

Mersea Homes – Full Rep – cs10 - 26330

By way of introduction, Mersea Homes Ltd is the principal developer for the Red House Neighbourhood, which comprises one of the three neighbourhoods that makes up the Ipswich Garden Suburb. Mersea Homes Ltd are also a partner in the delivery of the Fonnereau Neighbourhood.

Mersea Homes Ltd are broadly supportive of Policy CS10 and its various provisions, but in order to ensure effective delivery, there are three aspects of the policy that are considered to be unsound, as follows:

1. Elements of the detailed wording of the policy in relation to site specific matters and the role of the SPD, which relate to Effectiveness;
2. The Affordable Housing provisions, which relate to soundness issues in respect of the justification and the effectiveness of the Policy;
3. The wording of the Policy in respect of viability review provisions.

We deal with these three matters in turn below.

Policy CS10 wording relating to the Ipswich Garden Suburb SPD

In relation to the first matter, the text towards the end of the Policy deals with the SPD relationship. The text here is largely the same as in the existing adopted version of CS10 from the 2017 Core Strategy, but at the time the adopted version of CS10 was in preparation, the SPD had not been adopted. Although the current draft has updated to refer to the SPD as being adopted, there is then a slight anachronism in that the text goes on to state what the SPD “will” deliver instead of what it does provide. More generally, though, our concern at this point is the reference to the SPD identifying detailed locations for uses and infrastructure, which we do not consider is consistent with the stated purpose of the SPD as acting as guidance for development proposals (and arguably is also contrary to the relevant Local Plan Regulations in respect of the ability or otherwise for SPD to allocate land for development).

The text that refers to the SPD making site allocations can easily be removed if this section of the Policy is simplified as follows:

“An Ipswich Garden Suburb supplementary planning document (SPD) has been adopted which provides guidance on how the allocations in the development plan will be delivered both in spatial terms and in terms of sequencing, along with more general supplementary planning and design advice”

[This text is essentially copied from paragraph 1.11 of the SPD].

The text of Policy CS10 goes on to state that development proposals will be required to demonstrate that they are in accordance with the SPD. This sentence appears to misstate the purpose of the SPD as guidance in the determination of planning applications, and essentially prescribes the SPD the weight of statutory policy. The SPD clearly has weight as a material consideration, but the wording of Policy CS10 should, we consider, properly reflect that status.

For example, the text might more appropriately state:

“Development proposals will be required to demonstrate how they have had regard to the principles and objectives of the adopted SPD.”

Affordable Housing Requirements

Turning then to the provisions for affordable housing, the previous planning applications for the Henley Gate and Fonnereau Neighbourhoods were both accompanied by viability assessments which contain baseline evidence in relation to the relative viability of development in the Ipswich Garden Suburb. These assessments were closely scrutinised by IBC’s own consultants and agreed as being correct.

Both agreed appraisals demonstrate the challenges for the delivery of Affordable Housing in the Ipswich Garden Suburb. Application IP/16/00608/OUT for the Henley Gate Neighbourhood was the subject of a resolution to grant from April 2018 based on 5% affordable housing provision 50/50 tenure split (with a viability review mechanism), and application IP/14/00638/OUTFL was the subject of a resolution at the same meeting based on 4% affordable housing provision 50/50 tenure split (also subject to viability review). Both applications were formally approved in January 2020. It should be noted that to achieve these reduced levels of affordable housing provision it was necessary for IBC to secure £10m of Infrastructure funding from the Government to reduce the very large infrastructure burden and allow the scheme to proceed.

Policy CS10 says that the Council will seek 31% affordable housing overall, but that no phase of the development shall provide more than 35% affordable housing. Two of the three Neighbourhoods (around 2000 homes out of the overall 3500) now have approval at affordable housing levels of 5% and 4%, therefore by our calculations, even allowing for the unlikely event that later phases of these approved schemes could deliver affordable housing at the maximum proportion, it is now mathematically impossible for 31% affordable housing to be achieved.

Firstly, therefore the overall quantum to be achieved requires revaluation in the light of the decisions already made.

Secondly, it will be apparent that, in coming to the conclusion that the Ipswich Garden Suburb can viably deliver 31% affordable housing across the board, the Aspinall Verdi Whole Plan Viability Appraisal is wildly different to the site specific appraisals that the Council has recently confirmed as being correct. The Aspinall Verdi appraisal uses a number of different assumptions to those contained in the agreed appraisals for Henley Gate and Fonnereau, but from an initial review of the model, it appears that the key variable relates to the assumed infrastructure costs. The Aspinall Verdi assessment assuming infrastructure costs of around £79,000 per net development acre and those costs are made up of the following -

- Decentralized power
- RAMS
- Natural Environment
- Electric Charging Points

Whereas the actual infrastructure costs agreed through the site specific appraisals for Henley Gate and Fonnereau include the following -

- Acoustic Fencing
- Strategic SUDs
- Strategic Foul Water Drainage
- Strategic Services & Diversions
- Strategic Roads on and off site
- Strategic footpaths and cycleways on and off site
- Archaeological
- Ecological Mitigation inc RAMS
- Travel Planning measures
- Green Infrastructure deliver inc allotments play areas sports pitches

The original Infrastructure Delivery Plan document produced by Gerald Eve and Mott Macdonald on behalf of the Council estimated the cost of Infrastructure to be £132,222,060 or approximately £535,000 per net developable acre. Subsequently for the agreed viability assessments as mentioned above savings were found and HIF funding secured so that this figure was able to be reduced to approximately £420,000 per acre (but that excludes decentralised power).

It is therefore clear that the Aspinall Verdi work has such significant errors in it, that it renders the outcomes as meaningless.

It is unclear as to why the Whole Plan Viability Appraisal has been progressed on the basis of assessing the Ipswich Garden Suburb as if there were no existing permissions and as if the whole of the 3500 units were unconsented, but the result is that the Appraisal has produced an outcome that is both unreliable, unevidenced, and effectively impossible to achieve.

The Council will be aware that we are currently in the process of pre-application discussions in advance of the submission of an outline application for the majority of the Red House Neighbourhood, and we are expecting to submit viability evidence in respect of that application.

Based on essentially the same assumptions used for the previous viability assessments, but updating those assumptions to a 2020 base date, we currently expect the level of affordable housing to be deliverable from the Red House Neighbourhood will be significantly less than 31% and we recommend that Aspinall Verdi review their report based on the Council's own latest evidence.

The policy is neither justified nor would it be effective in seeking affordable housing at the suggested level and needs to be corrected.

Viability Review Provisions

Both the Henley Gate and Fonnereau planning consents are subject to viability review mechanism, which require a reappraisal of viability at set points in the development programme. We have no objection in principle to viability review mechanisms and would expect the remaining permissions within the Ipswich Garden Suburb to be subject to such provisions, if affordable housing is to be delivered at less than the eventual policy requirement (the starting point, however, should be to set an appropriate policy requirement that is achievable, as discussed above).

As currently drafted, however, the text relating to viability review in Policy CS10 is impractical and imprecise. The wording states that viability will be re-tested prior to implementation of applications within each neighbourhood, but is not clear as to whether it is referring to outline applications or reserved matters applications. If the former, then the re-testing prior to implementation would serve no purpose, because in all likelihood the Outline permission will only have been granted relatively recently, and so the re-test would be likely to produce similar results. If the intention were to re-test before implementation of each Reserved Matters implementation, then re-testing might either be happening on an unrealistically frequent basis if a phase is made up of many Reserved Matters, or otherwise might not happen at all if a developer came forward with a single large Reserved Matters application for an entire site.

In practice, the s106 agreements for Henley Gate and Fonnereau set triggers for re-testing of viability based on fixed stages within the development process, informed by the likely development phasing, and the triggers are not linked to the approval process for subsequent applications. This is the most effective and practical approach to re-testing of viability on large sites.

Accordingly, the text of the Policy needs to exclude reference to re-testing on application, and instead say that triggers for re-testing of viability will be agreed as part of the s106 obligations at the planning permission stage.