Comments on additional documents

We are pleased to have the opportunity to comment on additional documents and hope that our comments will assist the Inspector.

Comments on EXD/018: ATLAS North Hertfordshire New Settlement Study

The Atlas New Settlement Study raises many important points with direct relevance to the North Essex Garden Communities project and thus the soundness of the Plan. We have grouped our comments under four headings:

- Options and strategy
- Delivery
- Comparisons
- Making a sustainable community: Employment & schools

1. Options and strategy

1.0 A sound Plan is supposed to be the most appropriate strategy when considered against the reasonable alternatives\(^1\). CAUSE believes that the authorities have not made sufficient efforts to analyse options to be able to determine, with proportionate evidence, so as to be justified, that NEGC is the most appropriate strategy. We believe that the following questions remain unanswered, with no evidence, let alone proportionate evidence, to support the Section 1 strategy:

- Why garden communities?
- Why the chosen size?
- Why the locations?

1.1 In contrast, the Atlas New Settlement Study demonstrates the efforts that North Herts made to consider a range of options before embarking on a strategy for a new settlement. There has been no similar report in north Essex. Unlike in North Hertfordshire, there has been no assessment of the implications of land take options nor of strategic issues around the relationship between any new settlement and existing towns, villages and transport infrastructure.

\(^1\) ‘Appropriate’ is of such importance to plan-making that it is a term found in the draft NPPF.
1.2 The Atlas study, whilst wide-ranging and thorough, neglects to tackle the economics of settlement size. Neither have the NEA’s carried out this analysis, but CAUSE, in our paper, ‘Small is Beautiful’,\(^2\) demonstrates that settlements like West Tey are too big to succeed. ‘Small is Beautiful’ complements CAUSE’s other viability work which demonstrates the importance of locating housing near to jobs and under-used infrastructure. The infrastructure needs of a new standalone commuter settlement located near to over-stretched roads and railways cannot be met through land value capture and will require Government subsidy of at least £1.8 billion.

1.3 The lack of evidence to support the Section 1 spatial strategy, is the reason why Lightwood has been able to attempt to insert a very large (up to 15,000 homes), unsuitable and unsustainable site into the Plan and be given serious consideration. If the NEA’s had provided full evidence and analysis to back up their reasons for their strategy of very large garden communities, their size and location choice, then we believe that Lightwood would not have been able to control the local plan process as it is now, to the detriment of natural justice and undermining public confidence in the plan-making process.

2. Delivery

2.0 Deliverability is a key tenet of soundness in the NPPF: an undeliverable proposal causes the plan to be unsound. This has been reviewed for the NEA’s in the PWC commercial review.\(^3\) Unfortunately, it has been heavily redacted and does not allow public scrutiny of the NEGC proposals. Without debate and analysis of all options, we can never know if their proposed delivery mechanism is appropriate. There is no evidence that the recommendations set out in the report have been followed through. We have been denied sight of the legal opinion on State Aid referred to in the review. However, even the un-redacted sections of the review give great cause for concern. We question the impact on natural justice of withholding evidence from public scrutiny.

2.1 In the NEGC project, there has been no analysis of the variety of delivery options that might most be suited to new settlements. In north Hertfordshire options for delivery were assessed before any decisions were taken. In north Essex there has been a more reactive approach, and as a result, the plan has not been positively prepared. Pros & cons have not been analysed. The delivery of the Section 1 Plan presented to the public has morphed through various guises, from:

- **Local Delivery Vehicles (LDV’s)** in 2015
- **Development Corporations.** Locally-Led New Town Development Corporations in 2017
- **JV.** Talk of Joint Venture partnerships in late 2017
- **CPO.** Compulsory purchase to assemble the land, 2017

Additional delivery options *not* considered are:

- **CIL.** Delivery of north Essex infrastructure via more effective collection of developer contributions, including Community Infrastructure Levy
- **NSIP.** An option discussed in the Atlas study, designation of a new settlement as a Nationally Significant Infrastructure Project.

---

\(^2\) [http://www.cause4livingessex.com/small-is-beautiful/](http://www.cause4livingessex.com/small-is-beautiful/)

We look at each below.

2.2 Local Delivery Vehicles

2.2.1 These, non-statutory bodies, seem to have been abandoned in favour of complex, multi-layered, locally-led development corporations.

2.3 Locally-led development corporations

2.3.1 We are aware that the legislation for Locally-Led New Town Development Corporations, referred to in the Atlas study, may be approved by Parliament this spring. This is, however, by no means certain, and without this legislation the garden communities cannot proceed in the format promoted in the Plan. We, and a number of north Essex action groups, raised our concerns about this legislation, in response to the consultation. Our concerns are heightened, having heard at the Examination of the confirmed holes in the viability appraisal and the lack of certainty about infrastructure delivery.

2.3.2 A Plan to attempt to deliver three new towns through the mechanism of borrowing from the Public Works Loan Board, or other sources, exposes our councils to years of debt. We have demonstrated that the Plan is not viable, and therefore not sound.

2.3.3 The NEA’s must not be allowed to hide behind emerging, as yet un-made, legislation to cover up the flaws in their Plan.

2.4.4 Furthermore the NEA’s appear to be relying on future legislative support to overcome any future obstacles which emerge. Promises appear to have been made informally by MHCLG, but these should not be taken into account: to do so would undermine the independence and integrity of the planning system.

2.4 Joint venture partnerships

2.4.1 NEGC has previously made reference to the JV delivery mechanism, and the Managing Director of NEGC Ltd, Richard Bayley, was previously involved in the delivery of Manydown, an urban extension of Basingstoke.

2.4.2 At Manydown, a joint delivery vehicle has been set up between the councils and Urban & Civic, with Wellcome, for the delivery of the first phase of 3.4k homes. It is instructive to note that the viability of future phases may be in doubt because of weaknesses in Council’s control of the land. We understand that they have a 999-year lease, with an option to convert to freehold at market price, not a fixed price or existing use value. This will make it hard to capture land value uplift to fund infrastructure.

2.4.3 The Hyas appraisal calculations for NEGC are vague about how land is to be acquired and funded. JV models won’t, in themselves, solve this problem; but they will introduce legal complexity and the risk that any public sector support provided is illegal state aid.

---

2.5 CPO

2.5.1 We have serious concerns about any attempts to rely on Compulsory Purchase as a tool to deliver the north Essex garden communities. We believe that the Atlas New Settlement Study under-estimates the difficulties of using this method and is extremely over-optimistic about likely time-scales for agreements to be made.

2.5.2 The Inspector has already seen CAUSE’s first opinion from Martin Edwards on this topic and we would also like to draw his attention to DCLG’s Compulsory Purchase Guidelines. These guidelines reinforce our concerns about the complexity of CPO powers, particularly on the scale required to deliver the NEGČ’s. The two main justifications must be:

- a compelling case in the public interest
- justification for interfering with the human rights of those affected

We do not believe that these justifications can be met.

2.5.3 In addition, the north Essex authorities will have to leap through the following hoops by providing evidence:

- Of funding (to buy the land)
- Of related funding (to deliver the associated infrastructure, if from elsewhere)
- Of any shortfall and how it will be plugged
- Of the timing of any funding, to ensure that acquisition could be made immediately to deal with any blight notice.
- That infrastructure works will not block the scheme.

2.5.4 If any one of these requirements is not met, the garden communities cannot be delivered and the Section 1 plan will fail.

2.5.5 At West Tey alone 1300 hectares of land is involved, along with the requirement for a variety of long-term and complex infrastructure projects. We have seen no evidence to date that the authorities have begun to scratch the surface of demonstrating that they can deliver the funding in a timely manner as required.

2.6 Infrastructure delivery via developer contributions

2.6.1 Delivery of infrastructure is possible without the mechanism of development corporations and large, stand-alone settlements, via developer contributions. The public has been told repeatedly that garden communities are the only way to deliver infrastructure. We therefore question why none of the north Essex authorities have

chosen to implement a Community Infrastructure Levy, despite the opportunities it brings for infrastructure and pooling. The choice of a risky, debt-based approach is in appropriate when other options such as CIL have not been implemented.

2.6.2 Note the absence of CIL in north Essex, taken from Government's developer contributions consultation:

2.7 Nationally Significant Infrastructure Project

2.7.1 We question whether the NPPF is the correct framework for assessing the merits of the NEGC project. The north Essex garden communities are, arguably, complex, long-term, infrastructure projects or even 'mega projects'. They were described by Lord Kerslake in his peer review as of 'national significance'.

2.7.2 We believe that an early assessment of delivery options by the NEA's should have included an assessment of the possible benefits and downsides of seeking designation of the NEGC project as a Nationally Significant Infrastructure Project, to be covered by the Planning Act 2008. It is worth noting that NEGC won't deliver any housing itself – it is a £3bn infrastructure company including a £1bn Mass Rapid Transit system which would qualify as an NSIP by itself. If delivery is to be achieved then clarity is needed on responsibilities and regulatory regimes.

2.7.3 This route is reviewed in the Atlas study and it is noted that housing projects can, to some extent be categorised as NSIPs. According to a report for the Institute for Government a mega project requires not only Treasury review and approval but

---

8 NPPF Paragraph 4 excludes NSIPs
9 The Institute for Government describes these as projects with 'a whole-life cost of more than £1bn'
10 How to value infrastructure, page 8:
also approval from the Infrastructure and Projects Authority, following scrutiny by the Major Project Review Group:

For 'megaprojects' – those with a whole-life cost of more than £1 billion (bn) – there is a longer analysis stage. This is because a department's analysis is usually revised following review by the Treasury and Infrastructure and Projects Authority. Their recommendations are made throughout the policymaking and business case stages, usually at the standard Treasury approval points – the strategic, outline and full business cases. In addition to the Treasury, major projects require approval from the Infrastructure and Projects Authority, which is granted following scrutiny by a panel of experts from the public and private sectors: the Major Project Review Group.

3. Comparisons

3.1 The Atlas study compares, in detail, three new settlements, and we also wish to draw the Inspector’s attention to the Letwin review and the Ebbsfleet review. All three have implications for NEGC, where £4m has been spent already, and yet plans amount to little more than the allocation of three broad areas of search with scant evidence of deliverability. They reinforce CAUSE’s points made in our previous Hearing Statement that the NEGC project is a high-risk strategy and it is extremely unlikely to deliver in the Plan period, or probably for some time afterwards (if at all...)

3.2 Atlas Study

3.3 The most striking conclusion of the Atlas study is that conception to first delivery takes a very long time, and subsequent build out is slow. At Sherford, for example, twenty years after the proposal was first raised, £32m had been spent by the Homes & Communities Agency and not a single house built. This is important for north Essex where the spatial strategy concentrates housing into three, very large new settlements, thus increasing the risk of slow delivery of homes.

3.4 As already discussed at the Examination in January, there is no flexibility in the plan period to allow for slippage in the start date for delivery, nor in the annual build out rate. Despite this very high risk, the councils do not have any contingency measures to ensure the total housing requirement is achieved in the plan period. This goes to the heart of soundness.
3.5 Letwin review

3.6 Sir Oliver Letwin’s built-out review is looking at in detail at delivery through large sites and his initial findings\(^{11}\) conclude that:

We have heard from many witnesses that the rate of build out of large sites during Stage 2 is typically held back by a web of commercial and industrial constraints including:

- limited availability of skilled labour,
- limited supplies of building materials,
- limited availability of capital,
- constrained logistics on the site,
- the slow speed of installations by utility companies,
- difficulties of land remediation, and
- provision of local transport infrastructure.

3.7 Sir Oliver has agreed to meet with CAUSE to discuss our analysis of the NEGC project, and in particular our findings in our ‘Small is Beautiful’ paper.

3.8 Ebbsfleet review

3.9 We also wish to draw the Inspector’s attention to Ebbsfleet Garden City as a comparator project. We ask why, at no stage in the plan-making process the lessons of Ebbsfleet have not been referred to by the NEA’s. The Inspector is aware that CAUSE visited Ebbsfleet and spoke on the phone at length with the Head of Design in order to understand the problems faced. We are not aware that the NEA’s have taken this step.

3.10 A review in February of the Ebbsfleet Development Corporation,\(^{12}\) highlighted the difficulties of getting a 15,000-home new settlement off the ground. Problems have included: recruiting staff with the right expertise\(^{13}\), difficulties liaising with Government and a noted risk that Government’s focus is on house-building as a priority rather than the delivery of the EDC garden city vision.

3.11 In an interview in February on Radio 4,\(^{14}\) Michael Cassidy, the previous Chief Executive of Ebbsfleet DC, highlighted the lack of control over the land, the shortage of labour and bricks, and developers’ fear of recession as reasons for slow build out rates.

---


\(^{13}\) CAUSE letter to local paper on concerns about expertise to delivery NEGC: http://www.cause4livingessex.com/?p=885

\(^{14}\) From 35minutes: http://www.bbc.co.uk/programmes/b09qb0nk
4. Making a sustainable community: Employment & schools

4.1 Employment

4.2 The Atlas Study shows that creating a new settlement which can be self-contained in employment terms is not easy. Even IF the NEGC's are able to achieve a high number of jobs, which we continue to question, given the lack of strategy, focus or incentives, then it is essential to make realistic plans for the impact of both out and in-commuting:

- Paragraph 3.18 shows that the ratio of jobs per household varies hugely – from 0.7 to 2.
- Paragraph 4.16: "This scale [2 jobs per home] of employment within a new settlement would in reality be most likely to be associated by a **single new employment generator, for example, a University** (as in the case of Hatfield where the ratio is close to 2) or a **new regional hospital**. Alternatively, it could be driven by the development of a significant new business park / industrial site for which the existence of strong transport networks would be critical."
- Paragraph 4.18, the study makes the point which CAUSE has been making for three years, that West Tey will become a commuter settlement: ..."only 33% of people living in Letchworth Garden City work locally in the town. This shows that the majority of residents commute elsewhere to work, while the town also draws upon a wider labour force including those commuting in from elsewhere. Whilst the emphasis would be on ensuring a sustainable settlement, the same movement of commutes in and out would be anticipated in any of the hypothetical settlements considered.""  
- Paragraph 3.9 notes that "Census statistics suggests that Letchworth is home to almost 16,000 jobs with approximately 47% of residents commuting less than 5km to work."

4.3 On the map below, the smaller circles show a 5km distance from the centre of each of the four garden communities. The larger circle overlaid on West Tey shows an additional 5km, to indicate how far those living on the edge of the new town might travel. West Tey itself is approximately 5km in diameter:

---

15 On a point of sustainability, it takes over an hour (at a brisk pace) to cross the West Tey site on foot, and a further 1h45 minutes to walk on to the centre of Colchester. Sustainability appraisal statements of walkability are not realistic in a settlement of this size.
4.4 Adding the remaining 53% of residents who will travel further afield, then it is clear that the impact on local infrastructure will be significant. This has not been taken into account in the Local Plan.

4.5 Schools & services

4.6 Paragraphs 3.24-3.25 Indicate the very wide range of supporting house numbers for schools in new towns:

- Primary school 700-2,500 dwellings
- Secondary school 3,500-10,000 dwellings

4.7 There is therefore no justification for the assertion by Lawrence Revill of David Lock Associates at the EiP, that a minimum of 15,000 homes is necessary at West Tey because two secondary schools are a requirement in a garden city and that each school will require a catchment of 7,000-8,000 homes. It is clear that a settlement of 3,500 homes could support a secondary school, and there is no evidence for the need for two.