

Latton Priory, Harlow

Epping Forest Local Plan Examination

Additional Comments in Relation to ED33, ED34, 34A, ED35 and 35A



Boyer

EPPING FOREST LOCAL PLAN EXAMINATION

STATEMENT IN RELATION TO THE GARDEN TOWN VIABILITY AND IDP REPORTS

Report Control

Project:	Latton Priory
Client:	CEG and Hallam Land Management
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1 INTRODUCTION

- 1.1 This statement is submitted on behalf of CEG and Hallam Land Management in connection with their promotion of the Latton Priory Garden Town allocation (Policy SP5) in the Local Plan Submission Version (LPSV).
- 1.2 Section 2 of this statement considers EFDC's proposed Local Plan policy and intentions on infrastructure, delivery and viability in relation to the Garden Town allocations, based on the recently published Garden Town IDP and viability reports. It sets out our concerns with reference to Government Policy and Guidance on these matters.
- 1.3 Section 3 sets out what we consider necessary to assess the viability of the Garden Town allocations in relation to the policies of the LPSV and ensure that these allocations are viable and deliverable through all stages of the planning process.
- 1.4 Section 4 then sets out our specific comments on the Garden Town IDP and viability reports and we set out our conclusions in Section 5.
- 1.5 We consider there should be no in-principle issue with the viability of the Garden Town allocations. However, we are keen to establish how the infrastructure requirements, costs and viability should be addressed appropriately at each stage of the planning process and to suggest a way forward.

2 LEGAL COMPLIANCE

- 2.1 Boyer Planning set out its concerns in this regard within a letter to the Programme Officer, dated 10 April 2019 (see **Appendix 1**), and verbally at the Matter 14 hearing.
- 2.2 We do not dispute the importance of the Garden Town authorities preparing IDP and viability reports. These provide a necessary starting point for ensuring viability of the strategic allocations throughout the planning process.
- 2.3 Our concern relates to the status that EFDC proposes to afford these reports, via proposed Main Modifications to its Local Plan policies. We question the premise of the Council's position, which is that these reports provide definitive judgements on infrastructure and viability. We also question whether these documents provide a sufficient basis to conclude consideration of these matters at the Plan-making stage.
- 2.4 We consider the Council's proposed modifications to Local Plan Policy D1 (dated 22 May) in more detail below. However, the most notable change is the statement at paragraph E: *"The applicant must demonstrate what has changed since the evidence was produced which justifies the need for a viability assessment"*.
- 2.5 The full intent of this policy change is made clear in the Harlow and Gilston Garden Town Guidance Note *"Planning Obligations, Land Value Capture and Development Viability"* (ED33). Paragraph 8.1 of this document states: *"All considerations and approaches to*

assessing Viability will be based upon the context of the guidance set out in the PPG on Viability and Paragraph 57 of the NPPF (February 2019)”.

- 2.6 A footnote to paragraph 8.4 (vi) of this document then states: *“the Applicant will be required to include explicit agreement to the assumptions of the most recent viability assessment published for the District or Garden Town or, alternative assumptions where clear evidence is provided to demonstrate what has changed since that viability assessment was undertaken”* (original underlining). This footnote is directly linked by an asterisk to assumptions about Gross Development Value, Benchmark Land Value and all development costs.
- 2.7 At the Matter 14 hearing, the Council acknowledged that outside the Garden Town, its evidence base is not sufficient to invoke paragraph 57 of the 2019 NPPF, but that it does want to invoke paragraph 57 in relation to applications within the Garden Town area.
- 2.8 It is clear that this Plan is being examined under the transitional arrangements and therefore that the NPPF 2012 will apply to its examination. The Council’s intentions, as set out above, mean that it is applying the transitional provisions selectively according to topic and geographical area. We consider this to be unacceptable and not legally compliant as a matter of principle.
- 2.9 Transitional Provisions have been put in place to allow time for the development plan process to respond to significant changes in Government Policy. Local Plans that are at an advanced stage of preparation are not therefore required to apply new policy.
- 2.10 Paragraph 57 of the 2019 Framework is a major change in planning policy in relation to viability and is linked to extensive new PPG for this subject area. To apply these principles requires detailed scrutiny at the examination stage. The new requirements are demanding and require a rigorous approach.
- 2.11 Against this background, it should be noted that the Council’s intention to invoke NPPF 2019 para 57 was only made clear after the examination had begun and on the basis of IDP and viability reports that were published just three days before the deadline for statements for the Matter 14 hearing (and after viability had been addressed earlier in the examination).
- 2.12 We acknowledge that the Council consulted on drafts of the viability report but these consultations were constrained by the limited content of these drafts and the short timescales given for responses.
- 2.13 We were sent an early draft Harlow and Gilston Garden Town Viability Report in September 2018 as the basis for a meeting on 26 September 2018. This was acknowledged to be a very early high-level draft. We submitted a response on 12 October 2018 the key points being:
- The assessment was in a very early form
 - Actual modelling for Garden Town sites was not yet presented

- A number of wider modelling assumptions were not yet available
 - We raised issues and concerns in relation to, inter alia, sales value assumptions, Benchmark Land Value, Build costs and developer returns
 - We asked that further opportunities be given to primary stakeholders to provide more detailed feedback
- 2.14 The only other consultation that concerned the viability reports occurred when draft reports and appendices were made available to us on 25 February 2019 ahead of a meeting to discuss their content on 5 March 2019. After this meeting, we were asked to submit comments within one week and did so, on 13 March 2019.
- 2.15 We did not expect this to be the end of the consultation process and do not consider this to have been sufficient to meet the requirements of the PPG on “Viability and plan-making” para 001 (ref. 10-001-20190509), which states that the *“Drafting of plan policies should be iterative and informed by engagement with developers, landowners and infrastructure and affordable housing providers”*.
- 2.16 To conclude, we recognise the value of the Council’s work on viability, but this is only the start of an iterative process that requires further engagement with stakeholders. This would be the case even if this transitional Plan were being considered against the policies of the 2019 NPPF, as is indeed amplified in the updated PPG (ref. 10-002-20190509).
- 2.17 We have considered the form of the proposed modifications to Policy D1 overleaf. We have suggested a pragmatic approach that acknowledges the Garden Town viability and IDP reports as a reference point for further work, but removes the onus on the developer to justify the further viability assessment that is clearly required for the strategic allocations.
- 2.18 In this respect, we have had regard to the provisions of NPPF (2019) paragraph 57, which will provide the starting basis for determination at the planning application stage. Paragraph 57 expressly allows for the submission of application-stage viability assessments, with the decision maker being required to have regard to *“all circumstances in the case, and any changes in site circumstances since the plan was brought into force”*. It is for the applicant to make the case that such circumstances exist and the PPG (at ref. 10-007-20190509) provides a number of examples of what such circumstances might include;
- “Such circumstances could include, for example where development is proposed on unallocated sites of a wholly different type to those used in viability assessment that informed the plan; where further information on infrastructure or site costs is required; where particular types of development are proposed which may significantly vary from standard models of development for sale (for example build to rent or housing for older people); or where a recession or similar significant economic changes have occurred since the plan was brought into force.”* [emphasis our own].
- 2.19 The examples presented in the PGG (and cited above) are not exhaustive. Because of this, it is entirely possible for the wording of LPSV Policy D1 to be modified in a manner

which is compatible with NPPF paragraph 57 and that also allows applicants to prepare and submit application stage viability assessments, on the basis of justifiable assumptions and methodologies, that reflect infrastructure costs and other inputs, once these are more fully evidenced and understood. This will facilitate a more refined and accurate assessment of development viability in relation to the level of information and detail available at the application stage. It is considered that this approach is both pragmatic and necessary for the reasons described.

3 PROCESS TO ENSURE VIABILITY OF GARDEN TOWN ALLOCATIONS

- 3.1 Notwithstanding the comments we have made in Section 2 of this statement, we recognise and support the Council's initiative in commissioning IDP and viability reports for the Garden Town area. However, we consider that policy changes are necessary to reflect the current stage of development of these reports and numerous unresolved issues.

Infrastructure Costs and Viability

- 3.2 In addition to the points made about legal compliance and procedure in Section 2 above, there remains significant uncertainty regarding the specification and cost of strategic infrastructure requirements applying to the Garden Town sites. Whilst there is no “in-principle” concern on Latton Priory about viability or delivery, the detail of these matters will take some time to resolve and the Strategic Masterplan and outline planning application stages for the Garden Town sites provide the opportunity to further assess the nature, specification and cost of infrastructure requirements and how these impact on viability.
- 3.3 Therefore, in addition to the points we make in Section 2 above, we consider the circumstances of the Garden Town allocations and particularly the low level of certainty about infrastructure planning at this time, require that the promoters submit a viability assessment at the application stage.
- 3.4 There are particular uncertainties about the specification, cost and delivery of the Sustainable Transport corridors that make this necessary. We set out our comments and concerns about the Garden Town IDP work in Section 5 below.

Proposed Policy Changes

- 3.5 EFDC proposes modifications to the LPSV of Policy D1. These modifications include the following additional text in sub section E:

“Where a viability assessment is submitted, the assessment must be based upon and refer back to the viability evidence which informed the Local Plan. The applicant must demonstrate what has changed since the evidence was produced which justifies the need for a viability assessment. In determining the weight to attach to a viability assessment submitted, the Council will have regard to:

- *How up to date the Local Plan and viability evidence underpinning the plan is;*

- *Any change in site circumstances since the plan was brought into force; and*
- *The transparency of assumptions behind evidence submitted as part of the viability assessment.”*

3.6 We consider the first sentence of this additional wording should require a viability assessment at application stage to “refer back to the viability evidence that supported the Local Plan” but not to be “based upon” it. This is because we have raised key concerns about the viability assessment in Section 4 of this statement below that suggest the need for significant change to fundamental elements of the assessment and further development in collaboration with the various Promoting parties.

3.7 We have serious concerns about the second sentence of the additional wording which means that the viability of strategic allocations is determined and concluded as an issue through the Local Plan, unless the applicant can demonstrate that something has changed to warrant the need for a viability assessment at application stage. We do not consider this acceptable for all the reasons set out above.

3.8 We also propose the addition of a fourth bullet point in the policy modification to allow a more complete assessment of the weight to be attached to a viability assessment at the application stage.

3.9 We therefore propose the following policy wording (with suggested deletions struck through and additions underlined):

“Where a viability assessment is submitted, the assessment must refer back to the viability evidence which informed the Local Plan. ~~The applicant must demonstrate what has changed since the evidence was produced which justifies the need for a viability assessment.~~ In determining the weight to attach to a viability assessment submitted, the Council will have regard to:

- *How up to date the Local Plan and viability evidence underpinning the plan is;*
- *Justifiable changes to assumptions and methodology that may allow a more refined and accurate assessment of development viability in relation to the level of information and detail available at the application stage;*
- *Any change in site circumstances since the plan was brought into force; and,*
- *The transparency of assumptions behind evidence submitted as part of the viability assessment.”*

4 GARDEN TOWN VIABILITY ASSESSMENT – PRINCIPAL ISSUES AND CONCERNS

4.1 Although we have concerns with the way in which the appraisal for Latton Priory has been presented in the Garden Town Viability Assessment, CEG and Hallam are not seeking to undermine the document as a whole or reverse the Council’s work to date. It is understood that the assessment represents a necessarily high level appraisal, for a large scheme, and the document is inevitably lacking in detail because there are too many unknowns at the

current time. These unknowns will reduce as the planning application emerges. However, there will continue to be a need for some general assumptions to be made as part of any viability appraisal, as addressed through our comments below.

- 4.2 The assessment of viability (as presented in the Harlow and Gilston Strategic Viability Assessment, April 2019) is undertaken by comparing a Benchmark Land Value (BLV), which represents an appropriate minimum return to a landowner, with a Residual Land Valuation (RLV) calculation, initially by including a full policy compliant level of planning obligations. That assessment has been carried out and, in respect of the Latton Priory allocation, indicates that the development of this site is viable, based on a RLV of £340,575 per hectare, compared with a BLV of £322,500 per hectare.
- 4.3 On the basis of the prescribed methodology of assessment, the first figure is accepted, and on the basis of the very 'high level' information presented and assessment of the RLV, the latter figure is also accepted. However, our acceptance is necessarily caveated because any RLV calculation at this stage can only be undertaken in the light of the very high level cost information available, particularly in relation to abnormal and infrastructure costings. The timing of infrastructure implementation (and the associated timing of contributions) is also markedly uncertain. Indeed, in relation to the Latton Priory site, we have referred previously to uncertainties surrounding the specification and cost of infrastructure, particularly in relation to the Sustainable Transport Corridor.
- 4.4 Such matters will have a direct impact on cash flow and therefore finance costs, and various inputs into the appraisal model will inevitably change, as more information becomes available. This is also true in respect of the revenue assumptions for the RLV as that will depend on the mix, size and type of units which are unknown at this stage. The calculation methodology of the RLV used in the Strategic Viability Assessment also assumes a single outright sale of the land at the outset. Whilst that might be a possibility, depending on market demand and in particular the necessity for significant early infrastructure delivery, other methods of RLV calculation might be more appropriate when further information is available which in turn may alter the resultant figures.
- 4.5 Against the context of the high level approach adopted in the Garden Town Viability Assessment and the expectation of more accurate inputs, CEG and Hallam have expressed to the Council that there are particular circumstances which will justify the need for viability assessment of the scheme to be conducted at the application stage. For the reasons described, CEG and Hallam consider this approach to be both reasonable and justified, and are seeking recognition, from the Council, that this will be the case. Conversely, assurance is sought that excessive reliance will not be placed upon the necessarily high level (and incomplete) Garden Town Viability Appraisal, which has been prepared to date.

- 4.6 Taking account of the above, we maintain that the IDP should be a “living document” that is subject to change and refinement as more information becomes available. We consider that further work is necessary on the costing, funding sources and apportionment of contributions towards strategic infrastructure, for the Garden Town allocations. The approach to the assessment of viability must be similarly responsive if delivery is to be effectively facilitated.
- 4.7 The letter to the Programme Officer, provided at **Appendix 1** to this statement, includes our initial response to the draft Infrastructure schedules. This provides an indication of the further work that will be necessary in collaboration with development interests.

5 CONCLUSIONS

- 5.1 To conclude, we maintain our stated concerns regarding the procedural and legal compliance of the Council’s proposed approach, particularly regarding the application of NPPF (2019) paragraph 57 to a Plan which is being examined under the transitional arrangements. We have also explained our concerns regarding the effectiveness of the Council’s engagement with key parties on matters concerning infrastructure delivery and viability.
- 5.2 Nonetheless, we reiterate that we have no in-principle issue with the viability of the Garden Town allocations and recognise the value of the Council’s work on viability to date. Our main point of difference, is that we regard the work undertaken to date as representing only the start of an on-going iterative process. This process requires both further engagement with stakeholders and an acknowledgement of the need for genuine flexibility at the planning application stage. This will ensure that the promoters of the new Garden Town communities can progress future applications with the confidence achieved through a detailed understanding of infrastructure costs and other inputs. Conversely, we contend that there is no basis for regarding the publication of the IDP and Garden Town Viability Assessment as closing the matter, as the Council (at this late stage) now effectively suggest should be the case.
- 5.3 In order that our concerns may be addressed, we have tabled proposed modifications to the wording LPSV Policy D1. We believe these modifications will be effective and allow for necessary additional work to be undertaken. We have also suggested that the Inspector may wish to provide some additional clarifications, with a view to adding further certainty at the decision-taking stage.

APPENDIX 1: LETTER TO PROGRAMME OFFICER

10 April 2019
Our Ref: 11.120/MN

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Dear Ms St John Howe

Inspector's Matters, Issues and Questions (MIQs) for the Examination of the Epping Forest Local Plan

Matter 14 Infrastructure & Delivery

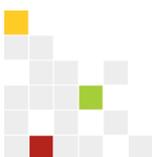
We write on behalf of our clients, CEG and Hallam Land Management Ltd. ('the promoters'), who have an interest in Latton Priory which is proposed for allocation through draft Policy SP5: Garden Town Communities.

As you are aware, the promoters have confirmed their wish to participate in hearing sessions scheduled for 23 May and are currently considering their approach, taking advice from our Counsel, Thomas Hill QC. We note that at the current time, Matter 14 (Infrastructure & Delivery), is scheduled to take place following Matter 13 (Transport), on the afternoon of 23 May.

The promoters are concerned that Epping Forest District Council (EFDC) is seeking to conclude matters relating to infrastructure delivery and viability at the plan-making stage. In this respect, the Council would be applying the provisions of the NPPF (2019) in a manner that is procedurally inconsistent with the Examination of the Plan, against the archived NPPF (2012) (in accordance with the transitional arrangements).

Whilst the promoters agree that it is appropriate to consider infrastructure requirements and viability matters through the Examination, such consideration should be 'high-level' (at this stage) to allow for further more detailed assessment at the planning application stage. As would be expected, this more detailed assessment would include an analysis of discounted cash flow, which will facilitate a more refined evaluation of development viability, than which is possible at this juncture. Certainly, any assessment of viability at the plan-making stage should not be viewed as a substitute for the more detailed analysis which will occur at the planning application stage.

The promoters also express concerns regarding the Harlow and Gilston Garden Town '*Infrastructure Delivery Plan*' (IDP) and the '*Harlow and Gilston Garden Town Strategic Viability Assessment*'. In this respect, they are concerned about the content and conclusions reached in the viability assessment and the lack of engagement on the IDP, for which the necessary justification has yet to be provided.



Neither document has yet been the subject of satisfactory consultation, which is required in accordance with the Planning Practice Guidance (PPG). Indeed, the PPG, at Paragraph: 002 Reference ID: 10-002-20180724, is clear that it is the responsibility of the Council to collaborate with stakeholders, to create policies that concern viability, in a manner which is both iterative and informed by engagement with “*developers, landowners, and infrastructure and affordable housing providers*”.

It is our understanding that the Council intends to publish an updated Infrastructure Delivery Plan, together with additional information concerning viability, on 25 April, this being the deadline for the submission of Pre-Hearing Statements pertaining to Matter 14 (Infrastructure and Delivery), as scheduled for 23 May. As infrastructure and viability considerations are of central importance to the soundness of the Plan, it is vital that these documents are published, in a timely manner, to allow for meaningful consultation and consideration ahead of the hearing session. Furthermore, given the significance of this matter, it is suggested that it may be appropriate to allow more time for the hearing session; rather than it being heard after Matter 13 (Transport), on the afternoon of 23 May.

Accordingly, we welcome clarification of the Inspector’s intentions concerning the process and programme examine the matter of infrastructure and delivery. In accordance with the NPPF and PPG, this is to ensure that all documents relevant to the Inspector’s judgement on the soundness of the Plan are subject to meaningful engagement prior to them being brought before the Examination.

To assist the Inspector, we attach a note at **Annex 1** which provides a synopsis of our engagement with EFDC, and which also provides a summary of our concerns pertaining to the Infrastructure Delivery Plan and viability matters.

Summary

In the light of the points made above and in the attached note, and in accordance with the NPPF and PPG, the promoters request that the Inspector allows sufficient time for meaningful engagement on the IDP and Viability Assessment (due to be published on 25 April) ahead of the Examination. In addition, the promoters request that sufficient time is allowed at the Examination, ideally through the allocation of more time for debate on Matter 14, to consider the matters of infrastructure and delivery, and to ensure the soundness of the plan.

We would be most grateful for the Inspector’s consideration of these matters and look forward to hearing from you at your earliest convenience.

Yours sincerely



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Annex 1

Statement on behalf of CEG and Hallam Land Management

Latton Priory: Engagement with Epping Forest District Council

CEG and Hallam Land Management Ltd ('the promoters') control land at Latton Priory, a strategic allocation proposed in the draft Local Plan, which is also to constitute a new community within the Harlow and Gilston Garden Town. In accordance with the concluded 'Statement of Common Ground' ('SoCG') (ED23), the promoters continue to work closely and effectively with EFDC, Essex County Council (ECC) and other partners to deliver the Garden Town project.

Significant progress has been made towards the delivery of the site. This includes marked progression concerning the preparation of a Strategic Masterplan, where the general principles of the proposed design approach have the support of the Quality Review Panel (QRP) and relevant statutory bodies. Significant progress has also been made concerning the alignment of the proposed access road, the response to heritage and landscape constraints and the provision of Sustainable Alternative Natural Greenspace (SANG).

The promoters are now progressing towards to submission of an Environmental Impact Scoping Report, for consultation with the Local Planning Authority and statutory partners. The submission of an application for outline planning permission is to follow, later in 2019, and we are confident of being able to provide new homes, in accordance with the trajectory presented in the SoCG.

Infrastructure Delivery Plan

Whilst the promoters of Latton Priory and EFDC sustain significant and expanding areas of common ground, the promoters do not agree that the proposed infrastructure requirements, as sought by the Local Planning Authority, can be regarded as fully justified (at this stage). A particular concern, is that a costed list of proposed infrastructure requirements (a draft '*Infrastructure Delivery Schedule*') was only made available to developers in late February 2019, in support of Developer Workshops subsequently hosted in March 2019.

The promoters were provided with only a very limited window to comment on the draft Schedule. However, a representation (attached at **Appendix 1** to this note) was nonetheless submitted on behalf of the promoters. This representation provided an audit of the infrastructure interventions envisaged and indicated where a specified intervention was considered to be reasonable, required further justification or was deemed to be inconsistent with the tests set out at 'Regulation 122 of the Community Infrastructure Regulations, 2010'. On the basis of this analysis, it is evident that the scope of infrastructure requirements, together with associated costs and funding mechanisms, are (at this juncture) only understood at a high-level, such that pertaining matters cannot be fully concluded at the Plan-making stage.

Viability

The NPPF recognises that the extent of the infrastructure interventions sought may have a corresponding impact on the viability of a proposed development and therefore its deliverability. It is therefore a matter of considerable importance and one which should be informed by considerable and effective engagement with developers and other stakeholders. The requirement for such is set out within the PPG, at Paragraph: 002 Reference ID: 10-002-20180724.

The promoters are therefore concerned that the preparation of the '*Harlow and Gilston Garden Town Strategic Viability Assessment*', has been approached with a considerable degree of hurriedness. This, in turn, has undermined the opportunity for effective consultation. The substance of their concerns are as set out in representations made in relation to the '*Harlow and Gilston Garden Town Strategic Viability Assessment*' (provided at **Appendix 2**), which were submitted to EFDC in March 2019. The analysis presented within their representations sets out why they consider that the Strategic Viability Assessment does not provide a sufficiently robust basis to fully conclude variability matters at the Plan-making stage. Further detailed analysis and consultation should follow, and there must be an opportunity to address viability flexibly, at the planning application stage, in a manner which is consistent with the NPPF (2012), under which the Plan is being examined.

Comments on the Council's Approach

The promoters are confident that it will be possible to achieve a viable development across the site. They also agree that it is appropriate that EFDC prepares an IDP and the Strategic Viability Assessments for consideration at the Plan-making stage. However, these should be embraced as high-level 'living documents', which can evolve over time as more information emerges. However, in this instance, the hurriedness with which these key instruments of policy are being prepared (and the associated limited scope for consultation) is a cause for considerable concern. This is particularly so, as views aired by EFDC officers (at recent Hearings for both the Epping Forest and Harlow Examinations), suggest that the Council is seeking to apply the provisions of NPPF (2019) paragraph 57, with a view to concluding considerations of viability at the Plan-making stage, so as to terminate the potential for flexibility at the decision-taking stage.

It is recognised (by all parties) that the Local Plan is being considered under the transitional provisions for the implementation of the NPPF (2019), such that it is to be assessed under the auspices of the archived NPPF (2012). The promoters therefore maintain that there is no imperative to conclude all viability matters at the Plan-making stage, as might be encouraged were the Plan to be considered under the current NPPF. In this respect, the promoters are mindful of a matter aired by Inspector David Reed (BSc DipTP DMS MRTPI) during the ongoing Harlow Local Development Plan Examination. In this regard, the Inspector indicated that it is not possible to selectively apply both the provisions of the archived NPPF (2012) and the current NPPF (2019). The approach envisaged by EFDC therefore exceeds the scope and limits of the Epping Forest Local Plan Examination, proceeding (as it is) under the provisions of the 2012 Framework.

Appendix 1: Response to Harlow and Gilston Garden Town Infrastructure Delivery Schedule

Land at Latton Priory

Response to Harlow and Gilston Garden Town Infrastructure Delivery Schedule (Extract for Developer Workshops March 2019)

12th March 2019

1 Introduction

Brookbanks Consulting Limited (BCL) is commissioned by both Hallam Land Management (HLM) and Commercial Estates Group (CEG) to provide technical advice on delivery of the proposed allocation site at Latton Priory, south Harlow. BCL has been involved with this project since 2012 and has undertaken a range of technical and infrastructure-based studies in support of the proposals.

This note provides a representation on the Harlow and Gilston Town Infrastructure Delivery Schedule, provided in support of Developer Workshops held in March 2019. The response focuses solely on the items of infrastructure delivery to be charged in whole, or in part, to Latton Priory.

2 Response to Infrastructure Delivery Schedule

TRANSPORT

Ref	Intervention	Cost	Response
TR5	Minor upgrades to J7, M11	£3,500,000	<p>Traffic Modelling Technical Notes 6 and 7, produced by Essex Highways in support of the Local Plan, confirm the necessary off-site interventions to deliver Latton Priory. Junction 7 is not stated to require improvement in any capacity.</p> <p>This cost is therefore rejected, pending an audit of any further justification put forward.</p>
TR6	Minor upgrades to B1393	£5,000,000	<p>This upgrade is suggested to facilitate an improved road corridor between the site access and J7, M11.</p> <p>Any requirements to improve the road corridor to achieve suitable site access would be done so through a Section 278 Agreement, and therefore fully funded by the developer.</p> <p>This cost is rejected, as any upgrades at this location would be delivered through a Section 278 Agreement.</p>
TR9	Velizy/Second Avenue Works	£593,661	<p>This cost is agreed.</p>
TR21	Second Stort Crossing	£1,904,704	<p>Traffic Modelling Technical Notes 6 and 7, produced by Essex Highways in</p>

			<p>support of the Local Plan, confirm that no Latton Priory traffic is distributed to the Second Stort Crossing. There is no justification provided to state why Latton Priory should contribute towards this measure.</p> <p>This cost is rejected, pending an audit of any further justification put forward.</p>
TR30	Sustainable Transport Corridors (STC) and Hub	£8,488,279	<p>The requirement to contribute towards the delivery of the STCs is wholly accepted.</p> <p>It is also noted that this cost is subject to further detailed appraisal work, third party funding from Government and/or non-allocated sites.</p> <p>It is assumed that public transport contributions are included in this overall figure.</p> <p>It is also assumed that the identification, negotiation and acquisition of all third-party land to deliver the STC(s) is costed and included within this figure.</p> <p>A contributory cost is accepted in principle, with further details awaited to further audit and comment on the viability of the figure suggested.</p>
TR35	Public and active transport support	£433,214	This cost is agreed.

EDUCATION

Ref	Intervention	Cost	Response
ED2	79 early years places	£1,324,682	This cost is rejected. Reason is due to the apparent 'double counting' of early years contributions being sought, item ED16 refers.
ED16	New 2FE Primary School inc early years	£5,501,873	<p>A contributory cost is accepted in principle.</p> <p>Details of pupil yield should be supplied for audit and agreement purposes.</p>
ED22	New 8FE secondary school	£5,646,928	A contributory cost is accepted in principle.

			Details of pupil yield should be supplied for audit and agreement purposes.
ED26	SEN provision	£672,996	This cost is rejected. Central Government funding should provide for this measure. Justification should be provided as to why Central Government funding is not available in this case.

HEALTHCARE

Ref	Intervention	Cost	Response
HE3	Contribution to healthcare	£3,465,000	A contributory cost is accepted in principle. A justification of the overall cost and 'breakdown per site' calculator should be supplied for audit and agreement purposes.

EMERGENCY SERVICES

Ref	Intervention	Cost	Response
ES1	Emergency Services Hub	£183,267	A contributory cost is accepted in principle. A justification of the overall cost and 'breakdown per site' calculator should be supplied for audit and agreement purposes.
ES2	Joint Police Custody Facility	£763,614	A contributory cost is accepted in principle. A justification of the overall cost and 'breakdown per site' calculator should be supplied for audit and agreement purposes.

COMMUNITY FACILITIES

Ref	Intervention	Cost	Response
CF2	500sq.m new community space	£1,110,500	A 100% cost contribution is accepted in principle. A justification of this suggested cost should be provided for audit and agreement.
CF9	Increased and improved library facilities	£511,269	A contributory cost is accepted in principle.

			<p>A justification of the overall cost and 'breakdown per site' calculator should be supplied for audit and agreement purposes.</p> <p>It is judged that this cost is excessively high, assuming that any new library facilities will be sited within another building (GP, Community Centre etc).</p>
CF10	On site or off-site public art	£105,000	This cost is agreed.
CF11	Upgrades to sculpture trail	£4,453	This cost is agreed.
CF12	Playhouse square development	£29,686	This cost is agreed.

OPEN SPACE

Ref	Intervention	Cost	Response
OS3	1.48ha amenity greenspace	£207,200	<p>The hectarage suggested is unvalidated. Further justification is requested.</p> <p>Further, a 'per sq/m' cost for the intervention is also requested to enable audit and agreement to the cost proposed.</p>
OS10	1.97ha public parks and gardens	£591,000	<p>The hectarage suggested is unvalidated. Further justification is requested.</p> <p>Further, a 'per sq/m' cost for the intervention is also requested to enable audit and agreement to the cost proposed.</p>
OS17	4.44ha of natural space	£222,000	<p>The hectarage suggested is unvalidated. Further justification is requested.</p> <p>Further, a 'per sq/m' cost for the intervention is also requested to enable audit and agreement to the cost proposed.</p>
OS25	0.62ha provision for children and young people	£820,260	<p>The hectarage suggested is unvalidated. Further justification is requested.</p> <p>Further, a 'per sq/m' cost for the intervention is also requested to enable audit and agreement to the cost proposed.</p>
OS33	0.49 ha of allotments	£12,250	The hectarage suggested is unvalidated. Further justification is requested.

			Further, a 'per sq/m' cost for the intervention is also requested to enable audit and agreement to the cost proposed.
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SPORTS AND LEISURE

Ref	Intervention	Cost	Response
SF1	New affordable community leisure centre	£1,463,105	A contributory cost is accepted in principle. A justification of the overall cost and 'breakdown per site' calculator should be supplied for audit and agreement purposes.

UTILITIES

Ref	Intervention	Cost	Response
UT15	Increased household waste capacity	£29,215	This cost is agreed.

Appendix 2: Comments on the Harlow and Gilston Garden Town Strategic Viability Assessment

Comments on the Harlow and Gilston Garden Town Strategic Viability Assessment

These comments on the Harlow and Gilston Garden Town Strategic Viability Assessment have been prepared by and on behalf of CEG and Hallam Land Management in regard to Latton Priory. Our overarching comment in response to the consultation on this document is that, in this particular subject area, the Councils have not engaged with us sufficiently during the production of these assessments and a two week consultation period on the final draft report is not sufficient.

The PPG emphasises that the process of establishment of benchmark land value should be an iterative and collaborative process (Paragraph: 013 Reference ID: 10-013-20180724). CEG and Hallam would welcome further discussion with the Council and its advisors regarding the benchmark land value. It is noted that Latton Priory is a key strategic allocation which is central to the overall plan strategy so it is imperative that this matter is resolved to the satisfaction of all parties. We understand that HDH struggled to find suitable comparables for the strategic sites. CEG and Hallam were unaware of any request for further information and have a number of suitable comparables which we are happy to talk through with the Council. In order to ensure that the Plan is robust we believe that the Council should take account of the latest information. We are aware that the Council are currently working hard on a number of outstanding matters such as the form of the Sustainable Transport Corridors which will have an impact on any viability assessment.

As the Statement of Common Ground states CEG and Hallam Land Management are generally supportive of the Latton Priory allocation policy and are confident that a viable scheme can be brought forward. However, the strategic viability assessment is understandably a high level assessment which is all that is realistically achievable at this initial stage. Consequently, it is likely that there will be a need for more detailed assessment at application stage once all the factors that can have an impact on development land viability are known. That is particularly important in relation to the quantum of development and the level of infrastructure and other construction issues which will only become apparent at a later stage. It also reflects the guidance set out in the PPG (Reference ID 10-005-20180724) that:

“It is important to consider the specific circumstances of strategic sites. Plan makers can undertake site specific viability assessment for sites that are critical to delivering the strategic priorities of the plan. This could include, for example, large sites, sites that provide a significant proportion of planned supply...”

Our more detailed comments on the Strategic Viability Assessment are as follows:

Section 6 - deals with trying to establish an appropriate land value as the appropriate and reasonable return to a landowner to persuade them to bring their land forward for development. Unless therefore the eventual site value taking into account all the necessary planning obligations exceeds this benchmark land value, then the site is deemed to be unviable.

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HDH arrive at their benchmark in accordance with the 2018 PPG based on existing use value which they assess at £22,500 per ha (£9,100 per acre). This figure might be marginally low, but not dramatically so, assuming it is based on gross hectares of the site.

HDH then seek to identify the premium over and above that EUV to justify the land coming forward. In paragraph 2.29 of the report, HDH state that the “plus” or premium element is informed by the price paid for policy compliant schemes. Paragraphs 6.14 to 6.20 talk about values for residential land of £1,300,000 per ha (£526,000 per acre) and £1,000,000 per ha (£405,000 per acre) for employment land. It could be assumed that HDH have used those figures as suggested by paragraph 2.29, as their benchmark, but instead in paragraph 6.34 HDH come to a figure of EUV plus £300,000 per ha (£121,500 per acre).

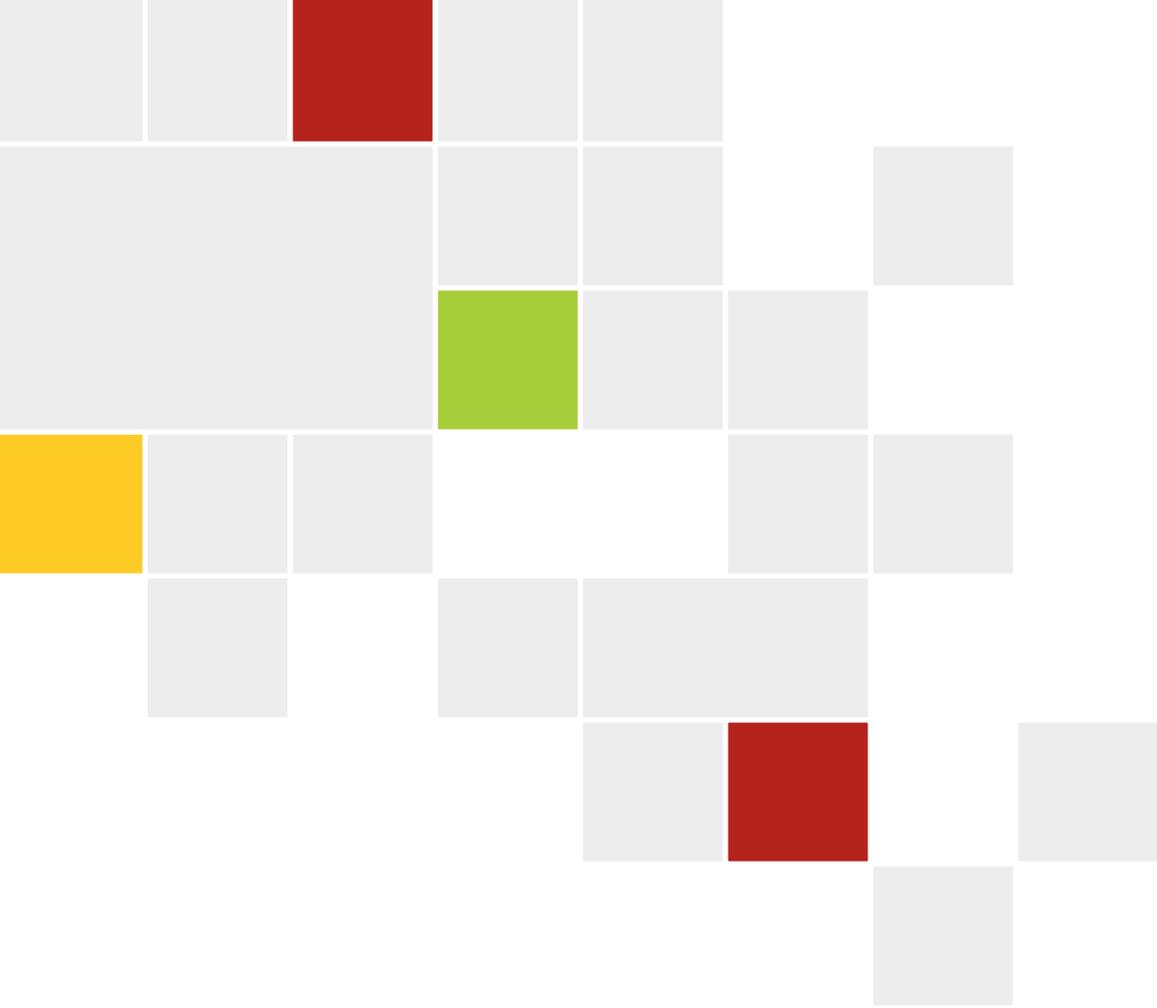
The justification given is that this is over ten times agricultural value and that this is in line with other viability assessments. The 2018 PPG specifically refers to market evidence informing the relevant benchmark land value. We have evidence which has been reported to HDH of strategic residential sites of the size of the Latton Priory scheme showing land values of circa £432,500 per gross ha (£175,000 per acre). We would welcome further discussion with HDH on how these evidence based land values should be fed into the assessment to derive an appropriate benchmark value.

Section 7 – We would welcome clarification on how HDH has dealt with site specific abnormal costs, in particular, strategic infrastructure costs must have a higher contingency than anything else. In particular, we would like to discuss further with HDH whether the s106 costs are realistic and the realism of the phasing of development and infrastructure as it currently assumes the latter is spread evenly over the project. No account of holding costs on capital employed and there is no mention of any off-site costs and/or need to acquire third party land. We would like to have further detailed discussions with HDH to understand HDH’s approach.

Paragraph 7.16 - The Garden City Block Layout used to justify a 35% reduction in site costs is too simplistic and most likely impossible to achieve with most parking standards. In reality this type of block layout will be achievable in some areas but a hybrid of the 2 approaches is most likely to be the right approach for Latton Priory.

Section 10 – The residential land value model in respect of Latton Priory suggests that the land value generated of £430,000 per ha (£160,000 per acre) is in excess of the benchmark of £322,500 per ha (£130,500 per acre) and therefore the site is viable. As previously mentioned, we would welcome further detailed discussions with HDH to further understand the inputs to HDH’s viability methodology, and to assist where possible so that an appropriately justified benchmark land value is derived.

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