

Examination of the Plan for Stafford

Infrastructure – Policy II

Hearing Statement on behalf of St Modwen Developments

The following sets out further submissions on behalf St Modwen Development in respect of matters relating to the delivery of Infrastructure, with specific reference to the key questions and matters relevant to St Modwen’s representations to the emerging Plan which are to be addressed at the Examination.

Relevant Examination Questions in Respect of St Modwen’s Submissions

INFRASTRUCTURE (Policy II)

Key issue: Does the Plan provide an appropriate, effective and soundly based framework for the delivery of infrastructure, including the costing, funding, viability, deliverability and timing of critical infrastructure required to deliver the strategy, which is fully justified with evidence and consistent with national policy?

10.1 INFRASTRUCTURE DELIVERY POLICY (Policy II)

- a. Has the Plan fully considered the infrastructure implications of delivering the Development Strategy, including identifying the critical elements of physical, environmental and social infrastructure required, such as highways, public transport and accessibility, water, power and other utilities, flooding, drainage and flood risk mitigation, and health, education, social, community and other facilities, including costing, means of funding, viability, timescale and delivery, and reflecting the views of infrastructure and utility providers?
- b. Is the approach to securing developer contributions towards infrastructure appropriate, effective, justified with evidence, reasonable and consistent with national policy?
- c. Has the Plan fully considered the cumulative implications of developer contributions on the viability and deliverability of the Development Strategy, including the viability implications of the requirements of other policies in the Plan?
- d. Is the requirement to prepare Strategic Frameworks/masterplans for the Strategic Development Locations necessary, appropriate, effective and justified, including the delivery of infrastructure, viability and approach to developer contributions?

10.2 MONITORING & REVIEW

- a. Are the arrangements for monitoring the policies of the Plan adequate, effective, comprehensive and soundly based, including the Monitoring Framework, indicators, baseline information and targets/milestones used?
- b. Are the delivery mechanisms, phasing and timescales for the implementation of the policies clearly identified, including critical elements of infrastructure required, including further technical work on highways, drainage, utilities and other critical infrastructure improvements?
- c. Do the policies in the Plan include sufficient flexibility and contingencies to take account of unexpected changes in circumstances, indicate when the plan will need to be

reviewed, and identify the remedial actions to be taken if policies are not being successfully implemented?

d. Do the amendments to the Infrastructure schedules (Appx D) and Performance Indicators & Targets (Appx E) fully address the concerns of infrastructure providers and other bodies?

Policy 11 relates to Infrastructure Delivery and recognises that such infrastructure as set out in the Infrastructure Delivery Plan is critical to the Plan. A key aspect of soundness is the ability for the Plan to meet its objectively assessed needs and infrastructure requirements sit fundamentally alongside that. It is essential that objectively assessed needs and associated infrastructure required to support and mitigate development impacts is deliverable over the plan period.

Delivery is challenging in the current economic climate and is likely to be so during a considerable part of the plan period. The evidence base alludes to potential public sector funding through the plan period but provides no evidence of any significant sums at present. The current economic climate will have an impact on development delivery going forward as it has done so over recent years. It is important that the Plan is supported by robust evidence to demonstrate that development and infrastructure is capable of being delivered over the plan period. This is particularly important given that the Plan describes “critical” infrastructure requirements which are set out in Appendix D as part of the Delivery Plan.

The evidence supporting implementation and delivery is not robust and we have significant concerns that the planned development and infrastructure and is not deliverable over the plan period. The NPPF states at paragraph 173 that “sustainable development requires careful attention to viability and costs in plan making”.

In response to matters of viability the evidence base supporting the plan rightly includes information on viability. Much of the early evidence focused merely on the ability for residential development to support policy requirements for affordable housing, but very recent work on viability has focused on viability of the plan as a whole, but also the Strategic Development Locations, given their fundamental importance to the Plan. Additional work has also looked at Infrastructure Delivery, again critical to the Plan.

A number of key points can be noted from this evidence;

Whole Plan Viability Assessment, Hewdon Consulting/Colin Buchanan, August 2013

- This assessment was only completed at a late stage in the preparation of the Plan
- Paragraph 5.6.1 emphasises the unusual circumstances in the Plan for Stafford where there is considerable reliance upon a small number of Strategic Development Locations which are essential to the Plan and therefore in terms of viability “deserve special attention”.
- It takes a simplistic assumption at paragraph 5.6.3 that because the SDL’s are being promoted by developers, they must be viable.
- It recognises at 5.6.7 that the SDL’s face “very significant infrastructure costs” and further to the extent that they need such significant infrastructure to be in place, they don’t meet deliverability tests which would enable them to be include in any evidence of supply.

North and West Strategic Development Locations Report on Viability and Deliverability, Level, July 2013

- This assessment again was completed late in the preparation of the Plan
- It suggests at 1.2 that the precise specification of the SDL's remains a matter for discussion along with the best way to deliver infrastructure requirements
- There are a number of uncertainties which prevent a detailed viability at this time and that the proper time for such a study is at the planning application stage.
- The report has been prepared with buy in from the promoters
- A different viability could be presented at the development control stage
- CIL will not play a role in infrastructure delivery for the SDL's
- The Western Stafford area is a location with some of the lowest value in the Borough
- It assumes a competitive return to a willing developer would be struck at less than £100k per gross acre
- Infrastructure costs could be as high as £27,000 per unit although there is no detailed calculations in the report as to what this figure includes.
- Results show considerable variance in viability with considerably greater values needed in order to achieve policy compliant viability
- At best it concludes that the level of infrastructure and affordable housing sought will make delivery challenging but not impossible.

Infrastructure Study – Stage 2 – Infrastructure Delivery Plan (IDP), Colin Buchannan, July 2012

- Seeks to justify the need for CIL given evidence of a clear delivery funding gap, yet CIL not yet advanced
- Accepts it is too early to understand how much infrastructure can be funded and delivered through CIL
- Notes the Western Access Improvement Scheme as the largest proposed scheme in the Plan which is dependant upon developer contributions, public funding and securing access rights
- Lists physical, environmental and social infrastructure improvements
- Lists critical improvements to the Plan including Suitable, alternative Natural Greenspace (SANG), flood alleviation and the Western Access Improvement
- Sets out tables summarising delivery and funding which are incomplete.

Viability reports suggest some policy requirements are unlikely to be met particularly early in the plan period. The potential for non-delivery of all policy aims and aspirations due to viability needs to be considered in the SEA.

Without evidence it will not be possible to demonstrate that development would be able to support all policy requirements, cumulatively. Development may also not be able to support Community Infrastructure Levy (CIL). The IDP does not yet know how much infrastructure can be funded and delivered through CIL. The SDLs have effectively been removed from CIL to support delivery but this could put at risk critical infrastructure delivery particularly where major infrastructure is required because of more than just the development. Key infrastructure requirements which are dependent upon CIL are likely to be undeliverable, again contrary to the aims and vision of the plan.

If cumulative policy requirements are unlikely to be deliverable, then the Strategic Environmental Assessment is fundamentally flawed. The SEA expects the policy requirements to be met. Objectively assessed needs eg. For affordable housing are not likely to be met. The SEA also places great reliance in its conclusions on the environmental requirements and mitigations of policy. It also places reliance upon infrastructure improvements in order to conclude the plan is sustainable.

The Plan includes Critical Infrastructure within Annex D. This is also reflected in the Tables annexed to the IDP. Sources of funding are set out within the Annex which includes public sector funding, developer contribution and CIL in many cases. Capital Costs are incomplete however more importantly there is no evidence or certainty of funding streams which are neither explained in the Plan or its evidence base. These costs and requirements do not appear to be linked with any other viability appraisal work.

CIL is explained as being important to the Plan, yet the viability analysis of CIL has not been produced or consulted upon. CIL cannot yet be relied upon as a key component of infrastructure funding. The NPPF suggests that CIL should be worked up and tested alongside the Plan. This is an approach which is important to the Plan for Stafford as it is relying on CIL to deliver required infrastructure. CIL has not advanced to a sufficient stage to demonstrate it can in any way be relied upon to contribute to infrastructure funding. CIL has not been advanced alongside the plan but instead is being added at a late stage. This runs the serious risk of CIL being set at too high a level in order to meet aspirational and unviable infrastructure requirements which have already been set out in the plan. It also runs the serious risk of S106 not being an effective or suitable tool to secure major infrastructure improvements.

If CIL is not yet set or advanced, it will have the effect of;

- Not knowing the level of funds which could be sourced/secured.
- It will not be possible to know how much infrastructure could be funded.
- The plans infrastructure / development balance cannot be set.

The plan does not provide robust evidence to explain how the infrastructure upon which it relies will be deliverable. Our representations elsewhere have focussed upon challenges to the delivery of the Western Access Improvement Scheme where key land assembly has not taken place, and the implications of this land assembly is not reflected in viability appraisal.

Where principal infrastructure improvements are most likely to be delivered by the public sector through central funding and pooled contributions through CIL as well as other central government incentives, their needs to be clear evidence that the Council is making forward plans to deliver the required infrastructure at the required time in order to enable the development in the plan to be delivered. The plan, as drafted, presents significant risks that funding for infrastructure will neither be available or infrastructure delivered by the public sector in order for the development in the plan to be brought forward. There is no specific timetable set out for delivery and certain SDLs are centrally constrained until such infrastructure is in place.

The absence of clear evidence on viability suggests:

- The amount of development set out in the plan may not be deliverable
- There is a heavy and significant reliance on the SDLs yet these are linked to major infrastructure burdens and their delivery
- Only the viable sites will be delivered, leaving more challenging sites
- The amount of affordable housing delivered will be significantly less than expected
- Sustainable policy objectives will not be met
- Objectively assessed needs will not be met
- The SEA will not be sound in its conclusions as it expects delivery of policy objectives, affordable housing and infrastructure
- It will fundamentally compromise the plan's Vision and objectives

It also suggests that Policy needs to be flexible in order to allow development to proceed where full policy requirements is likely to make development unviable. CIL must be further advanced in order to ensure it is in place at the adoption of the plan. Further, CIL must be further advanced so that the level of funds which can be viably delivered through CIL can be fully understood and inputted into the Infrastructure Delivery Plan

The infrastructure improvement aims and aspirations of the plan need to be further tested to assess whether they are deliverable, having regard to realistic levels of CIL and public sector funding streams

Viability evidence needs to look more closely at the largest and key development proposals in the plan in order to ensure the plan proposals are deliverable overall and that the scale of infrastructure and policy burdens does not mean that their ability to be developed viably is threatened. This must

include understanding issues which threaten deliverability of the SDLs including land assembly for critical infrastructure.