

**EPPING FOREST
DISTRICT LOCAL PLAN
EXAMINATION**

**WRITTEN COMMENTS:
HARLOW/GILSTON
GARDEN TOWN
DOCUMENTS ED33,
ED34 AND 34A, AND
ED35 AND 35A**

ID: 19LAD0121

WRITTEN COMMENTS

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WRITTEN COMMENTS – HARLOW/GILSTON GARDEN TOWN DOCUMENTS

Introduction

- 1.1 This document has been prepared by Carter Jonas LLP on behalf of Pigeon Investment Management Ltd (Pigeon) to respond to the recently published Harlow/Gilston Garden Town documents. The additional documents are as follows:
- ED33 – Harlow and Gilston Garden Town Guidance Note (April 2019)
 - ED34 and ED34A – Harlow and Gilston Garden Town Infrastructure Delivery Plan & Appendix (April 2019)
 - ED35 and ED35A – Harlow and Gilston Garden Town Strategic Viability Assessment & Appendices (April 2019)
- 1.2 Pigeon are promoting land East of Epping for a residential-led mixed use development. Pigeon prepared hearing statements and appeared at the hearing sessions relevant to the Harlow/Gilston Garden Towns, transport and infrastructure.

Background

- 1.3 The Pigeon Matter 8 Hearing Statement questioned the predicted housing delivery rates at the East of Harlow site. It is considered that the predicted housing delivery rates at this site are unrealistic, and fail to take into account national evidence on delivery rates and the close proximity of existing and other planned strategic developments within and on the edge of Harlow. It is also considered that the part of the East of Harlow development located within Epping Forest District would only commence delivery once the larger part of the development within Harlow Council is at an advanced stage. On this basis, it is unlikely that any of the proposed 750 dwellings at East of Harlow within Epping Forest District will be delivered during the plan period to 2033.
- 1.4 The delay to the delivery of development at East of Harlow will affect the supply of housing and affordable housing, and the timetable for the funding and delivery of infrastructure associated with the East of Harlow development and other strategic developments in and on the edge of Harlow. The recently published Garden Town documents include assumptions about the delivery timetable and funding of infrastructure. It is assumed that the triggers for the delivery of infrastructure and affordable housing would be related to the delivery of housing.

Comments on Documents ED33, ED34 and 34A, and ED35 and 35A

- 1.5 Doc Ref. ED33 sets out the principles for the delivery of the Harlow/Gilston Garden Towns in order to ensure a consistent approach. The document highlights the role of planning obligations to deliver the necessary infrastructure for the Garden Towns.
- 1.6 Doc Ref. ED34 identifies the costs and delivery timescales for the infrastructure items required at the Garden Towns. Section 5.2 identifies the infrastructure requirements and associated costs by topic. It is noted that the funding of infrastructure would be from public and private sources, but most of the funding would be derived from developer contributions via S106 Agreements. It is noted that for a number of 'essential' infrastructure items there remains a funding gap after developer contributions have been taken into account. 'Essential' infrastructure is defined as *"essential infrastructure is that which is necessary to mitigate impacts arising from the development, for example provision of education and health facilities. It is usually triggered at occupation of a development site, either a specific phase or the whole site. It enables development to come forward in a way that is both sustainable and acceptable in planning terms"*. Therefore, the 'essential' infrastructure will need to be funded somehow and most likely by the developer. It is normal for the amount of affordable housing to be reduced in order to fund 'essential' infrastructure and maintain development viability. The impact on affordable housing is relevant because there are different policy requirements for affordable housing between Harlow District and Epping Forest District, 30% and 40% respectively, but the infrastructure and development costs will be the same. Paragraph 12.102 of Doc Ref. ED35 notes the differences between the

developer contributions associated with development on the parts of the East of Harlow within Harlow District and Epping Forest District, which result from the different affordable housing requirements. It is likely that there will be requests to reduce the affordable housing requirements for the parts of the Garden Towns within Epping Forest District to fund the 'essential' infrastructure.

- 1.7 Doc Ref. ED35 provides the strategic viability assessment for the Garden Towns, including each of the strategic allocations. It appears from ED35, and from discussions at the Matter 8 Hearing Session, that delivery of the Garden Towns will be challenging and that viability is a concern. In summary, downward adjustments to the amount of affordable housing that is required from the Garden Towns will improve viability.
- 1.8 Table 12.8 in ED35 sets out the indicative timetable and planning obligation costs associated with each of the strategic allocations. It is noted, for example, that East of Harlow (North) – the part of the site within Epping Forest District – is expected to make significant financial contributions i.e. approximately £5 million at a time when no housing will be delivered from this part of the site. Therefore, the developer of this site will have significant outgoing costs to fund infrastructure, but it will be a number of years before there is any return on that spending, which will have a negative outcome for viability. Pigeon's Hearing Statements for Matters 3, 6 and 8 commented on the housing delivery rates that should be applied to the strategic allocations within the Garden Town and the appropriate phasing of development at the East of Harlow site. It is considered that less development would be delivered during the plan period once realistic delivery rates and phasing arrangements are applied to the East of Harlow site. It is noted in Paragraph 12.100 of ED35 that the updated viability assessment shows that the appraisal for some sites, including East of Harlow (North), is less good when compared with previous appraisals. It appears that the updated appraisal has been adjusted to take into account the timing of infrastructure payments and the requirement for additional front-loading of infrastructure funding. If, as anticipated, there is further delay in the delivery of development at East of Harlow (North) then this should be factored into the strategic development appraisal for this site; it is likely that the repayment of up front infrastructure costs will be delayed significantly because of the delays to the development that would fund those repayments. Therefore, the public bodies providing upfront funding for infrastructure will need to wait much longer than currently anticipated for that money to be repaid by the developer.
- 1.9 Paragraphs 10.51 to 10.54 in ED35 comment on the relationship between affordable housing and developer contributions. As stated in Paragraphs 10.53 *"As would be expected, as the level of affordable housing is reduced, the sites' ability to bear developer contributions improves. This will give the Councils confidence that the sites are deliverable"*. If there are concerns about the viability of development at the Garden Towns, associated with the timing and delivery of critical infrastructure, then it is very likely that adjustments to the delivery timetable and quantum of affordable housing will be requested by the developers. However, as highlighted in Pigeon's Matter 3 Hearing Statement monitoring data demonstrates that there has been inadequate delivery of affordable housing in Epping – see Table 3 in the Annual Monitoring Report 2017-18 [Doc Ref. EB1708M]. Therefore, any delays to the delivery of affordable housing or reductions in the amount of affordable housing that is provided from the Garden Towns will worsen the existing situation. It is considered that additional sites will need to be allocated to make up the likely shortfall in housing and affordable housing from the East of Harlow site within Epping Forest District.
- 1.10 Taking all of the above into account, it is considered that there will be requests to reduce the affordable housing requirements for the East of Harlow site within Epping Forest (and possibly other sites within the Harlow/Gilston Garden Town) to address the shortfall in funding for 'essential' infrastructure and to fund infrastructure in advance of the delivery of development.
- 1.11 Pigeon are promoting land East of Epping for around 400 dwellings as part of a residential led mixed use scheme and have requested in representations and in hearing statements that this site is allocated. Pigeon confirm that the proposed development at East of Epping would deliver policy compliant levels of affordable housing, and would also meet other relevant planning obligation requirements. The proposed development at East of Epping is financially viable, and can deliver all of the infrastructure required for the development and can contribute towards town-wide infrastructure as required and consistent with legislation and guidance. Pigeon confirm that the required infrastructure for East of Epping could be delivered in the early stages of the proposed development.

