

**Lewes District Council  
South Downs National Park Authority**

**Lewes District Local Plan: Part 1  
Joint Core Strategy**

**Harbour Heights, Newhaven  
(MM13)**

**Proposed Modifications Background Paper**

**August 2015**



## **Justification for Proposed Main Modification MM13: Harbour Heights, Newhaven**

**Site area:** 20 ha (15 ha approx. net developable area)

**Current land use:** Agricultural land and employment premises

**Ownership:** The Trafalgar Group owns the significant majority of the site (a relatively small area of the existing employment premises is in separate ownership)

1. This paper has been prepared to provide further detail and explanation of the Proposed Modification MM13, to supplement the justification text included in the proposed modification. MM13 has been drafted in response to the Inspector's Initial Findings Letter [ID-05] recommendation that land at Harbour Heights should be a full strategic allocation in the Joint Core Strategy (JCS). Land at Harbour Heights was previously included as a broad location for development in the Submission JCS [CD/001] (Spatial Policy 6).
2. In light of the Inspector's recommendations, the local planning authorities have drafted proposed modifications to the JCS. With regard to the land at Harbour Heights clarification has been provided on the site boundary and number of dwellings to be delivered, including the level of affordable housing.
3. As a result of other proposed site allocation modifications some Spatial Policy references will change. The Land at Harbour Heights full allocation will be Spatial Policy 7 (rather than Spatial Policy 6 as identified in the Submission JCS).

### **Masterplanning**

4. Proposed main modification MM13 requires the preparation of a masterplan for the whole site. The masterplan will set out the detailed mix of development to be delivered on the site and will be expected to demonstrate a comprehensive and deliverable development should the site come forward for delivery as a whole or as separate/phased developments.
5. The masterplan will be expected to be accompanied by an Infrastructure Delivery Strategy, Phasing Strategy and Financial Appraisal to help achieve the requirements of SP7. Together these should demonstrate to the local planning authority that a realistic and deliverable development is achievable. Identifying the delivery of the affordable housing and employment provision, as set out in SP7, as part of the masterplanning work will be particularly important.

## Site Boundary

6. Several parcels of land around Harbour Heights have been promoted through the local planning authority's Strategic Housing Land Availability Assessment (SHLAA) [CD/097]; the land east of Tideway School (SHLAA reference 03NH); Land West of Meeching Quarry (32NH) (unimplemented 2003 Local Plan allocation NH8); land west of NH8 and Meeching Quarry Industrial Estate (42NH).
7. The land identified within the allocation site boundary is now in single ownership. Land east of Tideway School was identified as part of the broad location in the Core Strategy Focussed Amendments document [CD/034], is in separate ownership. Planning permission has since been granted for a new primary school on land east of Tideway School and so it is not available. The indicative area of the broad location was amended to exclude this land in the Submission JCS [CD/001] to reflect this. The Land at Harbour Heights site allocation is therefore comprised of the land at and west of Meeching Quarry with the site's western boundary limited to that of the development at Hill Top Way to the north.
8. The proposed site allocation is approximately 20 hectares, approximately 15 hectares of which is considered developable. This will allow for the required landscaping buffering, coastal erosion buffer, indicated retention of ecological area and topographical conditions.

## Housing provision

9. The site allocation provides for approximately 400 dwellings. This level of provision was assessed in the 2014 SHLAA [CD/097] and concluded to be Deliverable: Suitable, Available and Achievable. This is considered to be a realistic level of development given the relatively challenging conditions of the site and the mix of development proposed.
10. The proposed residential density averages 27 dwellings per hectare across the net developable area of the site. Whilst this is lower than the density guidance for towns provided in Core Policy 2, it is expected that densities across the site will vary to respond to the variable landscape and topographical conditions and to provide a softer, less dense development edge moving away from the existing urban area. Broadly speaking it is anticipated that higher densities could be achieved in the east where the site is relatively contained, whereas the western section of the site is elevated and subject to varying gradients and so a lower development density would be appropriate.
11. Detailed densities for the site allocation should be established through the masterplanning process.

## **Employment floorspace**

12. MM13 requires that any loss of employment units is compensated for by the provision of modern business units appropriate to a predominantly residential area. This is also consistent with JCS Core Policy 4<sup>1</sup>. There are a number of business units within the Meeching Quarry Industrial Estate which generally fall within B1, B2 or B8 use. However, the largest of the units, former Artex works, is vacant and the remaining units are generally in poor condition<sup>2</sup>.
13. It is proposed that an appropriate level of replacement employment floorspace will be provided which is suitable for a mixed residential scheme. The EELA identifies a need for move-on office space to support the success of the Newhaven Enterprise Centre. Such employment floorspace would be more compatible with residential use than the existing employment premises and could be appropriate for inclusion in the redevelopment. The detailed provision of employment floorspace should be established through the masterplan work.
14. The provision of employment space should be clearly planned for within the masterplan, including setting out the phasing for its delivery and financial appraisal, to ensure that it is fully planned for from the outset.
15. It is important that the proposed development is provided as a whole, even if it is ultimately delivered in phases, through more than one planning application, or by more than one developer. Hence policy criteria have been proposed in MM13 to cover a situation whereby any planning application is submitted for part of the site it contains adequate consideration and provision for the delivery of the remainder. This is particularly important in respect of the provision in the policy for a reduced level of affordable housing provision compared to Core Policy 1 (subject to detailed viability assessment) in order for the residential element of the scheme to enable the delivery of the employment units.

## **Affordable Housing**

16. The high level site viability has been re-appraised for MM13, relating to the proposed delivery of approximately 400 dwellings. The quantum of residential development has been reduced from 600 units used in earlier appraisals undertaken as part of the CIL Viability Assessment 2014.
17. As the development of the site will be subject to planning obligations including site-specific access including improvements to the South Road/South Way

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<sup>1</sup> Encouraging Economic Development and Regeneration

<sup>2</sup> Lewes District Employment and Economic Land Assessment (EELA) 2010 and 2012 update

junction and for public transport (specifically a bus service) that might be above the average contribution allowance<sup>3</sup> included in earlier appraisal. An increased ongoing S106 contributions allowance of £2,260 per dwelling has therefore been used in the re-appraisal (£904,000 for 400 units).

18. An allowance for abnormal costs associated with land re-grading has been assumed at £25,000 per hectare across the whole site (19.28ha<sup>4</sup>), totalling £482,000. The whole site would not be subject to re-grading but it is useful to apply the assumption to the whole site to build in some contingency should the cost estimates for abnormal site works fluctuate.
19. All other cost assumptions are standard and accepted inputs, such as 8% (on cost) professional fees, 0.5% (on GDV) legal fees, 1.1% (on cost) statutory fees, 2% (market unit value) sales and marketing, 5% (on cost) contingency, interest at 6% and arrangement fee 1% (on cost). Development profit at 20% of GDV on market dwellings and 6% of GDV on affordable units has been used. These assumptions have been accepted as reasonable in support of Core Policy 1 (Affordable Housing) of the Core Strategy and when scrutinised in more detail during the CIL Examination.
20. The overall mix of units assumed for the viability appraisal is as follows: 20 apartments, 100 2-bed homes, 160 3-bed homes, 80 4-bed homes and 40 5-bed homes.
21. A CIL rate of £90sqm has been included in the assessment for market residential dwellings in line with the proposals for CIL charging in the Low Zone, which includes Newhaven (Examiner's CIL Report, July 2015, recommends adoption of the charge with no modifications).
22. An initial viability assessment for the reduced development size of 400 units alongside the increased planning obligations costs did not show sufficient viability headroom to give comfort that if abnormal costs increased significantly the site would still come forward. Therefore we have tested 30% affordable housing with the tenure mix guided by Core Policy 1 (25% intermediate, 75% affordable rent) and this has shown a viability margin of over £2.7m for the residential element of the site or approximately £6.8k 'super profit' per dwelling. This provides a very reasonable buffer in viability terms, particularly in light of the policy requirement for employment provision, which may require some cross subsidy from the residential element of the development.
23. Any provision of incorporated equipped children's play space would be deductible from the CIL liability and so it is not considered necessary to make an allowance for this in the viability appraisal.

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<sup>3</sup> Average allowance for ongoing S106 contributions in viability appraisals is £1,130

<sup>4</sup> Site size as used in the NCS Viability Appraisal February 2014, it is noted that the Modification to Spatial Policy 6 refers to land amounting to 20 hectares.