. Additional work was undertaken on behalf of the Council and close liaison with Natural England took place. The HRA was updated to consider this specific issue and appropriate assessment undertaken. This concluded that subject to modifications to Policy CSD5 and necessary mitigation, proposed development in the CSR will not result in an adverse effect on the integrity of the Stodmarsh SAC, SPA and Ramsar site. Natural England entered into a Statement of Common Ground with the Council and has confirmed that they are satisfied with the approach and the findings of the Appropriate Assessment. We deal with the New Garden Settlement and Policy CSD5 in more detail later in the report. The HRA was further updated to assess the published main modifications.
26. The Development Plan, taken as a whole, includes policies to address the strategic priorities for the development and use of land in the local planning authority's area.
27. The Development Plan, taken as a whole, includes policies designed to secure that the development and use of land in the local planning authority's area contribute to the mitigation of, and adaptation to, climate change.
28. The CSR complies with all other relevant legal requirements, including in the 2004 Act (as amended) and the 2012 Regulations.

Assessment of Soundness

Main Issues

29. Taking account of all the representations, the written evidence and the discussions that took place at the examination hearings, we have identified nine main issues upon which the soundness of the CSR

depends. This report deals with these main issues. It does not respond to every point or issue raised by representors.

Issue 1 – Whether the CSR has been positively prepared and whether it is justified, effective and consistent with national policy in relation to the housing requirement

30. The housing requirement on submission was based upon the Government's standard method for assessing housing need as its starting point. Using the standard methodology results in 738 dpa being required over the 18 years of the plan period (2019/20-2036/37), giving a total of 13,284 dwellings. This represents a significant uplift in the number of dwellings required from the 2013 Core Strategy which required an average of 350 dpa up to 2031.
31. The Council's calculations utilise the 2018 affordability ratio figure rather than the 2019 which would mirror the CSR's base date. At the time the CSR was submitted, the 2018 affordability ratio was the most up to date available and the 2019 figure was only published after submission. The use of the 2018 affordability ratio is supported by the Planning Practice Guidance (PPG) (Paragraph: 004 Reference ID: 2a-004-20201216) which indicates that the most recent median workplace-based affordability ratios be used. In this respect, we are satisfied that the approach to the calculation was undertaken correctly and is therefore sound.

Approach to the housing trajectory

32. On submission, Policy SS2 set out the overall housing requirement to be delivered as a linear trajectory requiring an average of 738 dpa. However, due to slippage in the progress of the New Garden Settlement along with its proposed long-term phased delivery, this means that it will take time to become established as well as providing for the scale of infrastructure identified. As such, maintaining a 'flat' annual rate of housing across the trajectory would not provide the basis for securing a 5 year housing land supply. As such, we consider that the submitted linear trajectory is not justified.
33. In order for the plan to be sound, an alternative approach is required. A staggered housing requirement across the plan period would incorporate four separate 'stepped' periods, set at a level to reflect the anticipated delivery of the major phases of the New Garden Settlement as well as other larger sites. In the first 5 year step

period, it is necessary to reduce the requirement below the standard method figure (622 dpa) to reflect the lead-in time for infrastructure for the New Garden Settlement, with the second phase having an increased rate reflecting the delivery of the key phases of the New Garden Settlement (885 dpa) with the remaining two phases reflecting a more consistent rate delivery of housing (730 and 700 dpa respectively). As such, policy SS2 is required to be modified by **MM02** to introduce a staggered housing requirement across the plan period, which is necessary for the CSR to be justified and effective.

Need for other types of housing

34. The CSR seeks to provide for specialist accommodation for older people which falls within Class C2 of the Use Classes Order (1987), as amended and within Class C3(b) where care is provided for residents. The overall scale of need for such accommodation within Class C2 is set out in the Strategic Housing Market Assessment (SHMA) [EB03.30], and further evidence set out in document EX065 identifies a number of completions for C2 accommodation in the District. The residual need for accommodation is proposed to be addressed through either permitted schemes or allocations within the New Garden Settlement and at Sellindge and as such, we are satisfied that the requirements for this type of accommodation will be delivered over the plan period.
35. The CSR's approach to accommodation for Gypsies, Travellers and Travelling Showpeople is set out in Policy CSD2 which indicates this will be based on evidence of local need on suitable sites. The need for Gypsies, Travellers and Travelling Showpeople pitches is for 7 pitches to 2036/37. Following the completion of the GTAA one gypsy and traveller pitch was granted planning permission and a site for 4 pitches for Gypsies and Travellers has been allocated in the PPLP at Policy RM15. These, along with criteria-based Policy HB14 which provides a framework for considering other sites as they come forward, have addressed the need for pitches during the plan period.
36. As the PPLP was adopted in September 2020 during the CSR examination, the approach taken in Policy CSD2 effectively serves to provide a 'golden thread' through from the CSR to the PPLP which provides a site allocation arising and an accompanying development management policy.
37. Due to the sequencing of the examination of the respective plans, we find that the approach taken in the CSR to be appropriate in this specific set of circumstances.

Conclusion

38. Subject to the main modification identified above the CSR has been positively prepared and is justified, effective and consistent with national policy in relation to the housing requirement.

Issue 2 – Whether the District Spatial Strategy and the approach to place shaping and sustainable settlements are justified, effective and consistent with national policy

Approach to the District Spatial Strategy

39. The District Spatial Strategy (Policy SS1) sets out strategic priorities for the three character areas of the District which are the urban area, the Romney Marsh area and the North Downs area. The main element of the strategy as far as growth is concerned is the proposal for the New Garden Settlement, whilst recognising the importance of key sites in the urban area and the priority to be given to the use of previously developed land within Folkestone. The need to focus remaining development needs on sustainable towns and villages is also made clear.
40. We deal with the strategies for each character area and the New Garden Settlement in more detail later in our report. However, in overall terms we are satisfied that the District Spatial Strategy is based on robust evidence and that the Council has fully and properly considered the potential alternative options. It is an appropriate strategy taking into account the need to support sustainable patterns of development whilst reflecting the environmental constraints and having regard to the reasonable alternatives.

Key growth locations

41. The District Spatial Strategy in Policy SS1 reflects the potential for an Area Action Plan (AAP) to address the future role of the Dungeness A power station site. There is still some uncertainty as to the future of the power station and whether it will be subject to a care and maintenance approach or continue to be decommissioned. Both approaches may have implications for protected sites, and as such, Policy SS1 and its supporting text require modification through **MM01** to reflect the need for skilled staff to be maintained to support decommissioning, to support the potential future release of land for economic uses, as well as the need to ensure that the proposals in any future AAPs would not result in significant adverse effects on the

integrity of the Natura 2000 network. Following consultation on the main modifications, **MM01** is further amended to reflect an announcement that the Dungeness B would move into a de-fuelling phase with immediate effect. These changes are necessary in order to ensure that the policy is justified, effective and consistent with national policy.

42. As submitted, Policy SS1 does not reflect the implementation of an existing planning permission at London Ashford Airport for a range of industrial and logistics activities. The policy also fails to provide any framework to allow for development that may be required for operational purposes at the airport. Policy SS1 is therefore required to be modified by **MM01** to reflect the extant planning permission, as well as provide clarity that operational airport development would be supported subject to ensuring that any such development would not have an adverse effect on the integrity of European protected sites. This is in order for Policy SS1 to be justified and effective.

Place shaping and sustainable settlements

43. Policy SS3 sets out the overall place shaping principles for the District which aims to direct development to existing settlements and the New Garden Settlement, in order to protect the countryside and coastline. The policy is supported by a settlement hierarchy which categorises the status and strategic role of key locations across the District. The hierarchy identifies settlements as either a sub-regional town, strategic towns, service centres, rural centres, primary villages or secondary villages reflecting the locations that had been allocated for additional growth in the PPLP. Other than the New Garden Settlement, the strategy seeks to consolidate the role of settlements in their respective position in the hierarchy which is an appropriate approach having regard to the constraints identified across the District.
44. The New Garden Settlement was assessed and identified as a strategic town, recognising that Folkestone, as the principal settlement, would maintain its sub-regional role within the District. The spatial strategy would thereby provide a robust framework against which to guide the growth and regeneration policies of the CSR across all of the identified settlements. Notwithstanding this, as submitted, Policy SS3 does not include any requirement to ensure that development reflects the level of service provision available in particular settlements, ensure that their position in the hierarchy is maintained or preserve the character of the settlement. As such,

MM03 is required to make these changes in order for the policy to be effective.

45. Policy SS3 places significant emphasis on the strategic approach to flood risk, reflecting the extent and scale of areas at risk of flooding in the District. The submitted policy does not reflect the potential for other sources of flooding such as surface water flooding, to require a Flood Risk Assessment (FRA), and as such, **MM03** makes these changes in order for the policy to be effective and consistent with national policy.
46. Policy SS3 also seeks to ensure that new development in the District protects heritage assets. Whilst the submitted policy reflects the Council's intention to provide such protection, the policy does not fully reflect the wording of the Planning (Listed Buildings and Conservation Areas) Act 1990, as amended to preserve and where possible, enhance heritage assets. As such, the policy is required to be amended by **MM03** in order for it to be effective and consistent with national policy.
47. The submitted Policy SS3 required proposals to include sustainable construction measures including water efficiency and a proportion of energy uses from renewable and low-carbon sources. However, the policy was unclear on what proportion of energy should come from renewable and low carbon sources, nor did it refer to energy usage. As such, **MM03** is necessary to reflect the need for new-build development to optimise the usage of renewable and low-carbon sources in order to be effective.

Conclusion

48. Subject to the main modifications referred to above, the District Spatial Strategy and the approach to place shaping and sustainable settlements are justified, effective and consistent with national policy.

Issue 3 – Whether the strategy for the urban area is justified, effective and consistent with national policy

Urban area overall

49. Folkestone and Hythe form the urban area of the District which is the main focus for population, employment opportunities, services and facilities and transport links. The CSR justifiably continues the previous policy approach of focussing development on the urban area

with a particular emphasis on regeneration and the redevelopment of previously developed land wherever possible.

50. The CSR takes a realistic approach to the potential for new site allocations and the scale of development overall, given the significant environmental and physical constraints that exist to further outward expansion of both Folkestone and Hythe. It also recognises that limited additional capacity exists within the urban area beyond the two existing strategic allocations at Folkestone Seafront and Shorncliffe Garrison (discussed further below) and the range of smaller sites allocated in the PPLP.

Folkestone

51. Policy CSD6 sets out a comprehensive strategy for Central Folkestone which recognises the particular advantages of the seafront location, town centre and cultural activity and significant heritage assets whilst acknowledging the need for regeneration and enhancements to the physical environment and connectivity/accessibility. It provides a positive and effective framework for more detailed initiatives and site allocations.
52. The allocated site at Folkestone Seafront is a key element of the strategy for regenerating Central Folkestone and will provide for up to 1,000 homes, commercial floorspace, community and leisure uses and associated infrastructure. Policy SS10 rolls forward the allocation from the 2013 Core Strategy. The site benefits from outline planning permission and the first phase of development has detailed planning permission and construction is underway. However, it is important to continue to set out a comprehensive policy to guide subsequent planning applications and future phases of development.
53. Whilst it is a large and complex site which will be developed throughout the rest of the plan period, there is a clear commitment to the proposal, and it will bring significant benefits in terms of meeting housing needs and regeneration of this key location within Folkestone.
54. Main modification **MM10** would update the references to the use classes in Policy SS10 in light of the 2020 changes to the Use Classes Order. It would set out an approach to the proportion of affordable housing sought which reflects up to date evidence on need and viability and provide consistency with Policy CSD1. It would also ensure that the approach to water efficiency properly reflects the

tighter optional requirement. The main modification is therefore necessary to enable Policy SS10 to be effective, justified and consistent with national policy.

55. Policy SS11 rolls forward the strategic site allocation at Shorncliffe Garrison from the 2013 Core Strategy. A hybrid planning application was approved in 2015 and there have been detailed permissions granted subsequently. The development of the site is well underway with 233 homes completed before the start of the plan period and construction ongoing. Again, however, it is important to continue to provide a clear policy framework for future phases, given the scale and importance of the site in meeting housing needs and redevelopment of a key location within the urban area.
56. Main modification **MM11** would provide clarity on the scale of housing proposed and progress so far. It would also address the same concerns in relation to affordable housing and water efficiency standards referred to above under Policy S10. The main modification is therefore necessary to enable Policy SS11 to be effective, justified and consistent with national policy.

Hythe

57. Policy CSD7 sets out a justified and wide ranging strategy for Hythe which reflects its particular location, characteristics and constraints. It provides a positive and comprehensive strategic framework for more detailed initiatives and site allocations.
58. Main modification **MM17** is necessary however to ensure that the policy and reasoned justification is effective in recognising the status and progress of the site at the former Nickolls Quarry which is currently under construction and will make a significant contribution to housing needs.

Conclusion

59. Subject to the main modifications referred to above, the strategy for the urban area is justified, effective and consistent with national policy.

Issue 4 – Whether the strategy for the Romney Marsh area is justified, effective and consistent with national policy

60. The approach to the Romney Marsh area set out in Policy CSD8 continues the previous development strategy for the area which is to enhance New Romney's status as a key market town and service centre for the wider marsh area. The town is highly constrained by surrounding areas at risk of flooding, and as such, new residential development focuses on the continuation of the broad location to the north of the town and new employment development at Mountfield Road industrial estate.
61. A large proportion of the broad location has already been completed; however, document EX055 identified that around 118 dwellings had not commenced. However, Policy CSD8 is nonetheless required to guide the remaining parts of the broad location which will provide additional homes in the area. As submitted, Policy CSD8 sets an overall percentage of 30% affordable housing to be sought on the broad location. However, as set out elsewhere in this report, this percentage requirement is not justified. As such, CSD8 requires modification through **MM18** to reflect the amended 22% affordable housing requirement to be sought on the remaining part of the broad location and for consistency with **MM12** to Policy CSD1. This is necessary in order for it to be justified and effective.

Conclusion

62. Subject to the main modification referred to above, the strategy for the Romney Marsh area is justified, effective and consistent with national policy.

Issue 5 – Whether the strategy for the North Downs area is justified, effective and consistent with national policy

Overall approach to the North Downs area

63. The majority of the North Downs area is within the AONB. Policies SS1 and CSD4 justifiably provide strong protection for the AONB and its setting and are consistent with national policy. These are supplemented by Policy NE3 of the PPLP. Very limited housing development is planned in the PPLP for settlements within the AONB. The key proposals for the North Downs area in the CSR relate to the New Garden Settlement and the expansion of Sellindge. Both concern

locations outside of the AONB but within its setting. We deal with these proposals in more detail below.

The New Garden Settlement – the principle

64. The PPLP allocates a large number of generally smaller sites for housing and is based on a thorough assessment of the potential for such sites within and adjacent to existing settlements. Strategic sites and broad locations from the 2013 Core Strategy have been carried forward in the CSR. A comprehensive assessment of sites with planning permission and the potential for windfall sites has been undertaken. Overall, the potential supply of housing from these sources has been maximised. However, in order to deliver the housing requirement for the District, significant additional capacity needs to be identified.
65. The Growth Options Study- High Level Options Report (EB 04.20) assessed the potential for strategic scale growth across the District, dividing it up into six character areas. A comprehensive and robust assessment of constraints and potential to accommodate such growth was undertaken for each character area.
66. The Kent Downs (Area 1) consists of land entirely within the AONB where large scale growth is in principle inappropriate. Whilst Folkestone and the surrounding area (Area 2) would in theory be appropriate for significant growth, it is already largely built up and potential sites have been identified through the PPLP and the 2013 Core Strategy. The scope for significant expansion of the built up area is severely limited by physical and environmental constraints, not least its coastal location and close proximity to the AONB.
67. Hythe and the surrounding area (Area 3) is significantly constrained by areas of high flood risk and the close proximity of the AONB and ecological designations. Romney Marsh and Walland Marsh (Area 5) is also severely constrained by high flood risk and its current open, undeveloped character and limited transport network. Lydd, New Romney and Dungeness (Area 6) is again constrained by high flood risk, and its open, undeveloped character with limited transport infrastructure. It contains heritage assets and extensive areas of internationally designated ecological sites.
68. Only Sellindge and the surrounding area (Area 4) was considered to have potential for strategic scale growth, notwithstanding the existence of constraints, particularly the proximity of the AONB. This

area was taken forward for more detailed consideration in the Growth Options Study – Phase Two Report (EB 04.21). The District wide High Level Landscape Appraisal (EB 04.30) fed into the process. The Phase Two Report concluded that some areas of land adjacent to Sellindge north of the M20 had potential to accommodate growth. We deal with Sellindge specifically below. On a larger scale, it identifies much of the land south of the M20 and HS1, up to the boundary with the AONB, as having potential for strategic growth, albeit some parcels of land are identified as only being suitable with appropriate mitigation and some areas are identified as being necessary to retain as strategic open space.

69. The Council has undertaken a thorough and robust appraisal of the options to accommodate the growth necessary to deliver the housing requirement. The majority of the District is subject to significant environmental or physical constraints and the potential for development within or adjoining existing settlements has been maximised. The evidence demonstrates that only one area (that part of Area 4 south of the M20/HS1 but outside of the AONB) is able to accommodate the scale of housing necessary. This is the area identified for the New Garden Settlement in the CSR. There are no reasonable alternatives in terms of delivering the housing requirement.
70. The site allocated for the New Garden Settlement adjoins the AONB to the south and east. To the north, it is separated from the AONB by the M20/HS1, Sellindge, other smaller settlements, scattered development and areas of countryside. The CSR recognises that some parts of the site are more sensitive in landscape terms and are identified in the indicative strategy diagram (Figure 4.5) as either strategic open space or suitable for development only with landscape mitigation. Subject to the main modifications referred to below, the relevant policies will also emphasise the need for a landscape led approach and safeguards in relation to the setting of the AONB. Despite this, the New Garden Settlement will involve built development on a very significant scale. As we discuss under Issue 6, it can realistically deliver in the order of 5,500 dwellings in the plan period, along with employment and commercial development and associated social and community infrastructure. In the longer term, during the plan period and beyond, it could accommodate a total of some 8,000-10,000 dwellings.
71. The site for the New Garden Settlement is currently largely undeveloped open countryside with much of it in agricultural use. The amount and type of built development proposed, and the associated

infrastructure will have a very significant effect on the character and appearance of the site. Much of its current openness will be lost and it will introduce an urban/suburban built form into an essentially rural area. It will have a significant effect on views from the AONB across the site and wider landscape and on views across the site to the AONB, although this will be in the context of some existing areas of significant built development in the landscape including Lympne and Lympne Industrial Estate and the substantial physical and visual feature created by the M20/HS1 corridor.

72. The New Garden Settlement will have an adverse impact on the setting of the AONB. The extent of this impact will be dependent on the layout, form and design of development and the approach to open space and landscape mitigation. It is essential that adequate policy safeguards and guidance are in place to ensure that adverse impacts on the setting of the AONB are minimised, in line with national policy (NPPF paragraph 176). Main modifications are required to do this, and we discuss these further below.
73. Taking all of the above into account, on balance, given the lack of a reasonable alternative to meet the housing requirement and subject to main modifications discussed below, we consider that the New Garden Settlement is justified in principle.

The New Garden Settlement – the scale and type of development

74. The intention behind the New Garden Settlement is to create a sustainable settlement which has a large degree of self-containment in terms of social and community infrastructure and services, and which provides employment opportunities. The scale of housing development needs to be sufficient to support such infrastructure and services and ensure that the housing requirement for the District is delivered. The submitted CSR referred to a minimum of 5,925 new homes being provided in the plan period. As set out in Issue 6, we consider that realistically it can deliver just under 5,600 dwellings in that period.
75. The site allocated for the New Garden Settlement has potential to accommodate a total of some 8,000 to 10,000 dwellings over the longer term, with development continuing well beyond the plan period. The size of the allocation and the potential overall scale of housing development in the longer term is justified. It will allow for a comprehensive approach to the whole site to be brought forward which provides adequate scope for strategic landscaping and open space provision and the opportunity to ensure necessary

infrastructure is in place at the right time. It will provide flexibility and choice in terms of which parcels of land are brought forward for development, allow for multiple sales outlets for housebuilders and opportunities for a range of housing types and tenures. This is important given the annual scale of housing that needs to be delivered over a sustained period.

76. The scale of employment development and retail and other main town centre use floorspace proposed is justified by evidence (see Issue 8). It will be broadly commensurate with the scale of housing and will help to ensure that the settlement is relatively self-contained in terms of the need for travel to meet day to day needs. The CSR policies will ensure that the full range of social and community infrastructure and services are provided. The proposals include a town centre and a number of neighbourhood centres with schools, shops, recreational and community facilities.

77. The scale and type of development proposed is therefore justified.

The New Garden Settlement – transport

78. The New Garden Settlement will result in a significant number of additional vehicle movements on both the Strategic Road Network and Local Highway Network. The submitted Transport Assessment (TA) [EB06.01-EB06.06] identified that a number of key junctions and sections of the M20 motorway would be impacted by the New Garden Settlement, particularly J11 at Westenhanger where the New Garden Settlement would be accessed from the Strategic Road Network as well as the section of motorway between J12-13.

79. Policy SS9 sets out the approach to infrastructure, delivery and management. In order to ensure the impacts of additional vehicle movements arising from the CSR growth are identified and mitigated, Policy SS9 and the supporting text is required to be modified by **MM09**. This will ensure that traffic monitoring will be required through the development of the New Garden Settlement in order to ensure that the forecast levels of traffic on the Strategic Road Network are checked and, where necessary, updated. **MM09** also requires that proposals demonstrate that there would be suitable capacity in the highway network to accommodate the relevant phase or sub-phase of development in the New Garden Settlement within the monitor and manage framework.

80. The TA considered the cumulative impact of growth in the CSR and the PPLP, although during the examination, concerns were raised about the cumulative effect of additional windfall residential development within the urban area of Folkestone. The cumulative effects of additional traffic on the Strategic Road Network will be identified through their own specific transport evidence as part of Planning Applications and where mitigation is required, proportionate contributions towards necessary highway improvements could be sought from such windfall schemes.
81. In order to recognise when mitigation could be required as a result of the cumulative effect of the New Garden Settlement along with residential windfall, the plan needs to ensure that such development would be required to contribute towards highway infrastructure which would be secured under Section 278 of the Highways Act. Modifications to Policy SS5 in **MM05** provide for this., However, for consistency with MM05, Policy SS9 is also required to be modified by **MM09** to ensure that the New Garden Settlement specifically provides for the proportionate costs of any mitigation work that it is responsible for, and that the occupation of development could be restricted until such mitigation is provided.
82. The submitted CSR does not set out the necessary improvements to the highway network nor the timing to mitigate the impacts of additional vehicles resulting from the New Garden Settlement. Furthermore, the CSR does not adequately address what backstop measures were in place to prevent development taking place if necessary infrastructure is not provided. Mitigation has been identified for merges and/ or diverges at junctions 11, 12 and 13 of the M20, as well as improvements to the A20 including roundabout improvements at junction 11 and junction 13 along with a range of other on-site highway works. As such, **MM09** is necessary to set out the requirement for a Monitor and Manage Framework in the supporting text to Policy SS9 and **MM21** includes a draft Monitor and Manage Framework which sets out key junctions that require mitigation, the trigger points when upgrades are required, the estimated cost and delivery body and is necessary to be included within the CSR. This is necessary in order for the CSR to be justified and effective.

New Garden Settlement – other infrastructure

83. Policy SS9 addresses the requirement to provide physical and social infrastructure to support the delivery of the New Garden Settlement. There is currently some existing wastewater capacity available to

support the early phases of growth from the New Garden Settlement with longer term capacity to be provided either through potential on-site or off-site options. The need for other social and utilities infrastructure has been identified as well as on-site highways requirements and their estimated timeframes.

84. Due to the scale of the New Garden Settlement and the anticipated timeframe for its completion, some of which will extend beyond the plan period, the CSR does not identify the precise infrastructure requirements for the New Garden Settlement. However, we are satisfied that key infrastructure has been identified through document EX069 and costed recognising that requirements will change over the plan period, depending on the housing mix that is ultimately built on site. In order that the policy is justified and effective **MM09** is necessary to set out the delivery of other critical and necessary infrastructure, ensuring there is sufficient infrastructure capacity or that infrastructure will be provided in advance of development, or that alternative provision can be secured.
85. Notwithstanding the above, due to the significance of the New Garden Settlement to the overall strategy for the District, the CSR is lacking sufficient detail on the wider infrastructure needed to support the New Garden Settlement. As such, **MM21** is necessary to embed Table 9: Other Infrastructure into the CSR to set out the other infrastructure required to support the New Garden Settlement, its estimated delivery timeframe and the delivery body. This is in order for the CSR to be justified and effective.

The New Garden Settlement – other policy requirements

86. Policies SS6, SS7 and SS8 contain a very comprehensive and wide ranging set of principles and requirements to guide the development of the New Garden Settlement. Main modifications **MM06** and **MM07** would emphasise the need for a landscape led approach and ensure adequate policy safeguards and guidance are in place so that adverse impacts on the setting of the AONB are minimised. Main modification **MM06** would also amend the number of dwellings expected in the plan period to a more realistic level of approximately 5,600, clarify the approach to phasing and update references to use classes in light of the 2020 changes to the Use Classes Order.
87. In addition, main modification **MM07** would update references to floorspace for retailing and other main town centre uses to reflect the latest evidence and introduce safeguards in relation to retail impact assessment.

88. Main modification **MM08** would ensure that the approach to water efficiency properly reflects the tighter optional requirement and makes clear reference to the need to avoid significant impact on water quality at the Stodmarsh sites (see HRA and Issue 9). Main modifications **MM06-MM08** would also provide necessary clarity. Overall, they are required to ensure that Policies SS6, SS7 and SS8 are justified, effective and consistent with national policy.

The New Garden Settlement – viability and delivery

89. The Council itself has a very substantial role in bringing forward the New Garden Settlement. It owns or has options on the majority of the land in question. It has also set up the Otterpool Park Limited Liability Partnership (the LLP) to act as the master developer. The Council is very strongly committed to the delivery of the New Garden Settlement and the arrangements in place provide the opportunity to use its resources and powers effectively to facilitate this.
90. The New Garden Settlement will undoubtedly be a complex development to bring forward over a sustained period of time. It will have significant infrastructure requirements and require a sophisticated approach to phasing. Significant work has been undertaken in relation to the planning application for the New Garden Settlement and the supporting information required. Homes England strongly supports the proposal and own part of the land in question. It is included in the Government's Garden Community Programme.
91. The viability assessment produced on behalf of the Council was updated during the examination to factor in costs associated with highway infrastructure/mitigation identified through further working with National Highways during the examination. The assessment concluded that taking account of all known infrastructure costs, the New Garden Settlement remains viable. Given the context of the particular circumstances regarding ownership, funding and the role of the LLP and the strong support from Homes England, we are satisfied that the New Garden Settlement is viable and deliverable. Detailed issues relating to timescales and annual rates of housing completions are dealt with under Issue 6.

Sellindge

92. Sellindge is justifiably identified as a Rural Centre given its size and level of service provision. There is potential for further housing growth and Policy CSD9 of the CSR continues the approach in the 2013 Core Strategy of identifying a broad location for development,

rather than allocating specific sites. Given the strategic nature of the CSR and the established policy in the 2013 Core Strategy, this is justified. A number of relatively small sites are allocated for housing in the PPLP.

93. Phase 1 of the broad location has planning permission for 240 dwellings. It was under construction and considerable progress had been made at the time of the hearings. Given this, the criteria relating to Phase 1 should be removed from Policy CSD9.
94. The CSR further develops the broad location from that in the 2013 Core Strategy to include a Phase 2 of approximately 350 dwellings. Phase 2 consists of Site A to the west of the village and Site B to the east. Site B has outline planning permission for 162 dwellings, employment development and associated infrastructure and a reserved matters application has been submitted. The Council's housing trajectory (EX097) anticipates completions on Site B from 2022/23 onwards. An outline application for 55 dwellings has been submitted on part of Site A. The trajectory anticipates completions from 2024/25 onwards. For the remainder of Site A, the trajectory considers it developable, with completions envisaged from 2027/28 onwards. We consider that the trajectory is realistic.
95. Main modification **MM19** would delete criteria relating to Phase 1 and update the strategic diagram in Figure 5.7. It would clarify infrastructure requirements and policy criteria for Phase 2 and ensure that they are justified by evidence. It would also strengthen the approach to landscape impacts and mitigation, particularly in respect of the setting of the AONB and provide clarity on the need for a co-ordinated approach to the whole of the broad location. This main modification is necessary for Policy CSD9 to be justified and effective.

Conclusion

96. Subject to the main modifications referred to above, the strategy for the North Downs area is justified, effective and consistent with national policy.

Issue 6 – Whether the approach towards the supply and delivery of housing land is positively prepared, justified, effective and consistent with national policy

97. As set out under Issue 1, the annual average housing requirement is 738 dpa, giving a total requirement of 13,284 dwellings for the 18 year plan period 2019/20 to 2036/37. Main modification **MM02** introduces a phased approach to the annual average housing requirement figures, to recognise the lead in times for some sites allocated in the PPLP but in particular to take account of the anticipated lead in time and phasing of the New Garden Settlement.
98. The Council reviewed and amended its position on the sources of housing land supply during the examination to take into account updated information and discussions at the hearing sessions. This culminated in a detailed trajectory being submitted prior to the close of the hearings (EX097). This takes a realistic view of the timescales and rates of delivery from strategic allocations, allocations in the PPLP and sites with planning permission. Evidence supports the estimate of an average of 95 windfall completions per year. It is realistic to include windfalls in the trajectory from 2024/25 onwards to avoid double counting with sites already with planning permission.
99. In relation to the New Garden Settlement the submitted CSR envisages delivery of 5,925 dwellings in the plan period with the trajectory in Appendix 3 showing completions from 2021/22 onwards. The trajectory set out in EX097 envisages completions from 2023/24 onwards with 6,097 in the plan period. Given the scale of the proposal, infrastructure requirements and the progress to date, it would be realistic to put the anticipated start of delivery back to 2024/25. This would reduce the expected delivery within the plan period to 5,593 dwellings.
100. The estimated annual rate of delivery at the New Garden Settlement is significant, rising to a peak of 557 dwellings and averaging some 430 dpa over a 13 year period. This is an ambitious and optimistic delivery trajectory. However, the New Garden Settlement is the key element of the strategy to deliver housing in the District. Particularly from the middle to the end of the plan period, it is expected that there will be few other sites delivering housing in the District and none on a large scale. The market for new housing is likely to be very much focussed on the New Garden Settlement. The scale of the proposal will also allow for a wide range of housing types and tenures to be delivered and for a number of housebuilders to be active with multiple sales outlets.
101. Taking all of this into account, we consider that the trajectory for the New Garden Settlement set out in EX097 is realistic, subject to the start date for completions being put back to 2024/25.

102. Such an amended trajectory would see a total of 13,407 dwellings completed in the plan period. Whilst this would only be marginally above the housing requirement of 13,284 dwellings, the supply estimates factor in a 5% discount for non-implementation of sites allocated in the PPLP without full planning permission and sites with planning permission but not yet started. Policy SS6 refers to the housing number at the New Garden Settlement as a minimum and the proposal has potential to deliver 8,000-10,000 dwellings overall. The CSR and PPLP provide a generally positive approach to additional housing proposals within settlements. We are satisfied that the Council has genuinely sought to maximise the capacity for new housing within the context of the constraints that exist in the District and there is nothing before us to suggest that significant additional supply could be achieved from other suitable sites at this point in time. In any case, housing delivery will be monitored, and this will inform decisions as to a future review of the CSR.
103. In terms of the five year housing land requirement, it is appropriate to use 2022/23 as the base year, given the likely timescale for adoption. It is also appropriate to apply a 5% buffer given the past record on housing delivery against requirements. Taking the phased approach to annual housing requirements contained in main modification **MM02** and factoring in the under supply so far in the plan period³ before applying the 5% buffer, the five year requirement from 2022/23 is 4,437 dwellings and the estimated supply is 4,461. There is likely to be a five year supply at the point of adoption therefore, albeit with very limited flexibility. As noted above, the Council has maximised potential housing supply and it would not be realistic to expect significant additional supply to come forward, particularly in the short term.
104. Main modification **MM20** would replace the trajectory in Appendix 3 with an up to date and realistic trajectory and provide more clarity on the anticipated supply from different sources. Main modification **MM02** would amend table 4.3 to accurately reflect this updated trajectory. These main modifications are necessary to ensure that the CSR is justified and effective in these respects.

³ Actual completions of 440 dwellings in 2019/20 and estimated completions for subsequent years

Conclusion

105. Subject to the main modifications referred to above, the approach towards the supply and delivery of housing land is positively prepared, justified, effective and consistent with national policy.

Issue 7 – Whether the approach to balanced neighbourhoods and District residential needs is justified, effective and consistent with national policy

Policy CSD1 – Balanced Neighbourhoods

106. Policy CSD1 sets out the overall requirements for securing the provision of, and contributions to, affordable housing across the District. The viability evidence indicates that 22% affordable housing can be viably achieved across the District; however the submitted wording of Policy CSD1 indicated that the 22% or 2 dwelling requirement on sites of 11-14 dwellings was a minimum figure. This would have the effect of not setting a specific target for affordable housing. Consequently, a higher percentage requirement of affordable housing had not been justified to be viable. Therefore, main modification **MM12** is necessary to remove the wording that indicates that the 22% affordable housing or 2 affordable units on sites of 11-14 dwellings was a minimum figure, to add wording to allow flexibility for those circumstances where the viability of development would be insufficient to provide the full policy requirement for affordable housing on site, and further wording to reflect the full range of types of affordable housing as set out in the NPPF. This is required in order that the policy is justified, effective and consistent with national policy.

Policy CSD2 – District Residential Needs

107. Policy CSD2 seeks to secure a range of housing types and tenures as well as setting out how specialist housing for older people is proposed to be delivered across the District. The policy is required to be modified by **MM13** to ensure the definition of affordable tenures reflects the full range as defined in the NPPF, as well as ensuring the policy wording reflects the need to ensure that accommodation with elements of care is of high quality and would not lead to an over-concentration of this type of accommodation. This is necessary in order for the policy to be effective and to be consistent with national policy.

Conclusion

108. Subject to the main modifications referred to above, the approach to balanced neighbourhoods and District residential needs is justified, effective and consistent with national policy.

Issue 8 – Whether the CSR has been positively prepared and whether it is justified, effective and consistent with national policy in relation to economic and retail growth and the strategy for Priority Centres of Activity

Employment land

109. The Otterpool Park Employment Land Needs Assessment 2018 (ELNA) concludes that there is a need for 24,750sqm of office floorspace in the District up to 2037, based on the labour demand scenario. Whilst the same scenario indicates a decline in the manufacturing and distribution sectors, the evidence on past completions from the Shepway Employment Land Review 2017 supports provision for 15,540sqm of floorspace for such uses, albeit for the period 2016-2026. In order to plan positively and to provide flexibility and a good range and choice of sites, the CSR is justified in seeking to provide at least 40,290sqm of employment floorspace (office, manufacturing and distribution) over the plan period.
110. Existing supply set out in the PPLP is estimated to provide for some 117,000sqm of floorspace. This takes account of the net effect of the existing allocation at Link Park, Lympne being absorbed within the New Garden Settlement. On a District wide basis, there is already a plentiful supply of employment land to meet identified needs and provide significant choice and flexibility.
111. The New Garden Settlement provides a specific and additional opportunity for employment provision, taking advantage of its location in relation to transport connections. It provides the opportunity to improve the geographical balance and quality of employment floorspace available. Employment provision will also be a key element of the overall development of a sustainable new settlement. Based on a scenario which broadly equates to the scale of housing envisaged in the plan period, the ELNA concludes that 36,760sqm of employment floorspace will be required. This would require 8.1ha of land. Notwithstanding the overall surplus of employment land across the District, the CSR is justified in including

provision for employment land on this scale at the New Garden Settlement.

112. Main modification **MM02** would clarify the references to the evidence base and the Council's position regarding overall employment land needs for the District. It would also update references to use classes in light of the 2020 changes to the Use Classes Order. It is necessary to ensure that the CSR is effective in these respects.

Retail and other main town centre uses

113. The most up to date evidence on floorspace requirements for retail and other main town centre uses is provided by the Folkestone and Hythe Retail and Leisure Need Assessment 2018 update (amended in June 2019). This sets out a total need for some 35,700sqm of floorspace with a significant element of this relating to the New Garden Settlement (approximately 16,700sqm). In the case of comparison retailing, Folkestone is also identified as a key location for additional growth in floorspace.
114. The New Garden Settlement will include a town centre and smaller scale retail provision in neighbourhoods to ensure adequate provision is made. Strategic site allocations at Folkestone Seafront and Shorncliffe Garrison along with allocations in the PPLP provide adequate opportunities for identified needs in Folkestone to be met. Recent developments, planning permissions and small scale developments would enable the limited needs identified elsewhere to be met.
115. Main modification **MM02** would ensure that Policy SS2 reflects up to date evidence on floorspace requirements for retail and other main town uses. It would also update references to use classes in light of the 2020 changes to the Use Classes Order. It is necessary to ensure that the CSR is effective in these respects.

Priority Centres of Activity and Policy SS4

116. Table 4.5 of the CSR identifies major employment sites, Town Centres, District Centres and Local Centres as Priority Centres of Activity. This is justified given the key role these locations play in providing employment, economic activity and retail and other main town centre uses. The New Garden Settlement is justifiably included given the proposals to include employment development, a town centre and local centres as part of a sustainable settlement.

117. Policy SS4 sets out a comprehensive and positive strategic approach to the Priority Centres of Activity to guide employment, retail and other main town centre uses which is consistent with national policy. This is complemented by more detailed policies in the PPLP.
118. However, Part b of the policy takes an unduly restrictive approach to employment generating development for non town centre uses outside of the Priority Centres of Activity. Main modification **MM04** would address this concern, update references to use classes in light of the 2020 changes to the Use Classes Order and provide necessary clarity to the wording of the policy. It is necessary to ensure that the policy is justified and effective.

Conclusion

119. Subject to the main modifications referred to above, the CSR has been positively prepared and is justified, effective and consistent with national policy in relation to economic and retail growth and the strategy for Priority Centres of Activity.

Issue 9 – Whether Policies CSD3, CSD4, CSD5 and SS5 are justified, effective and consistent with national policy

Policy CSD3 – Rural and Tourism Development

120. Policy CSD3 sets out the approach to rural and tourism development and provides criteria to guide proposals that may come forward outside of the designated settlements in the hierarchy. The policy and supporting text also seek to maintain the sustainability of rural communities by resisting the loss of community facilities. The submitted policy criteria did not fully reflect the approach in the NPPF to development in rural areas, and the submitted wording only applied to community facilities in the centre of villages. Therefore, **MM14** is necessary to amend the criterion to accord with the NPPF and to recognise the need to protect community services and facilities wherever they may be found within villages in order to be effective and consistent with national policy.

Policy CSD4 – Green Infrastructure of Natural Networks, Open Spaces and Recreation

121. Policy CSD4 sets out the approach that development is required to take towards green infrastructure, open spaces and recreation. The policy and supporting text are required to be modified by **MM15** to reflect the need to provide net gains in biodiversity, for development to show how proposals protect and enhance valued landscapes and sites of biodiversity and geodiversity and to specifically reference the need to protect Local Wildlife Sites. **MM15** also makes changes to the policy text to reflect the highest status of protection to the AONB and to ensure planning applications are supported by ecological surveys and enhancement plans and to the supporting text to reflect Marine Policy Statements. These modifications are necessary in order for the policy to be justified, effective and consistent with national policy.

Policy CSD5 – Water and Coastal Environmental Management

122. Policy CSD5 addresses water and coastal environmental management. On submission, the policy did not reflect the need to ensure the potential effects of wastewater discharge on the Stodmarsh system of sites would not result in a likely significant effect on the integrity of the Natura 2000 network. The HRA indicates that development within the operational catchment of the River Stour has the potential to affect water quality which could result in a significant effect due to increased nutrient flows into the river. As such, development within the Stour operational catchment has effectively been 'screened in' to the need to undertake a project-level HRA to ensure any potential effects on the integrity of European sites can in the first instance, be avoided, and if not, mitigated. The approach in Policy CSD5 also failed to recognise that there are circumstances where development outside the operational catchment may discharge into particular wastewater treatment works which themselves discharge into the Stour and thereby require assessment.
123. The submitted policy and supporting text is required to be amended by **MM16** in order to ensure evidence is provided to demonstrate wastewater discharge would not have an adverse impact on the Stodmarsh European-designated sites, include a figure map of the Stour operational catchment area where development will require an HRA, amendments to the reasoned justification to set out the steps and requirements that applicants for planning permission within the catchment screening area will need to adhere to, the circumstances where development outside the catchment may require assessment and the steps that the Local Planning authority will take in assessing

schemes within this area. These are necessary for the policy to be justified, effective and consistent with national policy.

Policy SS5 – District Infrastructure Planning

124. Policy SS5 sets out the approach to securing and providing for infrastructure across the District, reflecting that the Council is a Community Infrastructure Levy (CIL) charging authority as well as, in appropriate circumstances, seeking to ensure development provides appropriate contributions for required infrastructure. On submission, the policy did not reflect role that forward funding will play in the long-term delivery of the infrastructure necessary to support the New Garden Settlement. Furthermore, the policy did not reflect the fact that in order to mitigate the effects on the highway network, travel demand would need to be considered as well as solutions to limit car usage from new development. The policy also failed to reflect that agreements made under Section 278 of the Highways Act 1980 could be necessary. In light of this, **MM05** is necessary to make these changes in order for the policy to be justified and effective.

Conclusion

125. Subject to the main modifications referred to above, Policies CSD3, CSD4, CSD5 and SS5 are justified, effective and consistent with national policy.

Overall conclusion and recommendation

126. The CSR has a number of deficiencies in respect of soundness for the reasons set out above, which mean that we recommend non-adoption of it as submitted, in accordance with Section 20(7A) of the 2004 Act. These deficiencies have been explained in the main issues set out above.
127. The Council has requested that we recommend main modifications to make the CSR sound and capable of adoption. We conclude that the duty to co-operate has been met and that with the recommended main modifications set out in the Appendix, the Folkestone and Hythe District Core Strategy Review satisfies the requirements referred to in Section 20(5)(a) of the 2004 Act and is sound.

Philip Mileham and Kevin Ward

Inspectors

This report is accompanied by an Appendix containing the Main Modifications.