



**Additional submission to
Maidstone Local Plan EIP
Session 3B**

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1. Prefacing remarks

- 1.1. Golding Homes (“Golding”), the major Registered Provider (Housing Association) in Maidstone, has been developing proposals for, and promoting, a new garden suburb since 2007.
- 1.2. Earlier versions of the Maidstone Local Plan, which were formally consulted with the local community in 2007, favoured Option 7C which included a new settlement to the SE of Maidstone. At that time the objectively assessed housing need based on then current SHMA and Regional Housing Strategy data assumed a housing target of c. 10,080 over the plan period.
- 1.3. Work to the Core Strategy was suspended shortly thereafter so that the Council could focus on its’ strategic response to the proposed Kent International Gateway scheme. Following the decision on that application work on the Core Strategy re-commenced in 2009. As part of that work the Local Development Document Advisory Group (LDDAG) received a paper outlining the draft vision for the spatial plan on 28th June 2010, with that paper recommending (inter alia) a sustainably designed urban extension to the south east of the town.
- 1.4. The challenging economic climate of that time, allied to changes in the political environment and Planning policy post the general election in 2010, led the LDDAG to instruct that reference to the urban extension should be deleted from the spatial vision for the town.
- 1.5. Golding Homes instructed a review by local planning consultancy DHA which challenged the decision taken by LDDAG and this was provided to MBC on 22 July 2010, and acknowledged by their Chief Executive on 3 August 2010, who commented that “...where relevant, officers will contact you directly to seek any clarification of the points you have raised.” There was no further contact from MBC officers.
- 1.6. Option 7C was dropped in 2014 (when the overall number of new homes required was subject to debate, but the number required being significantly increased, with estimates ranging from 14,100 to 19,600). Notwithstanding that the land was available and the housing targets had actually increased one of the key reasons put forward for dropping Option 7C was that the road necessary to support the development was not affordable (*see para 10.2.9 of the Sustainability Appraisal of the Maidstone Local Plan*). This view was based on cost estimates for the new road provided via KCC.
- 1.7. Following informal representations a meeting was held with the Leader and Cabinet Member for Regeneration on 1st November 2010 where a presentation was given outlining the wider benefits of a new

urban extension, including infrastructure delivery, training and employment. Golding was advised that the level of cost of the new road advised by consultants acting for KCC was up to £80m. Golding questioned this level of cost estimate and in return was invited to provide evidence of the deliverability of the new road.

- 1.8. Golding therefore instructed a robust cost plan from DavisLangdon, now a key member of AECOM, (the firm chosen by MBC to undertake the sustainability appraisal of the Draft Local Plan). The plan was suitably detailed, clear in its planning assumptions and based on 12 comparables for roads and 11 comparables for bridges. That cost plan, which included a 30% contingency for design and construction abnormalities, resulted in a substantially lower cost than had been assumed by MBC/KCC, of £24.134m (at Quarter 4, 2010), based on a single carriageway road. This information was provided to MBC in December 2010, but unfortunately was never responded to.
- 1.9. A further update was provided in September 2011 (- copy attached at Appendix B) to show the estimated costs for a dual carriageway instead of the single carriageway road, and that cost was estimated at £39.6m.
- 1.10. A further Due Diligence type review of the overall development proposal, including the delivery of a new road, was undertaken by leading development consultants DTZ in March 2012 which demonstrated the proposed new development, including the new road, was fundable and a copy was provided to MBC but unfortunately this was never responded to either.
- 1.11. Golding has requested sight of the cost plan produced for KCC/MBC resulting in the estimate of up to £80m. for the new road but this has never been forthcoming. Golding has therefore submitted a request under the FOI/EIR regulations for a copy of the detailed cost plan used by MBC/KCC in arriving at the conclusion that the road was unaffordable. In doing so we have asked for a copy of the detailed cost plans and sustainability appraisal for the alternative chosen by MBC/KCC, as the most appropriate basis for comparison is the full, like for like cost of all necessary works / investment for all major alternatives, and this to be set against the benefits derived from each. MBC have indicated the request will be responded to by 10 October. If the requested information is received in time to be considered prior to the Hearing date Golding will address the issue of cost estimates for the new road at the Hearing.
- 1.12. Since the abandonment of Option 7C national planning policy has developed in favour of new garden cities and suburbs, and this introduced significant opportunities for government financial support.

- 1.13. Golding's work on the proposed settlement at SE Maidstone formed a significant element of a submission to the prestigious Wolfson Economics Prize 2014 by the author of this paper (- copy attached at Appendix D). That submission was shortlisted to the final 5 entries (out of an international field of almost 300 entries) and was then further developed at the final stage. The paper argued that a new garden city was a demonstrably viable proposition at the 8,000 homes assumed for modelling (- the final version extended the financial modelling, and the infrastructure, to 15,000 homes based on encouragement from the Prize organisers) but while the development proposed now involves fewer homes the principles hold good and a substantial contribution could be made (see later comments). The Wolfson judges citation included "*Principles of affordability and viability came through very strongly and the judges were left in little doubt about the credibility of the financial analysis, which was extremely strong and supported at every turn with references and evidence, backed up with extensive stress-testing. They also liked the sensible and affordable proposals for achieving local sustainability*".
- 1.14. The arguments developed as part of that paper could have been redeployed to seek support and assistance from the SE LEP – the housing supply and training and job creation implications would have had regionally significant benefits.
- 1.15. Golding stands behind the arguments already advanced, although the viability modelling need to be re-run to bring them up to date based on current and projected future costs and values.

- 2. Qn3.7. The estimated cost of a Leeds-Langley Relief Road has been put at £50-£80m. Can Golding estimate what 'significant contribution' could be made to that road by their proposed development and what other sources of funding would be needed?**
- 2.1. As outlined in sections 1.11 above Golding has requested but not been given access to the design and costing used by KCC and MBC in arriving at a cost estimate of £50-80m for the development of a new Leeds-Langley Relief Road.
- 2.2. This spread of cost estimates suggests the design is either not fully developed or not costed in detail, and this goes to the heart of one of the key issues Golding is concerned about, namely that the important strategic decision to move away from a new settlement was made without adequate consideration of costs, notwithstanding that Golding had shared the cost advice which it had commissioned.
- 2.3. Golding put forward its own cost estimates based on professional advice from AECOM. That professional advice necessarily made assumptions about route and design, but given the positioning of the two roads to be linked (the A20 and the A274) and the proximity of existing settlements, natural features and J8 of the M20 there are a limited number of routing options available.
- 2.4. The design costing employed standards commonly used for a road (and bridge) of this nature and was based on 10 then current comparables for both road and bridge construction, and included options for both single and dual carriageway, including all associated highways engineering. The costing also included significant contingencies for both design and construction (e.g. ground conditions and hydrology) variables, for prudence.
- 2.5. These cost estimates were originally provided to MBC in a letter to the then Leader of the Council dated 2nd December 2010 and then updated estimates provided in September 2011 of £24m (single carriageway) or £39.6m (dual carriageway).
- 2.6. The costing was split into three zones, namely the land within the site being promoted, the land between the site and the River Len (including 50% of the cost of bridging the river) and the land between the River Len and the A20 (now being promoted as a high quality commercial area).
- 2.7. Golding's proposals have always assumed that the cost of the road falling within the site being promoted would be met in full by the development. The construction would be carried out by the

construction team for the development of the new settlement to ensure optimal timing and integration of design for services etc. but to designs approved by KCC and for eventual adoption.

- 2.8. The cost of the road falling within the site being promoted was estimated at 39% of the total cost (based on the DavisLangdon estimates developed for Golding). These need to be reviewed to ensure up to date costs are incorporated, alongside a review of current and future market conditions (including any “Brexit” effects) to confirm viability, and this has not been possible in the time between the questions being raised and the closing date for further submissions. However, it is possible that there may be scope to make further contribution to the road beyond the site boundaries, but that is subject to further cost and viability work which has not been possible in the timescale for preparing this additional submission.
- 2.9. Golding’s proposals have always assumed that other development benefitting from the new road should contribute fairly/proportionately. There are a number of other developments which would benefit directly, including:
- A proposed new high quality employment area close to J8 of the M20, as proposed in the Draft Local Plan.
 - The significant amount of new development proposed along the A274, which would otherwise overburden the road infrastructure in the East side of Maidstone and through the existing local network of roads in the area between Leeds, Langley, Maidstone and j8 of the M20.
 - Maidstone BC would itself benefit as it is a significant landlord of commercial property in the Parkwood Trading Estate, and improved connectivity would improve rents.
- 2.10. If consented, the development would have had access to New Homes Bonus (NHB) funding of significant levels. On the most conservative of assumptions the site would generate over £2m pa when in full production if the NHB was continued in something like its current form. This is, of course, a broad assumption, but the point of development generating revenue is an important one, particularly given debate about tax increment financing for new infrastructure investments.
- 2.11. There are also good reasons why there should be regional infrastructure funds made available, namely:
- 2.11.1. The Leeds-Langley route has long been seen as a priority for improvement to assist traffic movement around Maidstone to the East, and to improve connectivity for the larger settlements to the

South. With suitable promotion the new road could validly be seen as a suitable and important element of Kent-wide transport infrastructure plans.

- 2.11.2. The economic gains, both during construction and subsequently, would merit infrastructure funding from the SE LEP. Golding has informally suggested this to MBC in the past, although this has not been taken up.
- 2.12. There is also a persuasive argument that funding could have been sought from national funding given the central role in enabling a new garden suburb which would be an exemplar of its kind.

3. Qn3.8. When might such a road be available for use?

- 3.1. The stated intention has always been that the road would be the first element of the construction of a new settlement, and that intention remains. The cost planning (which as stated above has been subject to a due diligence review by leading development consultancy DTZ) assumes the road to be delivered over years 1-4 and that while sections of the road would be used for construction traffic for the new settlement the road would come into full use in approximately year 5 of the programme.

4. Qn3.9. The Local Plan period runs to 2031. When would the first delivery of housing in a new settlement occur and how much housing could be delivered by 2031?

4.1. The project planning and cost planning behind the proposals shared with MBC and used in the Wolfson submission¹, and updated to a notional mid 2017 decision in principle to include a new settlement of the kind proposed would result in the following indicative programme,:

- Project commencement Mid 2017
- Infrastructure commencement Year ending 2020
- Residential commencement Year ending 2022
- First homes completed Year ending 2023

4.2. The project planning assumed a phased increase in delivery with years one and two of completions phased, and then an even flow over the balance of the up to 20 years delivery. This programme, which is necessarily indicative rather than firm at this stage, would result in a yield from the site of approximately 900 homes completed by 2031².

¹ See Appendix D

² An indicative 50 completions in 2022, 100 in 2023 and 250 per year thereafter

5. Concluding remarks

- 5.1. Golding has been involved in developing plans for a new settlement in SE Maidstone along Garden Suburb lines since 2007, and remains committed to such a development if included in the Local Plan.
- 5.2. The original Option 7C including a new settlement to the SE of Maidstone was included in the draft Local Plan following an extensive local consultation exercise.
- 5.3. Golding questions why the original Option 7C was dropped from the draft Local Plan particularly as clear and robust advice on the cost of the proposed new Leeds-Langley Relief Road was provided to MBC at the time.
- 5.4. Since then the level of new housing supply required has increased considerably.
- 5.5. The land being promoted has been, and remains, available for allocation.
- 5.6. Golding's proposals have been proved to be viable.
- 5.7. Golding's proposals have been put to MBC on a number of occasions, but MBC has chosen to simply ignore them, not even responding.
- 5.8. National planning policy has moved in favour of new garden settlements, such as that proposed by Golding, and work undertaken by and associated with Golding has been widely acknowledged to be well thought out and developed.
- 5.9. Golding's proposals would produce:
 - 5.9.1. A place of extremely high design quality, delivered at a measured rate over the Plan period, including a wide variety of social and commercial infrastructure.
 - 5.9.2. Employment land at the northern and southern ends of the new road (and would also have substantially improved access to, and hence rental yields from, Parkwood Trading Estate, which due to MBC ownership would have significantly improved both the rental yield and Business Rate yield).
 - 5.9.3. Training opportunities (because an overarching strategy covering the entire development area, for the full development period, would be possible)
 - 5.9.4. A substantial contribution to a new Leeds-Langley Relief Road

- 5.10. That is substantially more than has been secured in the piecemeal development such as that recently consented in several major residential development areas nearby.
- 5.11. The draft Local Plan currently includes several general areas of new development, although these are clearly far less certain as Golding's proposals, and the benefits nowhere near as secure. The transport burden of such developments are also considerably greater than those of the new settlement proposed by Golding.
- 5.12. MBC should therefore be asked to reconsider its strategy and to engage with Golding in assessing their plans for a new settlement to the SE of Maidstone as a key element of the Local Plan.

(2,655 words)

Chris Blundell
Director of Development and Commercial Services

Appendices

A: Schedule of key representations made to Maidstone BC in support of new settlement at SE Maidstone

Date	Nature of representations	To
22 July 2010	Letter with detailed Submissions on Draft Core Strategy	Chief Executive of Maidstone BC
1 November 2010	Meeting and presentation	Leader and Cabinet Member for Regeneration
10 December 2010	Letter with detailed Cost Study into cost of new Leeds-Langley Relief Road	Leader of MBC
26 October 2012	E-mail with updated Cost Study into cost of new Leeds-Langley Relief Road and Due Diligence review by DTZ	Leader of MBC
February 2013	Copy of Golding Homes prospectus for new urban extension	Leader, Cabinet Members, Chief Executive, Head of Planning etc.
25 May 2013	Meeting to discuss Golding Homes submission of Area C under Call for Sites	Michael Murphy, Strategic Planning Team, MBC
25 March 2014	Meeting and presentation to press case for inclusion of new urban extension	Key Planning and Highways personnel of MBC and KCC
7 May 2014	Regulation 18 submission	Local Plan Team
17 March 2016	Regulation 19 submission	Local Plan Team

B: Copy of cost estimate for new Leeds-Langley Relief Road prepared by AECOM and provided to Maidstone BC.

(Copy attached separately in PDF format)

C: Copy of promotional brochure “A new settlement for South East Maidstone” published by Golding Homes, March 2013.

(Copy attached separately in PDF format)

D. Copy of final submission to Wolfson Economics Prize 2014.

Please note: This submission was extended to design and model for a new settlement of 15,000 homes at the suggestion of the Prize organisers, but the principles hold good and the submission is included as evidence of the thinking behind the development of a new garden village, and that it chimes closely to the original garden city principles and the initiatives promoted by government since 2014.

(Copy attached separately in PDF format)