

## **MAIDSTONE BOROUGH LOCAL PLAN REVIEW**

### **DRAFT PLAN FOR SUBMISSION (REGULATION 19)**

#### **OBJECTION TO SOUNDNESS ON BEHALF OF LENHAM PARISH COUNCIL**

##### **HEATHLANDS GARDEN SETTLEMENT**

##### **VIABILITY**

##### **LPC FIFTEEN**

1. The planning policy guidance contains the following advice on how to assess the viability of policies:

*“Authorities can use this evidence to:*

- *prepare a viability assessment in accordance with guidance to ensure that policies are realistic and the total costs of all relevant policies is not of a scale that will make the plan undeliverable.”*

2. The heathland's policy LPR SP4(A) requires:

- i. As close to 5000 new jobs as feasible and viable
- ii. A new district centre
- iii. A potential new railway station
- iv. Delivery of an improved or new wastewater treatment facility
- v. Potential connection to a new M 20 motorway junction
- vi. A full suite of open spaces
- vii. New bus routes and linkages
- viii. A new country park to assist with mitigation to achieve nutrient neutrality in accordance with natural England's advice
- ix. 20% biodiversity net gain

3. The Homes England report “Heathlands development project delivery plan” (PDP) forms part of the submitted and published evidence base supporting the plan. Page 8 of the Homes England PDP report provides a summary of infrastructure costs and scheme abnormalities. In addition to connections to the A20, the following items are also identified:

- x. Upgrades to A20 junction eight connections
- xi. M20 junction 8 signalisation and local widening
- xii. Two new footbridges over M 20 and HS1 for country park connection

4. The three items listed above are not required by policy but they must be regarded by Homes England as essential to secure project delivery possibly at planning application stage for example.
5. Roger Clews was the Inspector who conducted the examination of the North Essex authorities shared strategic plan. In his letter dated 15 May 2020 the Inspector considered contingency allowances regarded as appropriate for local plan viability work. This is reported at paragraphs 214 to 220 in the above letter.
6. At paragraph 217 the Inspector reviews the Treasury's Supplementary Green Book guidance on optimism bias. That guidance advises an allowance of 44% for capital expenditure on standard civil engineering projects as a starting point. That figure is based on real world research.
7. At paragraph 220 the Inspector considers the relevance of this to planning for Garden Communities (GC's). He concludes:

*"I consider at this stage of planning it would be reasonable to expect a contingency allowance of at least 40% to be applied to the items in the scheme wide other itemised category. Any lower figure would, in my view, provide insufficient reassurance that all the necessary infrastructure requirements of the proposed GC's would be met."*
8. Whilst no two planning situations can ever be identical there are certain broad conclusions that can be drawn from the North Essex work. A contingency allowance of at least 40% should be regarded as the starting point for garden community viability assessments.
9. A key problem with Heathlands is that the key infrastructure requirements listed at i. to xii. above are, at best, very loosely defined.
10. It would therefore be very difficult to understand whether any costings of these infrastructure requirements are complete and accurate or whether they include the recommended 40% allowance for contingencies.
11. Some of the infrastructure requirements such as signalisation and local widening at M20 junction 8 have only emerged at a relatively late stage in the plan making process.
12. Lenham Parish Council remains to be convinced that a comprehensive and accurate viability analysis of the Heathlands proposal can not have been undertaken. The parish council remains to be convinced that the proper 40% contingency allowance has been applied.

13. The Homes England PDP report at page 6 comments:

*“it is assumed that Homes England, the master developer, will be responsible for paying section 106 contributions as well as the infrastructure and abnormal development costs, so these are not included within the residential plot appraisal”.*

Even if these costs could be removed in the short-term, they would still exist, and would ultimately need to be reconciled within the overall project viability.

14. The government guidance is that a viability assessment should be prepared to ensure that the policies are realistic. The total cost of all relevant policies should not be of a scale that will make the plan undeliverable.

15. Lenham Parish Council concludes as follows:

- i. It is not clear that a complete and accurate viability assessment has been prepared for Heathlands to include all costs
- ii. It is not clear that enough work has been done on many of the individual items needed to understand what would be involved and how much they would cost
- iii. It is not clear that the Heathlands project is viable when the 40% optimism bias contingency is built in as has been required at other garden community projects

16. As a result, Lenham Parish Council concludes it has not been possible to establish that Heathlands is deliverable and realistic as required by government guidance. The parish council believes that Heathlands should be deleted from the plan in its entirety as a consequence.