

**STEVENAGE LOCAL PLAN  
EXAMINATION IN PUBLIC**

**Response to Inspector's Matters, Issues and Questions  
Made on behalf of Taylor Wimpey and Persimmon Homes**

**MATTER 15 THE SUPPLY & DELIVERY OF HOUSING LAND & MATTER 16 HOUSING SITE ALLOCATIONS**

1. Barton Willmore is instructed by Taylor Wimpey and Persimmon Homes to submit responses to the Inspectors Matters, Issues and Questions following the submission of Stevenage Local Plan, which are due to be discussed at the Stage 3 of the Examination in Public. The responses set out below relate to questions set out in relation to Matter 16 and specifically relate to the West Stevenage allocation under Policy HO2, but are also relevant to Matter 15 and in particular in relation to questions 12, 13, 16, 18, 22 and 23, but have not been repeated, to avoid duplication.
2. Taylor Wimpey and Persimmon Homes have an interest in a large part of the site allocated under Policy HO2 at West Stevenage for approximately 1350 dwellings with associated uses and infrastructure.
3. Taylor Wimpey and Persimmon Homes are committed to the delivery of their land interest at West Stevenage as set out in the Statement of Common Ground dated 19<sup>th</sup> January 2017 (Examination Document 150). They have shown commitment to the development for nearly 20 years, by actively participating at the Structure Plan, Regional Plan and Local Plan levels as well as through planning applications and a Call In public inquiry.
4. It is therefore imperative that the 2011-2031 SBC LP sets a policy framework for West Stevenage that will ensure the timely delivery of this key housing allocation on non-green belt land, whilst recognising the complexities of the land ownerships, ransoms and covenants, that the developers are being required to balance. Delivery of this scheme is crucial to the soundness of the plan and it is incumbent upon those tasked with delivery to highlight issues of concern so that they can be debated openly and honestly. We are seeking positive dialogue in relation to these issues however without it the major housebuilders will not secure main board approval to progress. The positive amendments being sought in this Hearing Statement to Policy HO2 and the supporting text, will provide Taylor Wimpey and Persimmon Homes with the confidence to further invest in a new community at West Stevenage, having written off the costs associated with site over the last 20 years.



**Issue - Whether the proposed housing site allocations are justified, effective and consistent with national policy.**

#### **Questions**

**1. Are the proposed housing site allocations appropriate and justified in the light of potential constraints, infrastructure requirements and adverse impacts?**

5. The development of land at West Stevenage has previously been tested through both application and Local Plan allocation and remains appropriate, justified and deliverable subject to viability as set out below at Question 3.

**2. Are the assumptions regarding the capacity of the sites justified, what is this based on?**

6. Taylor Wimpey and Persimmon Homes have provided Stevenage Borough Council with evidence on site capacity for the site allocation HO2 through its Call for Site and SLAA submissions, based on site analysis, high level masterplanning, and the developers market knowledge of demand. It is anticipated that up to 1350 units could be provided on the site allocated under HO2.

**3. What is the basis for proposing housing on areas of public open space and sites currently in recreational use? What is the situation regarding the adequacy of open space/recreational facilities in the areas concerned? How would the proposed housing sites affect this? Is the approach justified and is it consistent with the NPPF?**

7. Access to the West Stevenage development is reliant on Stevenage Borough Council's land at Meadway currently used as playing pitches, which have been assessed as part of the Council's Sports Facility Assessment and Strategy 2014 - 2031 (Examination Document CF1a).

**4. Are the detailed requirements for each of the allocations clear and justified? Have site constraints, development mix and viability considerations been adequately addressed? Are the boundaries and extent of the sites correctly defined? (The responses are also applicable to Matter 15 in particular in relation to Questions 18, 22 and 23)**

#### **Land Ownership**

8. While our Clients are committed to the development of West Stevenage, there are many complexities involved in the delivery of the allocation, particularly in relation to land ownership and two 'ransoms' both relating to site access. Taylor Wimpey and Persimmon Homes have secured the majority of the West Stevenage allocation. However, in order to deliver the main access at Meadway, which will link the wider



Stevenage and the new development, this requires land in the ownership of Stevenage Borough Council, which effectively holds a ransom over the development of the Stevenage Borough site and indeed, any wider development in North Hertfordshire that requires access from the Meadway.

9. Likewise, in relation to the second access at Bessemer Drive, this requires land in the ownership of the Homes and Community Agency, which again effectively holds a ransom over the development in Stevenage Borough.
10. As indicated in the letter from Stevenage Borough Council's Estate Department (Examination Document ED123), the developers and the Council have been in dialogue for a considerable period of time. Likewise, there has been dialogue with the HCA regarding the Bessemer Drive Access. However, no formal land position is currently in place with either of the public sector bodies. Their shared position has consistently been that in order to assure best value they will have to invoke full ransoms in accordance with the *Stokes v Cambridge* approach. These ransoms place an unknown financial burden on the development that cannot be fully tested in viability terms which impacts significantly on delivering a 'policy compliant scheme'. Joint viability work between Stevenage Borough Council Estates and the developers has been undertaken historically, however due to conflicting priorities this has currently stalled, therefore to inform this Examination, the developers have undertaken their own viability assessment work, recognising the land owners fair expectations on land value and using market knowledge and assumptions, as set out in the Whole Plan Viability at paragraph 6.43.
11. Taylor Wimpey and Persimmon Homes also have an option on all the land to the south of Dyes Lane (i.e. the southern part of the site) other than the former landfill site, which is in the ownership of the HCA. However, the HCA also 'benefits' from a covenant on the land optioned by Taylor Wimpey and Persimmon Homes from which they are required to fully extract any and all increase in land value generated by development. This position removes all land value from the owner and thus on the basis of simple commercial logic any desire to develop the land. The Government is clear in its messages regarding housing delivery. It seems that the HCA must therefore resolve the situation to ensure Stevenage can meet its housing delivery commitments at West Stevenage. This will clearly take time and it is our clients firm view that the way in which the scheme will be delivered must recognise and account for this.
12. As a consequence of the positions outlined above the financial burden that the HCA and SBC are placing on the development, have a direct impact on the financial viability and deliverability situation associated with West Stevenage.
13. Given the Government's clear housing delivery agenda, as repeated in the Housing White Paper, Taylor Wimpey and Persimmon Homes are anticipating that the matters relating to the two public sector access ransom interests will be resolved to enable the developers to build both market and affordable homes



and create a new community, particularly given the Council's dependence on the site's delivery to meet its housing land supply requirement. However, given the context set out above, it is imperative that the policy wording relating to West Stevenage in policy HO2 incorporates flexibility relating to viability and phasing, as set out below, and which directly relate to the Inspectors questions raised in relation to Matter 16.

### **Viability**

14. The Council has prepared viability evidence in relation to West Stevenage, as set out in the Whole Plan Viability (Examination Document TI3), which takes into account the infrastructure requirements and associated costs related to the development, including S106 costs (as referred to in the Council's response to Q12 of the Inspectors Initial Questions August 2016 Examination Document ED111), land values, developer returns etc. From the assessment the report concludes that the development is viable and deliverable, based upon the assumptions set out.
15. Using the same assumptions set out in the Whole Plan Viability, the developers have undertaken their own high level viability assessments (excluding the employment land to be situated on the former landfill site). This demonstrates that the development is marginally viable, meeting policy requirements on the affordable housing.
16. However, the assumed access ransom costs (albeit they are not finalised until all other costs are known) result in a viability that cannot deliver policy compliance on affordable housing. Therefore, the developers maintain that flexibility needs to be embedded in the policy wording, to provide the developers with the confidence that viability will be taken into account when pursuing a planning application in due course, particularly in terms of the required affordable housing percentage/tenure/mix.
17. It is considered by Taylor Wimpey and Persimmon Homes that the development, making allowance for the ransoms, will only be able to deliver 15-20% affordable housing, which could be further eroded as more detailed costings for key infrastructure become known.
18. Given that the Council is seeking to burden the development with a wide range of detailed requirements, in both Policy HO2 and other LP policies, it is clear that the policy wording of HO2 and the supporting text, needs to allow for a degree of sophistication to enable the Council to contemplate its priorities, in terms of the range of burdens that will be placed on the development and the associated phasing, should the detailed viability and public sector land ransoms mean that policy compliance cannot be achieved, particularly in relation to the policy requirements set out below:
  - Affordable housing;



- C2 use supported / sheltered housing provision;
- 5% aspirational homes;
- 1% of new homes be made available for self-build;
- GP surgery to be delivered on a commercial basis;
- The provision of a new cricket pitch which has not been tested in masterplanning terms; and
- Optional housing standards (policy SP8).

19. Notwithstanding the above position, the affordable housing requirement under policy HO2 should in any event be tied to Policy HO7 affordable housing and reflect the modified wording set out in policy HO7 so as to allow for viability appraisals to be submitted where 30% affordable housing cannot be achieved. The deletion of a 40% affordable housing requirement from HO7 is welcomed. However, for clarity, Taylor Wimpey and Persimmon Homes strongly object to any prospect of a 40% affordable housing requirement in relation to the West Stevenage allocation, based on the Council's Whole Plan Viability evidence and the developers own viability, which clearly demonstrate that it is an unrealistic prospect and therefore undeliverable.

#### **Site Constraints / Development Mix / Phasing**

20. The constraints and opportunities related to the development of West Stevenage are well known, given the history and investment to date relating to the allocation. Therefore, it is considered that the boundaries and extent of the site are correctly defined, albeit that the land ownership matters set out above add complexity and need to be addressed and recognised in the Local Plan.
21. It is considered that the stand alone allocation of the site, purely within the Borough boundary of Stevenage Borough, will make delivery easier by reducing the initial infrastructure burden on the development. The requirement to ensure the future deliverability and integration of the wider development of the reserve allocation set out in the emerging North Hertfordshire Local Plan is understood. Likewise, the Taylor Wimpey and Persimmon Homes masterplan will enable access to the northern tip of the HO2 site allocation (which is not under their control), which includes an Area of Nature Conservation Interest.
22. Given the land matters set out above, it is critical that West Stevenage policy HO2, allows and positively plans for a phased delivery of development in order to maximise the potential for early delivery. Taylor Wimpey and the Persimmon Homes Board have considered the scheme and wish to progress with an early first phase of up to 850 units (see **Appendix 1**) on land in their control, to be serviced from the existing access at Meadway (which is controlled by the Borough Council). Included in the first phase would be the early delivery of key infrastructure, including the Primary School with associated playing field and local centre. Such an approach will ensure that the HCA covenant cannot fetter or delay the



delivery of homes at West Stevenage which can move forward positively in accordance with anticipated timescales.

23. However, any first phase will have to bear a disproportionate burden of site infrastructure costs, as is usual for any large scale development. The developers viability appraisal indicates that this up front infrastructure burden will have a further negative impact on viability and may result in less than 15-20% affordable housing. This position also needs to be acknowledged in policy HO2 and the supporting text to enable the development to get underway. There may be opportunities to redress some policy requirements that cannot be met in the first phase, during the second phase of development.
24. The current policy wording relating to the submission and approval of a masterplan for the whole site, will also need clarifying to reflect the phasing of the site. Whilst any outline/hybrid or full application for phase 1 can provide a masterplan for the whole site, it will be necessary for the policy to reflect the phased approach to the development. If this can be secured alongside a balanced solution to the ransom / affordable housing expectations an application can be promptly prepared reflective of a shared and equitable understanding between all stakeholders which will provide certainty. If it cannot, delivery timescales will remain uncertain.

#### **Additional questions relating to specific sites**

#### **Urban Extensions - Policy HO2 – Stevenage West**

##### **1. Is the scale of this development appropriate?**

25. The scale of the development is considered appropriate as set out in the submissions to the Call for Sites and subsequent SLAA. The scale of development reflects the site's constraints and will deliver an appropriate density of development to reflect market demand.
26. It is considered that the stand alone allocation of the site, purely within the Borough boundary of Stevenage Borough, will make delivery easier by reducing the infrastructure burden on the development, whilst ensuring the future deliverability and integration of development on the emerging reserve allocation within the North Hertfordshire Local Plan.
27. As set out sections above, it will be key to allow for the West Stevenage allocation to be delivered on a phased basis.



**2. Would it give rise to any highway safety issues or traffic congestion that could not be mitigated?** Response prepared by Andrew Whittingham of Fairhurst on behalf Taylor Wimpey and Persimmon Homes

28. The principles of highway access to West Stevenage have been fully tested through the submission of planning applications in 2001 and the Call-In Inquiry in 2004 resulting in the S.o.S. minded to grant letter in 2005.
29. More recently, the access arrangements have been discussed further with HCC, SBC, NHBC and HE in the context of the allocation of West Stevenage in the SBC Local Plan to provide approximately 1350 new homes and 10,000 sq.ft. employment space.
30. The intention is that West Stevenage will be served by 2 means of access via Bessemer Drive and Meadway utilising the existing underpasses of the A1 (M) in conformity with Policy IT1 of the Draft Local Plan.
31. The junction of Bessemer Drive and Gunnells Wood Road will be signalised to allow all movements. The Meadway underpass will be signalised and the existing Meadway (road) around the sports ground will be realigned to form an improved connection to the roundabout with Clovelly Way. Policy IT2 safeguards the land required for the Meadway connection.
32. The West Stevenage proposals have been tested through the use of the Stevenage and Hitchin Model (SHUM) and limited highway mitigation works identified. These works are deliverable within the highway.
33. It can be expected that the level of mitigation would be the same or less given the reduction in forecast traffic growth assumed in the newly constructed S Paramics model developed by consultants on behalf of SBC.
34. The development of Stevenage West would therefore not give rise to any highway safety issues or traffic congestion that could not be mitigated.

**3. Is the required recreational open space sufficient to meet the needs of the development?**

35. It is considered that the development can deliver sufficient recreational open space to meet the needs of the development. However, policy HO2 indicates that a specific cricket pitch requirement should be provided at West Stevenage in accordance with the Sports Facility Assessment 2014 (Examination Document CF1a, CF1b and CF1c), which is considered wholly inappropriate for a number of reasons. Firstly, the requirement is to provide for a specialist double pitch cricket pitch site, which the Sports Facility Assessment states should be for a specific existing team to use and should be fenced off and not



form part of the general public open space provision. It is not considered that such a facility will help to promote social inclusivity within the new community nor provide for the direct needs of that community.

36. Secondly, cricket pitches have specific design requirements, and these have not been tested in masterplanning terms in relation to the West Stevenage site.
37. Further, it is also noted that the Assessment indicates that it 'could' be located at Stevenage West or other suitable site, however it is not clear what, if any, other sites have been assessed and why Stevenage West should be the preferred location to meet the needs of an existing club.

### **Conclusions**

38. Policy HO2 West Stevenage misses the opportunity for considering all inputs into viability, therefore providing the flexibility and options depending on the circumstances of the site, thus enhancing the prospects for delivery. The policy could be effective if this context was added and flexibility introduced, however until it is, we object to the current wording of the policy HO2. The West Stevenage allocation is deliverable on a phased basis. However, the specifics of the delivery with regards to costs and therefore viability, are yet to be fully scrutinised in detail, particularly in relation to the public sector ransoms and their impact upon delivery of a 'policy compliant scheme'. Therefore, it is prudent to maintain flexibility to ensure the proposal can react to these pressures and the market, and still come forward as a viable development.
39. The present wording of Policy HO2 West Stevenage, also misses the opportunity to maximise delivery, by not acknowledging that the development will need to be phased in recognition of the land ownership issues and in particular the public sector ransoms. Further to which the policy also needs to acknowledge the upfront infrastructure burden that will be placed on the first phase of development in viability terms, when setting the policy context for the subsequent phase(s).
40. Enclosed at **Appendix 2** are our proposed modifications to Policy HO2 and the supporting text to ensure early delivery of the homes at West Stevenage.



**LIST OF APPENDICES**

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**APPENDIX 1**  
**WEST STEVENAGE MASTERPLAN**  
**INCLUDING PHASE 1**







## APPENDIX 2

### PROPOSED MODIFICATIONS TO POLICY HO2: STEVENAGE WEST

Set out below are the proposed modifications to Policy HO2 that Taylor Wimpey and Persimmon Homes consider are necessary to ensure delivery of Stevenage West. Out proposed amendments are underlined with deletions shown as strikethrough.

#### Policy HO2: Stevenage West

Land at West Stevenage, as defined by the proposals map, is allocated for the development of approximately 1300 units. The site may be brought forward for development on a phased basis.

A masterplan for the whole site will be required ~~as part to be submitted with of any~~ outline/hybrid or full planning application(s) for any phase of the development. ~~The masterplan must be approved prior to the submission of detailed development proposals for the site."~~

Development proposals will be permitted where the following criteria are met:

- a. The applicant can demonstrate the development can be expanded beyond the Borough boundary in the future, into safeguard land within North Hertfordshire;
- b. The development incorporates employment floorspace of 10,000m<sup>2</sup>, in accordance with Policy EC1;
- c. Improvements to existing access routes across the A1(M), via Bessemer Drive and Meadway, are provided, which link effectively into existing road, cycleway and pedestrian networks;
- d. The scheme is designed to encourage the use of sustainable modes of transport;
- e. An appropriate buffer to mitigate against noise impact from A1 (M) is included;
- f. At least 5% aspirational homes are provided in line with Policy HO9, subject to viability;
- g. Plots to accommodate at least 1% new homes are made available for self-build purposes, subject to viability;
- h. ~~At least~~ 30% affordable housing is provided in line with Policy HO7, subject to viability;
- i. Provision for supported or sheltered housing is made in line with Policy HO10, subject to viability;
- j. A primary school is provided in line with the most up to date evidence of need;
- k. Local facilities to serve the community are incorporated, including a GP surgery, on a commercial basis;
- l. Sports facilities are provided on-site including:
  - I. A skate park or MUGA for children; and
  - II. ~~A new cricket pitch~~ Playing fields which may include sports pitches for the new community
- m. A full archaeological assessment is undertaken;



- n. A full flood risk assessment is undertaken;
- o. The scheme incorporates a network of green infrastructure, with emphasis on high quality landscaping within and around the development to reduce the impact of the development on the surrounding greenfield/Green belt land;
- p. Existing public rights of way retained and incorporated, where possible; and
- q. The impact of noise pollution from London Luton airport is mitigated

Any application, that is not policy compliant or fails to meet other Local Plan policies, must be accompanied by a financial appraisal, based on agreed costs and development values at the time of the application. It is recognised that any first Phase development will have disproportionate infrastructure costs.

#### Supporting Text Amendment

Para 9.14 - delete last sentence - 'The approval of a Masterplan will be required prior to the submission of detailed development proposals for the site' and replace with a new 9.14a as per below

9.14a – The site may be brought forward for development on a phased basis. A framework masterplan will be required for the whole site, to be submitted with any outline/hybrid or full application for any phase of the development. Such an approach will enable early housing delivery in recognition of site constraints

#### New paragraph after 9.21

9.21a The Council recognise that this key site has stalled in the past and would reiterate the importance of early delivery in meeting local needs and demands in the early plan period. The policy framework has sought to recognise this in the phased approach permitted which will work in conjunction with the flexibility provided in the viability wording. It is fully recognised that this will impact upon a fully policy compliant scheme within initial phases.

9.21b As with any large scale development, the first phase of development will have to deliver a disproportionate amount of up front infrastructure, which will further impact on the delivery of affordable housing and full policy compliance in the early stages of development.

9.21c Any application that does not meet the policy requirements of Policy HO2 f-l and/or fails to meet other Local Plan Policies, including Policy SP8d Optional Technical Standards, must be accompanied by a financial appraisal, based on current costs and development values at the time of the application. All appraisals will be subject to scrutiny and review by the Council's Housing Team.

9.21d – The development will not be required to provide for more than 30% affordable housing in any event.