
LOCAL PLAN PANEL

MINUTES of the Virtual Meeting held Via Skype on Wednesday, 2 December 2020 from 7.00pm - 8.47pm.

PRESENT: Councillors Mike Baldock (Chairman), Monique Bonney (Vice-Chairman), Alastair Gould, James Hunt, Carole Jackson, Elliott Jayes, Peter Marchington, Richard Palmer, Eddie Thomas and Ghlin Whelan.

OFFICERS PRESENT: Philippa Davies, Natalie Earl, James Freeman, Kellie MacKenzie, Jill Peet, Karen Sinclair, Anna Stonor and Aaron Wilkinson.

ALSO IN ATTENDANCE: Councillors Cameron Beart, Roger Clark, Steve Davey, Mike Dendor, Simon Fowle, Tim Gibson, James Hall, Hannah Perkin, Ken Rowles, Julian Saunders and Tim Valentine.

APOLOGY: Councillor Benjamin Martin.

298 INTRODUCTION

The Chairman explained that the meeting would be conducted in accordance with the Local Authorities and Police and Crime Panel (Coronavirus) (Flexibility of Local Authority Police and Crime Panel Meetings) (England and Wales) Regulations 2020 No. 392.

The Chairman welcomed all Members, officers and members of the public to the meeting.

299 DECLARATIONS OF INTEREST

No interests were declared.

Part A Recommendations to Cabinet

300 WHOLE PLAN VIABILITY WORKSHOP

The Chairman asked Members if they wanted some time to read the to-follow report which had been emailed to them that afternoon. Members confirmed that they had read the report and did not need any extra time.

The Planning Policy Manager introduced the report which set-out the key findings of the viability evidence so far as a working document and sought a Member steer on the policy priorities so that final viability testing might take place in advance of the completion of the Local Plan Review document to be presented to the Panel at a later date.

Stuart Cook and Ed Tyler from Aspinall Verdi were invited to give their presentation which had also been added to the website.

Mr Cook set-out the approach they had taken to test the viability of the potential allocations in the new Local Plan. He said he would explain the viability in terms of existing policies and then set-out the surpluses which could be generated by the new Local Plan and then finally what these surpluses could mean in terms of new policy costs in the form of carbon reduction and other sustainable measures. He set-out the likely cost of those measures and then the surplus generated from the developments tested and what this could mean in terms of a package of additional policies being searched for in the new Local Plan. He said that a number of appraisals looked at the pattern of proposed allocations in the draft Local Plan and as part of that exercise they looked at sales values across the Borough and they averaged out house prices and divided the area into different value zones.

Mr Cook presented to Members, a summary of which is outlined below:

- Development viability approach overview;
- Value heat map (all sales) with potential allocations;
- Value zones with potential allocations;
- Residential values;
- Identifying viability surplus for policy costs;
- Step 1 – policy costs that are included within the appraisals;
- Step 2 – viability results/surplus;
- Results – higher value overview;
- Results – lower value overview;
- Step 3 – policy costs excluded from appraisals;
- Step 4 – Members to consider additional policy costs from surplus;
- Policy options – all greenfield sites; and
- Policy options – brownfield sites lower value.

The Chairman stated that Members needed to focus on the different options to give a steer on what level of affordable housing was required for the Borough.

Members were invited to make comments and ask questions.

A Member asked that in the high and low value areas, what were they assuming for land value and construction cost, with land value probably being the most elastic? Mr Cook said that in terms of build costs and the construction of the units themselves, they had relied on Build Cost Information data which was recognised as a reasonable source of data. They had used the medium build cost. An allowance was also made for external works, profit at 20%, sales and marketing etc. and this was all factored in. In terms of land value, this varied between the greenfield and brownfield sites. He referred to the 'elastic' nature of land value and that there was more scope to capture policy on greenfield sites as they were starting with a low existing use value, and existing use, plus premium was used. Mr Cook said within the Local Plan process there was scope with land value to absorb extra costs on greenfield sites. In terms of brownfield sites, he gave the example of Rushenden, which was part brownfield, with £400,000 per growth acre, with a 10% premium applied. He added that there was not a lot of published data on this. The dynamics between brownfield and greenfield development was that there was more inherent value on brownfield sites, so less elastic to play with.

A Member asked about transport and highways, and whether these had already been taken into account? Mr Cook said that they had allowed £20,000 per dwelling for infrastructure, and that would take into account offsite works, but this was a big unknown until sites progressed.

A Member referred to paragraph 2.3 in the report and asked who set the required profit margins. Mr Cook said that 20% was considered to be a reasonable profit figure for market houses and 6% for affordable housing, and the Chairman advised that this was fixed by the Inspector.

A Member stated that land values were the most elastic out of this process, and inspectors had a fixed view on profitability, so the only give was land value. She was wary that the environmental asks were being weighed up against affordable housing and stated that we needed to understand the land values across the Borough. Mr Cook said that in terms of the appraisal and the overall proposition of a suitable land value to put into the appraisal, the methodology was existing use, plus premium and on greenfield sites the premium was a multiplier, with the general approach taken being £10,000 per acre and the multiplier was determined by what had been proven on appeal. It was generally accepted that the minimum multiplier was 10 times £100,000 per gross acre and at that level it was generally accepted, so the land value was set at a reasonable level to allow for maximum policy asks. In terms of current policies and benchmark, the surplus shown was education etc., and the difference generated a surplus, so the land was set to a reasonable level, with a buffer.

A Member considered the process to be weighted towards profitability. Mr Cook explained that to extract enough as possible from the sites, they needed to demonstrate that the policies were viable and supported overall delivery of the Plan. So, for example, set policies against £40,000 viability per dwelling would render some sites unviable, and some of the policy asks would need to be taken out. The Member considered that most viable sites were getting away with less asks than they might otherwise could have done because it was a blanket process over the whole site? Mr Cook agreed and said that this 'was the nature of the beast', unless they went down to site specific policies in a very prescriptive way, so very viable sites versus variable policies to maximise on that basis.

A Member asked specifically about the Rushenden site, and it being called a brownfield/greenfield hybrid in terms of the assessment on the site. He wanted clarification on the logic behind the assessment this as there seemed to be differences in opinion as to whether the site was greenfield, as classified in SCHLAA and it was not on the Council's brownfield register. Mr Cook said there was a flood risk area on the site, which was greenfield in nature, and some was coming from employment land so this was brownfield in nature, and that was why there was a split.

A Member referred to slide (17) on the costs for energy efficiency. He reminded Members that the Council sought 50% carbon reduction and this was closest to the 48% reduction on the slide, and he asked how the figures set out related to the Council's guidance? Mr Cook said that research had been carried out and in terms of each of the elements in slide (17), the cost related to the solution was done as a mix and match approach of renewable methods that could be put in place. The

Member said that the costs were likely to come down as standards changed and asked whether the figures had been calculated into the future, such as SBC being zero carbon by 2030? Mr Cook said that they could only base the figures on current day values in real time and not into the future.

The Chairman reminded Members that they needed to focus on whether they wanted 30% affordable housing, with greater delivery on some of the other targets, or 40% affordable housing which resulted in delivery of other asks being slightly lower. Members referred to slides (20) and (21).

Members made further comments which included:

- Welcomed the way the data had be laid out;
- viability was difficult to resolve;
- on the greenfield sites (slide 20) suggested going with most of the renewable options and this would mean 30% affordable housing;
- would like to have seen M4 (M4 (2) national space standards for housing, M4 (3) accessible housing standards) as a higher percentage as these would help to keep residents in the homes for longer;
- needed to find the best balance between affordable housing and the carbon reducing standards;
- brownfield sites at 20% affordable housing seemed a good option; it was good to have both affordable housing and carbon reducing asks, but difficult to get the right balance; and
- M4 (3) had been discussed on higher levels but the evidence only allowed for 25% of the builds.

The Chairman invited Members to speak on the greenfield sites, with the option of 30% affordable housing and the greater environmental offer, or the 40% affordable housing, with more of a compromise on the environmental asks. In response to a question, the Chairman confirmed that the same percentage of affordable housing would be applied throughout the borough (separately as greenfield and brownfield sites), and this could only be changed if a site specific policy was drawn-up.

Members made comments including:

- Inclined to go for the 40% affordable housing, as some carbon reduction elements would become mandatory in any case over time;
- it was a question of what we wanted now from these elements, the costs of some of the renewables might go down, so we might get more in the future, so happy to go with 40% affordable housing;
- as standards changed and we progressed, the costs should come down, happy to go for 40% affordable housing element, rather than the greater standards immediately;
- spreading the same percentage across the Borough was the right way to look at this, as our housing need for affordable housing was across the borough; and
- developers said that affordable housing was not viable, but if things changed with renewables, we could negotiate more affordable housing.

In response to some points made, the Planning Policy Manager confirmed that there was a Borough-wide need for affordable housing and the Strategic Housing Market Assessment evidence had concluded that the need in the Borough was 30%, and so there was a strong case for this figure as a policy as it was evidence-based. She added that in an ideal world affordable housing would be set through the Local Plan process, and there should not be room for negotiation, and she was not aware of any cases where the affordable housing rates had increased.

The Head of Planning Services said that National Planning Policy Framework changes had put the emphasis on the Local Plan deciding on the levels of affordable housing, which was a big shift since the last Local Plan went through. He said that the levels were determined at a fixed point in time with evidence based on making sure the Local Plan could be delivered. He outlined the routes that affordable housing could be achieved. These included through a Section 106 Agreement, which was viability based, and also grant funded affordable housing, which opened up cash flows upfront.

Members made further comments which included:

- Attracted to the 30% option because it offered more M4 (3) units than the 40% option;
- when construction costs were factored in, if there were additional green measures, would the properties end up with a slightly higher market value?;
- homes needed to be for life, would prefer if the M4 (3) figures were higher;
- maybe there could be a 35% affordable housing option;
- for non-Section 106 housing, if that was applied for did it affect the 30%?;
- and
- it would be good if a calculation could be done for the scenario of 35% affordable housing.

In response to points raised, Mr Cook referred to the second point above and said that was not taken into account, and the issue with house prices was that they were driven by other factors, and their 'green' characteristics were not taken into account in terms of the property value.

The Head of Planning Services responded to the fifth point above and said that this was on top of the 30% and was separate from Section 106 monies.

Mr Cook explained that it was not a quick process to factor in the 35% scenario.

The Chairman invited Members to speak on the brownfield sites and reminded Members that the policy options were for 10%, 20% and 30% affordable housing scenarios.

Members made comments which included:

- This was difficult because the environmental measures were really important to more urban environments;
- higher affordable housing would have a cost benefit for residents;
- this was a difficult trade-off:

- would like 30% affordable housing, but with more the environmental measures; and
- preferred the 20% option.

There was some discussion on the separate option for Rushenden. The Head of Planning Services explained that there were discussions with Peel Ports and they were constructing a Masterplan, with an emphasis to build on the adjacent employment land area, with some of the employment land re-located to the green field area, where there were flooding issues, but would be acceptable for employment use.

The Chairman invited Members to vote on the percentage of affordable housing they wanted to put forward as a steer for the consultants on both brownfield and greenfield sites. For brownfield sites, with the option of 10%, 20% or 30%, the majority of Members voted for 20% and for greenfield sites, with the option of 30%, 35% or 40%, the voting was spread between the three options, with 40% receiving one more vote than the other two options.

The Chairman said that figures for M4 (2) and M4 (3) could be worked out for the 35% option.

The Chairman thanked Stuart Cook and Ed Tyler for attending the meeting for this item.

Recommended:

(1) That the scenario of 20% affordable housing for brownfield sites and 40% for greenfield sites, with 35% variables looked into further for greenfield sites be provided as steers on the policy priorities that have a cost to development for final testing and inclusion in the emerging Local Plan Review if viable.

301 URGENT ITEM - LEVEL 2 STRATEGIC FLOOD RISK ASSESSMENT

The Planner introduced the report which explained that a Level 2 Strategic Flood Risk Assessment (SFRA) had been prepared as part of the evidence base supporting the Local Plan Review (LPR) and the report set out the key conclusions and recommendations.

Recommended:

(1) That the report be noted, and the Level 2 Strategic Flood Risk Assessment be published and used as part of the evidence base for the Local Plan Review.

Chairman

Copies of this document are available on the Council website <http://www.swale.gov.uk/dso/>. If you would like hard copies or alternative versions (i.e. large print, audio, different

language) we will do our best to accommodate your request please contact Swale Borough Council at Swale House, East Street, Sittingbourne, Kent, ME10 3HT or telephone the Customer Service Centre 01795 417850.

All Minutes are draft until agreed at the next meeting of the Committee/Panel