

Matter 6 Hearing Statement: Lightwood Strategic

The proposed new garden communities – general matters (policies SP7, SP8, SP9 & SP10; paragraphs 9.1-9.2)

Main issue: Are the policies for the development and delivery of three new garden communities in North Essex justified, effective and consistent with national policy?

Questions: The three proposed garden communities

1) How were the broad locations for the proposed garden communities selected, and what evidence documents were produced to inform their selection?

- The locations have been landowner/promoter led based on land availability. AECOM have been commissioned to assess whether the broad locations are sustainable and their headline opportunities and constraints. Hyas and Arcadis have tested deliverability.
- Our concern is less with the selection of Garden Community (GC) 'reasonable alternatives' (albeit highlighting that Monks Wood has not been taken seriously by the NEAs) and more with their evaluation (both in isolation, particularly in respect of Monks Wood, and in combination, in deriving and assessing reasonable alternatives for the spatial strategy). There are failings within the Sustainability Appraisal and consequently within the North Essex Authorities (NEA's) decision making processes.
- All paragraphs of our representation present the key observations of our case in respect of the treatment of Monks Wood, the SA of Monks Wood and the viability evidence underpinning the chosen GC's. Given the broad nature of this question it is not possible to simply highlight specific passages of the representations. They should be read as a whole.

2) Have landscape, agricultural land, flood-risk and heritage assessments been carried out to inform the locations of the proposed garden communities?

- We have no comments in relation to the proposed Garden Communities, or any critique on the evidence base on these matters. Our primary focus is on the relative locational sustainability of the proposed locations (particularly West of Braintree) compared to Monks Wood and their inferior deliverability credentials (all GC locations).
- Monks Wood has itself been subject to a suite of research on its environmental characteristics, and this is appended to our representations.

3) Is the Sustainability Appraisal of the garden community options [SD/001 Appendix 1] robust, particularly with regard to its threshold of 5,000 dwellings?

- Paragraphs 3.27-3.70 of our representations sets out that the SA of Monks Wood in isolation is incorrectly based on a development of 15,000 dwellings as opposed to up to 7,000 dwellings. This is a materially different proposition, meaning that the SA has not tested the upper end 'reasonable alternative', nor smaller garden village options.
- Whereas the selected GC's have been subject to SA in respect of different scales of development, Monks Wood is assessed at a single scale, an incorrectly, both in terms on the scale selected and the reasoning.
- Monks Wood could be viably developed as a GC at the scale of 1,500 -7,000 dwellings. Government's threshold for garden village expressions of interest was 1,500 dwellings. It is not therefore clear why the NEA's have discounted options up to 5,000 dwellings.
- The SA assesses Monks Wood negatively in respect of the transport objective. Lightwood Strategic disputes that relative assessment against West of Braintree and Colchester Braintree Borders as set out in Section 3 of our representations and in Appendix 11 (Transport Planning Associates representations).

- The SA appraises combinations of GC options, however, the combination of East Colchester, Colchester/Braintree Borders and Monks Wood is absent. This should have been tested. We suggest that, at the correct scales of development, this is the most sustainable option. It is not presented in the SA as it presents a difficult set of results for the NEAs to deal with. The reasoning for the non-appraisal of this option i.e. that it is not appropriate to have two new settlements between Braintree and Colchester is not robust. Such a judgement is not evidence based and should not have presented in order to avoid the SA of this option. A robust SA demand that this combination of options is assessed. Subsequent debates can then be had on whether it is appropriate to have two new settlements between Braintree and Colchester.

4) Are the locations for the proposed garden communities and any associated green buffers adequately and accurately identified on the Policies Maps? Should they be more, or less, clearly defined?

- Paragraph 3.4 of our representations set out that whilst it is not unsound to present a range for the size of each garden community that this range should give greater confidence on the ultimate size of each community, even within a strategic high-level plan. The range for each proposed GC differs markedly, with Colchester/Braintree Borders very wide indeed.
- A greater degree of confidence should be provided in the plan, with a narrower range presented of around 20%.
- Based thereon, the policies map should be more precisely defined.
- We suggest that no GC should be planned to exceed 5,000 at this time. This would still entail a level of development that would stretch well into the 2040s. If any of the chosen GC's is not viable and deliverable at this scale then its identification in this Plan is not justified.
- The proposals map should present more precisely defined smaller settlement areas, identifying minimum development areas, minimum green buffers, and potential longer term expansion land between the two, subject to the first strategic stages of the new settlement and plan review.

5) Have the infrastructure requirements of the proposed garden communities been adequately identified and costed? including the requirements for:

(a) road improvements;

(b) rapid public transit, bus and park-and-ride services;

(c) water supply and waste water treatment;

(d) primary healthcare;

(e) schools and early years' provision;

(f) leisure and sports facilities.

- Paragraphs 4.26 - 4.49 of our representation focus on viability and are preceded by paragraphs 4.1 - 4.25 on delivery methods. In combination, they question the achievability of the Plan.
- Each community represents a large-scale infrastructure project that will be developed over many years. Each is at the conceptual stage of formulation. Transport based requirements (a and b) are particularly vulnerable to rising costs. In addition, the A120 represents a very significant strategic cost and is only at the conceptual phase formulation. Given the timescale of the projects, their conceptual stage of formulation, there is optimism bias in respect of costs.

6) Is there evidence that the infrastructure required will come forward within the necessary timescales?

- The GC's are at an early conceptual stage of formulation and development will take many years. The immediate focus must be on the infrastructure funding and deliverable trajectory for enabling this housing strategy for the plan period, especially first completions.

- The A120 is a significant unknown. If not identified for RIS2 funding, which cannot be guaranteed given the recent investment locally in the A12, the housing trajectory is at risk. Even if RIS 2 funding is secured the trajectory seems to assume a 'best-case' scenario in respect of the achievement of 'vehicles using the on the road'.
- Many of the assumptions in respect of the housing trajectory are 'best-case'. We observe considerable optimism bias as not all of the assumptions in respect of land deals, GC value premiums, the availability infrastructure funding and costs will turn out as hoped for.

7) Should policies SP7, SP8, SP9 and SP10 make more specific requirements as regards the provision and timing of the infrastructure needed for the proposed garden communities?

- The Part 1 Plan should include trigger points for the granting of planning permission in relation to strategic transport infrastructure. Timing and phasing matters in respect of more localised matters can be addressed in the subsequent DPD that is proposed.

8) Has the economic viability of each of the proposed garden communities been adequately demonstrated in the Hyas North Essex Local Plans (Section 1) Viability Assessment (April 2017) [the Hyas report, EB/013]? In particular, in the Hyas report:

- At the outset, it must be stressed that it is uncontroversial that new settlements are commercial risky projects, where a return will not be seen for a number of years. It is equally uncontroversial that single ownership and realistic minimum land values will reduce risk and increase deliverability. Monks Wood represents the least risky platform for the establishment of a new settlement, and there can be confidence that what can be started, can be finished, and on the GC economic model.
- Paragraphs 4.26-4.49 of our representation focus on viability and are preceded by paragraphs 4.1-4.25 on delivery methods. In combination, they question the achievability of the Plan.

(a) are appropriate assumptions made about the level and timing of infrastructure costs?

- See answer to questions 5 and 6

b) is the contingency allowance appropriate?

- Most certainly not, especially in relation to transport related infrastructure costs. The GC's are at an early, conceptual level of development, and 40% contingency is standard at this stage.
- For example, The West of England Joint Transport Study Atkins (2017) contains risk allowances: 25% for cycling and bus priority schemes, 40% for MetroBus, new stations, Park & Ride and road schemes, and 60% for mass transit and rail.
- The Treasuries "Green Book" also gives guidance on the appraisal proposals before committing funds to a policy, programme or project. The evidence base for the Plan is not aligned with its recommendations.
- At stated paragraph 4.31, 10% contingency is typical for a house extension for a house extension that is about to be procured based on finalised plans and costings. It is difficult to judge this as a sound assumption for conceptual projects of £400m, £440m and £1.1bn, less the many millions required for the A120

(c) are appropriate assumptions made about the rate of output?

- The rate of output at a consistent 250 per annum over a number of years is very much at the top end of what could be achieved. A rate of 180-200 would reduce optimism bias. Once there is evidence of high rates on the ground, a higher forecast can be applied. There will be a relationship between achieving a high rate of delivery and the GC 'premium' anticipated under bullet 8(e).

(d) are appropriate assumptions made about the timing of land purchases?

- The Council does not appear to have sufficient information to the details of the contractual positions in relation to each GC to make robust assumptions.
- See the legal opinion of C Boyle QC and paras 4.10-4.25 of our representations

(e) is it appropriate to allow for a Garden City premium?

- No premium over a normal new build premium can be budgeted for at present, especially given the consistently high build rates that are assumed.

(f) is the viability threshold set at an appropriate level?

- Only if it can be confirmed that contractual positions are in place that enable the land values required of the Hyas appraisal.

(g) should an allowance have been made for inflation?

- Given that the housing and infrastructure delivery trajectory for the plan period alone runs to the early 2030's, it would seem prudent to have factored this in to the assessment, especially as contingency levels are very low.

(h) is an appropriate allowance made for finance costs?

- If all assumptions for all matters are 'best-case' then the overall viability appraisal will be highly vulnerable. The cost of finance should be assumed to return to historic averages on the medium to longer term.

(i) is the residual value methodology (GCLS model) appropriate? Should a discounted cash-flow methodology have been used instead?

- Both models should have been used to fully test the risk in each GC project. PINS procedural guidance on Local Plan examinations advises at para 1.1. that "*LPAs should rigorously assess the plan before it is published for consultation under regulation 19 to ensure that it is a plan which they think is sound. The plan should focus relentlessly on the critical issues and the strategies to address them, paying careful attention to deliverability and viability. This approach may raise uncomfortable questions but the whole point of the plan is to address the critical issues as far as possible*".

9) Is there evidence to demonstrate that 30% affordable housing can be viably provided at each of the proposed garden communities? Is it appropriate for this figure to be set as a "minimum" requirement?

- The GC's exhibit various degrees of vulnerability in respect of affordable housing, even if the optimism bias in the Hyas work is accepted. To achieve true GC credentials each GC should be able to secure 30% as a guaranteed minimum level of provision. Those with the potential to exceed to be assessed as such in the SA. This is not the case. The garden community brand should not be damaged by a weakening of mixed its mixed tenure credentials.

10) Is there evidence to demonstrate that each of the proposed garden communities can support the range of facilities that are required by policies SP7, 8, 9 & 10?

- See previous statements on overall risk

11) Is there evidence to show that each proposed garden community is capable of delivering 2,500 dwellings within the Section 1 Plan period?

- New settlements are high risk propositions. Setting aside strategic urban design matters in relation to the capacity achievable by the end the plan period, it is clear that; the funding the A120; the lack of understanding in respect of contractual positions and the effect on delivery

models; and considerable optimism bias in more site specific costs with have an impact on delivery.

12) Have appropriate arrangements been made to apportion dwelling numbers at each proposed garden community between the respective housing requirements of the relevant local planning authorities?

- No comments

13) How much employment land is to be allocated at each proposed garden community, and how many jobs is each expected to provide, both within and 8 beyond the Section 1 Plan period? Should this information be included in the policies?

- Paragraphs 4.46 -4.63 of our representations set out independent research on the relationship between what is proposed in the Hyas viability appendices and garden community grade economic development credentials. There is a clear mismatch between para 5.10 of Section 5 of the Plan and what is actually being proposed.

14) Do the policies for the proposed garden communities make adequate provision for the protection and/or enhancement of the natural environment and biodiversity? Is there consistency between policy SP7 and policies SP8, 9 & 10 in these respects?

- No comments

15) Do the policies for the proposed garden communities provide adequate protection for heritage assets?

- No comments

16) Should policies SP7, 8, 9 & 10 include:

- (a) a requirement for the optional national water use standard of 110 litres per person per day?
- (b) a requirement to minimise the impact of external lighting?
- (c) reference to specific standards for green infrastructure?
- (d) provision for bridleways?
- (e) specific reference to places of worship as part of their requirement for community facilities?

- In our assessment, these matters are more suitability evidenced and tested within subsequent DPD process

17) Is the proposal to prepare subsequent Development Plan Documents [DPDs], setting out the design, development and phasing principles for each garden community, justified?

- Yes – but the intention to prepare another DPD does not give the LPA's more time to evidence the deliverability (setting aside the sustainability) of what is proposed. This must be tested within the current examination process.

18) In guiding the development of the proposed garden communities, is there an appropriate division between the roles of the Section 1 Plan and the DPDs; or should the Section 1 Plan set out more detailed requirements than it does currently?

- As stated in relation to question 16, the policies that are in place, are in part, more detailed than is currently justified.

19) Will current and future land ownership arrangements facilitate the delivery of the proposed garden communities?

- Anything other than single ownership and control, evidence of enabling contractual position in respect of delivery, and indeed garden community grade delivery will bring additional complexity in respect of deliverability and this risk should be reflected in the housing trajectory and delivery in-principle.
- The Colchester DC Cabinet Report of November 2016 as drawn on with the legal opinions of Christopher Boyle QC raises issues that do not appear to have been resolved.

20) Are the proposed governance and delivery mechanisms for the garden communities, potentially involving Local Delivery Vehicles, appropriate?

- The Colchester DC Cabinet Report of November 2016 as drawn on with the legal opinions of Christopher Boyle QC raises issues that do not appear to have been resolved.
- We set out in our paragraphs 4.5-4.10 of our representations our assessment of whether the wording of Policy SP7 takes it beyond the competency a Development Plan. We assess the Plan can only focus on outcomes, not methods of delivery.