

**North Essex Authorities
Joint Strategic (Section 1) Plan**

Hearing Statement 2 by Mike Lambert BA(Hons) MRTPI FRSA [Representation ID:6748]

Re: Why the Plan is not Effective – Matters 6 ,7 and 8

1.0 Introduction

1.1 In response to the Inspector's list of matters and questions I am submitting two statements, the first dealing with why the Joint Strategic (Section1) Plan ('the Plan') is not 'Justified' as defined by the NPPF, and the second dealing with why the Plan is not 'Effective', as defined by the NPPF. For the reasons set out the Inspector is recommended to find the Plan as currently drafted Unsound, particularly in regard to the proposal to identify land west of Colchester for 15,000-24,000 new homes over a 40-50 year period. The Inspector should require the Councils to propose significant amendments to the Plan before allowing it to proceed.

1.2 For the avoidance of doubt this statement seeks to address the Main Issues identified under Matters 6, 7 and 8. In response to specific questions I would comment as follows:

Matter 6 Question 4

Response: As drafted the Plan provides inadequate information to demonstrate the 7500 new homes at the three NGCs can be delivered in the Plan period to 2033

Matter 6 Question 7

Response: Yes otherwise there is a risk the Plan will not deliver the OAN in the Plan period

Matter 6 Question 8

Response; The Hyas Viability Assessment has a number of flaws in its' assumptions relating to the rate of output

Matter 6 Question 11

Response: There is no evidence to demonstrate the 2500 are deliverable in the Plan period at any of the three NGCs but especially not at CBBNGC, for reasons set out below

Matter 6 Question 17

Response: A further DPD, not the current Plan should be the mechanism to justify the principle of development of the NGCs post 2033, as well as more precise development boundaries and criteria for detailed phasing and infrastructure. Such a DPD can only be brought forward when and if there is sufficient evidence to justify a NGC or New Town of the scale envisaged. The current Plan Policies should only focus on what is deliverable in the Plan Period

Matter 8 Question 27 & 28

Response: The lack of certainty in SP9 confirms that the Plan is not Effective and cannot demonstrate a sustainable and deliverable form of developmnt at Marks Tey during the Plan period. The Plan requires further amendment to demonstrate how any expansion at Marks Tey can be accommodated in the short term without prejudicing any future long term ambition and what infrastructure would be needed to support it. This work should take on board the emerging Marks Tey Neighbourhood Plan, which includes a robust analysis of the existing community and physical environment as the basis for limited growth.

2.0 Delivery in the Plan period to 2033

2.1 The Plan is not Effective, as defined by the NPPF, because it does not demonstrate that 7500 new homes are deliverable across the three NGCs within the Plan period to 2033 and Section 1 conflates

the need to address how the Plan will deliver the housing needs across three local authority areas over the next 15 years, with the potential to deliver an aspiration for three longer term Garden Communities over the next 50 years, masking a serious flaw in the ability of the Plan to deliver its stated objectives.

2.2 Research by Nathaniel Lichfield¹ published in November 2016 –‘How quickly do large Housing Sites Deliver’ provides some helpful evidence about the scope for large sites to deliver numbers of completed homes quickly, and demonstrates that both LPAs and promoters/developers are always tempted to be over optimistic about the speed with which they can come forward.

2.3 In summary, the Report confirms the average length of time from planning application submission to first Housing Completion is in the order of 5.3-6.9 years on larger sites. It also finds that the average annual build out rate is 161 homes per annum. The highest annual completion on any of the 70 sites across the country that were assessed was 321 homes pa, and this was only for a limited period of three years.

2.4 This evidence would suggest that at the average of 161 per annum to deliver 2500 homes on any of the three NGCs by 2033 would mean the first house being occupied by 2018, clearly not feasible. If it takes an average of 6 years to secure an implementable planning permission and first occupation, then from a hypothetical standing start on 1st January 2018, and assuming an outline planning application and EA would take at least 12 months to prepare - given there is currently no indication where and how a first phase at CBBNGC or West of Braintree could come forward, the earliest completions would take place would be 2025. This leaves just eight years of production in the Plan period. Even if 161 could be achieved in the first two years, which is unlikely, this would give a maximum of only 1288 by 2033, only just over half the required number and a potential shortfall of 3650 homes by 2033. Even if one of the sites could achieve 360 a year for eight years, this would still leave a short fall of nearly 2000 homes across the three sites.

2.5 The Councils have put forward no evidence to demonstrate why or how any of the three NGCs could deliver housing any more quickly than the evidence compiled by Nathaniel Lichfield suggests. On this basis the Plan must be unsound and the risk is that the Councils will have to allocate or allow development elsewhere contrary to their justification of the NGC strategy on the grounds such allocations would protect other settlements and communities from future development.

3.0 Impact of Delivery on Viability

3.1 The unrealistic view of the timescales for delivery are compounded through the viability assessments, which further undermines the Plan’s soundness and ability to deliver the required outcomes in the Plan period.

3.2 In their advice to the Council Cushman & Wakeman (North Essex Garden Communities Valuation Advice, 2017) suggest that 240 completions (three outlets of 60 completions pa) would be a realistic target for the three NGCs. This would still require a minimum of ten years of production and probably more like 12, assuming that the first two years would produce less than 240. This would mean first occupations in 2021. This is already unrealistic on the Lichfield evidence and the complexity and uncertainty over infrastructure delivery for the NGCs, especially at CBBNGC, would make this even less achievable.

3.3 On current evidence even if funding remains available for the A12, a preferred route may not emerge until 2019 (Highways England A12 Scheme update, November 2017). It may take even longer to achieve a preferred route for the A120, which is still not yet in any funding programme. Until there is certainty on at least the route of both roads no EA or Transport Assessment could be

completed for an outline planning application of any major scheme of 2500 or more. This means the earliest an application could be submitted would be probably be 2021, pushing back even further the date of any first housing completions to a more likely date of 2027.

3.4 The Hyas Viability Assessment (North Essex Local Plans (Section1) Viability Assessment, April 2017, p.21) relies on a highly optimistic target of 350 per annum albeit with only 87 in the first year and 175 in the second year. Assuming that at CBBNGC first completions are now unlikely before 2027 this leaves just 6 years of production in the Plan period and a maximum delivery of 1662, well short of the target of 2500.

3.4 In my experience working on the delivery of major strategic sites in the South East over the last 20 years the Hyas assumptions are wholly unrealistic in the absence of any evidence of an alternative delivery model to those currently available. Cushman Wakeman figure is challenging but in certain circumstances could be achievable at one, or possibly two, but not all three NGCs, especially not CBBNGC because of the scale and complexity of the project. Even assuming it was achievable it would still only produce 1140 homes by 2033 assuming a 2027 first occupation (60pa in first year, 120 second and 240 in subsequent 4 years).

NB: this analysis ignores any constraints in the form of Grampian conditions that might be imposed on the timing and phasing of development to ensure occupations were in step with infrastructure delivery. The Aecom Report (Volume 3 Garden Communities Concept, June 2016) confirms that no more than 500-900 homes could be occupied without major infrastructure improvements in place.

3.5 There is no evidence of what delivery model could be used during the current Plan period to achieve this speed of production, other than one that ultimately reduces the Serviced Land Value, which would impact on the viability of the whole scheme. For example, a higher proportion of funded Affordable Housing could be delivered but clearly this would not secure the same land value. The Hyas Report already acknowledges that even at 30% affordable 'high cost contingencies could impact on viability'.

3.6 Similarly, the reliance on a premium for new homes on the NGCs, which CAUSE question elsewhere, would be undermined by an increase in the number of outlets. The evidence of Nathaniel Lichfield points to market absorption issues that would tend to result in price competition and slower build out once you have more than 3-4 outlets on a strategic site. This may be a good thing in terms of affordability but would also suppress Serviced Land Values to the detriment of the overall viability. Experience suggests that any landowner (public or private) in a Master Developer role, with the risk and responsibility for delivering costly upfront infrastructure, will want to maximise the value of all Serviced Land parcels that are being sold. Inevitably it will be in the interests of the Master Developer to ensure build out rates are aligned to maximise Serviced Land Value

4.0 Conclusion

4.1 There is no evidence to support the contention that the three NGCs can cumulatively deliver 7500 completed dwellings by 2033 and no realistic assessment of what each site is capable of delivering against a realistic timescale for first occupation and likely build out rate.

4.2 In the case of CBBNGC the problem is compounded by the absence of any certainty on route alignment for either the A12 or A120, nor on the funding for delivering the A120, which is a pre-requisite for any development over 500-900 homes in the Marks Tey area. This prevents any sensible early planning to identify a viable scheme that could be either a first phase for a larger scheme or could equally be the full extent of development in the area if the NGC does not proceed. The Concept Plan that forms part of the current NEGC Issues & Option Report merely confirms this

exercise cannot be undertaken at this stage without serious misrepresentation and misleading assumptions.

4.3 The Plan must be found Unsound in this respect and the Councils required to come back with specific proposals for the location, timing and delivery of housing within the Plan period to demonstrate the 7500 is achievable, and if not what alternative mechanisms are to be put in place to ensure the Plan is able to meet the Housing Needs of the Plan period to 2033.

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4th December 2017

Notes:

1. <http://lichfields.uk/media/1728/start-to-finish.pdf>