

Cornwall Site Allocations Development Plan Document Examination

Matter 6 – Position Statement

On behalf of Studytel

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1. Introduction and Context

- 1.1 This Position Statement is prepared on behalf of Studytel, following our representations (representor number: [190]) to the Pre Submission draft Cornwall Site Allocations Development Plan Document (DPD) (“the draft Plan”) and our subsequent request to speak at examination.
- 1.2 As set out in our August 2017 representations, our client owns Century House, Parkengue, Kernick Industrial Estate, Penryn, which forms part of the land proposed to be allocated under reference FP-M2 for mixed use development, including approximately 2,000 sqm of B1/B2 employment space and approximately 550 units of student accommodation. A plan identifying the site ownership extent was appended to our previous representation.
- 1.3 This position statement is prepared to inform the Inspector on the most up to date information of relevance to our previous representations and respond to the General Issues and Questions raised in the hearings programme document (16th January 2018) (ref: ISNP.S7).

Planning Status

- 1.4 Our client received pre application advice on an early draft of the proposed scheme from Cornwall Council under reference PA17/02364/PREAPP in November 2017, and presented a more advanced draft of the proposed scheme to Cornwall’s Design Review Panel in December 2017. We anticipate that a full planning application for between 500 and 600 student beds and flexible working employment space on our client’s part of the Parkengue allocation will be submitted in March of this year.
- 1.5 Our client is working closely with both the University of Falmouth and with representatives of the John Lewis Partnership who are the principal owners of the remaining parts of the draft allocation. This includes working with those parties to produce a masterplan for the draft allocation as a whole. The draft masterplan for the site has not been included within this submission with consideration to the guidance not permitting the submission of appendices; however, we would be pleased to provide a separate copy to the Inspector if considered of assistance. A plan identifying the subdivision of land ownerships on the site was included as an appendix to our previous representation.

2. Response to Inspectors Questions

2.1 The Inspector's questions in relation to Matter 6 'Falmouth and Penryn Spatial Strategy and Allocations' are as follows:

- (a) Is the Strategy for Falmouth and Penryn consistent with the LPSP?
- (b) Is the existing housing land supply situation based on robust, up to date evidence?
- (c) Is the approach to the selection of sites for allocation consistent with Strategy, including with respect to the use of previously developed (brownfield) and greenfield (agricultural) land?
- (d) Is the approach to the provision of student accommodation appropriate with respect to its relationship to the market and affordable housing market within Falmouth and Penryn?
- (e) Are the Green Buffers (south of Penryn and east of Falmouth) appropriate with respect to the Strategy and necessary in planning terms?
- (f) Are the individual allocated sites and proposed land uses suitable, having regard to planning and environmental constraints?
- (g) Is there robust evidence that the allocated sites and infrastructure will be delivered at a sufficient rate and to a suitable timescale to ensure that the minimum numerical development requirements of the Town Strategy and of the adopted LPSP will be met, including with reference to the five year housing land supply required by national policy?

2.2 We set out our response to those questions above in turn below which are considered to be of relevance to the Parkengue allocation.

(a) Is the Strategy for Falmouth and Penryn consistent with the LPSP?

2.3 We consider that the strategy for Falmouth and Penryn is broadly consistent with the Local Plan Strategic Policies, however as we set out below, we have concerns with the approach the draft DPD takes towards the delivery of those strategic policies.

(d) Is the approach to the provision of student accommodation appropriate with respect to its relationship to the market and affordable housing market within Falmouth and Penryn?

2.4 We consider that the proposed approach to provision of student accommodation is the most appropriate when considering its relationship to market and affordable housing within Falmouth and Penryn.

2.5 The 'campus first' approach to the provision of student accommodation proposed by the draft Plan is considered to provide the following key outcomes:

- Allowing a correction in the housing market in Falmouth which is subject to pressure from properties being acquired by private landlords for student rental – this has the potential to ensure that affordability and availability of housing stock in the town of Falmouth is not further exasperated and, indeed, has the potential to free up housing stock with potential improvements in affordability. In doing so, it will provide the solution to Article 4 Direction imposed by the Council to restrict HMOs in Falmouth and assist with the return of existing HMOs to local/family housing.
- Providing a deliverable strategy for the accommodation needs of the University, constraints on supply of accommodation could result in accommodation being unavailable for prospective students or lead to severe affordability issues. This is likely to result in suppression of the University's growth ambitions and divert and/or delay the clear economic and social benefits¹ of University expansion to the region.
- Reducing the number of trips (vehicle/ public transport) required by students to and from Penryn Campus, resulting in clear potential benefits to local traffic levels, air quality.
- Triggering significant inward investment to the area in relation to the PBSA schemes required by the 'campus first' approach. Studytel's proposed development exemplifies the scale of this potential inward investment and the benefits that flow from it.

(f) Are the individual allocated sites and proposed land uses suitable, having regard to planning and environmental constraints?

- 2.6 The land proposed to be allocated under Policy FP-M2 should be considered suitable for its proposed land uses when having regard to planning and environmental constraints.
- 2.7 As set out above we expect to submit a full planning application for between 500 and 600 student beds, and flexible working employment space on our client's part of the Parkengue allocation in March of this year. The application will be accompanied by a suite of supporting technical documents that demonstrate the site's suitability, including the following:
- Planning Statement;
 - Student Management Plan/Service Strategy ;
 - Drawings Package;
 - Flood Risk Assessment;
 - Drainage Strategy;
 - Transport Assessment;
 - Student Travel Plan;

¹ Falmouth University's Impact on Cornwall's Economy (June 2016) (Oxford Economics)

- Extended Phase 1 Habitat Survey;
- Bat Activity Survey;
- HRA;
- Phase 1 Preliminary Contamination Assessment;
- Noise Impact Assessment;
- Heritage Impact Assessment;
- LVIA;
- Economic Statement;
- Arboricultural Impact Assessment;
- Landscaping Proposals;
- Utilities Statement; and
- Daylight/Sunlight Assessment.

2.8 All of the above technical documentation is under preparation. The site is previously developed; initial desktop studies of the site, and draft investigations arising from the above expert reports suggest that the site is not subject to any environmental constraints that would preclude development.

2.9 The site is also considered suitable in respect of relevant planning constraints. The proposed redevelopment across the FP-M2 allocation will result in replacement of existing safeguarded employment land, and provide a significant economic uplift to the local area, as evidenced in an Economic Benefits Summary Statement² produced to support the application submission. The economic benefits of the proposed scheme can be summarised as:

Cumulative Impacts

- Potential cumulative impact of c.£750 million over the term of the operational lease to Studytel, including:
 - £510 million GVA contribution;
 - £240 million student expenditure;
 - £4.3 million visitor expenditure;

Construction Phase Impacts

- £35.2 million investment in construction;
- 203 gross direct FTE jobs per annum of construction;
- 179 net direct FTE jobs, including 95 in Cornwall;

² Economic Benefits Summary Statement (Turley, January 2018)

- 89 net indirect/induced FTE jobs including 24 in Cornwall;
- £28.1 million total GVA including £12.1 million in Cornwall;

Operation Phase Impacts

- 147 gross direct FTE jobs;
- 108 net direct FTE jobs including 103 in Cornwall;
- 54 net indirect/induced FTE jobs including 26 jobs in Cornwall;
- £10.5 million GVA economic output per annum including £8.5 million in Cornwall;
- £4.8 million annual expenditure by Students, sustaining 56 FTE jobs locally;
- Employed students sustaining 39 FTE jobs;
- £86,000 uplift in visitor expenditure as a result of visits.

2.10 The site is a suitable location for the proposed development and therefore in accordance with the essence of sustainable development in regard to the considerations of the National Planning Policy Framework (NPPF):

- (i) The site is previously developed land and inside the adopted settlement boundary, helping to focus development away from unnecessary extensions into open countryside;
- (ii) The proposals seek to make efficient re-use of the land; and
- (iii) The site is in a sustainable location, located nearby to the university campus, facilities and services thereby reducing reliance on vehicle trips.

(g) Is there robust evidence that the allocated sites and infrastructure will be delivered at a sufficient rate and to a suitable timescale to ensure that the minimum numerical development requirements of the Town Strategy and of the adopted LPSP will be met, including with reference to the five year housing land supply required by national policy?

- 2.11 Falmouth University recently applied for consent to allow the increase of student numbers at Penryn campus from 5,000 to 7,500 (under reference: PA16/03323). The application achieved a resolution to grant planning permission in March 2017. Notably, the S106 agreement remains unsigned, and the resolution states that it is required to include “*measures to restrict the increase in students to provision of Purpose Built Student Accommodation (PBSA)*”.
- 2.12 Although no final S106 is available, it is understood (based on supporting information submitted for the application at the time of determination³) that the S106 agreement

³ Proposed link to new Purpose Built Student Accommodation (PBSA) (Undated) (Applicant)

will include an obligation which requires that all growth above the cap of 5,000 students, PBSA must be provided at a ratio of 0.8:1 or 80% of all new student growth. It is understood that the University is planning its PBSA provision in line with this requirement.

- 2.13 At the time of the above permission being granted there were 2,322 PBSA bed spaces available⁴, and at the time of the recent Ocean Bowl appeal hearing (November 2017) the appellant's evidence stated that there were 2,645 PBSA bed spaces available⁵.
- 2.14 Student accommodation is currently also provided through other sources such as Houses in Multiple Occupation (HMOs), however it is considered that to meet the University's future needs in accordance with the above requirement of the S106 agreement, a minimum of 2,000 further student bed spaces will need to be provided in purpose built student accommodation. The draft Cornwall Site Allocations DPD (the draft Plan) seeks to meet this need, and accordingly proposes the following allocations for PBSA:
- Parkengue (FP-M2) (550 units);
 - Treliever (FP-M3) (1,100 units); and
 - The Treliever Future Direction of Growth (FP-M4).
- 2.15 The draft Plan also relies on delivery of PBSA at the following locations on or near Penryn Campus:
- On campus at the DBFO under permission PA16/10518 (1,049) units; and
 - On land at Packsaddle under permission PA16/0303 (125 units).
- 2.16 The draft Plan currently identifies five sites to deliver the PBSA requirements to cater for the University's expansion, however, in December 2017 Modifications were proposed by FX Plus (the University's facilities manager) to remove specific reference to delivery of student accommodation from Policy FP-M3. Our assessment of the status and timescales for delivery of the above sites is considered to be as follows:

⁴ Falmouth University and the University of Exeter Housing Statement (April 2016) (Terence O Rourke)

⁵ Market Demand Report: Falmouth (April 2017) (Cushman & Wakefield) commissioned by Empiric Student Property in support of their Ocean Bowl proposals

Source	PBSA Units	Status and Timing
Parkengue, Studytel site (FP-M2)	c. 550	Application immediately forthcoming and deliverable in short term
Parkengue, University site (FP-M2)	c. 550	In control of University and deliverable in medium term
Parkengue, JLP site (FP-M2)	c. 350	We understand that an application is being prepared, but there is no development partner at the current time so timing is uncertain, but will still be deliverable in the short to medium term
Land at Packsaddle (PA16/03030)	125	Application approved and deliverable in short term
Treliever (FP-M3)	1,100	Not supported by landowner, no longer proposed as student accommodation, long term
Treliever Future Direction of Growth (FP-M4)	Not stated	Not supported by University or landowner, subject to FP-M3 coming forward and long term
DBFO (under permission PA16/10518)	1,049	Extant planning permission, however no longer envisaged to be delivered by University

- 2.17 The above table identifies that 1,575 PBSA units are considered realistically deliverable in the short term. This includes approximately 1,450 bed spaces for the Parkengue allocation across the allocation, but the current policy only seeks 550 bed spaces across the allocation and this is, in our view, a clear underestimate of the number of student beds that can be appropriately accommodated on the allocation site.
- 2.18 The town of Falmouth is currently subject to a number of ‘speculative’ applications (albeit some had been previously identified in earlier stages of the draft Plan) for student accommodation, which Cornwall Council is seeking to resist through the refusal of applications, some of which are then needing to be defended at appeal.
- 2.19 As established above, in order to meet the University’s growth ambitions, upwards of 2,000 PBSA units are required to be delivered. We consider that at present the trajectory for delivery of PBSA sites in Falmouth and Penryn is as follows:

Site	16/17	17/18	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	Total
Parkengue (FP-M2)	0	0	550	350	550	0	0	0	0	0	1,450
Land at Packsaddle	0	0	125	0	0	0	0	0	0	0	125
Treliever (FP-M3)*	0	0	0	0	0	0	0	0	0	0	0
Treliever (FP-M4)*	0	0	0	0	0	0	0	0	0	0	0
DBFO	0	0	0	0	0	0	0	0	0	0	0
Ocean Bowl	0	0	190	0	0	0	0	0	0	0	190
Fish Strand Hill	0	0	0	116	0	0	0	0	0	0	116
Rossllyn Hotel					117						117
Total	0	0	865	466	667	0	0	0	0	0	1,998

**Undeliverable as unsupported by University, Landowner or Site Allocations DPD*

- 2.20 The University has stated that there is an immediate need for PBSA units to support the University's strategy for growth, which they state is 2,000-2,500 PBSA units over the next 3-5 years. Based on the above, even if the full 1,450 units at Parkengue (which the Parkengue allocation site owners consider to be realistically deliverable) is achieved, this will still only just meet the identified minimum need for 2,000 student beds, and would not achieve the upper end range of 2,500 identified by the University. If development at the Parkengue allocation is restricted to only 550 beds, as currently set out in the draft policy, then there will be a substantial shortfall of PBSA in Falmouth and Penryn in both the short and long term.
- 2.21 In light of the above, it is clear that the allocated sites catered for by the draft Plan will not be delivered at a sufficient rate and to a suitable timescale to ensure that the minimum numerical development requirements of the Town Strategy and of the adopted LPSP will be met. In this regard, the draft Plan is unsound in its current form.
- 2.22 In this context, we consider that there is a strong policy imperative to increase the quantum of PBSA proposed under the allocation in Policy FP-M2, amending the wording of the proposed Policy to reflect the potential delivery of 1,450 student bed spaces, in order to recognise the actual potential of the site and to satisfactorily meet the identified needs of the Strategic Policies of the Cornwall Local Plan.

Penrose Student Village

2.23 In addition to those sites identified in the tables above, another application for PBSA is currently being considered by Cornwall Council. The site is known as Penrose Student Village and is the subject of an outline planning application for up to 2,000 student bedspaces with associated development (Cornwall Council application ref. PA16-11983). The application was reported to the Council's Strategic Planning Committee on 21 December 2017 with a recommendation for refusal. The committee resolved to defer the application. It is our view that the proposal does not represent sustainable development in accordance with the NPPF, does not accord with the Council's development plan, and we support officers' advice to refuse the application. In addition to those reasons cited by officers, we note the following:

- The proposal seeks to develop on greenfield land. Other sites, focused on brownfield land are available and should be prioritised.
- The site does not have any infrastructure in place such as electrical, gas and water utilities so there would be very significant preliminary infrastructure costs which would adversely impact the development appraisal and may affect deliverability.
- We understand that the applicant has suggested as part of their S106 that they will cap their rents to £100 per week in addition to ensuring an equal number of 1st, 2nd and 3rd year students. We consider both of these points to be unrealistic.
- In our view, the rental commitment raises questions about the financial viability of the scheme. On the basis of £100 per week on Falmouth University's 42 week term, this equates to a gross rental income of £4,200 on the basis of FM & utility of around £1800 per bed this gives a Net Operating Income of £2,400. Assuming a direct-let yield of 6% results in a Capital Value per bed of <£40,000 – given build costs for even a basic room are around £45,000 and with the additional infrastructure-associated it would appear that the scheme would lose around £15,000-£20,000 per bed space.
- An operator for the development is not in place.
- It is not supported by the University – a letter dated 31 January 2018 from the university (which has been added to the application documents) confirms this.

Employment Provision

2.24 Finally, Studytel considers that the policy wording should be amended to reflect a more flexible approach to employment space provision on the FP-M2 allocation. Studytel's proposals include a co-working space that will provide employment land. This may fall within Use Class B1(a), but it is requested that more flexible wording is incorporated to ensure that the proposals can come forward in accordance with the development plan. References to employment space falling within Use Class B2 should be removed as this is an unrealistic and inappropriate policy requirement.

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