Matter 3 – Infrastructure and Viability

Matter Statement by Kettering Borough Council

September 2020
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1. Introduction

1.1. This statement sets out the Council’s response to Matter 3: Infrastructure and Viability, questions 1 - 4, in respect of the following issues:

- Whether the Plan is positively prepared and justified, effective and consistent with national policy and the JCS in relation to infrastructure and viability.

1.2. The statement also addresses any representations which the Council considers are of particular significance or concern, where this is the case the relevant respondent number and comment id are provided.

1.3. All documents referred to in this statement are listed in Appendix 1, submission document numbers are provided throughout where applicable.

2. Matter 3 – Question 1: Is the Plan’s approach towards infrastructure justified, effective and consistent with national policy, so as to ensure the timely delivery of the scale and distribution of development in the Plan?

2.1. The approach to infrastructure set out in Chapter 14 and Appendix 4 of the Plan (PKB1) is justified, effective and consistent with national policy, to ensure the timely delivery of the scale and distribution development identified in the Plan.

2.2. Paragraph 20 of the NPPF requires strategic policies to make sufficient provision for infrastructure, this includes transport telecommunications, security, waste management water supply, wastewater, flood risk and coastal change management, and the provision of minerals and energy and for community facilities, such as health, education and cultural facilities.

2.3. The content included within the Plan (PKB1) on infrastructure is primarily informed by the existing North Northamptonshire Infrastructure Delivery Plan (IDP) (INF2) which was originally published to support the North Northamptonshire Joint Core Strategy (JCS), more specifically Policy 10 of this document, ‘Provision of Infrastructure’. This document was updated in 2017 to reflect forecasted growth in both housing and population.

2.4. At the independent examination of the JCS, the Inspector was satisfied that policies 15-18, in relation to transport infrastructure as well as aforementioned Policy 10, were sound and consistent with the NPPF, as shown in JCS2. The Inspector was also satisfied that the projects identified in the JCS were viable and deliverable over the plan period.

2.5. The 2017 IDP (INF2) is based on information that was available at the time but recognises the changing needs and circumstances over the plan period and hence will be updated on a regular basis. This information was sourced from a wide range of authorities, key service providers as well as statutory providers through consultation and ongoing involvement by these bodies.
2.6. However, it is recognised that the IDP focuses on infrastructure to deliver the strategic policies within the JCS. Therefore, it is considered that more local infrastructure needs should be considered through the Part 2 Local Plan (SSP2). As a result, the Council has produced its own ‘Infrastructure Delivery Plan (IDP)’ (INF1) to accompany the SSP2 and provides an addendum to the North Northamptonshire IDP (INF2). The table from this document is included within Appendix 4 of the Publication Plan. This document updates previous evidence supplied by service providers through the IDP and in support of JCS Policy 10 to identify local infrastructure that will help deliver the SSP2.

2.7. The monitoring of this document will be facilitated through the Authorities Monitoring Reports, which are published on an annual basis. Although the Council will continue to monitor the delivery of the infrastructure identified in both the JCS IDP and SSP2 IDP between the publication of these documents. Meaning both are intended to be living documents, to respond, when required, to the infrastructure needs of the JCS and the SSP2.

2.8. Therefore, it is considered that the Council’s IDP (INF1) is justified and consistent with national policy and will ensure the timely delivery of the scale and distribution of development in the Plan (PKB1).

3. Matter 3 – Question 2: What are the likely impacts of the proposed development on infrastructure, and what specific improvements are required or have been proposed?

3.1. The impact of development proposed in the Plan (PKB1) on infrastructure has been considered on both a site specific basis as well as cumulatively.

3.2. Through the site assessment process of both housing and employment allocations certain criteria assessed the impact of the development of the site on the local infrastructure. The methodology used to assess these sites is set out in the Housing Allocations Background Paper - 2012 (HOU9) and sets out the specific criteria used in the assessment process. This methodology was prepared using the ‘Site Assessment Matrix’ developed by Roger Tym and Partners for East Northamptonshire Council and links the assessment criteria with relevant Sustainability objectives.

3.3. The criteria related to infrastructure include, education, highways, water, sewage, electricity, gas and drainage. The assessment of each site against these criteria where informed by statutory consultees, including Northamptonshire County Council (NCC) and Anglian Water. With regards to highways, the consultation sought to assess the impact of the development on the highway network, to determine whether work was required to existing highway infrastructure to increase its capacity to better cope with excess vehicular traffic as a result of the development.

3.4. Further work was undertaken by Northamptonshire County Council (NCC) highways team to assess the cumulative impact of site allocations in Rothwell and Desborough on the highway network in these settlements. This work was
undertaken when the Council was considering which sites in these settlements were to be proposed for allocation, following the Council’s site assessment process. The methodology included the measurement of key junctions within these settlements as well as calculating the number and direction of trips to and from these two towns. Following the initial assessment results (INF4) several options were proposed which saw various combinations of sites ranked by their impact on the local highway network (INF3). The Council then had to consider the number of dwellings in each of these options and balance the impact on the highway network and the need to meet the JCS requirement for these settlements, set in Policy 30 of the JCS. The sites included within the chosen option were then proposed for progression as housing allocations for inclusion in the Plan (PKB1).

3.5 In addition, other criteria sought to assess the impact of the allocations on education and transport, in relation to school provision and access to public transport. Although, it is recognised that the individual impact of these sites on the existing infrastructure is unlikely to be significant and therefore needs to be considered at a more strategic level, which was apparent from the consultation responses received from statutory consultees. Such improvements, in relation to the former have already been identified in the Northants Organisational Plan for Schools 2016 – 2021, as referenced in the Council’s IDP (INF1). The Road Investment Strategy and the Kettering Town Transport Strategy identify transport related infrastructure projects, all of which seek to assist the Borough to provide the sufficient level of additional infrastructure to allow the Council to deliver the SSP2 as well as the JCS.

3.6 The impact on other types of infrastructure such as flood risk management, green infrastructure and open spaces have been assessed separately through the SFRA (ENV14), Green Infrastructure Delivery Plan (ENV4) as well as the Sports Facilities Strategy (HWB4), Playing Pitch Strategy (ENV21) and the Open Space Standards Paper (ENV22).

3.7 A number of polices in the Rural Area chapter, set out settlement specific ‘development principles’, where a number of improvements have been included, which were previously identified in the Rural Masterplanning Report – 2012 (RA3). These projects are not considered essential infrastructure to enable the development of these sites but are more focused on providing enhancements to the villages through developer contributions, via Section 106 planning obligations.

3.8 The viability assessment (VIA1) analysed policies in the Plan (PKB1) to determine their impact upon viability. Through this process, only two site specific policies CRA2 (6 dwellings) and CRA3 (10 dwellings) were identified to have a significant impact on viability. However, it should be clarified that the reason for this, is not because of required infrastructure improvements, it is because these are exception sites and they require a higher level of affordable housing compared to the other residential allocations. VIA1 found that when tested separately, 70% affordable housing was viable on these sites, as stated in paragraph 5.58. Although, in order to provide any S.106 contribution, the
level of affordable housing would need to be decreased, with a subsequent increase in market housing, to enable development (paragraph 9.14).

3.9 The Council therefore considers the improvements in the Council’s IDP ([INF1]), although not site specific, assist with providing infrastructure enhancements in accordance with the cumulative impact of the level of proposed growth in the Plan ([PKB1]). Those improvements included within the JCS IDP also assists with the proposed level of growth set out in both the JCS and SSP2. By ensuring that these documents are updated regularly, this allows for the changing infrastructure needs through the plan periods of these documents can be adjusted accordingly if required.

4. Matter 3 – Question 3: Were viability assessments undertaken during the preparation of the Plan in accordance with the relevant national guidance? Are the recommendations of any viability assessment reflected in the Plan?

4.1 A Whole Plan Viability Assessment was undertaken by Aspinall Verdi ([VIA1]), during the preparation of the Plan ([PKB1]), this document was published in December 2019. As set out in the assessment document, it is stated in paragraph ES2 that ‘The viability testing has been an evidenced based approach and followed best practice set out in the revised National Planning Policy Framework (NPPF), CIL Regulations and revised Planning Practice Guidance (PPG)’.

4.2 Paragraph 1.2 of the report goes on to specify the guidance and ‘viability standards’ that the viability assessments are based on. This includes the Local Housing Delivery Group publication ‘Viability Testing Local Plans; 2012, the RICS ‘Financial Viability in Planning 1st Edition’, 1st Edition’, 2012 and the RICS ‘Financial viability planning: conduct and reporting, 1st Edition’, 2019, as well as the NPPF and PPG.

4.3 This is further emphasised in paragraph 2.12, which sets out that both the revised NPPF and updated PPG ‘Viability and plan making’ have informed the methodology in this assessment, specifically in chapters 3 and 4. This is followed by further reference to the PPG in relation to viability and that it ‘should be resolved at plan making stage rather than decision making stage’ (2.13) as well clearly setting the approach required by national guidance in relation to the setting of policy requirements for contributions. Others matters such as engagement and starter homes are also considered in the context of PPG.

4.4 With regards to the methodology used for this assessment, it is evident that regard has been taken to PPG when undertaking development appraisals and the assumptions that have been made to inform them. This is considered to also be the case in relation to development costs also, more specifically in relation to land value.

4.5 The approach taken to typologies and scenarios is considered to be in accordance with national guidance as well as best practice. Therefore, with this considered and the evident regard for not only national guidance, but best
practice from the viability sector, the results of the viability testing and the subsequent recommendations put forward to the Council were founded on a methodology in accordance with national guidance.

4.6. It is considered that the recommendations of this viability assessment have been reflected adequately in the Plan (PKB1). Some of the recommendations put forward to the Council follow a common theme where it is stated that ‘the Council will need to take a flexible policy approach to affordable housing’. This relates to smaller brownfield sites and over 55s accommodation which have been tested and considered unviable, although because these typologies are only a small percentage of development, the overall viability of the Plan (PKB1) is not impacted upon.

4.7. However, as stated in paragraph 9.19, it is recognised that the emerging Plan allows for sufficient flexibility in its approach to affordable housing. This is because on allocated sites which meet the threshold to provide affordable housing in Policy 30 of the JCS, a criterion has been included to require the applicable percentage, dependent on the location of the site. As stated in Policy 30, the threshold for schemes in the Growth Town or Market Towns is 15 dwellings and above, where 30% of dwellings provided are required to be affordable. Elsewhere, such as the rural area this threshold is 11 or more dwellings, where 40% of dwellings are required to be affordable.

4.8. Policy 30 also states that ‘the precise proportion and tenure mix of affordable housing will consider the need identified in the SHMA toolkit and the viability of the development’. Further flexibility is allowed by Policy 30 in relation to the provision of smaller properties, whereby the need for an extra bedroom is considered, but this is caveated through paragraph 9.26 which states that this will only be supported where at least 70% of properties are 1-3 bedrooms. This is because it is these properties ‘which will provide the more affordable market housing options to meet identified needs’. This has been considered in the viability testing and has been referenced in paragraph 5.31 of the assessment.

4.9. In addition, it was also found that most scenarios that were tested showed a viability surplus, which as stated in paragraph 9.18 could be used ‘to fund Section 106 contributions where appropriate’.

4.10 Therefore, it is considered that through Policy 30, the approach to affordable housing on housing site allocations as well as non-allocated developments including commitments and windfall sites offers sufficient flexibility, making it evidently clear that the recommendations of the viability assessment have been reflected in the Plan (PKB1).

5. Matter 3 – Question 4: Are the policy requirements such that the cumulative cost of all relevant policies will not undermine the deliverability of the Plan having regard to the types of development and sites proposed?
5.1 The Whole Plan Viability Assessment (VIA1) undertook an analysis of the policies contained within the Plan (PKB1) at 21/10/2019, this is included within Appendix 1 of VIA1. In addition, the assessment considered the impact of the adopted policies of the JCS, using a ‘traffic light system’ to determine the extent of the impact of each policy has on viability. This is clearly set out in paragraph 4.3 of VIA1.

5.2 Those policies which are considered to have a direct impact on viability and given a ‘red’ score through the aforementioned traffic light system have been included within the economic appraisals. These policies are stated in paragraph 4.4 and are as follows:

- Policy 6 – development on brownfield land and land affected by contamination
- Policy 7 – community services and facilities
- Policy 9 – sustainable buildings and allowable solutions
- Policy 10 – provision of infrastructure
- Policy 16 – connecting the network of settlements
- Policy 17 – North Northamptonshire’s strategic connections
- Policy 30 – housing mix and tenure

5.3 The same approach has been taken in relation to the policies of the Plan (PKB1), this is included within Appendix 2 of VIA1. Those policies identified as having a high and medium impact in the Plan (PKB1) are identified in paragraph 4.6 of VIA1 and are as follows:

- Policy HWC1 – Health and Well-being
- Policy HWC2 – Protection of Community Facilities and Proposals for New Facilities
- Policy NEH1 – Flood Risk Management Policy*
- Policy NEH2 – Green Infrastructure
- Housing Site Policies – CRA2 to CRA3 – Rural exception sites

* Changed to Local Flood Risk Management (Publication Plan - December 2019)

5.4 The approach taken by Aspinall Verdi when undertaking viability testing in VIA1 is derived from PPG which states that ‘Assessing the viability of plans does not require individual testing of every site or assurance that individual sites are viable’ as referenced in paragraph 3.9 of VIA1. As a result a number of typologies have been derived from the type of development coming forward on the proposed allocation sites, based on shared characteristics such as ‘location, whether brownfield or greenfield, size of site and current and proposed use or type development’, as referenced on page 21 of VIA1. In addition, the sale values of properties across Kettering Borough have been considered and analysed, concluding that there are 3 value zones present within the borough, identified in Figure 5-3 of VIA1. As a result, Aspinall Verdi, identified 15 different typologies, across the three value zones, and split by their brownfield/greenfield status and site yield. Another factor that was considered was the housing mix across the tested scenarios. Whilst this mix was originally derived that the 2015
SHMA, this has been adjusted to make it ‘more representative of what is being delivered by the market’ as stated in paragraph 5.32 of VIA1. The full results of the testing of these typologies can be found within Appendix 8 of VIA1.

5.5 However, the results of these are summarised, solely for residential uses on pages 40 and 41 of VIA1, where they have been subsequently split into greenfield, brownfield and rural exception sites. Included within the testing for residential uses is over 55’s accommodation. Non-residential uses have also been tested through VIA1, including both retail and employment uses.

5.6 Through this testing the cumulative impact of both existing policies from the JCS and the SSP2 have been considered simultaneously and the results of this testing overall indicate that they do not undermine the deliverability of the Plan (PKB1). This is evident given that is concluded that there were no major amendments required to the Plan (PKB1) at Publication Plan stage as indicated in paragraphs 9.18 and 9.19 of VIA1. Here, the recommendations indicate a viability surplus to fund Section 106 contributions and that a flexible approach to housing, which Aspinall Verdi concluded in paragraph 9.19 to be ‘permissible in their emerging policy’.

5.7 Therefore, the Council is satisfied that VIA1 provides a robust justification for the methodology and approach taken to the viability testing of policies within the Plan (PKB1) and relevant policies from the NCS for all development types proposed within the Plan, both residential and non-residential uses.

6. Conclusion

6.1 The Council considers that the submitted Kettering Borough Site Specific Part 2 Local Plan is sound in relation to the Issues and Questions set out in Matter 3. This is founded on the assessment provided in this statement, which has outlined consistency with national policy and the JCS. This is because the approach taken with regards to infrastructure mirrors that taken as part of the adopted JCS, through the publication of the original IDP in 2015 and its subsequent update in 2017 (INF2). This document as well as the Council’s IDP (INF1) are both living documents and intrinsically linked. They will also be reviewed and amended accordingly to reflect the changing needs, in order to effectively deliver the strategic and local policies in these documents.

6.2 With regards to viability the Council is confident that the approach taken to testing the viability of the Plan (PKB1) in the Whole Plan Viability Assessment (VIA1) as a whole and the individual policies contained within it is justified, in accordance with national policy and based on a robust methodology.

6.3 Therefore, to conclude, the Council considers the Plan (PKB1) to be positively prepared and justified, effective and consistent with national policy and the JCS in relation to infrastructure and viability.
Appendix 1: List of Reference Documents

- PKB1 – SSP2 Publication Plan
- NPPF – National Planning Policy Framework
- PPG – Planning Practice Guidance
- JCS1 – North Northamptonshire Joint Core Strategy 2011-2031
- JCS2 – North Northamptonshire Joint Core Strategy 2011-2031 Inspector’s Report
- INF1 – Kettering Infrastructure Delivery Plan
- INF2 – North Northamptonshire Infrastructure Delivery Plan
- INF3 – Rothwell and Desborough Site Assessments: Ranking of Possible Growth Options
- INF4 – Rothwell and Desborough Site Assessments
- HOU9 – Housing Allocations: Background Paper
- ENV4 – Green Infrastructure Delivery Plan
- ENV14 – Kettering Strategic Flood Risk Assessment Level 1
- ENV21 – Playing Pitch Strategy
- ENV22 – Open Space Standards Paper
- HWB4 – Sports Facilities Strategy
- RA3 – Rural Masterplanning Report
- VIA1 – Site Specific Part 2 Local Plan Viability Study