

EAST HERTS COUNCIL

COUNCIL – 24 JULY 2019

REPORT BY LEADER OF THE COUNCIL

REPORT TITLE: HARLOW AND GILSTON GARDEN TOWN:
INFRASTRUCTURE DELIVERY PLAN, STRATEGIC VIABILITY
ASSESSMENT AND HOW TO GUIDE.

WARD(S) AFFECTED: ALL

Purpose/Summary of Report

- The Executive at its meeting on 4 June 2019 considered key documents relating to the extent and provision of infrastructure associated with the Harlow and Gilston Garden Town. The Executive agreed to add to the recommendation provision for the Leader to have delegated authority to make minor consequential changes necessitated by the publication of the National Planning Guidance.

<u>RECOMMENDATIONS FOR COUNCIL:</u> that:	
(A)	The Harlow and Gilston Garden Town Infrastructure Delivery Plan, Strategic Viability Assessment and How To Guide for Planning Obligations, Land Value Capture and Development Viability be agreed as material considerations for Development Management purposes.
(B)	the Leader be delegated authority to make minor consequential changes necessitated by the publication of the National Planning Guidance.

1.0 Background

- 1.1 The Council has been working collaboratively with partners at Harlow District Council, Epping Forest District Council, Hertfordshire County Council and Essex County Council to bring forward transformational growth through the Harlow and Gilston Garden Town. A Vision and a Design Guide for the Garden Town have been published and set out the aspirational nature of the development that the partner Councils are seeking to achieve.
- 1.2 A core Garden Town team of officers has been established and is undertaking tasks across a number of workstreams to ensure that development, when it comes forward, meets the aspirations set out in the Vision and Design Guides.
- 1.3 An important and early element of that work is to identify the range of infrastructure that will be required to support the development. This has been undertaken through the preparation of an Infrastructure Development Plan (IDP). Associated with this, work has been carried out to test the potential of the development to generate funds to enable the delivery of the infrastructure identified as required. This work has taken place through the preparation of a Strategic Viability Assessment (SVA).
- 1.4 These documents, together with an explanatory 'How to' Guide, are now published on the websites of the partner District Councils. They have already been endorsed by the partner Councils, through their Member representative on the Garden Town Board.
- 1.5 The production of the documents has also seen a programme of stakeholder engagement. All key landowners and developers have been involved in this.
- 1.6 The purpose of this report is to inform the Council of this work and to enable it to formally endorse the documents as material to the consideration of development proposals, when they come forward.

2.0 The Infrastructure Delivery Plan (IDP)

2.1 The IDP is attached to this report as **Essential Reference Paper B**. The document sets out:

- the scale of infrastructure required across the Garden Town;
- anticipated delivery phasing;
- indicative costs;
- priorities and responsibilities; and
- funding gaps.

2.2 Prior to the production of this Garden Town IDP, work of a similar nature has already been undertaken for the District as part of the preparation of the East Herts District Plan. In addition, an Infrastructure Prospectus, undertaking a similar role, has been prepared on a cross Hertfordshire basis. The Garden Town IDP builds on these former reports and now focusses on the infrastructure required for the delivery of the Garden Town.

2.3 The IDP provides a full summary of the infrastructure considered to be necessary to ensure that good quality development is delivered as part of the Garden Town, meeting the aspirations of the partner Councils.

2.4 The IDP is a live document, as infrastructure requirements and delivery will change as development takes place. In that respect it represents matters at the point in time that it has been produced. It will be subject to regular review. It is proposed that, in future, the wider East Herts District Plan IDP will exclude consideration of Garden Town infrastructure matters. These will continue to be covered in any future Garden Town IDP update. This will avoid duplication.

3.0 Strategic Viability Assessment (SVA)

- 3.1 The SVA is attached to this report as **Essential Reference paper C**. The role of the SVA is to test the ability of the development sites, which form the Garden Town allocations, to meet the costs of delivery of the infrastructure identified as required in the IDP. The report assesses the value that will be generated by the development through its housing and other land use elements. It factors in land costs, development costs and other standard assumptions that are incorporated in work of this type.
- 3.2 The conclusion reached in the SVA is that the viability of the delivery of the sites is sensitive to, amongst other matters, the timing of infrastructure delivery and the mix and type of housing delivered. It is stressed in the report that it represents a 'worst case' scenario, with all infrastructure and mitigation costs arising as a result of the development included in the assessment. In that respect the work does not take into account the potentially beneficial impact of externally sourced infrastructure funding, for example the £171m Housing Infrastructure Fund (HIF) Bid, to be used to provide transport related infrastructure, that has been submitted to government.
- 3.3 Overall, the conclusion is that the partner Councils should continue to work with the promoters of the key sites. Confidence is given that the sites are deliverable. However, it is noted that flexibility around the timing of infrastructure payments and the mix of affordable housing can have a significant impact on and improve viability notably.
- 3.4 Importantly, changes in national policy, in the form of the National Planning Policy Framework (NPPF), published in Feb 2019, have shifted the emphasis on viability testing from the development management (planning application) stage to the plan making stage. Harlow and Epping Forest Districts are in the process of taking their Local Plans through the Examination process. The IDP and SVA have been submitted

to those Examinations and are being assessed therefore, at the plan making stage.

3.5 For East Herts, the Examination has concluded and the District Plan has been adopted. The NPPF sets out however that the weight to be given to a viability assessment is a matter for the decision maker, having regard to all the circumstances in the case, including whether the plan and the viability evidence underpinning it is up to date. So, with regard to East Herts, because of the recent and up to date nature of this work, it is still the case that it can be given full weight in any relevant decision making.

4.0 How To Guide

4.1 At the same time as the publication of the IDP and the SVA, the Councils have published a Guidance Note setting out the approach the Councils will take to ensuring delivery of the necessary infrastructure to enable the Vision and aspirations of the Councils to be met. This is in the form of a note titled: A Harlow and Gilston How To Guide for Planning Obligations, Land Value Capture and Development Viability. Attached to this report as **Essential Reference Paper D**.

4.2 The Guidance Note summarises the land value capture approach that the Councils will take, ensuring that a reasonable element of the value generated by the development is used to ensure the provision of high quality new places and infrastructure.

4.3 The Note provides a summary to the approach set out in the IDP and SVAs. It then sets out the approach the Council will take to securing provision through the use of s106 Agreements.

3.0 Implications/Consultations

3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

Background Papers

None

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