Matter 3 –
Folkestone Racecourse
(Core Strategy Policy: SS8)

Shepway District Council
Response

Reference is made to the document codes in the Programme Officer’s ‘Schedule of Documents’.
The following abbreviations are used throughout: CS (Core Strategy), SA (Sustainability Appraisal), SHLAA (Strategic Housing Land Availability Assessment), SHMA (Strategic Housing Market Assessment).
Matter 3 – Folkestone Racecourse

[Core Strategy policy: SS8]

Are the Core Strategy’s proposals for Folkestone Racecourse realistic, deliverable, adequately justified and consistent with national and regional policies?

SUMMARY RESPONSE:
The Folkestone Racecourse proposal puts forward a positive approach to securing the delivery of a significant mixed-use development in a sustainable location which accords with national policy. It provides a realistic way forward; and it is well justified by specific evidence that shows it to be the best option given the site’s unique characteristics.

Key Evidence Documents

- [A12-A20] Transport Strategy
- [CR1] April 2011 Cabinet Report
- [S8, X31, A55] Arena Leisure Viability Reports
- [S4,S5, S6 , A51 -A107] Folkestone Racecourse documents
3.1 Has it been demonstrated that the type and amount of development now proposed is necessary in order to achieve improvement of the racecourse facility? What alternative approaches were considered and why were they discounted?

3.1.1 Policy SS8 allocates the Folkestone Racecourse site (Appendix 4, map 6.3) for mixed use development, comprising of a reconfigured racecourse and new grandstand, conferencing, leisure and associated facilities and other rural employment, together with up to 820 dwellings, a primary school, community facilities, public open spaces and an enhanced setting for Westenhanger Castle, upgraded access and parking facilities to the railway station.

3.1.2 Successive Local Plan policies [S2; Shepway District Local Plan to 2001] policy LR7, [S3; Local Plan Review 2001 deposit draft] policy LR5 and [G6; Shepway District Local Plan Review 2006] policy LR5) have without success sought to realise the potential of the racecourse, allowing for the development of additional leisure, recreational, tourism and exhibition facilities subject to environmental and heritage criteria. The importance of the Racecourse as a key leisure and tourism facility within the district has therefore been long established and supported within past and current planning policy, as further explored in the SDC second note to inspector [PS05].

Details as to the selection of Folkestone Racecourse as a strategic site are set out in detail in the SDC letter to the Inspector [PS05]. Options for development at the strategic level were further considered at Preferred Options 2009 [G5]. In particular, 4 strategic development options were tested. This site was put forward as the Preferred Option for extensive public consultation, alongside two other options for the racecourse, as set out in policy options:

- ND2 – a high quality mixed used development that secures the long term future of the racecourse.
- ND2a – To not allocate the site in the Core Strategy for development, under this option the existing local plan policy may have been retained.
- ND2b- To allocate farm land to the southwest of junction 11 for commercial purposes (alternative to redevelopment of racecourse).

In addition growth within the wider North Downs Area provided alternative options to the redevelopment of the racecourse:

- ND3, 3A and 3B provided a number of options for growth at Sellindge
- ND4 and ND4a provided alternative growth options at Hawkinge.
- ND5 and ND5a provided options for growth at Lympne.

3.1.4 Following Preferred Options and public consultation carried out by Arena Leisure further analysis of strategic sites was considered by SDC, as set out in the April 2011 Cabinet Report [CR1]. Paragraph 5.6 of this report, together with Appendix 3 discusses the site selection process in detail following Preferred Options which then informed the Core Strategy submission document. In particular, it was considered essential that any site allocations within the Core Strategy must be critical to the delivery of the Spatial Strategy for the District.

3.1.5 Sustainability Appraisal of Strategic Sites [A28 Appendix 4] provides an SA commentary for each site which further assisted in the formation of policy SS8. For Folkestone Racecourse the SA identified issue 11 “to create and sustain vibrant and sustainable communities” as that of the greatest concern. Whilst the commentary recognises the excellent transport links, it recommends that a good mix of housing and community facilities is needed to counteract the risk of reliance on commuters. The SA recognises that the quantum of residential development relates to the delivery and viable retention of such community uses and identifies that a policy supporting a lower quantum of development would be less likely to deliver such community facilities as now set out in policy SS8. It is also important to note that the SA
commentary notes that provision of housing at this location will help to reduce pressure at other locations within the north of the district, many of which are located within the designated AONB.

3.1.6 Arena Leisure plc first approached Shepway District Council in December 2007, with further information provided in January 2009 [A107] and throughout the Core Strategy process setting out proposals to secure the future of Folkestone racecourse. Details of the economic benefits of the Racecourse, together with analysis of information has been summarised in detail in the September 2010 document [A56], which sits alongside viability reports [S8; October 2010, X31; June 2011 and A55; December 2011 update] provided in support of the redevelopment. At an early stage information submitted demonstrated that the racecourse is facing a number of threats to its survival (some of which are also affecting the wider racing industry) and without significant investment to buildings, customer facilities and the realignment of the course its current near “break even” operating position would no longer be tenable.

3.1.7 Information provided by Arena Leisure demonstrates that enabling development/cross subsidy has been used on a number of occasions in order to ensure the retention and viability of racing activities, including hotel, casino and golf course development. At Newbury, outline planning permission has been granted for up to 1,500 homes as well as improvements to the racing, hospitality, conferencing and events facilities (http://www.newbury-racecourse.co.uk/About-Newbury/Redevelopment/Overview).

3.1.8 Information has been provided by Arena Leisure, setting out the current deficiencies with regards to facilities and access, the close proximity to and impact on the Grade I listed Westenhanger Castle and barns and providing a comparison to the quality of venues for which the Racecourse competes for fixtures, conferencing and hospitality events. A range of locations of replacement racecourse facilities have been
suggested by Arena Leisure and considered by SDC in conjunction with consultees and the general public and business community at public exhibitions [S4]:

- Replacing facilities at the existing location
- Replacing facilities to the west of Westenhanger Racecourse
- Replacing facilities to the south of the site, adjacent to the A20.

In addition, a range of enabling development options have also been considered by Arena Leisure [A56], including:

- Provision of an all weather track
- Construction of an hotel
- Playing pitches for hire
- Construction of a golf course
- Leisure club
- Residential development

3.1.9 Testing of these alternative options demonstrated residential development to be the only viable enabling development solution to deliver the replacement racecourse facilities.

3.1.10 With regards to the layout and amount of development sought, the proposals have been subject to considerable discussions and amendment. The racecourse requires an alternative access which leads to a requirement to reconfigure the course (this is also a racing requirement). Arena initially sought to locate the racecourse facilities to the west of Westenhanger Castle as part of a 875 dwelling scheme [A107]. However following consultation this option was discounted due to the harmful impact on the setting of the Westenhanger Castle listed building and Scheduled Ancient Monument, as discussed in more detail in document A66 Appendix 8.2 which includes comments from English Heritage. English Heritage’s representation (688) on Core Strategy
policy SS8 also provides further comment on the benefits to the setting of the S.A.M and Grade I listed castle.

3.1.11 Arena Leisure discussed various alternatives for the position of the racetrack, grandstand and race day facilities and the location of housing development with Shepway District Council and English Heritage. Public consultation during July and September 2010 further informed the process. These discussions have culminated in the masterplan as submitted in document A52 Appendix 1.1.

3.1.12 Viability Information has been submitted by Arena Leisure to SDC, as set out below illustrating the scale of residential development necessary to both fund improvements to the racecourse and provide a return on risk for promoting the proposal. Key elements tested within the viability work include:

- October 2010 RPS report: This tested 3 quantum’s of development, taking into account varying affordable housing proportions, a single development valuation, infrastructure delivery costs and reprovisioning works for the racecourse.

- June 2011 Quod update: Closer integration of viability work with Council’s District Wide Economic Viability Assessment [A5], including analysis of RLV at different development value points and varying percentages of affordable housing on site for each of the three options.

  Racecourse delivery estimated at £30m
  Breakdown of developer return aspirations – 20% return on racecourse delivery.
  Table identified that dependent on sales values achieved at the site the development is viable and can provide a varying degree of affordable housing after taking into account provision of required infrastructure.
December 2011 Quod update (2): Provides a baseline Residual Land Value across 3 value points at different proportions of affordable housing. Provides a detailed costing of the racecourse of £29.987m [S6] Includes a 20% return for Arena on racecourse delivery Identifies a minimum land value return for Arena to undertake the project of £6.8m. Identifies that the scheme should deliver a RLV of £42.79m for it to represent an acceptable proposition for Arena.

3.1.13 In addition, and alongside the December 2011 viability report a private and confidential “indicative development timeline and cash flow projections” document [S5] was submitted to SDC, setting out phasing and delivery of housing and key infrastructure (sewer, junctions, primary school).

3.1.14 Given the above the Council is content that sufficient information has been provided and tested to demonstrate that the type and amount of development proposed is appropriate to deliver the racecourse facility. It should be noted that policy SS8 of the July 2011 Submission Document allocates the site for residential development up to 820 dwellings, and that planning permission will only be granted where:

“Residential development is provided only as a necessary part of a comprehensive approach for reconstructing the racecourse as a high quality visitor attraction.”

3.1.15 This paragraph has been refined within the January 2012 Core Strategy Document to read:

“The quantum of residential development provided is only as a necessary part of a comprehensive approach for reconstructing the racecourse facility as a high quality visitor attraction.”
3.1.16 It is considered that this revision ensures that any residential development at the site does not exceed enabling development requirements and is entirely necessary whilst meeting the overall requirements of policy SS8 so as to ensure a viable community is delivered.

3.2 Is the intended scale, type and location of development proposed at Folkestone Racecourse consistent with national policies that seek to (1) protect the countryside for its own sake and (2) reduce the need to travel and secure more sustainable patterns of transport development?

3.2.1 The NPPF sets out national planning policies for England and how these are expected to be applied. This includes a presumption in favour of sustainable development, as set out in paragraphs 11-16 whilst paragraph 17 sets out the 12 core principles of planning. The fifth of these principles states that:

“Planning should: take account of the different roles and character of different areas, promoting the vitality of our main urban areas, protecting the Green Belts around them, recognising the intrinsic character and beauty of the countryside and supporting thriving communities within it.”

3.2.2 The extent of the land allocated under policy SS8 for mixed use development is set out within map 6.3 of the CS. This land is currently occupied by the racecourse (with this its established D2 use) and does not form open countryside. Within the site, the permanent structures, including their curtilage fall within the definition of previously developed land, as set out in the glossary to the NPPF. However, it is also acknowledged that parts of the site are Greenfield in character and it is located within an area of rural communities, surrounded by countryside as defined above. The site is located within the Strategic Corridor, as
defined within the Core Strategy policy SS1 outside of the Kent Downs AONB or any identified area of flood risk.

3.2.3 Whilst outside of the designated Kent Downs AONB, afforded special protection by the NPPF (paragraphs 115 and 116), it is acknowledged that the redevelopment of the Racecourse will have wider landscape impacts and therefore a Stage 1 Landscape and Visual Issue report has been completed and forms a key part of the evidence base [A58]. This document identifies the landscape character and key potential effects of the redevelopment and ensures the masterplan incorporates appropriate landscape mitigation strategies so as to integrate the scheme within its local and the wider landscape setting. These measures are set out in section 6 of the report, whilst the update statement [A51] includes further information under matter e).

3.2.4 Policy SS8 and the supporting text (July 2011 document) recognise the importance of the surrounding countryside, with the policy stating the following –

- The development directly enhances the setting and access to Westenhanger Castle, and respects the setting of the nearby AONB, wider and immediate landscape.
- The design provides for a distinctive new neighbourhood, which respects its surroundings and rural location, the immediate relationship with properties on Stone Street, and the height, scale and form of settlements within the wider North Downs area. Green Infrastructure should be designed to be multi functional and contribute to the new sense of place.

The suggested changes to SS8 and the supporting text further refine the policy, following responses from consultees.
3.2.5 Whilst adjacent to, but outside of an existing settlement, Folkestone Racecourse is within close proximity to the rural communities of Newingreen, Westenhanger, Stanford and Sellindge. Within the Core Strategy settlement hierarchy (p.20 of CS July 2011) Westenhanger/Stanford are defined as Primary Villages whilst Sellindge is defined as a Rural Centre. Para. 55 of the NPPF states that:

“To promote sustainable development in rural areas, housing should be located where it will enhance or maintain the vitality of rural communities. For example, where there are small groups of settlements, development in one village may support services in a village nearby.”

At Folkestone Racecourse development is proposed that both supports existing rural services (for example the public house at Stanford) and proposes community infrastructure and facilities that are required in the wider rural community, such as increased Primary School capacity and improvements to Westenhanger railway station car park. The quantum of development sought aims to build a balanced, sustainable community, minimising the need to travel by car by providing on site community infrastructure, employment and services.

3.2.6 Section 4 of the NPPF promotes sustainable transport identifying (para 29) that the transport system needs to be balanced in favour of sustainable transport modes, giving people a real choice about how to travel. In preparing Local Plans (para. 30), LPA’s should therefore support a pattern of development which, where reasonable to do so, facilitates the use of sustainable modes of transport. For large scale (para 38) residential developments in particular, planning policies should promote a mix of uses in order to provide opportunities to undertake day to day work on site. Where practical, particularly within large-scale developments, key facilities such as primary schools and local shops should be located within walking distance of most properties. Further, the NPPF states (para 69) that the Planning system can play an
important role in facilitating social interaction and creating healthy, inclusive communities...by (para 71) planning positively for the provision of shared spaces, community facilities (such as local shops, meeting places, sports venues, cultural buildings...)

3.2.8 It is considered that the redevelopment of the racecourse provides an excellent and unique opportunity for the creation of a sustainable mixed use rural community within Shepway. Firstly, considerable on site community facilities are proposed within walking distance of the proposed housing development, including a primary school and shops reducing the need to travel. The site is also located in close proximity to a major employment allocation at Link Park (ref). All housing would also be located within walking distance of the existing train station and bus routes, ensuring sustainable transport modes are available as a real alternative to occupants, visitors and employees of the racecourse and other on site employers. The nearby junction 11 of the M20 and local road network provides an alternative and accessible means of travel choice. The evidence base [A57] includes an access strategy which explores the sites considerable opportunities to maximise sustainable methods of transport.

3.2.9 Given the above, it is considered the proposed development meets with the requirements of national planning policy, set out in the NPPF with regards to the protection of the countryside and the provision of sustainable transport modes that give people real choice as to how to travel whilst facilitating the use of sustainable modes of transport.

3.3 Does policy SS8 give sufficient guidance to ensure that the type and amount of development proposed, along with the racecourse’s improvement, will be secured? Specifically, has adequate clarity been provided in respect of:

a) infrastructure requirements (notably in respect of transport, drainage and green infrastructure);

b) deliverability and phasing?
3.3.1 Policy SS8, as set out in the July 2011 Core Strategy Submission Document provides detailed requirements regarding the type and amount of development, infrastructure requirements and deliverability of the Strategic Site. However, it is acknowledged that, following representations received from consultees and further information from Arena Leisure, the changes set out in documents A117 and A118 provide further clarification, certainty and flow to the policy, ensuring soundness is achieved. For clarity the changes made to policy SS8 are set out under references S25 –S28 and S38-S40.

3.3.2 Both the type and amount of development proposed have been considered in response to question 3.1 in paragraphs 3.1.13 and 3.1.14 of this report. The changes made to policy SS8 as set out in document A117, clarify that the amount of residential development – not that just some residential element should be justified as a necessary part of a comprehensive approach for reconstructing the racecourse.

3.3.3 Infrastructure requirements are set out in policy SS8 and Appendix 2 of the Core Strategy Submission Document. Table 5.3 of the document also sets out major milestones within the Core Strategy timeframe. Further clarification of phasing and infrastructure has also been provided by Arena Leisure within the most recent viability report update and the accompanying indicative timeline and cashflow projections [S5]. To provide further certainty to policy SS8 document A117 point S27 includes an amendment to the policy to include “phasing proposals and necessary viability assessments” to be provided with any planning application submitted for the development. It is considered this is a vital addition to the policy given the likely lifetime of development of the strategic site over the economic cycle.

3.3.4 With regard to infrastructure requirements, these primarily consist of transport infrastructure, in particular the upgrading of Newingreen
Junction, as explored in A57. Drainage infrastructure – the requisition of foul water drainage as set out by Southern Water [S7] and culverting works to the East Stour river, as explored in A59. Green infrastructure, which includes culverting works, surface water management ecology [A63] and landscape impact [A58] is explored in submission documents A58-A64. The development of the site can result in net gains in biodiversity, as referred to in paragraph 109 of the NPPF.

3.3.5 In addition to the infrastructure requirements set out above policy SS8 proposes significant community infrastructure, including the on-site provision of a primary school, shops and business premises, open space, enhanced pedestrian, cyclist and public transport connectivity as well as improved parking facilities at Westenhanger station. Policy SS8 as submitted (July 2011 document) includes the requirement for “land and contributions towards a one or two form entry primary school,” as identified in figure 4.9.

3.3.6 Following representations and discussions with Kent County Council Education, as set out in document Y1, document A117 proposes alterations to policy SS8 (as set out in the January 2012 document) requiring

“(e)….land for an (up to 2 form entry in size) primary school and appropriate financial contributions to the school.”

This change is also reflected in the amended Figure 4.9 and is set out in the evidence based submitted masterplan (A52). This change is considered vital so as to ensure policy SS8 safeguards appropriate land for the provision of a 2FE primary school to serve the development and wider rural community.

3.3.6 Supporting viability documents A55 and X31 and “indicative timeline and cashflow projections” includes costings for key infrastructure, demonstrating that the quantum of development proposed can viably
fund the identified infrastructure requirements. Changes set out in document A118 includes confirmation in Appendix 2 of the estimated Newingreen A20/A261 Junction improvement costs (£750k-£1m) and foul water drainage (up to £2m) and provides timings by which such infrastructure should be delivered. With regards to the transport and wastewater infrastructure it has been identified within the evidence base that these are essential pieces of infrastructure improvement that must be delivered with the first phase of development. Appendix 5 of the evidence base identifies that an acceptable design solution can be met for the improvement of the Newingreen A20/A261 junction within highway land, without requiring third party land. This piece of evidence is a key document to support the delivery of the Strategic Site.

3.3.7 Following the publication of the proposed submission document detailed representations were received from Natural England with regards to Green Infrastructure, Habitat Regulations Assessment, and protection of Natura 2000 sites. SDC worked closely with Natural England so as to ensure their concerns over soundness were fully addressed. Following the amendments to policy SS8 set out in A117 point S28, Natural England confirmed to SDC [ZO1 and Y1] that they consider the changes made within the Jan 2012 document ensure it is sound.

3.38 Given the above it is considered that policy SS8, incorporating the changes set out in documents A117 and A118 in response to representations and further refinement of the evidence base gives sufficient guidance to ensure that the type and amount of development proposed, along with the racecourse’s improvement, will be secured.