MEDWAY LOCAL DEVELOPMENT FRAMEWORK

MEDWAY ANNUAL MONITORING REPORT 2008

Volume 1 – Main Report

December 2008

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Medway Council

Serving You

1. Introduction

Section 35 of the Planning and Compulsory Purchase Act 2004[1] requires every local planning authority to make an annual report to the Secretary of State containing information on the implementation of the local development scheme (LDS) and the extent to which the policies set out in local development documents are being achieved.

The report needs to look at statistical survey periods for monitoring and which are tied to the financial year. This report therefore covers the period **1 April 2007 to 31 March 2008**.

This is Medway's fourth Annual Monitoring Report (AMR) under the new developments plans system. Its role is to report on the implementation of the Development Plan for Medway, including the Medway Local Plan 2003 (MLP) and to inform future policymaking.

It is a key component in the development of a comprehensive system for monitoring the current and emerging development plans in Medway as the Medway Local Plan is successively replaced by Local Development Documents (LDDs) within the portfolio known as the Local Development Framework (LDF).

The 2007 AMR set out the milestones and progress reached toward the Local Development Scheme (LDS).

As set out in the LDS, the Council submitted both the Core Strategy and Housing and Mixed use development plan documents for formal examination.

A series of hearings were programmed to run from 29th May 2007. Shortly before the first scheduled hearing the Inspector suspended the programme.

An initial hearing was held on the 29th May, a second one on the 11th July and then the Inspector convened a procedural hearing on the 6th September 2007. As a result the Council reluctantly asked the Secretary of State to direct that both documents be withdrawn.

This in effect meant that the Council had to go back to the beginning and restart the process. The approved LDS could no longer be met. However new LDS guidance was being drawn up and it seemed prudent to wait until this was available before proceeding. Unfortunately this was delayed and the Council was unable to submit a revised LDS until after the 1st April 2008.

The revised LDS was finally approved in October 2008 and it came into effect on 13 November 2008.

To give a wider context to the Annual Monitoring report, previous AMRs made reference to the Council's residents' opinion poll. The poll was first carried out in 1999 and equivalent questions were asked each year in order that changes in residents' attitudes could be assessed over time. An opinion poll was not undertaken during the 2007 or 2008 survey years. However, in September 2008, the opinion poll

[1] Further details of this requirement are set out in Regulation 48 of the Town and Country Planning (Local Development) (England) Regulations 2004.

was replaced by The Place Survey. This survey is a 12-page questionnaire being sent to around 3,000 Medway residents to find out what their views are on local public service delivery. The survey will contain around 40 questions asking about the council and its partners. The survey is being carried out by local authorities nationwide, as specified by the government. Ipsos MORI is doing the work on behalf of Medway Council. Residents will receive a letter before the questionnaire is sent out from 25 September. The deadline for responses will be 19 December 2008, and the feedback from this reported on in the 2009 AMR.

This report is produced in two volumes. Volume 1 is the main report whilst volume 2 contains detailed land availability tables. These are now produced to a standardised format.

2. Summary

Key finding of the report

- **Local Development Scheme (LDS) -** Government legislation requires the Council to produce an Annual Monitoring Report (AMR) including progress of the Local Development Scheme for every financial year. The LDS sets out the timetable for the production of the Local Development Framework (LDF). The AMR needs to outline whether the implementation of the LDS is on target and whether milestones have been achieved.
- The LDS in force at April 2007 was due to be replaced but submission was delayed pending the confirmation of new Government guidance and on the advice of GOSE.

- **Business Development –** the construction of new employment floorspace has been offset by some substantial losses as sites are cleared for purposes of regeneration, resulting in a net loss of employment floorspace.
- During the monitoring year there were indications that the more significant losses are past and that improving rental values were attracting speculative developers back into the market. Gains are strongest in the office/light industrial and warehousing/logistics sectors. However net losses continued in the general industrial sector. The 'credit crunch' had not had a major effect by the end of the monitoring year.

- **Housing –** Overall net housing completions at 761 almost reached the structure plan target (780). Gross completions were substantially higher.
- The percentage of flats in Medway is quite low compared to the national average (13.4% compared to a national average of 20% at 2001) but it has been increasing recently and this trend is anticipated to continue.
- The number of new affordable housing units delivered was 230 at 2007/08. This is based on the SEERA definition of an affordable housing completion. This represented 28% of housing completions during the year, against a target of 25%.
- Due to a number of 'old' greenfield sites becoming available in 2007/08, the proportion of development on previously developed land is low this year at 37%, well below the overall structure plan requirement of 70%. However this includes certain sites that might generally considered as previously developed e.g. Medway Gate but which technically fall within the Greenfield definition.
- Average densities are now well over 40 dwellings to the hectare.

- **Retail –** Retail accounts for a fifth of businesses in Medway though the sector is declining across the area, a trend that is reflected nationally.

- **Open Space –** three sites which were submitted for Green Flag status failed to meet the required standard.

- **Biodiversity –** Changes to monitoring arrangements for SSSIs by Natural England make it difficult to determine any long-term trend.

- **Renewable Energy –** three applications for solar power were permitted.

- **Minerals –** Production levels of land won materials at 23,897 tonnes were down this year on the previous two years.

- **Waste –** Municipal recycling rates decreased slightly to 19.97% in 2007/08 from 20.33% in 2006/07, though this is still above the target of 19.6%. Medway remains dependent on landfill with the volume of household waste overall increasing in 2007/08.

2a. LDS and Core Output Indicator Summary Tables

Table 1 Progress Against Local Development Scheme in force at 1/4/2007

Local Development Document (LDD)	Stage(s) to be reached from April 2007 - March 2008	Time Achieved
Medway Core Strategy DPD	***Submission end of May 2006***	***Submission 30th August 2006 WITHDRAWN September 2007***
Medway Housing & Mixed Use DPD	***Submission end of May 2006***	***Submission 30th August 2006 WITHDRAWN September 2007***
Chattenden AAP	***Pre-production survey Aug 2007 Pre-submission Participation Feb. – March 2008***	***Not started due to withdrawal of Core Strategy***
Strood Town Centre AAP	***Pre-production survey Aug. 07 Pre-submission Participation Feb. – March 08***	***Not started due to withdrawal of Core Strategy***
Medway Climate change & Natural Resources DPD	***Pre-production survey and pre –submission consultation by March 08***	***Not started due to withdrawal of Core Strategy***
Economic Development DPD	***Pre-production survey and pre –submission consultation by March 08***	***Not started due to withdrawal of Core Strategy***
Development Contributions Guide	Adoption December 2007	Adopted April 2008
Chatham Centre & Waterfront SPDs	Adoption Sept. 07	Adopted July 2008
Gillingham Planning Framework	Adoption June 07	Adopted July 2007
Kitchener Barracks Development Brief	Preparation and adoption Dec. 07 – Nov. 08	Not started as site not released by MoD

Note: LDS replaced November 2008.

Performance against Core Output Indicators

BUSINESS DEVELOPMENT

- BD1 Amount and type of completed employment floor space.

	B1	B2	B8	Mixed B
Gross	2326 m^2	4454 m^2	14185 m^2	0
Net	-3529 m^2	-3964 m^2	4191 m^2	-3503 m^2

- BD2 Amount and type of completed floor space (gross) coming forward on previously developed land (PDL).

B1	B2	B8	Mixed B
1935 m^2 (83.2%)	4454 m^2 (100%)	13135 m^2 (92.6%)	0

- BD3 Amount and type of employment land available (hectares).

B1	B2	B8	Mixed B
88.57 ha	52.23ha	42.01ha	3.87ha

- BD4 Total amount of floor space for town centre uses (A1/A2/B1a/D2).

	A1 (m^2)		A2 (m^2)		B1 (m^2)		D2 (m^2)	
	Gross	**Net**	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**
Town Centre	772	-227	234	-58	67	-212	0	-648
Remainder of LA	637	-4,792	705	-329	2,259	-3,317	11,577	11,577
TOTAL	**1,409**	**-5,019**	**939**	**-387**	**2,326**	**-3,529**	**11,577**	**10,929**

B1a is not monitored separately

HOUSING

- H1 Plan period and housing targets:
  Kent & Medway Structure Plan 2001-2016; 11,500 dwellings
  Emerging South East Plan 2006-2026; 16,300 dwellings
- H2(a) Net additional dwellings - in previous years. 2001-2007: **3,811 dwellings**
- H2 (b) Net additional dwellings - for the reporting year 2008: **761 dwellings**
- H2 (c) Net additional dwellings – in future years.

Phasing over the next 15 years (commitments on large and small sites)

Years	**0-5 years**	**5-10 years**	**10-15 years**
No of dwellings	5,970	1,487	917

- H2 (d) Managed delivery target.
  Will be available in future years once identified through the SLAA and the LDF.
- H3 number of new and converted dwellings on previously developed land (gross). - **45.7%** (Total gross completions - **892**. Total PDL gross completions - **408**)
- H4 Net additional pitches (Gypsy and Traveller) - **1 pitch**
- H5 Gross affordable completions - **230 units**
- H6 Housing Quality - Building for Life Assessments - **Not available**

ENVIRONMENTAL QUALITY

- E1 Number of planning permissions granted contrary to Environment Agency advice on flooding and water quality grounds - **None**
- E2 Changes in areas of biodiversity importance - **Unknown**
- E3 Renewable energy generation – **3 (solar)**

MINERALS

- M1 Production of primary land won aggregates - **23,897 tonnes**
- M2 Production of secondary/recycled aggregates - **1,066,151 tonnes**

WASTE

- W1 Capacity of new waste management facilities - **None**
- W2 Amount of municipal waste arising, and managed by management type.

  Recycled: 26,247 tonnes (19.97%), Composted: 15,378 (11.7%), Used to recover heat, power, other energy solutions: 3.65 tonnes, Land filled: 89,777 (63.32%).

3. Context and Key Characteristics

History - Situated on the Thames Estuary 30 miles/48 kms east of London, Medway Council was created in 1998 from the former councils of Rochester, Gillingham and Kent County Council. The Borough comprises the five historically separate settlements of Rochester, Chatham, Gillingham, Strood and Rainham and part of Strood Rural. These have now coalesced into a major conurbation. The River Medway, which links the towns, gives the Borough its name.

For around 300 years the Chatham Dockyard and associated industries provided the focus for both economic and population growth. After the last war the area also accommodated population overspill from London leading to the creation of the new suburban neighbourhoods of Lordswood, Walderslade and Hempstead. As a result Medway now has a population that makes it amongst the largest urban areas in the southeast outside London.

This legacy poses challenges in terms of integrating what were once competing towns, achieving large-scale physical regeneration along the urban waterfront and restructuring the local economy.

Employment & Economy - According to the 2001 Census, economic activity levels are higher than the national average with proportionally fewer residents who are retired, permanently sick /disabled, looking after home / family or classed as economically inactive students. Despite this, people in employment in Medway are more likely to be in lower paid and lower skilled jobs than in other parts of the southeast. The close proximity of London attracts a significant proportion of the workforce through out-commuting by road and rail. Large numbers also travel out each day to other centres in Kent for work.

The economy has diversified radically since the Dockyard closed but much still remains to be done to put economic performance on a par with the rest of Kent and the South East Region as a whole.

Transport - Medway has transport links direct to the continent by road, rail and sea and to London by road and rail. Ashford International is 25miles/40 kms southeast of Medway while the Ebbsfleet Terminal is 12 miles/19 kms west. Within the Borough the main roads are the A2 for east-west travel and A228/A229 for north-south movements. The A289 Medway Towns Northern Relief Road provides a northern by-pass while the M2 motorway has an equivalent role to the south.

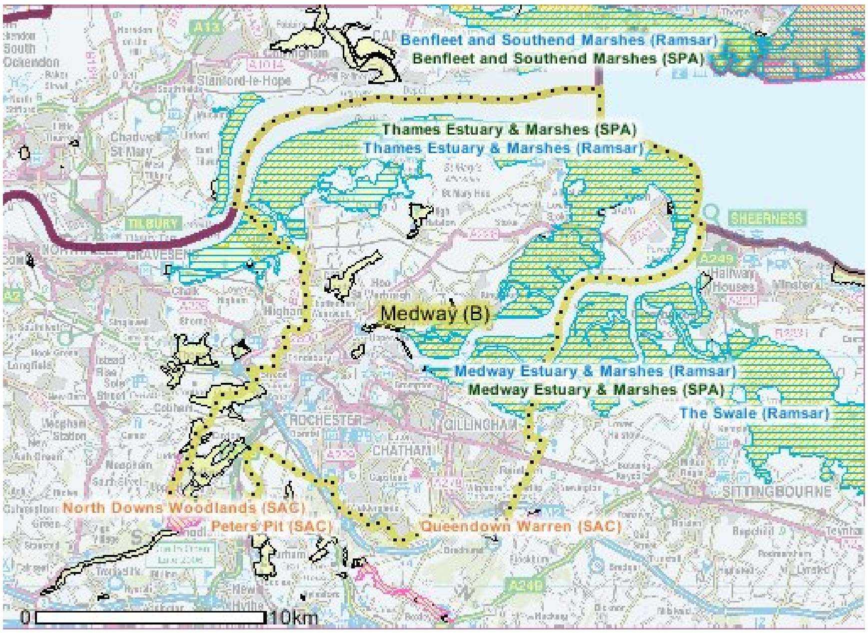
Traffic growth in Medway is higher than in most other areas and bus patronage is lower than in equivalent areas. With the focus on central area regeneration there is an obvious need to improve public transport capacity, quality and reliability.

Learning and Skills – Traditionally Medway had a much smaller proportion of young people going on to Higher Education than the national average. With the development of a regionally significant HE/FE hub at Chatham Maritime and Brompton this is now changing rapidly and there is considerable scope to capture associated economic benefits.

Natural Environment and Built Heritage– The area has a hugely rich and diverse natural environment that includes marshes of international significance (map 1), a large block of the Kent Downs Area of Outstanding Natural Beauty (AONB), Sites of

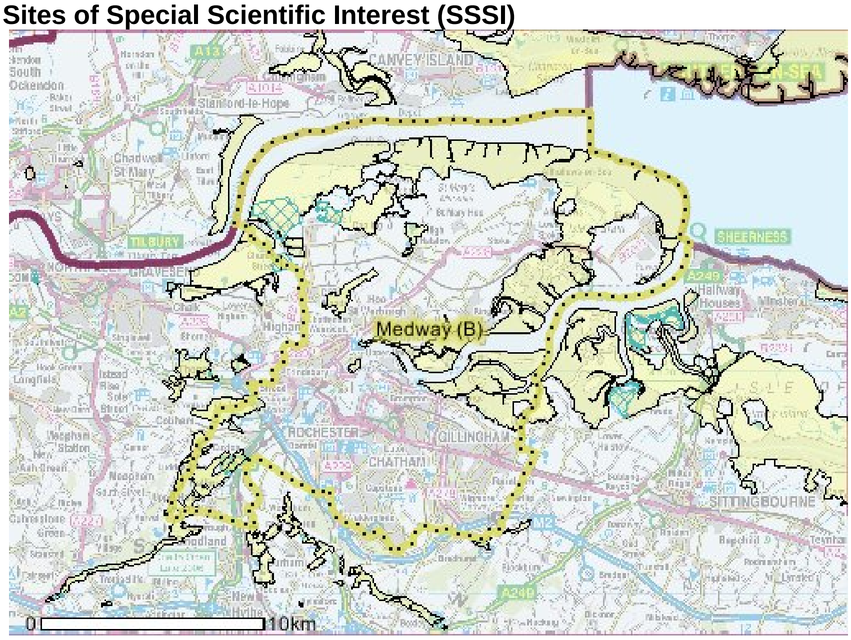
Special Scientific Interest (map 2) and networks of Areas of Local Landscape Importance and Sites of Nature Conservation Interest. It also has large concentrations of the best and most versatile agricultural land. These assets are subject to many pressures but much good work is being done to safeguard and enhance them and to respond to climate change through enhanced land management.

Map 1. International Sites of Nature Conservation Value



http://www.natureonthemap.org.uk/map.aspx

Map 2. Sites of Special Scientific Interest (SSSI)



http://www.natureonthemap.org.uk/map.aspx

As well as 3 country parks, Medway Council is responsible for 48 other natural sites, scattered throughout Medway. Some of these areas are so important to wildlife that they have been designated as Sites of Nature Conservation Importance and/or Local Nature Reserves.

Although significant parts of the main urban area need to be regenerated this has to be balanced against the many listed buildings, conservation areas and scheduled ancient monuments that exist (see table below). In Chatham proposals for a potential World Heritage Site are being advanced.

Table 2: Listed Buildings, conservation areas and scheduled ancient monuments

Type	**Total**
Listed Buildings	780 (604 entries[2] on the list)
Buildings of Grade I and Grade II* at risk of decay	3 Grade I, 3 Grade II*
Conservation Areas	26
Scheduled Ancient Monuments	72
Historic Parks & Gardens	1

Population - A number of key characteristics are apparent from the 2001 Census.

A population in excess of a quarter of a million at 2001 makes Medway the largest unitary authority in the southeast outside of London. Medway also has a larger population than the majority of the London Boroughs.

However, Medway is a "young" borough when compared to the UK with the main features being more young people (0-14) and less elderly (65+) (see Figure 1). Medway has a mean age of 36.5 and this is the 7th youngest in the region. This compares to mean ages of 39.1 regionally and 38.7 nationally.

Compared to England and Wales, Medway has a lower proportion of residents who have a limiting long-term illness or whose general health is 'not good'. The Medway figure is similar but slightly higher than that for the region. The incidence of heart disease is however the highest in the Southeast.

The proportion of people with no qualifications in Medway is consistent with the England and Wales average according to the 2001 Census. However more recent figures from the Annual Population Survey show that a lower proportion of the working age population in Medway had no qualifications in 2007 than in Great Britain, 11.7% against 13.1% nationally. Only 8.6% of people are educated to degree level or higher in Medway, compared with 14.4% nationally in 2001.

Ethnic groups make up 5.4% of the population, which is lower than the national average. However, they are diverse and include several groups whose first language is not English. The Population Estimates by ethnic group, 2005, published by ONS in 2007 indicate that ethnic groups account for 7% of the Medway population though it should be noted that these figures are experimental.

Medway's density at 13 people per hectare is considerably higher then the regional average of 4.2 and national average of 3.5 (figure 2). However it is lower than many urban conurbations due to the large rural hinterland adjoining the main urban area.

In August of each year, the Registrar General publishes local authority mid-year estimates. According to these figures the population of Medway UA was static between 2003 and 2006 at 251,700. For the first time in 5 years the 2007 mid year

[2] Some of these refer to more than one building. A terrace might for example have one entry but comprise ten houses.

figures showed an increase of 500 to 252,200. This is the result of a slight increase in births, a decrease in deaths and outward migration.

The 2006 sub national population projections show a fairly constant annual increase over the next 20 years. By 2028 the population of Medway will have increased by 24,000 people, with the elderly accounting for a significant proportion of this increase.

Figure 1 – Medway's population profile compared to the UK average

Source: ONS 2001 Census © Crown Copyright

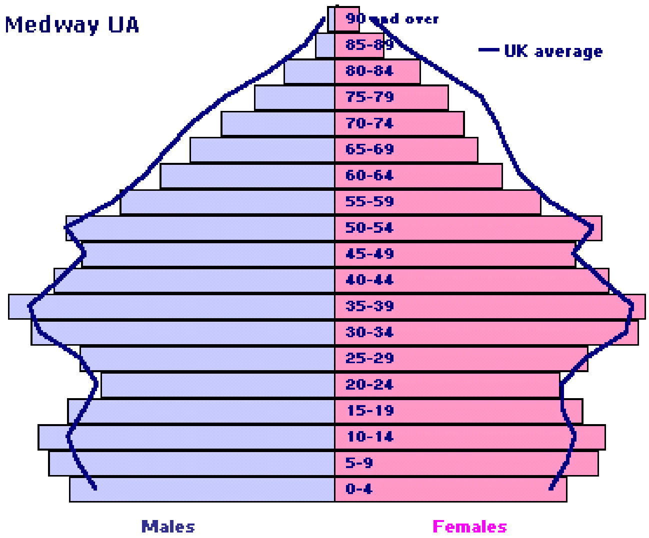
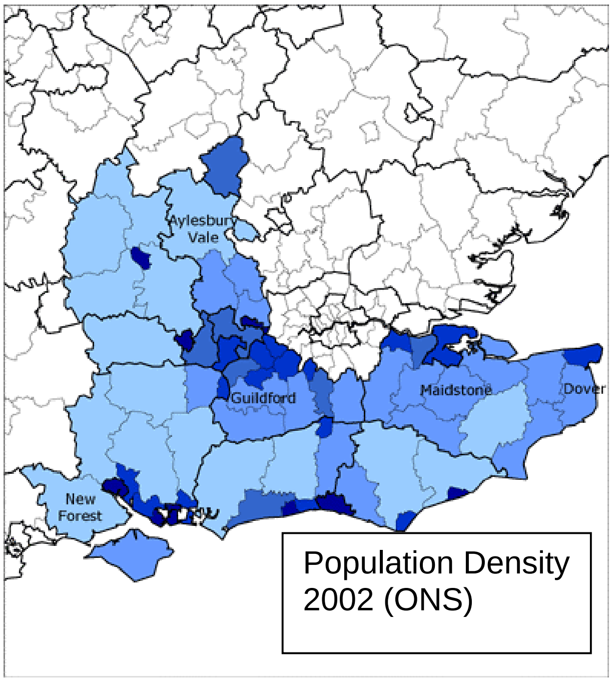


Figure 2 – Population density by Local Authority in South-East (highest density – dark blue, lowest density – light blue)

Source: ONS 2001 Census © Crown Copyright



Housing – Medway's housing stock by type (see table 4) is not typical of the regional or national average. Medway has a large proportion of owner occupied properties; higher than the national rate (see table 3). As a consequence the rented sector is smaller but has shown signs of increasing since the previous Census (22.0% in 1991 to 24.2% in 2001). Some of this increase is likely to be due to the buy to rent market.

Table 3: Housing tenure

	Medway %	South East%	England and Wales %
Total of owner occupied	75.0	74.0	68.9
Local Authority rented	4.3	7.4	13.2
Housing Associations/Registered Social Landlord rented	9.2	6.6	6.0
Private sector rented	8.1	8.7	8.7
Other rented	2.7	3.3	3.2
Total of rented households	**24.2**	**26.0**	**31.1**

2001 census Crown copyright

The limited rented property - only 70% of the national average live in LA/HA housing - and the lower sized private sector rented sector implies a restricted choice in comparison with other areas as shown by the table above.

The housing stock in Medway is predominantly made up of terraced and semi-detached houses. Terraced houses make up just over 42% of housing in Medway, which is significantly above the national and regional average. There are proportionately less flats in Medway than in the South East and England & Wales. However flats account for 12.6% of housing stock in 2001, up from 11.2% in 1991.

Table 4: Type of housing – household spaces (unshared dwellings)

	Medway %	South East %	England & Wales %
Detached	14.0	29.4	22.6
Semi-detached	30.2	28.6	31.7
Terraced	42.2	23.2	25.9
Flats	12.6	18.1	19.4
Other	1.0	0.7	0.4

Source: Census Crown copyright Table UV56 (ONS updated 2004)

A lower percentage of properties being vacant in Medway and the South East is an indication of market pressure.

Second homes also represent less of the housing stock than average. Were this to increase it would add to pressures on the market.

At 2.48, Medway has a larger household size than the region or England and Wales overall.

Housing Stock

The Medway Council Housing Condition Survey 2006 estimates that there are 103,057 dwellings in Medway Council's area. This excludes Council homes, which would add a further 3,161 dwellings.

Owner occupation accounts for 83.3% of the housing stock, 8.2% is privately rented, 2.2% is rented from a registered social landlord and the remaining 6.3% is rented from Mhs homes.

There appears to be no significant problem with empty dwellings in Medway with 98% of housing occupied in 2006.

Table 5: Distribution of Dwellings in Medway by Construction Date (%)

	Pre 1850	1850-1899	1900-1918	1919-1944	1945-1964	1965-1975	1976-1981	Post 1981
Medway	0.7	10.4	11.5	13.6	24.3	14.6	8.2	16.8

(Source –Medway Council HCS 2006)

Housing in Medway shows an age profile broadly consistent with that of the South East and England, although there are slightly more pre-1919 dwellings and slightly less of the most recently built.

The distribution of housing by construction age shows that 36.2% of properties were built before 1945; 22.6% were constructed before 1919 and 13.6% were built between the wars. The majority of housing in Medway, (63.8%) has been built since 1945.

In comparison, the English House Condition Survey of 2001 reports that nationally, 60% of houses were built before 1945, with 21% having been built before 1919.

4. Medway's Community Plan 2007 – 2010

The Community Plan for Medway is a key strategic planning document. It identifies the top priorities for the area as a whole that the key partners will work to address. The Medway Local Strategic Partnership led the development of this plan and the priorities were identified in consultation with local communities and partner agencies.

The 2007-2010 plan is the third Community Plan for Medway. The priorities for action in this plan have changed, reflecting recent developments in Medway, including progress on the regeneration of key areas and changes to services for children and young people.

The Local Strategic Partnership is an umbrella body, which brings together more than 350 organisations representing the communities of Medway. These organisations include local businesses, voluntary and community organisations and public bodies like the police, the health service and the council.

The partnership has agreed the following vision for Medway:

MEDWAY city of learning, culture, tourism and enterprise

To work towards delivering the vision, the partnership has identified 10 priorities for the next three years. These are:

1. Ensure the safety and well being of children and young people so they can play a productive part in Medway's society
2. Reduce anti-social behaviour to increase people's feelings of safety
3. Increase and improve local employment opportunities so more local people can work in Medway
4. Increase vocational training opportunities available for all ages
5. Realise Medway's cultural ambitions as the City for the Thames Gateway
6. Deliver accessible and integrated transport options to support the regeneration of Medway
7. Enable people to remain healthy and independent, especially older people and other vulnerable groups
8. Empower local people to have greater participation and influence in local affairs
9. Improve the quality of life for existing and new communities by ensuring that regeneration and development is matched to the natural resources and infrastructure available
10. Cherish and enhance Medway's urban and rural heritage and the important resources of open space, countryside, and wildlife habitats

The Council has 6 priority areas, these are:

- A clean and green environment
- Safer communities
- Children and young people having the best start in life
- Older and vulnerable people maintaining their independence
- People travelling easily and safely in Medway
- Everyone benefiting from the area's regeneration.

5. The Development Plan

During the year covered by this report the development plan for Medway comprised:

- RPG9 Regional Guidance for the South East (2001 with subsequent amendments)
- RPG9a The Thames Gateway Planning Framework (1995)
- The Kent & Medway Structure Plan (2006)
- Kent Minerals Plan (various dates)
- Kent Waste Local Plan (1998)
- The Medway Local Plan (2003).

The Regional Assembly (SEERA) is responsible for monitoring RPG9 and RPG9a. Medway is jointly responsible with Kent County Council for monitoring the structure plan, waste and minerals plans and solely responsible for the Medway Local Plan.

6. Local Development Scheme Implementation

Under the new development plans system, the council has to prepare a series of Local Development Documents to eventually replace the Medway Local Plan, the Kent Waste Local Plan, the Kent Minerals Local Plan and where relevant, the Kent and Medway Structure Plan.

The Local Development Scheme (LDS) sets out the intended programme and project plan for the production of the various documents that will make up the Local Development Framework. It is a requirement that performance is monitored and reported in the AMR. This AMR therefore considers the milestones reached during the period April 2007 to March 2008. The relevant LDS is the March 2007 version.

The Council has also been required to self assess its performance in this area to assist with the calculation of Housing and Planning Delivery Grant.

With the publication of a new draft PPS12 in the second half of 2007 it was clear that all LDSs would need to be revised, preferably by the end of March 2008. However authorities were advised to hold off submitting replacement LDSs until such time as the revised PPS12 was confirmed and this was not until June 2008.

The following assessment should be considered accordingly.

Table 6: Progress against March 2007 LDS for April 2007 to March 2008

LDD	**Milestones to be reached between April 2007 and March 2008**	**Milestones achieved**
Medway Core Strategy DPD	***Submission end of May 2006***	***Submission 30th August 2006 WITHDRAWN September 2007***
Medway Housing & Mixed Use DPD	***Submission end of May 2006***	***Submission 30th August 2006 WITHDRAWN September 2007***
Chattenden AAP	***Pre-production survey Aug 2007 Pre-submission Participation Feb. – March 2008***	***Not started due to withdrawal of Core Strategy***
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Kitchener Barracks Development Brief	Preparation and adoption Dec. 07 – Nov. 08	Not started as site not released by MoD

7. Indicators

This AMR considers 3 types of indicators – Core Output Indicators defined by central government, Local Output Indicators defined by the Council plus additional contextual indicators.

1. Local Development Framework Core Output Indicators. These are set by government and cover a broad range of land use and environmental subjects.

2. **Local Development Framework Local Output Indicators.** These help collect evidence that is locally important but not covered by the above. The identification of these will be part of the ongoing LDF process.

3. **Contextual Indicators.** These help explain how things happening on a broader scale are affecting the Borough, e.g. wider economic changes. Sometimes the frequency of the data sets mean that this contextual data will remain unchanged for some time e.g. Census, and therefore proxy or anecdotal data may be required in subsequent years.

As explained in previous AMRs, the Council tends to monitor thematically using a range of indicators. This has comprised Core Output Indicators, plus additional contextual and local indicators to enable a pattern to be determined. Prior to the statutory need for an AMR to be produced, this thematic monitoring has been reported via the Council's annual Housing Land Supply reports and related documents for Employment and Retail.

Volume 2 of the 2007 AMR contained a significant number of indicators that were defined as Local Output Indicators (7b). Primarily these were defined through the Sustainability Appraisal. As work on the Local Development Framework has been re-started new indicators are being considered for the associated Strategic Environmental Assessment/Sustainability Appraisal (SEA/SA). Accordingly detailed reporting information has not been included in this AMR.

7a. Core Output Indicators

Central Government has defined a set of core output indicators which local authorities are required to address in their Annual Monitoring Report (AMR) under the themes:

- Business Development (BD1, BD2, BD3, BD4)
- Housing (H1, H2a, H2b, H2c, H2d, H3, H4, H5, H6)
- Environmental Quality (E1, E2, E3)
- Minerals (M1, M2)
- Waste (W1, W2)

The numbers in brackets above are the Core Output Indicators listed under each theme. The Core Output Indicator data is considered below and summarised in the summary table located within the executive summary at the front of this document.

Policy Monitoring

A new addition to the tables in volume 2 are those relating to refusals. Although applications for industrial/commercial/retail and housing are monitored the majority are housing proposals.

Table 5, section 1 in volume 2, lists all the refusals that were monitored during the year.

Section 2 looks at the main reasons for refusal under the following headings: -

- Development Policy
- Transport Infrastructure
- Design and Layout
- Amenity & Environment
- Sustainable Economic Development
- Other

Table 7: Number of refused applications received in the year ending 31st March 2008

Application Type	Number of refused applications	Percentage of refusals	Main category for refusal
B1-B8 (Industrial)	4	2%	Development policy and amenity & environment
Residential	151	83%	Amenity & environment
Mixed Use	9	5%	Design & layout
Commercial Leisure & Other Commercial	15	8%	Amenity & environment
A1 (retail)	3	2%	Amenity & environment
Total	182	100	

Business Development

Overview

The number of businesses in Medway has increased every year since 1998, standing at just over 8,000 business units in 2006, an increase of 17.6% over this period. This is higher than the national business growth rate (14%) and is more or less in line with regional business growth.

Historically manufacturing in Medway has been in decline. In 1998 manufacturing accounted for 8.9% of businesses. In 2006 this was down to 6.5%.

'Banking finance and insurance' is the biggest growing sector in Medway. Between 1998 and 2006 the sector grew by 43%. After that the construction sector grew by just over a third and 'public administration, education and health' by just under a third.

Progress on major sites

- Chatham Maritime - Permission has been granted to convert Colonial House from offices to a 180-bedroom hotel with conference, office, banqueting facilities and a health club.
  The Odeon Cinema, Dickens World and a number of small restaurants are now open for business.
  The Ramada Encore, a 93-bedroom hotel, opened in November 2007.
  At the University Campus, the refurbishment of an old empty building was completed; it is now a canteen and meeting rooms. Development has also commenced to provide 3 blocks containing 144 bedrooms for student accommodation.
- Historic Dockyard - Work is ongoing to convert disused industrial buildings - No 1 Smithery to a visitor's gallery and museum store and the Joiners shop to mixed A1/B1/B2 uses. No 3 Covered Slip is now a display gallery, which is open to the public.
- Rochester Airfield/Maidstone Road – Phase Two of the Innovation Centre is under construction and due to open in November 2008. Phase One, which was completed last year, is approaching 50% capacity.
  A former car showroom is now a dance studio – Dance Junction. Work has just begun to convert an old factory into a Sikh Temple.
- Courtney Road, Gillingham – the completed units on the former Co-op site are occupied by Batleys Cash and Carry and Best Pets.
- Rochester Riverside - Welbeck Land Ltd was approved as the preferred developer for the hotel and commercial quarter by a meeting of the full council on 26 July 2007. Concept drawings commissioned by Welbeck Land show a 150-bedroom, four-storey, four-star hotel with 8,500 sq ft of conference space and a sunken courtyard containing the old city wall, providing a physical link between historic Rochester and the new development.
- Kingsnorth – The council raised no objection to planning permission being granted for a new coal fired plant. This has now been referred to central government for the final decision.

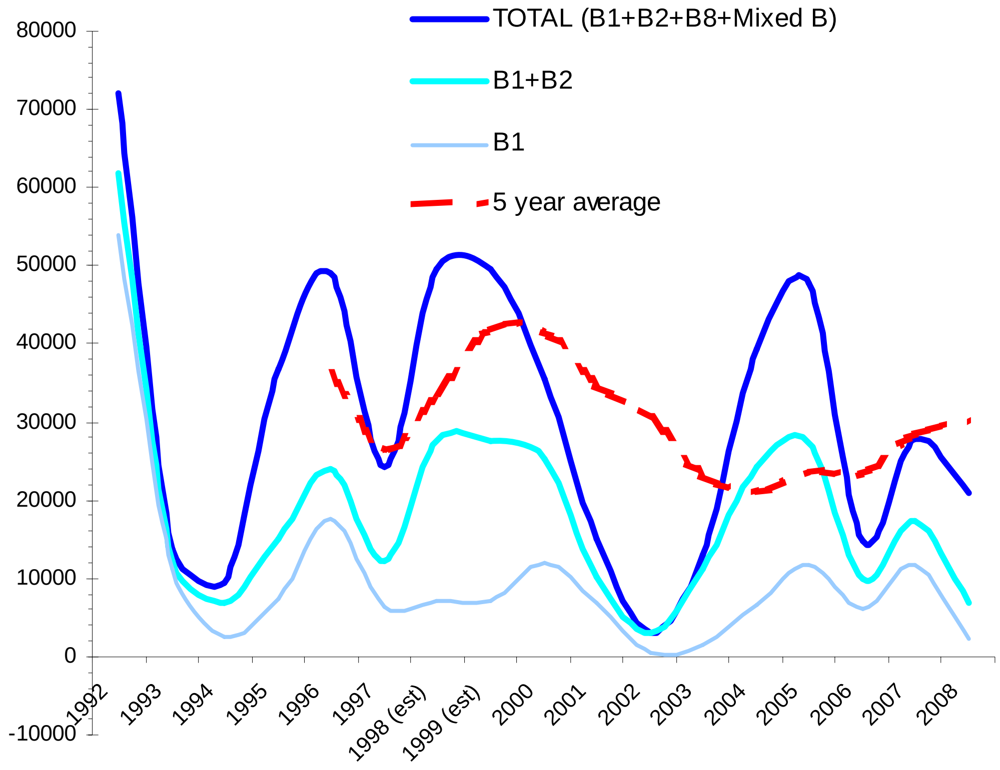
The baseline position and overall trend in terms of both gross and net additions to employment floorspace is illustrated in the following tables and charts.

Table 8: Employment summary statistics; planning consents valid 1 April 2007 to 31 March 2008 (sq.m.)

	B1 (sq.m.)	*B2 (sq.m.)*	*B8 (sq.m.)*	*Mixed B (sq.m.)*
Completions				
Development completed in survey	2,326	4,454	14,185	0
Lost due to	-5,855	-8,418	-9,994	-3,503
	-3,529	**-3,964**	**4,191**	**-3,503**
Commitments				
Not started	29,143	11,321	7,628	19,090
Under construction	20,202	7,442	3,156	165
Completed but vacant	0	200	0	0
	(49,345)	(18,963)	(10,784)	(19,255)
Potential losses	-26,875	-11,603	-5,677	0
	22,470	**7,360**	**5,107**	**19,255**
Exclusions				
Expired	-1,021	1,218	647	0
Other exclusions	18,371	-191	7,003	2,553
	17,350	**1027**	**7,650**	**2,553**

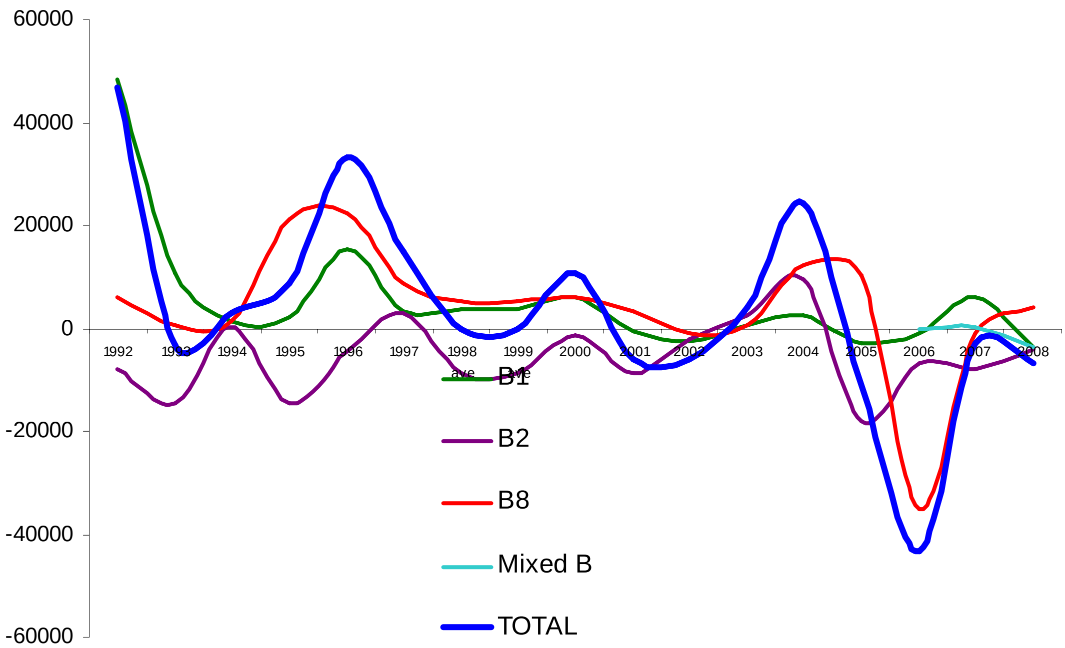
Notes.
Permissions prior to 1 April 2005 will not include the category Mixed B.
The data in the exclusions section is for information only

Chart 1 : Gross completions, 1992-2008



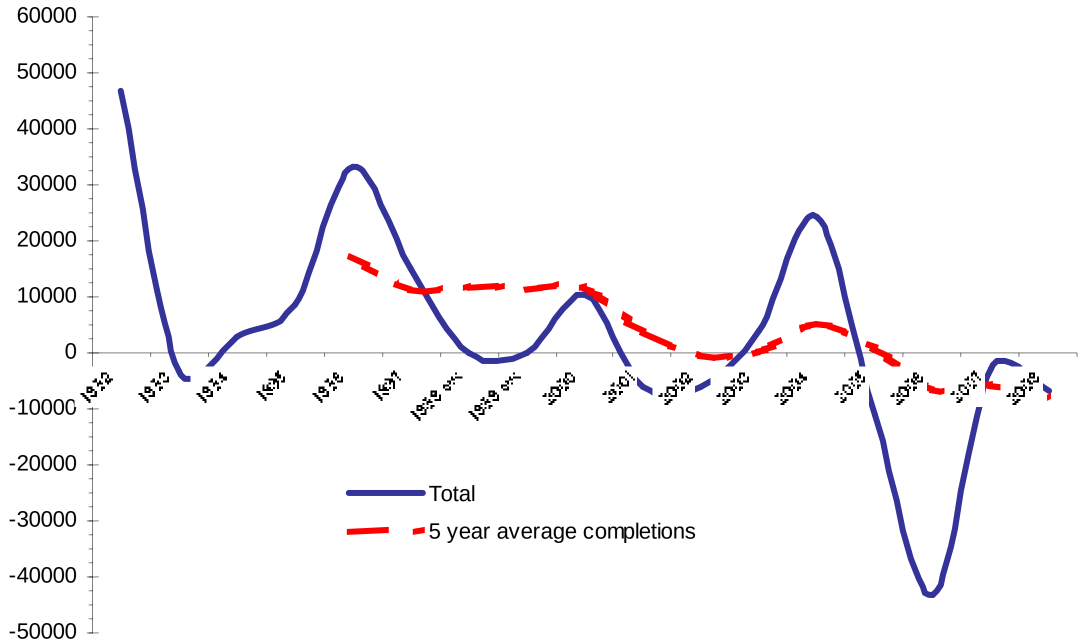
B1 includes A2 until 2005, from 2006 onwards B1excludes A2. Mixed B was introduced in 2006.

Chart 2: Net completions, 1992-2008



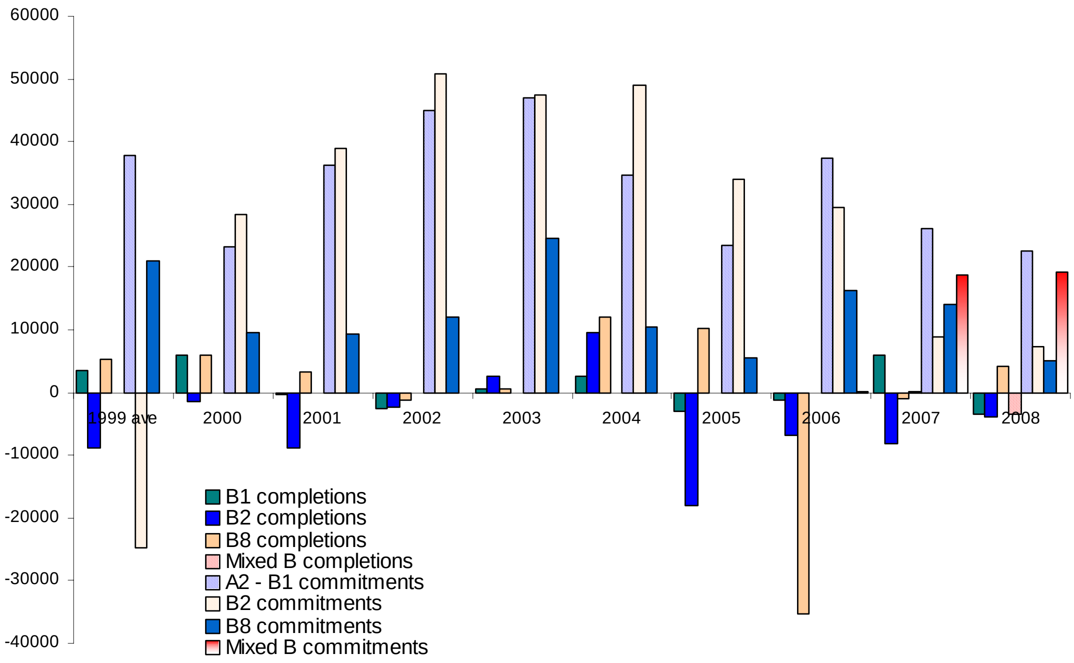
B1 includes A2 until 2005, from 2006 onwards B1excludes A2. Mixed B was introduced in 2006.

Chart 3: Net completions (B1,B2 &B8) 1992- 2008 with 5 year average (sq.m)



B1 includes A2 until 2005, from 2006 onwards B1excludes A2. Mixed B was introduced in 2006.

Chart 4: Net commitments and completions 1999 – 2008 by use class (sq.m)



B1 includes A2 until 2005, from 2006 onwards B1excludes A2. Mixed B was introduced in 2006.

Table 9: Employment land completed by previously developed land (sq.m) (completed planning permissions)

	B1 net	B2 net	B8 net
Non PDL	391	0	1050
PDL	1561	2583	-298

Table 10: Floorspace supply and Structure Plan requirements

	A2-B1	B2-B8	Total
Completed floorspace 1991 - 2008	88772	-33366	55406
Floorspace with planning permission as at 31/3/2008	29746	25304	55050
Local Plan allocations	37201	225770	262971
Total supply	**155719**	**217708**	**373427**

NB. Policy EP2 of the Kent and Medway Structure Plan 2006 requires that for 2001 to 2021, Medway has 575,000 m2 net additional floorspace provision for financial and professional services, business, industrial and warehousing uses.
B1 includes A2 until 2005, from 2006 onwards B1excludes A2. Mixed B was introduced in 2006.

Table 11: Land lost to residential development (Hectares)

Use Class	***District total***	**District total PDL**
B1a	0	0
B1b	0	0
B1c	0	0
B1a,B1b,B1c (unable to split)	0	0
B1 (B1a, B1b,B1c)	0	0
B2	0.5	0.5
B8	0	0
Mixed B1-B8	0	0
Total	0.5	0.5

Note: A site threshold of 0.4ha and above has been applied.

Table 12: Current capacity of employment sites allocated in the Medway Local Plan 2003

Proposed Local Plan Allocations and Existing Sites		Site area (Hectares)	% of site	Site Areas used for calculation of floorspace	Proposed % splits			Capacity m2 (using Kent Structure Plan 1996 conversion figures)				
					B1	**B2**	**B8**	**B1**	**B2**	**B8**	**B2-B8**	**Total**
Gillingham Business Park		1.75	20	0.35	80	0	20	1111	0	247	247	1358
Ex-Health Authority Land (Gillingham Business Park)		2.88	0	0	100	0	0	0	0	0	0	0
Civil Service Sports Council land (Gillingham Business		4.32	0	0	70	0	30	0	0	0	0	0
Gads Hill/Danes Hill, Gillingham		0.29	100	0.29	0	100	0	0	835	0	835	835
Former Depot, Otterham Quay Lane		1.29	0	0	100	0	0	0	0	0	0	0
Chatham Maritime		12.80	5	0.64	100	0	0	2539	0	0	0	2539
Kingsnorth		66.00	100	66.00	10	50	40	26182	95007	93166	188173	214355
Isle of Grain		192.00	0	0	0	0	0	0	0	0	0	0
Frindsbury Peninsula		9.60	25	2.4	10	40	50	952	2764	4235	6999	7951
Formby Road, Halling		9.50	100	9.5	0	50	50	0	13675	16763	30438	30438
Fort Bridgewood		2.10	0	0	20	30	50	0	0	0	0	0
Medway Valley Park/Morgans Timber Works		11.05	100	11.05	20	40	40	8767	12725	15598	28323	37090
Rochester Airfield		10.00	0	0	50	20	30	0	0	0	0	0
Total		**323.58**		**90.23**				**39551**	**125006**	**130009**	**255015**	**294566**
	Losses			**9.5**				**2350**	**25710**	**3535**	**29245**	**31595**
	Total Net			**80.73**				**37201**	**99296**	**126474**	**225770**	**262971**

80% of the allocated land at Gillingham Business Park is now developed
0% of Ex-Health Authority land has been used, as an outline planning consent exists on this land. (MC20010184)
0% of Civil Service Sports Council land has been used, now lost to retail warehouse
0% of Former Depot, Otterham Quay Lane has been used, as a planning consent exists on this land and construction has commenced. (MC20001413)
Most of allocated area at Chatham Maritime now has consent or has been developed or is earmarked for residential
0% of Isle of Grain has been used as this land does not count towards Structure Plan totals.
75% of allocated land at Frindsbury Peninsula is now developed
100% of the allocated land at Fort Bridgewood is now developed
Losses include all current floorspace at Formby Road only as Rochester Riverside now has planning consent.
All of the allocated land at Rochester Airfield is now developed or with planning consent.
No plan period limitations, all sites assumed viable.

HOUSING

Overview

House prices in Medway continued to rise in 2007/08. The rate of increase has slowed significantly compared to 2006/07 though nationally house prices slowed much faster.

Housing affordability continues to be a key issue in Medway with the gap between house prices and earnings widening. Since 1999 house prices have doubled in Medway, while earnings have increased over this period by around a third.

Progress on major sites at 31st March 2008

- Grange Farm Gillingham - Most of the development is now complete.

- Medway Gate Strood - The majority of units in phase 1 are complete. However there are concerns that the developer Persimmon Homes is to freeze new builds until the market conditions improve, it is uncertain at this time whether or not this will affect the progress on this site.

- Compass Close Rochester – A few homes were completed this year, as the majority of the site is under construction most of it is expected be finished within the next year.

- Chattenden – The development (Elm Avenue) is almost all complete, the sales office has now gone.

- Hoo – George Wimpey and Bellway are the active developers and have competed over 100 dwellings here this year.

- Chatham Maritime – On St Marys Island building works continues at the Fishing Village (sector 4) and Ventura Riverside (sectors 7/8). The Axis development is now complete.
- At the Quays (J5/J6) work is moving at a rapid pace on this mixed use site to provide 334 – 1 and 2 bed flats as well as restaurant/bar/gym and retail offer.

- Wainscott – Crest Nicholson are about to start on site with phase 1 known as Liberty Park.

- Pier Road Gillingham – The student accommodation, which is to be constructed at the front of this site, is to start very soon. It will provide for 604 students together with a supermarket and coffee shop.

- Rochester Riverside - Crest Nicholson PLC, with green living specialists BioRegional Quintain Ltd., were selected as the preferred developer for the first homes in January 2008. They were chosen from a shortlist of four developers by landowners and project partners Medway Council and the South East England Development Agency (SEEDA).
  Crest Nicholson plan 600 high quality homes on the seven-hectare site as

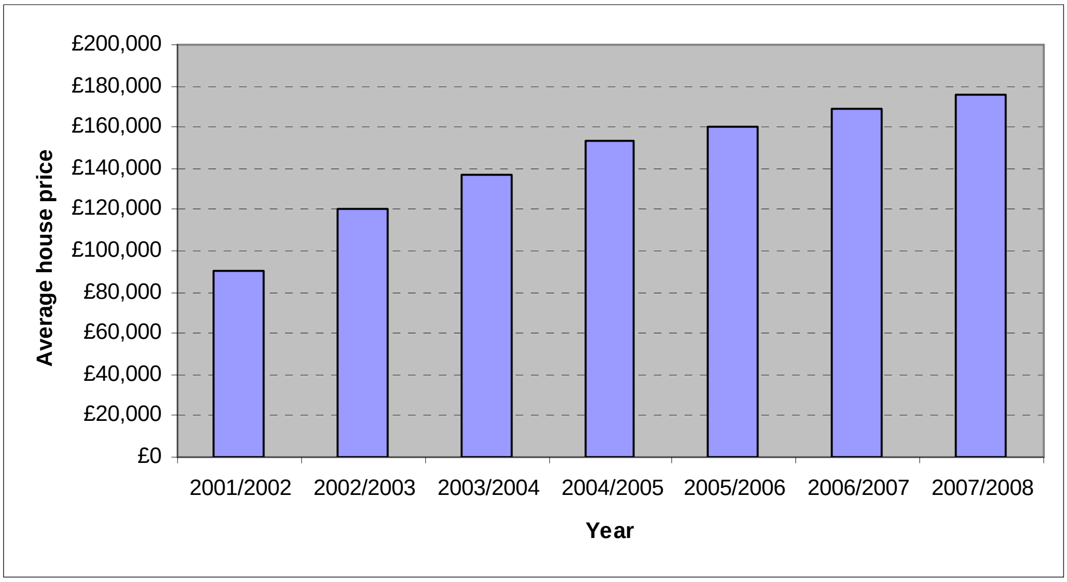
well as parks, shops, offices and cafes to provide a sustainable mixed-use community with strong links to the historic centre of Rochester. Affordable housing, a quarter of the total, will be provided and managed by registered social housing landlord The Hyde Group.

- Work has started on a far reaching £4million programme to continue to upgrade Medway Council's housing stock to meet the government's Decent Homes Standard.

House Prices

The average price of a 3 bedroom-terraced property continues to rise, increasing by 4.2% between 2006/7 and 2007/8, from £168,506 to £175,594 based on advertised house prices.

Chart 5. Average price of 3 bedroom terraced properties 2002-2008



Source: House Price Monitor (Medway Council)

The House Price Index, maintained by the Land Registry contains details of completed house sales. From this source detailed house price information can be obtained based on all property types. Table 13 below tracks changes in property prices in Medway between 2006 and 2008, with comparative data for Kent, the South East and England & Wales.

Property prices in Medway continued to rise in the year 2007/08, although the increase in property prices was half that of 2006/2007. This pattern is reflected across England & Wales however the growth rate nationally decreased by two thirds over that period.

Table 13: House Price Sales

	March 06	March 07	March 08	06-07 % Difference	07-08 % Difference
Medway	£147,459	£157,424	£163,242	+6.8%	+3.7%
Kent	£182,937	£196,711	£207,484	+7.5%	+5.5%
South East	£200,793	£219,170	£227,889	+9.2%	+4.0%
England & Wales	£164,527	£178,891	£184,043	+8.7%	+2.9%

Source: Crown Copyright Land Registry Property Price data

For further information on house prices in Medway refer to the Property Price Information Bulletin produced by the Development Plans and Research Team.

Housing Requirement

The number of new dwellings Medway is required to provide is set out in the Kent and Medway Structure Plan 2006 and the emerging South East Plan.

The Structure Plan covers the period 2001-2016 and requires 11,500 homes to be provided (see table 14). The Draft South East Plan sets out a total requirement of 16,300 homes (815 per annum) to be built over the period 2006-2026 (15,700 in the Medway part of the Thames Gateway and 600 in the rest of Medway).

In the period 2001-2008, 4,572 dwellings were completed.

Table 14: Kent and Medway Structure Plan Policy HP1 provision and residual dwelling requirements at 31st March 2008

Adopted Kent and Medway Structure Plan HP1 Provision				Net Completions	Residual Dwelling Requirement		
2001-2006	2006-2011	2011-2016	2001-2016	2001-2008	Next 5 years	To 2011	To 2016
3,500	3,900	4,100	11,500	4,572	4,468	2,828	6,928

Housing Supply

This essentially comprises four components:

- Dwellings completed during the relevant year
- Dwellings under construction
- Dwellings not started but with planning permission
- Allocated sites in an approved development plan (in this case the Medway Local plan 2003)

Over the longer term these elements inevitably indicate a shortfall and addressing this is a key function of the Local Development Framework.

This year the number of dwellings built almost reached the Structure Plan target.

With a net total of 1,321 dwellings currently under construction, the trajectory for the next few years indicates acceleration, however a downturn in the economy may have an impact on these future build rates.

Table 15: Residential land availability summary at 31st March 2008

	Gains				*Losses*				*Net*			
	N/S	***U/C***	***C/P***	***Tot***	***N/S***	***U/C***	***C/P***	***Tot***	***N/S***	***U/C***	***C/P***	***Tot***
Large sites												
Permissions	6228	1207	2093	**9528**	*26*	*9*	*100*	***135***	6202	1198	1993	**9393**
Allocations	574	0	0	**574**	*0*	*0*	*0*	***0***	574	0	0	**574**
TOTAL	6802	1207	2093	**10102**	*26*	*9*	*100*	***135***	6776	1198	1993	**9967**
Small sites												
Permission	394	154	150	**698**	*67*	*31*	*31*	***129***	327	123	119	**569**
Totals												
TOTAL	7196	1361	2243	**10800**	*93*	*40*	*131*	***264***	7103	1321	2112	**10536**

As can be seen in table 16 below, the build rates for the last year 2007/8 are much higher than in previous years. This figure would have been even higher if it was not for the demolition of 63 flats, which were in a dangerous condition.

Table 16: Annual Completion Rates 2001-2008

Year	**2001/ 2002**	**2002/ 2003**	**2003/ 2004**	**2004/ 2005**	**2005/ 2006**	**2006/ 2007**	**2007/ 2008**
Structure Plan Requirement	700	700	700	700	700	780	780
Actual Completion Rates	603	676	733	646	562	591	761

Table 17: Small site completion rates over the last 5 years

Year	**2003/4**	**2004/5**	**2005/6**	**2006/7**	**2007/8**
Completion rates	76	113	127	144	122

The 5-year average of housing completions on small sites is 116.

Table 18: Windfall completion rates over the last 5 years

Year	**2003/4**	**2004/5**	**2005/6**	**2006/7**	**2007/8**
Greenfield	18	7	49	8	124
PDL	210	193	238	232	113
Completion rates	228	200	287	240	237

Greenfield windfalls cannot be counted when calculating yields.

The average completion rate on previously developed land over the last five years is 197 per annum. The 5-year average for all completions is 238 per annum.

Table 19: Housing Trajectory 2001-2012

	Year	01/ 02	02/ 03	03/ 04	04/ 05	05/ 06	06/ 07	07/ 08	08/ 09	09/ 10	10/ 11	11/ 12	12/ 13
	Actual comps	603	676	733	646	562	591	761					
Phasing of future comps	Large site apps								1034	936	1212	1030	735
	Small site apps								148	112	145	41	3
	MLP Allocations								0	0	186	189	199
	TOTAL								**1182**	**1048**	**1543**	**1260**	**937**

The housing trajectory does not account for the current down turn in the housing market. No allowance has been made for future windfalls.

Table 20: Phasing over the next 15 years (commitments on large and small sites)

Years	**0-5 years**	**5-10 years**	**10-15 years**
No of dwellings	5970	1487	917

Note: as indicated above the projected shortfall over the longer term will be addressed through new allocations in the Local Development Framework.

Medway Council's 5 year Land Supply Assessment 2008

Medway's Housing Trajectory shows a 5 year housing land supply based solely on applications with planning permission (full, outline and subject to Section 106 agreements), and Local Plan allocations. No allowance is made for future windfalls. The methodology used for phasing these applications and allocations is as follows:

- If the planning decision is outline, the site is phased until one year after the expiry date. This is when the site is expected to be fully developed.
- If the planning decision is full or for reserved matters, it is phased up to the final year of the permission expiring. It is then expected to be fully developed.
- Remaining dwellings in residual applications[3] are phased up to the 5th year.
- All small sites[4] are expected to be completed within a 5 year period. For large sites this may be longer.
- Any dwellings that are currently under construction are phased for completion/delivery in the next survey year (i.e. if the current survey year is 07/08, the dwellings under construction are phased for completion in the 08/09 survey year). This is applicable for small sites – larger ones may need to be spread over more than one year - on a larger site, generally no more than 75 units are phased per year.
- Allocated sites need to be more carefully considered, there will be many factors influencing the way that these are phased. Local knowledge on particular sites, ownership issues, whether or not planning applications are awaiting decisions or appeals pending, developers own commitments on other sites etc. Therefore each allocation is phased on its own merits.
- The figures phased are always net.

For the next 5 years, there are more than sufficient numbers of dwellings with planning permission that are likely to be developed. In the longer term, 5 to 10 years and 10 to 15 years, the projected shortfall will be addressed through new allocations in the LDF. The council is to begin work on a Strategic Land Availability Assessment (SLAA) within the next couple of months. There is an agreed protocol with Kent Authorities on the approach to the SLAA.

Previously Developed Land

The Government has set a national target for at least 60% of housing completions to be on 'previously developed land' (PDL).

Between 2001 and 2007 Medway performed well above this target. However a number of old greenfield local plan allocations have recently become available, resulting in only 37% total completions (net) being built on previously developed land in 2007/8. This relatively low percentage is not unexpected and may continue over the next couple of years. However completion of large regeneration sites, such as Rochester Riverside should increase the PDL completion rate in the future. The percentage this year is also influenced by the loss of an existing block of flats due to structural problems and the Medway Gate development being technically categorised as Greenfield.

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[3] Residual applications occur when a full application is received for part of an allocated site or part of a site with an existing outline application.
[4] Small sites are less than 5 units. Large sites are 5 units or more.

Chart 6: Proportion of completions on Previously Developed Land

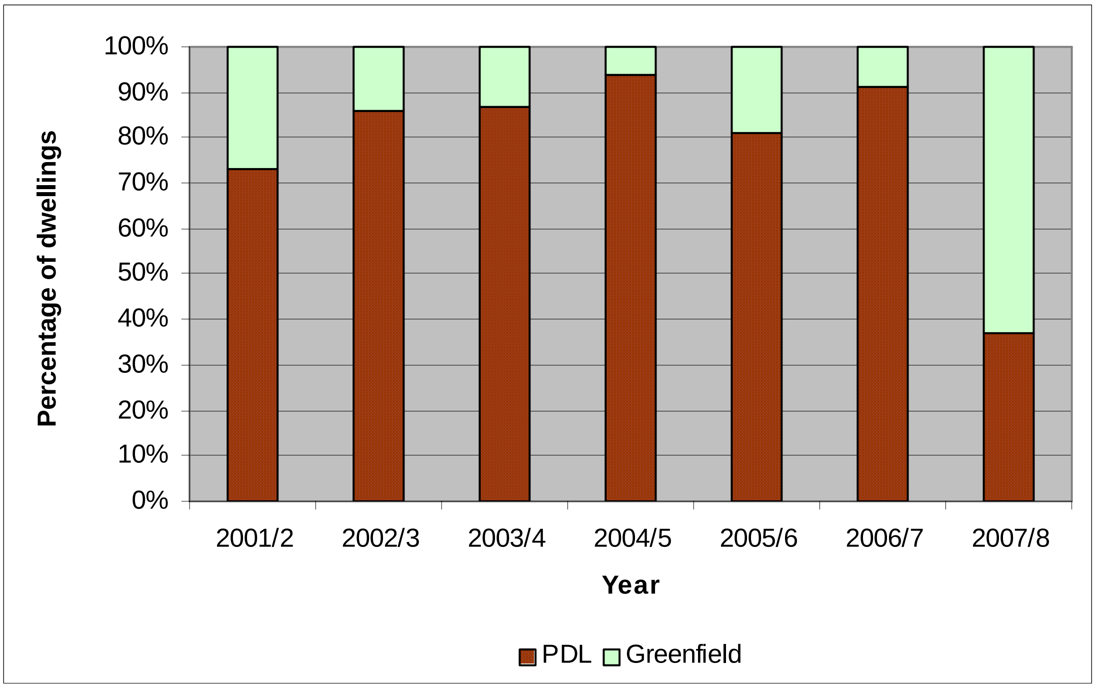


Table 21: Percentage of annual completions on previously developed land since 2001/2

Year	2001/2	2002/3	2003/4	2004/5	2005/6	2006/7	2007/8
PDL	73%	86%	87%	94%	81%	91%	37%
Greenfield	27%	14%	13%	6%	19%	9%	63%

In 2007/2008 there were 761 completions, 280 were on previously developed land and 481 were on greenfield sites. The proportion of completions on previously developed land in 2007/8 was relatively low compared to previous years as a number of large greenfield sites were completed. However table 22 below indicates that sites 'not yet started' and 'under construction' show a PDL/Greenfield split which is more inline with previous years.

Table 22: Percentage of commitments on previously developed land 2007/8

	PDL	Greenfield
Under construction	65%	35%
Not Started	83%	17%
Not started and under construction combined	80%	20%

Density

The table below illustrates that almost 96% of completed developments exceed the national minimum requirement of 30 units per hectare, with the majority exceeding the emerging South East plan target of 40 units per hectare.

This can be attributed to the many urban sites suited to higher densities.

Table 23: Percentage of new dwellings completed in 2007/8 at various densities (gross completions)

Dwellings per hectare (dph)	Percentage
Less than 30 dph	4.4%
Between 30 and 50 dph	34%
Above 50 dph	61.6%

The average net density of full permissions by ward is shown in appendix 2, section 2.

Affordable Housing

For a more accurate picture of affordable housing, data supplied by the Councils Housing Strategy Team is used rather than relying on the information supplied with planning applications.

In 2007/08, 230 affordable homes were completed. This equates to just over a quarter of gross completions (892) being affordable units. This is based on the SEERA definition of an affordable unit which is a narrower definition than that used by the council. Which means that in addition to the above, a further 6 (RSL) units that were for market rent converted to affordable rent and there were an additional 23 units of open market HomeBuy.

Table 24: Affordable new housing splits by type and number of bedrooms

	1 bed	2 bed	3 bed	4 bed	Total
Houses	0	26	31	4	**61**
Flats	70	105	0	0	**175**
	70	**131**	**31**	**4**	**236**

The table above shows the type of new affordable housing built in Medway in the year 2007/8. Please note that the data includes the 6 RSL units but excludes the 23 market HomeBuy as these are existing properties.

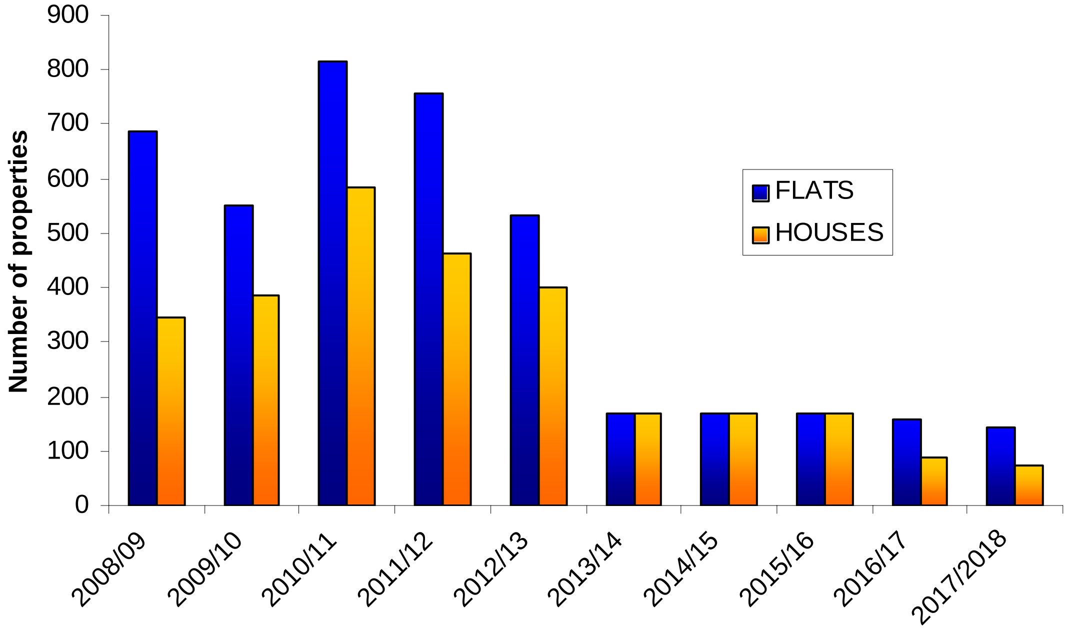
Dwelling types

Table 25: Projected build rates by property type

Dwelling	2008/ 2009	2009/ 2010	2010/ 2011	2011/ 2012	2012/ 2013	2013/ 2014	2014/ 2015	2015/ 2016	2016/ 2017	2017/ 2018
Flats with planning permission	687	552	722	662	434	170	170	170	158	145
Estimated allocated flats	0	0	93	94	99	0	0	0	0	0
Total flats	**687**	**552**	**815**	**756**	**533**	**170**	**170**	**170**	**158**	**145**
Houses with planning permission	347	384	490	368	301	170	170	170	89	75
Estimated allocated houses	0	0	93	95	100	0	0	0	0	0
Total houses	**347**	**384**	**583**	**463**	**401**	**170**	**170**	**170**	**89**	**75**

The 2001 Census shows that flats make up just 12.6% of unshared dwellings in Medway, compared to 18.1% in the South East, and 19.4% in England. Chart 7 shows that for at least the next 5 years, more flats than houses are expected to be built. On applications for mixed dwelling sites there tends to be an equal split between houses and flats. This house/flat ratio has been used when estimating the number of flats and houses on the remaining allocations from the Medway Local Plan. This is likely to have a significant effect on the overall proportion of flats to houses in Medway in the future.

Chart 7: Projected build rates by property type



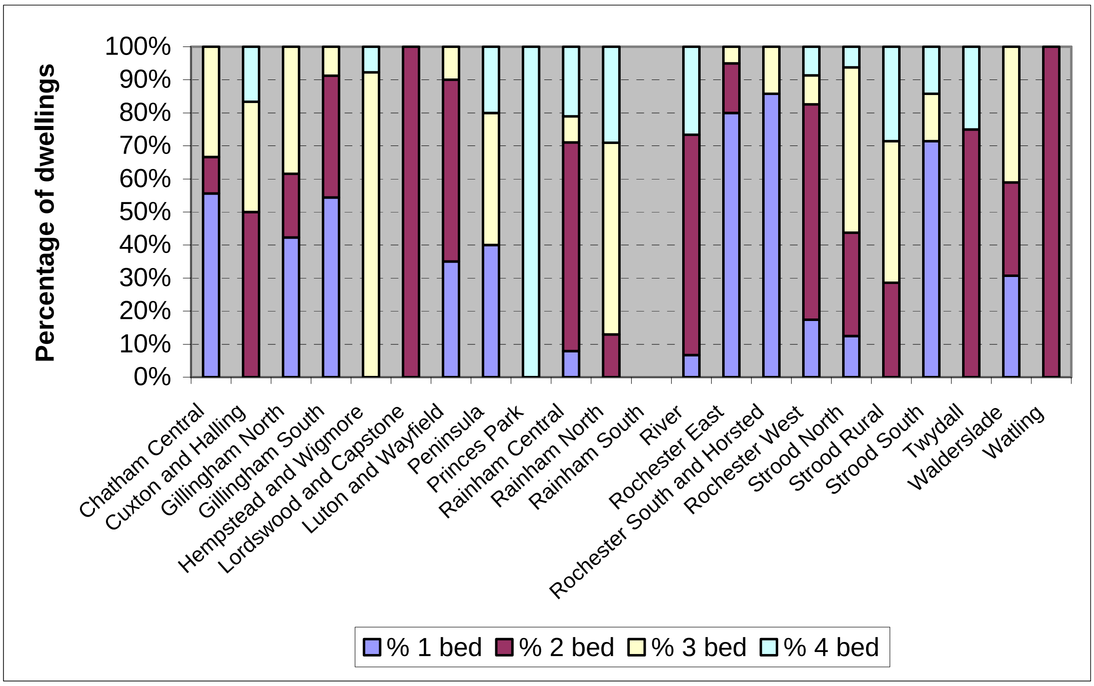
Bedroom data

The table below shows details of completions by ward in 2007/08 by the number of bedrooms.

Table 26: Ward data - percentage breakdown by number of bedrooms on completed sites (gross)

Ward	1 bed	2 bed	3 bed	4 bed or more
Chatham Central	56%	11%	33%	-
Cuxton & Halling	-	50%	33%	17%
Gillingham North	42%	19%	38%	-
Gillingham South	54%	37%	9%	-
Hempstead & Wigmore	-	-	92%	8%
Lordswood & Capstone	-	100%	-	-
Luton & Wayfield	33%	52%	10%	-
Peninsula	40%	-	40%	20%
Princes Park	-	-	-	100%
Rainham Central	8%	63%	8%	21%
Rainham North	-	13%	58%	29%
Rainham South	-	-	-	-
River	7%	67%	-	27%
Rochester East	80%	15%	5%	-
Rochester South & Horsted	86%	-	14%	-
Rochester West	17%	65%	9%	9%
Strood North	13%	31%	50%	6%
Strood Rural	-	29%	43%	29%
Strood South	71%	-	14%	14%
Twydall	-	-	-	-
Walderslade	31%	28%	41%	-
Watling	-	100%	-	-

Chart 8: Bedroom data on completed housing sites at 31st March 2008



For large sites built out in the year 2007/8 the breakdown of houses and flats by number of bedrooms is shown in the table below. As can be seen 1 and 2 bed flats dominate newly built properties in Medway.

Table 27: Completions on large sites by property type and number of bedrooms

Number of bedrooms	Houses	Flats
One	0	86
Two	8	71
Three	59	1
Four or more	17	0
Total	**84**	**158**

RETAIL AND TOWN CENTRE DEVELOPMENT

Overview

Retail accounts for a fifth of the business stock in Medway employing approximately 14,000 people – 16% of the workforce.

The retail sector has been in decline in Medway over the past 5 years (2002-2006), with just over 100 less business units and 3,000 less employees. This trend is reflected across Great Britain and the South East though not to quite the same extent.

Significant events in the period

- The Matalan retail outlet in Strood is currently being rebuilt following a fire. It is expected to reopen later in 2008.
- Strood Market moved to a new location in Commercial Road in August 2007, following approval of Aldi's mixed retail plans to build on the previous market location in Friary Place, to the rear of 46-98 High Street. These plans include a food store, and a further retail unit of 3000 sq. ft., car parking, operational space and landscaping.
- The former M & S store in Chatham High Street has been acquired by T K Maxx who are in the process of refitting, the new shop will open in July 2008.
- The old Co-op store in Chatham has been subdivided into 2 units. New Look has moved into the larger one, the remaining unit is yet to be let.
- Costa Coffee opens a store in Chatham High Street.
- The former B & Q retail outlet at Gillingham Business Park is currently being sub divided and given a face-lift.
- A sub division of the new B&Q at Will Adams Way to form a new 1817 sq.m unit for Furniture Village was approved and is now under construction.
- Gillingham Town Centre Framework SPD was adopted in July 2007.
- Wilkinson, Bon Marche and Sportsdirect carried out shop alterations in preparation for their move into the old Co-Op Store in Gillingham.
- The new restaurants at Dickens World, Chatham Maritime include Pizza Hut, Nandos, Chimichanga and The Real China.
- For Chatham Town Centre during six weeks of public consultation between May and July 2007, the council sought views on the next steps for the regeneration sites, as well as its proposals for transport and public open space. One of the findings of this consultation was a preference for the new bus station to be closer to the Pentagon shopping centre. An area outside the Pentagon known as the Paddock was identified as a possible location and further consultation took place in November 2007 on the location of the new bus station. The Paddock area was rejected because of public concern about loss of green space. In December 2007 Cabinet approved a location centred on Sir John Hawkins Way and Globe Lane. Precise boundaries of the site have yet to be agreed. The plan is to demolish the flyover late 2008/early 2009 and have the bus station up and running by summer 2009. Cabinet also decided that the master plan for the Waterfront Area should be amended to include a zone for taller buildings.

The baseline position and overall trend in terms of both gross and net additions to retail floorspace is illustrated in the following tables and charts.

Table 28: Retail summary statistics
A1 - A5 summary statistics; planning consents valid 1 April 2007 to 31 March 2008

	A1 (sq.m.)	*A2 (sq.m.)*	*A3 (sq.m.)*	*A4 (sq.m.)*	*A5 (sq.m.)*
Completions					
Development completed in survey period	1,409	939	2817	95	255
Lost due to redevelopment/reconstruction	-6,428	-1,326	0	-237	0
Net Completions	**-5,019**	**-387**	**2,817**	**-142**	**255**
Commitments					
Not started	29,777	2,752	4,491	1,662	2,414
Under construction	18,658	137	2,703	0	0
Completed but vacant	340	0	40	0	0
	(48,775)	**(2,889)**	**(7,234)**	**(1,662)**	**(2,414)**
Potential losses	-8,434	-2,031	-693	-711	0
Net Commitments	**40,341**	**858**	**6,541**	**951**	**2,414**
Exclusions					
Expired	-291	19	133	0	0
Other exclusions	2,924	-603	2,912	-325	125
	2,633	**-584**	**3,045**	**-325**	**125**

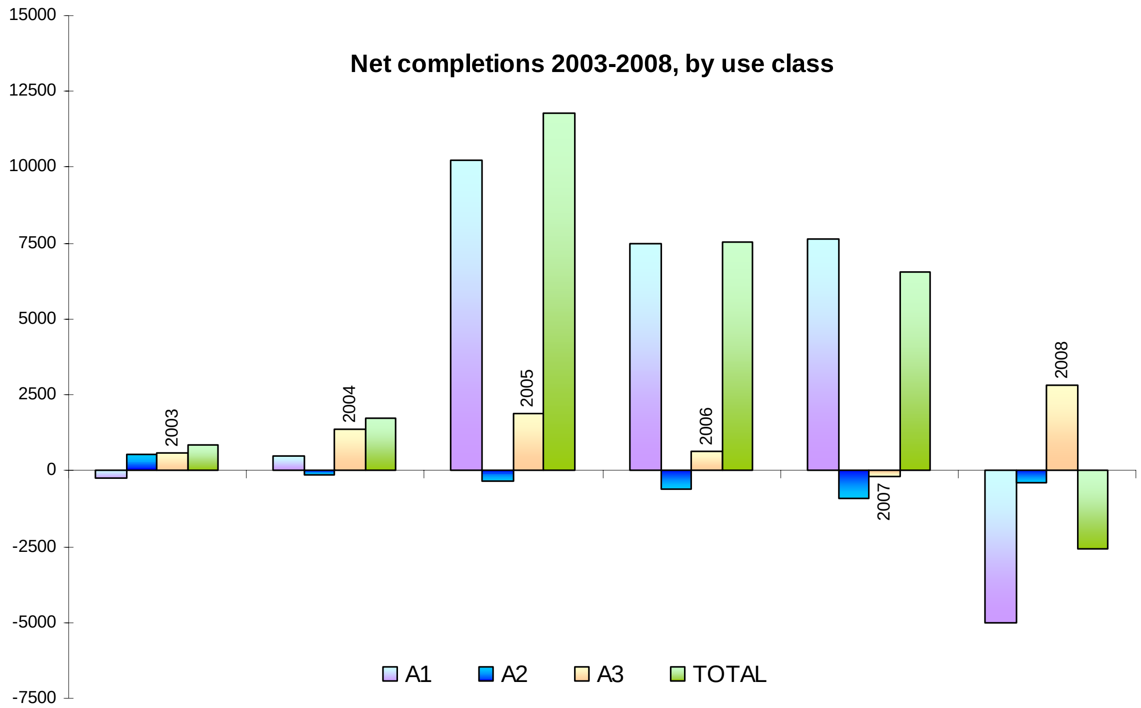
Notes Permissions prior to 1 April 2005 will not include the categories A4 or A5.
The data in the exclusions section is for information only.

Table 29: Commercial and Leisure summary tables
Other commercial and leisure summary statistics; planning consents valid 1 April 2007 to 31 March 2008

	C1 (beds)	*C2 (beds)*	*D1 (sq.m.)*	*D2 (sq.m.)*	*SG (sq.m.)*
Completions					
Development completed in survey period	134	13	6,503	11,577	126
Lost due to redevelopment/reconstruction	-57	-53	-861	-648	-4342
Net Completions	**77**	**0**	**5,642**	**10,929**	**-4,216**
Commitments					
Not started	705	103	30,218	1,691	30,628
Under construction	0	0	34,450	2,889	4,006
Completed but vacant	0	0	0	0	0
	(705)	**(103)**	**(64,668)**	**(4,580)**	**(34,634)**
Potential losses	-15	-77	-37982	-4,257	-1,955
Net Commitments	**690**	**26**	**26,686**	**323**	**32,679**
Exclusions					
Expired	0	0	997	0	1,900
Other exclusions	10	0	1,524	3,450	12,153
	10	**0**	**2,521**	**3,450**	**14,053**

Notes. Permissions prior to 1 April 2005 will not include the category SG.
The data in the exclusions section is for information only.

Chart 9: Net completions A1 to A3



In 2008, 3,985 sq. m of A1 floorspace was lost following the demolition of the remains of the fire damaged Matalan retail outlet in Strood. However, 5,273 sq.m is currently being rebuilt, which when complete, will result in a net gain of 1,288 sq.m.

Eighty-nine percent of the A2 floor space lost was to residential use in 2008.

Table 30: Gross completions in town centres 1 April 2007 to 31 March 2008

Use	Percent of completions in town centres
A1	55%
A2	25%
A3	8%
A4	100%
A5	0%
D1	17%
D2	0%

Table 31: Town centre activity

Use	Losses (sq.m)	Gains (sq.m)	Net (sq.m)
A1	999	772	-227
A2	292	234	-58
A3	0	238	238
A4	0	95	95
A5	0	0	0
D1	440	1,080	640
D2	648	0	-648

As a result of the relocation of Rochester library and the Medway register office, and an extension to the Rochester adult education centre, there was a net D1 gain of 640 sq.m.
648 sq.m of D2 was lost to residential use.

OPEN SPACE

Significant events in the period

As reported in the Council's 2007-08 Performance Plan, applications for Green Flag status were submitted for Castle Gardens, Riverside Country Park and The Vines as part of the PSA 2 agreement. None of these sites met the Standard required in this monitoring period when judged in June 2007,

The Green Flag Award is the national standard for parks and green spaces in England and Wales. The award scheme began in 1996 as a means of recognising and rewarding the best green spaces in the country.

COI 4c Amount of eligible open spaces managed to Green Flag Award standard.

In response to these sites failing to reach Green Flag status, Greenspace Services established a Green Flag working group to drive securing the standard in 2008/2009.

Riverside Country Park, The Vines and Berengrave Local Nature Reserve were entered for the Green Flag award in June 2008, with Riverside County Park and the Vines both meeting the required standard. Details of these will be provided in next years annual monitoring report.

ENVIRONMENTAL QUALITY

FLOOD PROTECTION AND WATER QUALITY

COI 7. Number of planning permissions granted contrary to the advice of the Environment Agency on either flood defence grounds or water quality.

None

The Medway Estuary Strategic Flood Risk Assessment Main Report is available on the Council's website via http://www.medway.gov.uk/51087

BIODIVERSITY AND COUNTRYSIDE

Significant events in the period

The Council secured nearly £43,000 to improve access to Berengrave Nature Reserve. This is a former chalk pit, which is a Local Nature Reserve and Site of Nature Conservation Interest. Funding from WREN (Waste Recycling Environmental) enabled new steps and boardwalks to be built. The reserve provides a wide variety of habitats, including ponds, reedbed, woodland and grassland. It opened on 26 April 2006.

The Medway Towns Conservation Volunteers won the Queen's Award for Voluntary Service in 2006 for its conservation work in the countryside and in recognition of the interest it instils among environmental volunteers.

COI 8 Change in areas and populations of biodiversity importance, including:
(i) change in priority habitats and species (by type); and
(ii) change in areas designated for their intrinsic environmental value including sites of international, national, regional or sub-regional significance.

In 2004/05 43 SSSI units were listed, however in January 2006 this appeared to fall to 42, a seeming loss of 1 site and then rose again to 57 in October 2006. Through discussions with Natural England to understand these changes, it was identified that all SSSIs are split up into areas, called units, based on the type of habitat or special interest that areas within the SSSI hold. The 42, 43 and 57 refer to SSSI units and not single SSSIs.

There are 8 SSSIs fully or partly in Medway (Cobham Wood, Halling to Trottiscliffe Escarpment, Chattenden Woods, Dalham Farm, Medway Estuary & Marshes, Northward Hill, South Thames Estuary & Marshes and Tower Hill to Cockham Wood) and there have been no changes to the SSSI boundaries or their areas since October 2005, but some changes have been made to the definitions of units within SSSIs..

Natural England assesses the condition of each unit of each SSSI on a 6-year monitoring cycle. Mostly this has been done to match up units more closely with habitats on the ground. Also some corrections have been made where information was wrongly recorded. In the 2004/05 data two units were found to be duplicates (Unit 21 Neutral Grassland Lowland and 100 Littoral in Medway Estuary and Marshes). This has now been corrected. In addition, the Tower Hill to Cockham Wood SSSI Unit 5 (Earth Heritage) no longer exists. The units in this SSSI have been re-defined so the Earth Heritage interest is included elsewhere and not covered by a specific unit. The October 2006 data reflects this.

Natural England is in the process of re-defining the inter-tidal units within the Medway Estuary and Marshes SSSI. This has led to a number of units being generated that have no area (102-118 Littoral Sediment). Natural England have advised that Unit 100 Littoral sediment with an area of 2167 hectares is in an 'Unfavourable declining' condition. This is the key unit of concern and the other units with no area in this SSSI should be ignored.

PHDG Indicator - Proportion of nationally important wildlife sites which are in favourable condition

There are 8 SSSIs in Medway. 74 % of these are in Favourable condition, 7% are in Unfavourable Recovering condition, 7% are in Unfavourable No Change condition, 12 % are in Unfavourable Declining condition, and 0% is in Part Destroyed & Destroyed condition. (January 06)

RENEWABLE ENERGY

Renewable energy capacity installed by type

Table 32: Permitted planning applications

Status	Application Number	Renewable energy type	Summary	Decision
Permitted	MC2007/0848	Solar	Three Eco Poles Solar powered	Permitted 2.7.07
Permitted	MC2007/1195	Solar	Solar panels on 44 new built units, details submitted pursuant to an earlier outline consent	Permitted 11.10.07
Permitted	MC2007/1862	Solar	One solar panel on single story extension	Permitted 12.12.07

MINERALS

Production of primary land won aggregates

For the year to December 2007 Medway produced 23,897 tonnes of land won sand and gravel from the site at Grain. This is lower than in the previous two years when levels of production were around 38k tonnes per annum.

Production of secondary/recycled aggregates

Secondary/recycled aggregates totalled 1,066,151 tonnes in 2007.

‘Secondary aggregates’ is the term used to refer to the new product that is produced by the crushing and screening of inert construction wastes (brick, block and concrete wastes).

High purity chalk extraction

For the period 2007/8, 22,000 tonnes of chalk were extracted at Cliffe. This is significantly higher than the 7000 tonnes extracted in 2006/7.

Importation of minerals through the wharves in Medway for 07-08

- Marine Dredged Sand and Gravel – 1,555,320 tonnes, an increase of 132,151 tonnes from 1,423,169 tonnes in 2006/07.

- Crushed Rock – 1,756,048 tonnes an increase of 218,568 tonnes from 1,537,480 tonnes in 2006/07.
- Land won soft sand – 9,809 tonnes up from 2,957 tonnes in previous year.

WASTE

Significant events in the period

MTS Cleansing Services, Kingsnorth was granted consent for 50,000 tonnes per annum in vessel composting capacity.

COI 6b. Amount of municipal waste arising, and managed by management type, and the percentage each management type represents of the waste managed

For 2007/08 a total of 131,406 tonnes of household waste was generated in the Medway area. The weight of household waste collected per head was 522 kilograms.

Total recycling (including composting and dry recycling) amounted to 31.7 %. Total dry recycling amounted to 26,247 tonnes (19.97%). Total composted waste was 15,378 tonnes (11.7%) and the total sent to landfill was 89,777 tonnes (67.41%).

Total household waste in 2006/07 was 130,022 tonnes, so the overall volume has increased by one percent in 2007/08. Similarly the weight of household waste collected per head was less in 2005/06 and 2006/07 at 518 kilograms (522 in 2007/08).

The recycling rate decreased slightly to 19.97% in 2007/08 from 20.33% in 2006/07, though this is still above the target of 19.6%.

Appendix 1 – Use classes order

Use Classes

Classes of land and building use as categorised by the Town and Country Planning (Use Classes) Order 1987 as amended. The various classes and categories appropriate to that class are as follows:

A1 Shops for the sale, display or provision of goods and services (except hot food) to visiting members of the public - includes hairdresser, funeral director, post office, dress or DIY hire shop, ticket and travel agency, internet cafe, sandwich bar, dry cleaner and pet shop.

A2 Financial or professional services (other than health or medical services) - includes betting shop, building society office, estate agent and bank.

A3 Restaurant and cafe.

A4 Drinking establishment – includes public house and wine bar.

A5 Hot food takeaway

B1 Business - includes office (a), research and development premise (b) and light industry which can be carried out in a residential area (c).

B2 General industry - any industrial use not covered by B1.

B8 Storage and distribution – includes wholesale warehouse (but not retail warehousing), distribution centre and repository.

C1 Hotel – includes boarding house and guesthouse.

C2 Residential institution – includes residential school and college and training centre, hospital and convalescent/nursing home.

C2a Secure residential accommodation – includes prison, young offenders institution, detention centre, custody centre, secure hospital and military barracks

C3 Dwelling house, communal housing of the elderly and handicapped.

D1 Non-residential institution - includes place of worship, law court, church hall, clinic, health centre, crèche, day nursery, consulting room, museum, public hall, library, art gallery, exhibition hall, non-residential education and training centre.

D2 Assembly and leisure –includes cinema, music and concert hall, dance hall, bingo hall, sports hall, swimming bath, skating rink, gymnasium and other indoor and outdoor sport or recreation.

Sui Generis (SG) Uses not falling within any of the above classes - includes theatre, night club, casino, sale of motor vehicles, sale of motor fuel, taxi service, launderette, hostel, live/work unit and motor sport or firearm activities.

Appendix 2 - Supplementary Planning

The table below contains a list of adopted documents, which set out the vision for parts of Medway and how the Council see their future redevelopment /regeneration. Many of these publications provide details to the strategy policies outlined in the Adopted Medway Local Plan 2003.

	Title
SPG	Chatham Centre and Waterfront Development Framework
SPG	Star Hill to Sun Pier Planning and Design Strategy
SPG	Gillingham Waterfront Development Brief
SPD	A Building Heights Policy for Medway
SPD	Pentagon Development Brief
SPD	Temple Waterfront Development Brief
SPD	Strood Riverside Development Brief
SPD	Gillingham Town Centre Planning Framework
SPD	Developer Contributions Guide
SPD	Chatham Centre and Waterfront Development Masterplan

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