

REBUTTAL STATEMENT

MATTER 5:

DELIVERY MECHANISMS

**North Essex Authorities Shared Strategic (Section 1) Plan –
Further Hearing Sessions**

**SUBMITTED ON BEHALF OF L&Q, CIRRUS LAND LIMITED, AND
GATEWAY 120**

December 2019

Contents

1	Introduction.....	6
2	Delivery Mechanisms	7

1 INTRODUCTION

- 1.1 This statement has been prepared on behalf of L&Q, Cirrus Land Limited, and Gateway 120, who together form the West Tey Delivery Partners behind the majority landholdings within the Colchester Braintree Borders Garden Community (CBBGC).
- 1.2 This Statement has been prepared as a rebuttal to specific matters raised within parties Hearing Statements in regards to Matter 5 – Delivery Mechanisms.

2 DELIVERY MECHANISMS

- 2.1 The Delivery Partners continue to support policy remaining neutral on the future delivery mechanisms of garden communities. Policies need to be justified, not overly burdensome, and not risk the future deliverability of site allocations. There has been no evidence to-date to suggest a specific delivery mechanism or new delivery mechanisms need to be in place to deliver the garden communities. It remains common ground between the NEAs and site promoters that there are a number of delivery model options available to deliver the garden communities, and indeed, different models may be necessary for each site.
- 2.2 Given the strategic nature of the Section 1 policies, with the production of site specific Development Plan Documents and additionally planning applications/LDOs to follow, there remains no need to make reference to delivery mechanisms at this stage.
- 2.3 The below does not seek to repeat this evidence, but make necessary clarifications, correct inaccurate statements, and/or address specific criticisms made towards the Delivery Partners.

Delivery Partners – NEAS/NEGC Ltd Cooperation

- 2.4 Parker Strategic has sought to paint a picture of discord between promoting parties and the NEAs/NEGC Ltd¹. In reality, the Delivery Partners and the NEAs/NEGC Ltd have maintained an ongoing, friendly, and productive working relationship throughout the promotion of the garden communities, and remain committed to a coordinated approach during the production of future Development Plan Documents, planning applications/LDOs, and the delivery of the site.
- 2.5 The NEAs and NEGC Ltd have been clear that their preference is to establish a locally-led development corporation to assist with or lead the delivery of the garden communities. The Delivery Partners have no in-principle objection to the establishment of a development corporation and appreciate some of the benefits it would achieve. We welcome the opportunity to work with such a body in the same manner we would work directly with the NEAs, should a development corporation not be established. Our prior representations have merely set out the capability of the Delivery Partners to perform the lead master-developer role, should it materialise that this is the preferred model for the delivery of the garden community.
- 2.6 The presence of a range of potential delivery mechanisms does not result in the need for policy to be explicit about which would be implemented. As long as it can be demonstrated that one or more

¹ Paragraphs 2.5, 2.11, 2.23,

delivery mechanism is capable of delivering the site in line with policy, then there is no need to be specific within policy.

Garden Communities under Private Sector Delivery

- 2.7 Parker Strategic suggests that a failure of the NEAs to utilise CPO powers would, in turn, result in the garden communities being “*diluted*” through the planning application process. Mike Lambert makes a similar claim that what is being proposed by the Delivery Partners would deliver “*no more than the minimum in the way of additional infrastructure*”.
- 2.8 Each of these statements are untrue. The Delivery Partners have continuously proposed to deliver a garden community combining housing, employment, community, and leisure facilities in a comprehensively planned way. Since its initial inception in the 1990s, far before any formal support from the NEAs, the principle message from G120 was to deliver a development where people could ‘live, work and play’, this message remains the same nearly 30 years on. These core principles have been transcribed by the NEAs into the Garden Community Charter, and reflected in draft policy, which the Delivery Partners support.
- 2.9 In the case of CAUSE’s comparisons to the assumed infrastructure costs between the Savills viability evidence and that of Hyas, this is a case of unfairly directly comparing a scheme of 21,000 dwellings against one of 17,000 homes. Clearly, the total infrastructure costs of a scheme nearly 20% larger than the other would result in larger infrastructure costs.
- 2.10 Furthermore, the Hyas evidence includes some £124m as part of the further A12 routing to incorporate land south of the existing A12. As has been demonstrated in our submitted Highways Assessment, the Delivery Partners’ proposals can utilise the existing A12 upgrade routes, which benefit from committed RIS funding and therefore does not require these additional infrastructure costs.
- 2.11 CAUSE make a false statement that housebuilding cost assumptions from the Hyas viability evidence is £177k per dwelling compared to the Delivery Partner’s £102k per dwelling, we have no notion where those figures have been derived from. HYAS housebuilding cost per dwelling is £129,300 excluding externals, compared to Savills’ £118,696 per dwelling. The variation arises from different assumptions on house sizes and mix. HYAS average unit size is 100 sq. m (1,076 sq. ft.) for open market and 80 sq. m (861 sq. ft.) for affordable, whilst the Delivery Partners’ assumption is 944 sq. ft. blended across the tenure types. Whilst this results in a lower housebuilding cost/unit, it also results in a lower sale/unit value².

² The average sales price in the Savills evidence is £315,329 compared to Hyas £359,800.

- 2.12 CAUSE also seeks to misrepresent L&Q as a mid-level housing association with limited experience of leading strategic developments, whilst also questioning its appetite to take a lead role in such a long term development. In reality, L&Q remains an ideal delivery agent for garden communities.
- 2.13 The pausing of taking on new projects (which does not include West Tey) is one of a number of prudent temporary measures L&Q has taken, as a responsible social business, reflecting short-term market conditions and the ongoing political and economic uncertainty. This is not something that would effect the deliverability of a long-term project spanning numerous economic and political cycles.
- 2.14 L&Q's long-term ambition to deliver 100,000 new homes remains, and plans for West Tey form a very important part of that. L&Q continues to have one of the biggest new home development programmes in the housing sector. Last year it completed 2,874 new homes and started on site on an additional 6,428 homes. L&Q's development pipeline now stands at 50,400, with 16,000 new homes already on site. In addition, L&Q currently controls land capable of delivering another 46,500 homes, bringing the total number of plots under L&Q's control to 96,900. It is this substantial development pipeline that allows L&Q to adapt to short term unfavourable market conditions and maintain its presence as a leading development and property management body.
- 2.15 We have continuously referenced projects such as Barking Riverside and Beaulieu Park to demonstrate L&Q's capabilities in delivering long-term strategic developments. We choose these examples as both sites were experiencing stagnation until L&Q investment and positioning as a lead developer helped stimulate their delivery.
- 2.16 By its very nature as a housing association, L&Q retains a long term stake in its developments. However, further to this, L&Q has a record of installing long term stewardship mechanisms into its schemes, a crucial aspect to the creation and long term success of new communities.
- 2.17 Should West Tey delivery be led by the Delivery Partners without the direct involvement of the NEAs/NEGC Ltd, an application would reflect planning policy, in line with the principles of a planned system and L&Q would ensure that these high qualities principles are maintained throughout the lifetime of the development.

State Aid

- 2.18 We agree with the NEAs that any accusations of State Aid are unfounded and, at best, premature.
- 2.19 Whilst we continue to support a joint venture delivery arrangement with the NEAs/NEGC Ltd, there is evidence that the garden communities, if necessary, can be delivered without their direct involvement, aside from continued functions as the relevant planning authorities for the proposals. Whilst we agree with the NEAs that the specific accusations of potential future State Aid issues are

unmerited, these are for consideration at the time and have no influence at present on the formation of policy within the Section 1 Local Plan.

- 2.20 The Delivery Partners will be supported by Leading Counsel throughout the Examination in Public hearings, including at the Matter 5 session. We feel his extensive experience on State Aid would assist the Inspector in this matter and would request an invitation to be at the table for this discussion.