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**Matter 11**

**Matter 12**

**Matter 13**

## **Bath and North East Somerset Placemaking Plan**

**Further Statement on behalf of  
London Road Nottingham Limited  
In relation to Draft Policy SB15**

**Respondent No: 7070**

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## 1 INTRODUCTION

- 1.1 This Further Statement is submitted on behalf of London Road Nottingham Limited (LRNL) in relation to draft Policy SB15. It seeks to respond directly to three of the matters raised by the Inspector in IB3; namely:

Matter 11 – Housing in Bath

Matter 12 – Housing Allocations

Matter 13 – Bath’s Universities

- 1.2 The representations submitted by LRNL to the pre-submission draft Placemaking Plan raise concern with the soundness of Policy SB15 as well as a number of detailed technical and typographical matters. This Further Statement picks up on the principal concern of LRNL, namely the ability of the site to deliver approximately 100 dwellings and the express exclusion of student accommodation as a development option for the site.

## 2 CONTEXT

- 2.1 LRNL is part of Hartwell Plc and are the owners of the ‘Hartwells Garage’ site, which is located on the south side of Newbridge Road and is designated under Policy SB15. A small part of the designated site is owned by Hanson and is operated as a concrete batching plant. **Appendix 1** identifies the respective land ownerships.
- 2.2 Paragraph 202 of the supporting text to Policy SB15 acknowledges Hartwell’s intention to relocate its car showroom and workshops to a site at Bath Business Park, Peasedown St. John, where planning permission has been granted. This will enable the Newbridge Road site to be redeveloped.
- 2.3 Policy SB15 designates the site as a whole for residential development of between 80 - 100 dwellings, which could include a variety of specialist older person’s accommodation types. Notably however, student accommodation is expressly excluded as *‘this would prejudice the achievement of Policy DW1 and B1 in respect of boosting the supply of standard market and affordable housing’*.

### **3 SITE CONSTRAINTS**

- 3.1 The supporting text to Policy SB15 (para. 201) recognises in part that the site has a number of constraints to redevelopment, but these need to be properly understood.
- 3.2 In particular, there is a significant (approximately 7 metre) change in levels across the site. This creates a number of challenges in bringing forward any form of development. For example, the land adjoining Newbridge Road is shallow in depth which restricts the amount of development that can be accommodated at street level, while the cliff face below presents a very physical barrier to development on the lower part of the site.
- 3.3 Falling within the allocated site boundary is a concrete batching works which is strategically important to the construction sector in Bath. Relocating the works will be extremely expensive. The amount of additional development land that could be achieved through relocation would render such a relocation unviable, even if a suitable relocation site could be found.
- 3.4 A concrete batching plant is not an attractive neighbour to housing, creating considerable noise pollution and being visually unattractive.
- 3.5 The Maltings Industrial Estate, which is located immediately to the south of the site, also does not provide a good neighbour for residential development on the lower part of the site.
- 3.6 A dual-mains sewer with a significant easement (approximately 15m wide) runs in an east/west direction through the lower part of the site and cannot be built over. The easement already runs close to the southern boundary of the site and therefore while it could physically be possible to move the sewer slightly, it will not result in any significant increase in developable area, while at the same time the cost of relocating will be very high.
- 3.7 Policy T9 of the Adopted Local Plan (2007) safeguards a route through the lower part of the site for sustainable transport purposes. This is also safeguarded in the draft Placemaking Plan and identified on the plan accompanying Policy SB15.

- 3.8 The presence of the main sewer easement and the narrowness of that part of the site to the east of the Osborne Road viaduct means that part of the site is undevelopable, and could only be used for public openspace.
- 3.9 The entire site is within the Bath World Heritage site, while the Osborne Road viaduct forms the western boundary of the Bath Conservation Area. As a consequence, there are significant heritage constraints which have to be taken in to account in any redevelopment proposals.

## 4 VIABILITY

- 4.1 While part of the designated site will be available for redevelopment in the near future, the constraints identified above have a significant impact on the viability of proposals coming forward. The Placemaking Plan Viability Assessment prepared by BNP Paribas (CD/PMP/S2) includes an assessment of the site designated under Policy SB15.
- 4.2 Table 4.3.2 of the BNP Assessment clearly identifies the whole of the designated site (site ref. 28) as 1.6 hectares with car dealership and concrete batching plant stated as the existing uses. Only one development option for the site is considered in the assessment; a residential development of 6,880 sq.m (NIA) with 80 car parking spaces (see table 4.3.1)
- 4.3 The BNP Assessment summary of the site including both ownership parts is reproduced at **Appendix 2** and identifies a net residential land value of £3.39 million. This is then compared to a benchmark land value of £4.13 million. The firm conclusion in the Assessment is that the development modelled is 'UNVIABLE'.
- 4.4 In paragraph 7.4 of the BNP Assessment it is confirmed that the Hartwells Garage site is unviable, but it is then stated (without explanation or evidence provided) that it will become viable at 27% affordable housing, or if growth on sales is modelled at 20%, with inflation on costs at 10%.

- 4.5 By their own acknowledgment the BNP Assessment is high level and adopts generalised assumptions which should not be replicated in viability assessments submitted in support of planning applications. Their approach is also based on the residual method of valuation; whereby if a development generates a higher residual land value than the benchmark land value, then it can be judged that the site is viable and deliverable.
- 4.6 What is very apparent is that the BNP Assessment does not take account of the higher development costs associated with the Hartwells Garage site, or the lower gross development value that will be achieved due to immovable site constraints, such as the concrete batching plant or adjoining industrial estate. Instead, the BNP Assessment assumes the residential sale values will be the same for all residential floorspace in their Assessment, regardless of the site location, and it also assumes that the concrete batching plant will be relocated without taking into account the costs of doing this. In practice, these assumptions cannot be correct.
- 4.7 As part of their pre-application discussions with the Council, Oakhill Group Limited (part of Hartwell Plc), the parent company to LRNL, have commissioned its own Viability Report from Consultants CBRE, which looks at four development options for the LRNL owned part of the site. The report will be submitted in confidence to the Council and is not reproduced as part of this Statement, but it confirms that a 100% residential redevelopment of the site would not be viable.
- 4.8 **Appendix 3** contains worked up proposals for a 100% residential development of the site comprising a mix of 1 and 2 bed flats, 2 bed maisonettes and 3 bed mews houses, totalling 79 units, with a total net internal area of 6,215 sq.m. This scheme has been shared with the Council during pre-application discussions and confirmed by Officers as being acceptable in principle and likely to represent the maximum development that the site can accommodate.
- 4.9 As Oakhill wish to retain the completed development as an investment, to be viable the development must achieve a certain minimum investment yield, and there is no doubt from the CBRE Assessment that this cannot be achieved based on a 100% residential development scheme, even where the level of affordable housing is reduced.

- 4.10 Alternative development scenarios are also considered in the CBRE Assessment, including a mixed use development of student housing with a small convenience store (option 2) and a mixed use development of residential, student housing and small convenience store (option 4). These two alternative options are contained at **Appendix 4**. The CBRE Viability Assessment identifies that options 2 and 4, both of which contain student accommodation, are viable and could therefore be pursued by LRNL.

## 5 MATTER 11 – HOUSING IN BATH

- 5.1 Paragraph 173 of the NPPF states that *'pursuing sustainable development requires careful attention to viability and costs in plan-making and decision-taking. Plans should be deliverable.'* It goes on to state that *'sites should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened.'*
- 5.2 The parent company of LRNL (Hartwell Plc) is an experienced developer and is willing and able to redevelop their land holding at Newbridge Road following the relocation of the car dealership. However, they will not bring forward a development that is unviable for them, and instead will let the site to another motor-trade related use in order to achieve rental income for the short-medium term future, rather than invest a significant capital sum in a development which does not provide them with a viable investment return.
- 5.3 Draft Policy SB15 requires the Hartwells Garage site to be redeveloped for residential dwellings. By the Council's own Viability Assessment a residential development of the site will be unviable, and this has been confirmed by a far more detailed appraisal carried out on behalf of LRNL by CBRE. This has reconfirmed that a 100% residential development on the site will be unviable and so the site cannot be developed in accordance with the Policy. Accordingly, Policy SB15 is unsound.
- 5.4 The draft Policy assumes that the site will contribute approximately between 80 and 100 residential units towards the Council's housing requirement. It must also be assumed within this that there will be a contribution towards the Council's affordable housing needs arising from the site. In terms of the Inspector's Question 1 under

Matter 11, there must be doubt as to whether sufficient housing can be provided through the site allocations and development management policies to secure the provision of the required 7,020 dwellings for the City during the Plan period. Certainly the Hartwells Garage site will not be able to contribute towards the housing target.

## **6 MATTER 12 – SITE ALLOCATIONS**

- 6.1 The Hartwells Garage site is an important brownfield site that is located close to the City Centre and is suitable and available for redevelopment. It is entirely appropriate for the site to be designated as a development site and its redevelopment can bring a number of significant benefits, including a significant enhancement to the Newbridge Road streetscape and providing the missing link to the east-west sustainable transport route identified within Policy T9 of the adopted Local Plan.
- 6.2 Unfortunately, the Council's approach in designating the site is short sighted with the result that because housing development on the site is unviable, the Policy will actually prevent the site delivering the important benefits and making any contribution towards the Council's housing requirements.
- 6.3 With regard to Question 1 raised by the Inspector under Matter 12, there is no evidence that the Council have considered any reasonable alternatives for the site having regard to the deliverability considerations. The BNP Viability Assessment, published in November 2015, identifies the site as unviable for residential development, yet the draft Placemaking Plan published the following month identifies no other possible uses for the site, and expressly prevents student housing, which is a use that would actually be viable on the site.
- 6.4 As drafted, Policy SB15 is too inflexible and will result in the site not coming forward for redevelopment. The missed opportunity will go beyond the failure to deliver new housing as other land uses, such as student housing, for which there is an urgent need, are resisted by the Policy. The other benefits of redeveloping the site will also not be realised. The Policy is therefore unsound.

## **7 MATTER 13 – BATH'S UNIVERSITIES**

- 7.1 The recent Student Numbers and Accommodation Requirements in Bath document - May 2016 (CD/PMP/B16/1) reflects the latest position in terms of demand and supply for student accommodation in the City and the emerging needs of the Universities. From this it is very clear that demand far exceeds supply and there will have to be some reliance on the private sector delivering off-campus purpose built student accommodation. Failure to deliver new student accommodation will place a significant constraint on the Universities; their contribution to the economy of the City, and will have an adverse impact on the presence of HMO's within the City.
- 7.2 Draft Policy B5 refers to off-campus student accommodation and excludes new student accommodation within the Central Areas and Enterprise Area in order to prioritise housing and economic development. Elsewhere, student accommodation can be acceptable and this can be seen, for example, through draft Policy SB16 – Burlington Street, where residential development including student accommodation is permissible.
- 7.3 There appears no rationale however to expressly excluding student accommodation from the Hartwells Garage site (Policy SB15). Unlike housing development, the site is viable for a mixed use development incorporating student housing, traditional housing and convenience retail (see **Appendix 4**) and if Policy SB15 is amended to be more flexible over such uses, the site can come forward in a way that will meet a number of the City's requirements. This could include making a significant contribution towards purpose built student accommodation within the City.
- 7.4 Without amendment, Policy SB15 will fail to deliver on a number of important Policy objectives and the site will not come forward for development. This will be in direct conflict with paragraph 173 of the NPPF.

## **8 CONCLUSIONS**

- 8.1 The Hartwells Garage site is a prime site for redevelopment and it is appropriate and necessary for it to be allocated in the Placemaking Plan.

- 8.2 There are competing demands for a number of land uses in Bath, including in particular traditional housing and student accommodation. Because of its site constraints leading to higher development costs and lower sales revenues, a residential development of the site in line with Policy SB15 is not viable.
- 8.3 As drafted, the Policy is in direct conflict with paragraph 173 of the NPPF as the viability of redeveloping the site has clearly been ignored in the plan-making process and it places a policy burden on the ability for the site to be developed viably.
- 8.4 The inclusion of other land uses, in particular student accommodation, within Policy SB15 will enable a viable redevelopment proposal to come forward. This will ensure that the site will deliver a number of benefits for the City.
- 8.5 Failure to amend the Policy will frustrate redevelopment of the site coming forward, which will undermine the very aims of the Plan.

## Appendix 1

## Appendix 2

## Appendix 3

## Appendix 4