

PSB 2 - Inspectors Note MF 1 & Council Response (Milwood Ltd response)

1. What are the reasons for the significant increase in completions 2015/2016?

Council Para 1.2

The Council sets out that, the reason for this spike in delivery in year 2015/16, stating that, as a result of planning permissions granted over the last 2 to 3 years, a number of these sites have produced the delivery yield seen.

Currently, with the slower than anticipated rate of delivery from these SDL's, the supply and completion rate has been bolstered by windfall proposals (78% = 2015/16), which, is a finite source. There is no certainty to this approach, as there is no guarantee that these sites will consistently continue to come forward, and in such quantities.
(2015/16 saw the total number of commitments reduce by 418 dwellings).

Council Para 1.3

The Council sets out that, given the healthy land supply and expected delivery from the SDL's, they anticipate completion levels to continue at this elevated level in future years.

Allocation, and, on paper at least, a healthy land supply, is by no means a guarantee of delivery, as repeatedly displayed by The Council, with persistent under delivery of both market and affordable housing since the 2011 start of the Plan period.

The Council's 'anticipation' that delivery levels will continue at the 2015/16 elevated levels in future years seems somewhat at odds with its comments in the final sentence of Para 2.3.

2. In the context of the trajectory for the rest of the Plan period, how accurate is the trajectory in the adopted Plan for Stafford Borough on page 162?

Council Para's 2.1 to 2.4

Overall, The Council set out that the delivery to date is performing well against the expectations of the Trajectory, and that they envisage future delivery over the Plan period to produce the same results.

SHLAA

The Council refers to the PSB Appendix F Trajectory, and, amongst other items, refers to the identified contribution of SHLAA sites, totalling, across years 2017/18 to 2030/31 some 1,210 units.

To look at that for a moment;

The most recent SHLAA is the 2015 version (examination library = P2 – E11)

P1.1 states;

*SHLAA is a technical document comprising a list of sites that **might have potential for housing development at some stage in the future.***

(my emphasis)

This is by no means a determinative resource, merely indicating what land is out there, not whether it is suitable for development, or indeed capable of development.

P2.4 states;

The SHLAA will provide evidence to support the location of the Settlement Boundaries, ensuring that adequate land to meet the OAN is available and deliverable.

(my emphasis)

In what way does it provide evidence to support PSB 2?

It is not in any definitive and therefore, in that context, unreliable, being merely a 'starting point' for what MIGHT be available, and certainly is not an effective tool in respect of what could be considered to be DELIVERABLE.

p5.23, page 13 quotes 111 sites in total (108 net).

The overall SBC total (discounting 15, 87, 99 = SDL sites) = 11,638 units (projection based on 30 dw/ha (p5.6, page 8).

8 are considered deliverable = 166 units in a five year period (5 sites net).

30 are considered developable = 3,105 units in the longer term.

73 are considered **not currently developable** = 8,367 units

(my emphasis)

PSB Appendix F Trajectory sets out a contribution of 1210 units from 2017/18 to 2030/31.

So we know that 166 units are Deliverable in the five year period (projection based on 30 dw/ha). We know that 8,367 units are not developable.

Of the remaining 3,105 Developable units (30 sites)(in the longer term);
(The ACTUAL amount = 3,069 units = 36 UNIT DIFFERENTIAL).

We know that 2,539 units (22 sites) are **not included** in the proposed Settlement Boundaries. (and we know that the Boundaries are to be fixed until 2031 = PSB 2 p2.26 & Council statement of 20th July 2016 to The Inspector that "The Settlement Boundaries will not be fixed beyond 2031", & further Council confirmation to The Inspector of the 20th July 2016 that "The Boundaries are fixed until 2031").

(my emphasis)

Of the remaining 8 sites (566 units);

Site 9 = only 30% approx is within the proposed Settlement Boundary (95 units total) = 28.5(29) units

Site 32 = only 20% approx is within the proposed Settlement Boundary (21 units total) = 4.2(4) units

Site 50 = only 20% approx is within the proposed Settlement Boundary (43 units total) = 8.6(9) units

Site 75 = only 30% approx is within the proposed Settlement Boundary (92 units total) = 27.6(28) units

Site 90 = only 50% approx is within the proposed Settlement Boundary (36 units total) = 18 units

We know that these 5 sites can only achieve some 88 units.

Of the remaining 3 sites (279 units);

Site 53 (39 units) = has a Planning Permission and is therefore not relevant to the SHLAA, being an existing Commitment in 5YS (14/21355/OUT & 15/22756/REM = 45 units).

Site 101 (131 units) = only 60% approx is within the proposed Settlement Boundary = 78.6 units.

That part within the proposed Settlement Boundary has a Planning Permission and is therefore not relevant to the SHLAA, being an existing Commitment in 5YS (14/20886/OUT = 77 units).

We know that neither of these sites are therefore relevant to the SHLAA.

Of the remaining 1 site (109 units);
Site 58 (73 units) = this is within the proposed Settlement Boundary.
An OUTLINE planning application is pending for UP TO 120 units (14/20816/OUT), and, if granted will remove this site from the SHLAA, becoming an existing commitment.

Out of all the potential SHLAA Developable sites, only this single site is relevant, and if approved permission, will be removed in any event.
However, as at today then (1st August 2016), the Developable units within the SHLAA actually amounts to a potential **208 units** (88 + 120).
(my emphasis)

Therefore, the GRAND TOTAL of POTENTIALLY Deliverable and Developable Sites within the SHLAA is only some **374 units**.
(my emphasis)

Note;
Whilst it is likely that Site 58 (up to 120 units) will receive a Planning Permission, caution is advised on the remainder of potentially available sites delivering IN FULL, the 88 units, as, since the start of the Plan period, an average of only some 24% of these SHLAA sites have transpired into completions (Table 4).

This being the case, with the Potential maximum SHLAA delivery being only some 374 units, it is mathematically impossible for their delivery contribution across the Plan period to be 1,210 units. The only way this number could be accommodated is if the proposed SB1 Settlement Boundaries were revised to include additional land areas, as previously submitted in other areas of this Examination.

SDL's

In terms of SDL delivery, a number of Key Issues are noted;

A – The actual lead in time for commencement of development and yield is 50% less than Appendix F forecasts, both for 2014/15 and 2015/16 years.

Appendix F states that in 2014/15, two SDLs will commence delivery, and in 2015/16, all SDLs will be delivering units.

In reality, in 2014/15, one SDL commenced delivery, and in 2015/16, two SDLs are delivering units.

B – The actual collective yield of development is 73% (73.33%) less in 2014/15 and 52% (52.07%) less in 2015/16 than Appendix F forecasts.

An average since adoption of the PSB and Appendix F, over the last two years of 62.5% less collective yield than forecast.

Appendix F states that in 2014/15, there will be a collective yield of 165 units, and in 2015/16, a collective yield of 311 units.

In reality, in 2014/15, the collective yield was 44 units, and in 2015/16, the collective yield was 149 units.

C – As at 31st March 2016 (2016 5YS), the two largest SDLs are forecast to now overrun the Plan period by some 355 units collectively.

Stafford North = overrun by 215 units

Stafford West = overrun by 140 units

D – Currently, some 50% of the allocated 6,400 SDL units, are either in private ownership or under the control of Land Promoters, NOT, in the ownership or control of actual Residential Developers.

There is a clear distinction between the two, which has a follow on implication upon certainty in terms of Delivery, and the Timeline for Delivery.

Stafford North = 3100 units total (circa 87% = Land Promoter & Other)

Maximus Strategic Land = 2000 units = Land Promoter

Akzo Nobel = 700 units = Chemical Company / Land Promotion

Stone West = 500 units (100% = Land Promoter)

Hallam Land Management = 500 units

These factors raise further concern that the anticipated Rates of Delivery expressed by The Council are too optimistic and unrealistic.

Currently, with the slower than anticipated rate of delivery from these SDL's, the supply and completion rate has been bolstered by windfall proposals (78% = 2015/16), which, is a finite source. There is no certainty to this approach, as there is no guarantee that these sites will consistently continue to come forward, and in such quantities.

(2015/16 saw the total number of commitments reduce by 418 dwellings).

Further, the commentary to PSB Appendix F itself states that from 2018 to 2031 the pool of committed sites will be a diminishing source of supply, with the majority of supply during this period coming from the SDL's.

This highlights further concern, in that delivery of the Plan will be almost solely reliant upon the SDL's, even more so than currently, as the windfall supply will be albeit exhausted, and the SHLAA supply has been shown above to have little to offer.

Therefore, the degree of flexibility and ability to rapidly respond to change will be less effective than it is now.

3. Stafford and Stone SDLs

3 (i) These schemes are critical to the successful delivery of Plan for Stafford Borough Part 2 (PSB2), both in terms of overall delivery and distribution in accordance with SP4 (70% Stafford; 10% Stone; 12% Key Service Villages; 8% rest of Borough). Therefore there is a need to provide a good understanding of how well these 4 SDLs are likely to perform during the Plan period.

3 (ii) In particular the following needs to be addressed:

The views of the lead developers themselves – the Council states that it has discussed the progress of the schemes with the lead developers for each SDL – any notes of these meetings would be useful

Council Para 3.1

The Inspector states that The Council says that it has discussed the progress of the schemes with the lead developers for each SDL, and goes on to state that, any notes of these meetings would be useful.

It is noted that The Council in response, do not provide The Inspector with any detail of these supposed discussions, nor provide any meeting notes.

Instead, The Council have sought and provided, at their Appendix 1 to their Response, updates from the same.

It is noted that, the emails sent by The Council are, in my view, and with respect, couched to provoke a positive response from the 'lead developers'.

Further, very similar correspondences have been sought and received by The Council since adoption of the PSB on the 19th June 2014 in respect of numerous Section 78 Planning Appeals, in order to fend off the same, and despite these given projections, with respect, the actual rate of delivery and yield has thus far, since the start of the Plan period, failed to even meet the Plan minimum requirement.

I would therefore, with respect to all parties concerned, treat such correspondences with a degree of caution.

To highlight this point and the uncertainty of delivery in the context of the same;

In July 2014, some two years ago, The Council stated to Mr Inspector Manning at the Ashflats site Section 78 Appeal that, in respect of the Stafford North SDL, by October 2014, Akzo Nobel would submit a planning application for circa 700 units, and that Maximus Strategic Land would submit a planning application for circa 300 units.

In actual fact, some 2 years on, the Akzo Nobel application remains unsubmitted, and the Maximus application, was submitted in October 2015 (1 year on), refused in March 2016, and is now the subject of a Section 78 Planning Appeal.

Further, I refer to previous comments above in response to item 2, that currently, some 50% of the allocated 6,400 SDL units, are either in private ownership or under the control of Land Promoters, NOT, in the ownership or control of actual Residential Developers, and, ironically, this includes both the above parties mentioned.

There is a clear distinction between the two, which has a follow on implication upon certainty in terms of Delivery, and the Timeline for Delivery, as displayed in the above paragraph.

Council Para 3.2

In conjunction with Para 3.1 above, The Council also provides email correspondences from the same in respect of the 2016 5YS Statement.

My comments above in respect of Para 3.1 also apply here.

Critical infrastructure – This obviously includes the Western Access Route. (A) Is the finance already committed, and if not, what is the likelihood that the finance will be available? (B) What is the most likely timescale for completion? It is noted in Doc P2-E13 – Infrastructure Delivery Plan that 2017 is the Network Rail window of opportunity to cross the railway – is there any confirmed about this?

Firstly, The Inspector will note my previous submission (examination library ref – P2-N7), documenting a current £60 million shortfall in Infrastructure Funding to enable delivery of the minimum requirement for the PSB.

Council Para 3.4

The Council states that the majority of the finance is already committed for the scheme, including Growth Deal and Developer Contributions.

Originally, the SWAR was to be constructed in 3 component parts, A, B, and C, with parts A and B to be publicly funded, and part C to be privately funded by the Developers.

This has now changed in that the SWAR, whilst still physically constructed in 3 sections, will be delivered as one scheme.

It is correct that public funding to enable sections A and B are secured and in place, and need to be spent by 2021, yet, my written communications with SCC of the 28th and 29th July 2016 provide no confirmation that 'Developer Contributions' are committed to date.

I raised the specific questions to SCC;

Are all the necessary developer contributions now either committed or in place?, and if not yet, are SCC satisfied that they will be in time to facilitate the projected commencement date of January 2018?

Are these contributions a matter of dispute?

SCC response was;

It is envisaged, following extensive dialogue, that the mechanism for funding will be finalised in the coming weeks. The monies secured through the S&SLEP and Government needs to be spent by 2021.

This does not confirm that Developer Contributions have been secured, merely that, it is hoped that the 'mechanism' for funding, will be in place in the near future.

The Council states that currently there are significant land acquisition costs included in the funding calculations which may be less than expected, and therefore it is very likely that the finance will be available.

I believe that The Council do not fully satisfy The Inspector's (A) question of the likelihood of finance being available.

My written communications with SCC of the 28th and 29th July 2016 provide no confirmation that this is the case.

For The Council to state that the land acquisition costs may be less than expected, suggests that these negotiations are reaching conclusion, with the sums of money involved known (and therefore, relying upon the fact that, as a result of reduced costs, it is 'very likely' that finance will be available).

I raised the specific questions to SCC;

Has all of the land, as identified within Appendix 6.2 of the SCC Major Scheme Business Case (January 2015) been successfully acquired, and therefore under SCC control?, or are SCC pursuing CPO powers in this regard?, and if so, do SCC have an estimation of time for resolution of the same/ slippage in delivery?

SCC response was;

Negotiation / land purchase by agreement – ongoing

I repeated my questions and received the following response;

This being the case, am i to assume that all of the land, as identified within Appendix 6.2 of the SCC Major Scheme Business Case (January 2015) has not yet been successfully acquired, and therefore not yet under SCC control?

SCC Response;

I am unable to expand further for reasons of commercial confidentiality but negotiations have been on-going for over 12 months.

Further, in respect of my question/s regarding CPO;

SCC Response;

Issue CPO – by end of 2016

I repeated and expanded my question/s and received the following response;

You make provision for the use of CPO powers, and quote the end of 2016 for issue. Has SCC then already determined this date – December 2016 – to be the ‘cut off’ in terms of negotiations to purchase?, and subsequent issue of CPO?

SCC Response;

This is the date we are working to and as with all CPO’s, negotiations will still continue alongside the CPO process for the whole route

The above passages clearly display that the land acquisition process, and associated costs are far from concluded and defined.

Indeed, the above suggests the opposite to be the case. After over 12 months of negotiation, SCC has stated that they are ‘ongoing’ and also, drawn a line in the sand, in that, if the same are not satisfactorily concluded by December 2016, CPO Powers will be invoked.

The Council do not answer the first part of The Inspector’s (B) question.

In my written communications with SCC of the 28th and 29th July 2016, i asked these very questions; The SCC Major Scheme Business Case (January 2015) sets out the following schedule;

Section A to commence construction in April 2016, and be completed by October 2017 (subject to land acquisition).

Section B to commence construction in September 2017, and be completed by January 2018 (subject to land acquisition).

Section C to commence construction in January 2018, and be completed by September 2018 (subject to the developer contributions being available and land acquisition).

Therefore, construction was projected to commence in April 2016, and complete in September 2018, being a total of 2 years and 5 months.

My recent written communications provided the following update to the above previous schedule; Are all three, A, B and C Sections, still timetabled to be completed by September 2018?, or has this timetable been the subject of slippage?, and hence, a revised timetable produced?.

SCC Response;

As I am sure you can appreciate the phasing for constructing individual sections has not been finalised, but logically for the main works, we would begin with Section A followed by B and C within the indicative timescales shown below.

Negotiation / land purchase by agreement - ongoing

Issue CPO – by end of 2016

Assume CPO Inquiry – 18 month allowance.

Early works Sept 16 (as above)

Main Works summer 2018

Scheme open 2020

My Response;

Noted. Based on your comments, and SCC previous construction period schedule – April 2016 to September 2018, if commencement was June 2018, completion would be November 2020, at current estimations i appreciate.

SCC Response;

Obviously timescales will shorten considerably if there is no CPO Inquiry but we have to cater for this possibility.

My Response;

Noted. If this is removed due to successful land acquisitions, including the Section C Sidings by December 2016, this would mean a revised completion date of June 2019, at current estimations i appreciate.

In summary,

The current projection is that the delivery of the SWAR is 2 years 2 months behind, currently projected to be complete at November 2020, and if no CPO Inquiry is required, this delivery projection is then 9 months behind, projected to be complete at June 2019.

(It is noted that, despite over 12 months of negotiation, no agreements are yet in place and SCC has set a firm date of December 2016 for invoking CPO Powers, so the likelihood of CPO is a realistic one).

(Further, in the context of delivery and slippage, the potential for delay is highlighted by the fact that the previous SCC Major Scheme Business Case, projected commencement in January 2014, and completion in May 2016).

Council Para 3.5

Notwithstanding the key issue of crossing the West Coast Main Line, there is the further fundamental NR matter of disposal of its Sidings, which are required to facilitate Section C of the SWAR.

In my written communications with SCC of the 28th and 29th July 2016, i asked these very questions; I understand that to enable the successful completion of Section C, will require the successful acquisition of the Sidings from Network Rail, and that these may be decommissioned by December 2015.

Are these Sidings still timetabled to be decommissioned by December 2015?, and have the same been successfully acquired to date?, or is this a matter of dispute?.

SCC Response;

I am unable to expand further for reasons of commercial confidentiality but negotiations have been on-going for over 12 months.

I further enquired;

Further, as I understand matters, in respect of Section C, SCC were to seek an agreement to indemnify them against associated costs in securing land through the CPO process, and, if this could not be secured, CPO powers would not be exercised in respect of Section C.

Is such an indemnity agreement in place?, or has SCC determined not to use CPO in respect of Section C?

SCC Response;

I reiterate, the intention is to deliver as one scheme and if all land cannot be acquired it will be necessary to invoke CPO powers

The above passages clearly display that the NR Sidings land acquisition process, and associated costs are far from concluded and defined.

Indeed, the above suggests the opposite to be the case. After over 12 months of negotiation, SCC has stated that they are 'ongoing' and also, drawn a line in the sand, in that, if the same are not satisfactorily concluded by December 2016, CPO Powers will be invoked.

Are there any other critical components of the infrastructure which will impact on the progress of any of the SDLs?

Firstly, The Inspector will note my previous submission (examination library ref – P2-N7), documenting a current £60 million shortfall in Infrastructure Funding to enable delivery of the minimum requirement for the PSB.

Council Para 3.7

The Council refers to the Appendix 1 emails, and the lack of detail and information with regard to The Inspector's question regarding Infrastructure.

Aside from my above submissions in respect of the SWAR and the £60 million shortfall in funding to meet the minimum Plan requirement, i would urge caution in respect of Stafford North SDL, which is also known to require significant levels of infrastructure provision.

Are there any critical aspects of the infrastructure which might impact upon the Stone SDL? Again, there seems to be a delay here in relation to the trajectory?

The Council do not provide a reply to The Inspector's second question.

The PSB Appendix F Trajectory anticipates a delivery commencement in year 2015/16 of 40 units.

The 2016 5YS now anticipates a delivery commencement in year 2017/18 of 30 units.

Therefore, a slippage of some 2 years has occurred.

It is also noted that this site, as stated in response to item 2 above, this site is under the control of Land Promoters, NOT, in the ownership or control of actual Residential Developers.

There is a clear distinction between the two, which has a follow on implication upon certainty in terms of Delivery, and the Timeline for Delivery.

The realism of the rates of delivery – these rates seem quite high in the adopted Plan's housing trajectory (page 162), and there seems to be some slippage – e.g. Stafford West is programmed to start in 2014/15

Council Para 3.10

The Council states a 'small' amount of slippage in respect of the Stone and Stafford West SDL's.

As stated above, when set against the PSB Appendix F Trajectory, the Stone SDL has currently, seen slippage of 2 years.

The Stafford West SDL anticipated a delivery commencement in year 2014/15 of 65 units.

The 2016 5YS now anticipates a delivery commencement in year 2016/17 of 15 units.

Therefore, a slippage of also some 2 years has occurred.

Council Para's 3.11 to 3.14 – North Stafford SDL

I will reserve further comments until the Hearing Session of the 2nd August 2016.

I would, in the interim, point out previous comments made elsewhere in this response, and also that this SDL (2016 5YS), is currently projected to overrun the Plan period by some 215 units.

Council Para's 3.15 to 3.19 – West Stafford SDL

I will reserve further comments until the Hearing Session of the 2nd August 2016.

I would, in the interim, point out previous comments made elsewhere in this response, and also that this SDL (2016 5YS), is currently projected to overrun the Plan period by some 140 units.

Council Para's 3.20 to 3.22 – East Stafford SDL

I will reserve further comments until the Hearing Session of the 2nd August 2016.

Council Para's 3.23 to 3.24 – West Stone SDL

I will reserve further comments until the Hearing Session of the 2nd August 2016.

The Council needs to provide an SDL update (both the 3 Stafford SDLs and Stone SDL) which covers these points (i.e. views of lead developers; update on critical infrastructure; update on housing trajectory, including likely rates of delivery).

Council Para 3.25

I would just like to make the point that, Mr Inspector Pratt's Report on the PSB is now over 2 years old (11th June 2014), and, whilst, of course, there are matters contained within that will remain relevant throughout the lifespan of the PSB until 2031, given that we are now 2 years since adoption, and 5 years into the Plan period, I would suggest that The Council cease placing such repeated emphasis and reliance on Mr Inspector Pratt's planning judgement of over 2 years ago, made with the information before him at that time, and instead, focus on the current situation, where they are now, and how they are going to achieve the successful delivery of the PSB in all regards.