

MARKET RECOVERY SCHEME UPDATE

Working Plymouth, 10th December 2014



Background

Market recovery measures in Plymouth ran from 22nd October 2008 to 31st May 2013 as a response to 0% growth in the UK economy in June 2008, and subsequent negative growth and recession. Fundamental structural changes have occurred in the UK economy since, with the depth of the downturn being severe and unprecedented. It was within this context that market recovery measures were developed.

Following a detailed report on the progress with the Market Recovery Scheme to the Working Plymouth Panel on 25th September 2013 (Minute 15 refers), officers also provided a further follow-up analysis in November 2013 on the reasons for large or inward investment sites being stalled.

Implementation of the Market Recovery Scheme

The focus of the initiative has been on incentivising early delivery of projects that could benefit from market recovery measures whilst still being in accordance with the strategic objectives and policy framework of the Core Strategy. In addition the initiative was also aimed at creating the conditions for growth such that longer term consents would be ready for implementation when confidence in the economy returned. Typically sites that have benefited from these incentives have been a mixture of smaller sites and larger developments with specific viability issues. It has always been the case that strategically significant sites could also benefit from market recovery measures but this is at the complete discretion of the Local Planning Authority. However such sites are typically larger and have significant infrastructure requirements that are strategically crucial for the overall growth strategy for the City so this has not been the main focus of the measures. Section 8 of the Planning Obligations and Affordable Housing Supplementary Planning Document 2nd Review sets out how obligations are to be implemented. There is also a Plymouth Viability Protocol which requires an open-book approach. All of the information submitted is assessed in order for claimed market recovery measures to be considered before they are reported to Planning Committee.

In total there were 115 planning permissions granted under both the Market Recovery Action Plan and Market Recovery Scheme between 2008 and 2013. The schemes approved had an estimated development value of over £200 Million. These permissions approved 1,845 dwellings and 4 commercial projects of 4,188m² of commercial space with some additional mixed use developments. During 2014 revised applications increased the number of dwellings projected to 1,874 dwellings.

Market Recovery Scheme

The current position with the 115 planning permissions granted, as at 1st November 2014 is:

- 59 sites (52%) are completed – this is up 17%. These sites have delivered 619 homes and 470 m2 of commercial floor space.
- 24 sites (21%) are currently under construction – this is up 5%. These sites will deliver a further 454 homes and 1,859 m2 of commercial floor space.
- 22 sites (20%) have still not yet started – this is down 22%. These sites could deliver a further 205 homes and a further 1,859 m2 of commercial floor space.
- 8 sites (7%) have lapsed – up 2%. These sites will not deliver any homes or commercial floorspace.

Unimplemented Consents

The number of unimplemented consents has fallen from 51 sites to 22 sites. Of the 22 sites only 8 of those are larger sites, which the Working Plymouth Panel asked officers to review. In November 2013 it was reported that of these 8, 1 had been completed, 3 were under construction and 4 were stalled. The current position on each of these sites is set out below:

Site	Applicant	Number of Units	Delivery Status	Current position
56-58 North Road East	Student Rooms 4 Plymouth	20	Completed	N/A.
Curtis Street	Linden Homes South West	23	Under Construction	Planning permission granted: scheme due for completion by the end of 2014.
Land off Beaumont Road	Mr M Soper	15	Under Construction	Planning permission granted: scheme due for completion by May 2015.
Land East and West of Pennycross Close	Taylor Wimpey (Exeter) UK	209	Under Construction	Site was delayed whilst a covenant was being removed. Around 100 completions are projected by the end of 2014.
East Boatyard Phase 2	Sutton Harbour Property and Regeneration Ltd	62	Lapsed	Applicant has allowed the scheme to lapse. No current plans for the site.
Tamar House, St Andrew's Cross	Drake's View Limited	40	Stalled	Applicant has submitted a new application.
27 Springfield Close	Senate properties (SW) Limited	16	Under Construction	A revised application was granted on 10 th October 2014, with the scheme due for completion by May 2015.
Land off Towerfield Drive	CornerstoneZed Plymouth Limited	91	Stalled	A revised scheme was granted consent in Summer of 2014. The scheme is subject to confirmation of funding through the HCA Builders Finance Fund.

Conclusions

Market recovery measures in Plymouth ran from 22nd October 2008 to 31st May 2013. The market recovery initiative has been commended by the Royal Town Planning Institute and short listed for the national Silver Jubilee Cup with a number of schemes delivered on the ground that probably would not have been taken forward had the Scheme not existed.

Of the 8 major sites not started, one has now been completed and 4 are under construction adding a further 283 dwellings to what the Market Recovery Scheme has achieved. Of the 3 large sites still not started, two developers have submitted revised applications during 2014, with the Sutton Harbour Holdings scheme being the only large scheme to have lapsed.

73% of the planning approvals under the Market Recovery Scheme have been completed or are currently under construction delivering 1,073 dwellings and 2,329 m² of commercial floor space. 20% have yet to start and need to be reviewed given that the vast majority of consents were to support early deliver of projects. Only 7% of the permissions granted have lapsed.

93% of the applications granted could still be implemented demonstrating that the Market Recovery Scheme initiative, although not without risks, has been a success and has played a useful contribution in helping to keep the momentum for regeneration in Plymouth going.

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