Matter 3 – Folkestone Racecourse
[Core Strategy policy: SS8]

Issue 3: Are the Core Strategy’s proposals for Folkestone Racecourse realistic, deliverable, adequately justified and consistent with national and regional policies?

We argued in our ‘Representations’ paper of August 2011 that the proposals are none of these things. Our conclusions were as follows:

1. It is not justified, in that there is no robust evidence that it is necessary, appropriate, or in accord with the wishes of the local community. Reasonable alternatives, such as putting the 820 houses in urban centres, and commercial financing for the improvements to the Racecourse, have not been properly explored. The District Council has been beguiled by the eagerness of the Racecourse management and has not examined their ideas by research or tested them against its own policies.
2. It will not be effective, in that it is unlikely to be achieved because of the cost of essential infrastructure, the uncertainty surrounding the survival of racing in the long term and the inevitability that the new community will contribute little to the economic health of the District but add greatly to car travel.
3. It is not consistent with national or district planning policy in that it puts a large housing development in what is classified as countryside - which SS8 wrongly calls a primary village.

This remains our position.

In response to the Inspector’s matters relating to SS8, March 2012, we add the following observations:

Matter 3.1 pp 2 to 5
Matter 3.2 pp 5,6
Matter 3.3 p 7
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?

The proposals are not necessary for the improvement of the racecourse. In the following sections we consider

- A the redevelopment  
  Paragraphs 3.1.1 to 3.1.4
- B housing  
  Paragraphs 3.1.5 to 3.1.8
- C the links between them  
  Paragraphs 3.1.9 to 3.1.15
- D further information from the Head of Planning Services at SDC  
  Paragraph 3.1.16

A Redevelopment

3.1.1 The proposals can only be justified by the refurbishment of the racecourse funded by the creation of a housing estate. The case for either part on its own has not been convincingly made and there is no complete guarantee that the two elements are irrevocably linked.

3.1.2 The need for refurbishment has been stated in our many contacts with Arena Leisure but never demonstrated. Two layout designs have been shown to us: both are elaborate and ambitious. It appears that there has been no consideration of simpler, alternative arrangements. The present grandiose proposals have never been justified.

3.1.3 The need for housing to meet the costs of the complete replacement of all the racing facilities at Westenhanger has been defended in meetings the Parish Council has had with Arena, on the grounds that the company cannot raise sufficient funds commercially. There are two possible reasons for this.
  a Potential investors consider the scheme is unrealistically grandiose and expensive – a simpler scheme might have been funded by the markets.
  b Racing at Westenhanger is not sufficiently profitable to finance a major loan. If this is the case, racing is not sufficiently profitable to sustain the racecourse well into the future.

3.1.4 Further, we are concerned that there can be no real guarantees that racing will continue for many years at Westenhanger. The new owners of the racecourse, Reuben Brothers, have wide business concerns which include Northern Racing and much property development. Folkestone Racecourse will be a tiny part of their racing portfolio but could be a large part of their property development interests. Should the scheme be approved, the overall site would be much more valuable for building than for racing. It has the potential for, say, 2000 dwellings if it is established that the land can be used for housing.

B Housing

3.1.5 The housing estate is predicated on both:
  - the need to fund the racecourse development, and
  - the notion of a strategic corridor of commercial and residential development.

The latter does not exist. If this were, indeed, a reality, it would have a publicised existence outside the Core Strategy and, as such, it would be recognised among fellow members of the Shepway committee of KALC. It might also have had a greater impact on transport policy.
where the link between motorways and railways (which is possible where STOP24 and Westenhanger Station are contiguous) should have been promoted.

3.1.6 The housing proposals are also based on the long-standing ambition to build houses on the racecourse. We note that it has been proposed in two Local Development Plans in the last two decades, government inspectors have rejected building on the racecourse on both occasions. Neither SDC nor the landowners have shown any real appetite for redevelopment without housing: no practical steps have been taken.

3.1.7 The only numbers we have seen began as 400, became 400 to 800 and then ‘up to 820’ (which we see as a curiously precise figure). We now see (Viability Update, June 2011, # 2.3 that the choice was 706, 817 or 924 as numbers of units – even more precise – but how on earth did these numbers appear? No explanation has been offered but they suggest an accuracy of 0.1% (albeit, this is less extreme than some of the values in the Quod papers!).

3.1.8 We note that #4.7 in the June version of the Viability Update refers to housing schemes at the racecourse which “could legitimately be promoted and would not need to deliver this cross subsidy”. The link between housing and redevelopment is broken by this assertion!

C The link between redevelopment and housing

3.1.9 Stanford Parish Council has long argued that the viability of the scheme has not properly been tested and that the land values/funds raised could not cover the costs of infrastructure and redevelopment. We have now seen both the Quod Viability Update of June 2011, and the Quod Viability update of December 2011. The latter was written before the January 2012 version of the Core Strategy and so may have contributed to it. The June version of the Viability Update is flawed but it must have been used by SDC in preparing the July 2011 Core Strategy.

3.1.10 Both versions of the Quod paper set out the cost of the scheme as about £42.75m of which ‘around £30m’ (in the December version this is £29.987m) is the cost of the works but no details or evidence are given. In addition, the ‘return’ to Arena is crudely calculated at about £12.75m. The potential land values to fund these costs are shown with unbelievable precision based on various baseline land values and various percentages of ‘affordable housing’. Most of the latter need not have been given as SDC has stipulated that the proportion of affordable housing must be 30% (or 250 if the total build is less than 820).

3.1.11 The final table (in #5.5) shows that with 30% affordable housing, and using Arena Integra point 4 values (or the baseline values of the local estate agents, Cluttons), the residual land values are inadequate to achieve Arena’s requirements.

Extract from table in June Viability Update #5.5
Matrix of residual land values

<table>
<thead>
<tr>
<th>Affordable proportion</th>
<th>Adams Integra point 4 £2,800 psm</th>
<th>Cluttons Baseline £2935 psm</th>
<th>Adams Integra Point 5 £3200 psm</th>
<th>Adams Integra Point 5 £3,600 psm</th>
</tr>
</thead>
<tbody>
<tr>
<td>30%</td>
<td>-£4,706,891</td>
<td>-£633,197</td>
<td>+£785,766</td>
<td>+£20,410,277</td>
</tr>
</tbody>
</table>
3.1.12 The final paragraph of (#3.10) of the December version spells this out:

“…. The appraisal analysis … suggests that where the Adams Integra point 5 sales values can be achieved the scheme may potentially support an affordable housing package of between 20 and 25%. On the basis of the current model this will increase to 30% with marginally higher values and fall back to just under 10% where the sales rate is …. as currently advised by Cluttons.”

This means that the scheme is not viable if the SDC requirement of 30% affordable housing is to be met, unless sales values are close to the unrealistically high values of Adams Integra point 5 – which are 9% above Cluttons.

3.1.13 The calculations are further marred by the fact that actual current values in local estate agents are much lower than the baseline values used. Cluttons are known locally to be among the more expensive agents and their figures appear to be over estimates by about 15% overall according to our survey of local estate agents’ websites in March 2012.

Based on # 2.10 Table, Quod, June 2011

<table>
<thead>
<tr>
<th>Type</th>
<th>Cluttons’ baseline - notional</th>
<th>Local agents – actual from our check on websites</th>
<th>difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 bed apartment</td>
<td>200K</td>
<td>210-220K</td>
<td>Plus, say 15K; +7.5%</td>
</tr>
<tr>
<td>3 bed terrace</td>
<td>250K</td>
<td>204-214 K</td>
<td>Less, say 41K; -16%</td>
</tr>
<tr>
<td>3 bed semi</td>
<td>295K</td>
<td>244-275K</td>
<td>Less, say 30K; -10%</td>
</tr>
<tr>
<td>5 bed detached</td>
<td>600K</td>
<td>419-490K</td>
<td>Less, say 145K; -24%</td>
</tr>
</tbody>
</table>

3.1.14 Moreover, the June Viability Update does not mention infrastructure costs. The December version includes £2.75m for drainage, offsite upgrades and additional roadworks, but neither version gives consideration to the full infrastructure costs which SDC is now requiring, such as a new sewerage system, a new primary school (whose cost is put at £4-8m - SDC Core Strategy, table 6.1 p122), enhancement of the Castle environs, and community facilities. These could easily exceed £12m.

In this context, we note that Peter Curbishley in The Guardian (Letters, 29.03.12) writes of the frustration of developments generally that:

“The crucial fact is that the development may not proceed because these infrastructure matters (roads, water, sewage etc) cannot be resolved”.

Here, the developer has not even considered most of the infrastructure costs and can certainly not afford them: the development should not be allowed to proceed.

3.1.15 We consider that the proposal has NOT been fully justified as necessary:

- It is demonstrated above that 820 dwellings cannot fund the redevelopment.
- The scale of the redevelopment has not been defended and the long term future of racing here is not guaranteed.
D Paper from the Head of Planning Services, 2 March 2012

3.1.16 We read with care the somewhat cloudy response (2 March 2012) of Chris Lewis, Head of Shepway Planning Services to the Inspector’s questions of 14 February 2012 and consider that neither the need nor the scale of the development has been properly established. The scheme still owes more to commitment than to evidence. In particular, using Mr Lewis’ paragraph numbers:

#1.2 We note that the racecourse owners have made no firm steps towards redevelopment in the 20 years in which they have been saying that the need is great.
#1.3 We note that contrary to the implications of this paragraph, the racecourse has in each of the last two Local Development Plans put forward plans to build houses: they have been refused.
#1.4 We dispute the assertion that there are good transport links. The site is near a mainline station but this is in great need of updating and which, despite opportunities, is not directly linked to HS1 or to the M20. Trains from Westenhanger are suitable for getting to work in the big towns and to local secondary schools but for no other day-to-day purpose. Bus services need expansion. The key road junction on the A20 at Newingreen requires major improvements which have been denied by KCC over many years on the grounds of cost.
#1.8 We find the economic arguments unconvincing. Arena Leisure employs ten permanent staff. Racing will not increase here so this number is unlikely to increase. The provision of conference facilities is spasmodic so full-time employment will not be great. The number of racegoers is a few hundred on 26 occasions each year (many of them local). The Castle will continue to have limited appeal even if its environs are enhanced.
#1.15 The redevelopment is far from the minimum necessary to maintain racing at Westenhanger. The redevelopment is grandiose, extravagant and, on this scale, quite unnecessary.
#1.17 We have drawn attention to the damning conclusion of the Viability Update and the confusion over versions, but emphasise our understanding that the proposed redevelopment of the racecourse cannot be funded by 820 houses if there is 30% affordable housing and the local norms for house prices are met.
#1.19 The implication is clear: if at planning stage more than 820 houses are requested, this ‘up to’ figure will be exceeded.

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?

We do not believe that the proposals are consistent with local or national guidelines in that they will build over what is, in community and visual terms, open countryside with a settlement which will be based on the car.

3.2.1 Stanford Parish Council notes that the overall SDC proposals for house building (of which the racecourse development is about 10%) far exceed the South East Plan of 5,800 dwellings.
3.2.2 We also note that this development will, in effect, be a new small settlement. This point is conceded in the January 2012 revision of the Core Strategy which (page 77, #b) refers to the need “to foster a new sense of place”. National Policy does not support the creation of new settlements of such small scale in the countryside which would be contrary to the principle of sustainable development.

3.2.3 This new ‘place’ is within an open space which has been used for recreation by local people for very many years (part has been proposed as a ‘village green’) and is remote from work, shops, schools and entertainment. Such opportunities cannot be created within easy travelling distance for the 1600 or so adults (and their children) who will be accommodated here. This new place will become a dormitory for employment in Ashford or further west, with all the social and environmental consequences of commuting. Access to schools, medical care, shops, entertainment and most work will depend on car use: trains are not convenient for most day-today travel (apart from employment in larger towns).

Consequently this proposal does not constitute sustainable development as sought by the National Planning Policy Framework.

3.2.4 The development of 820 houses in Westenhanger is in a place which is classified by SDC currently as ‘Countryside’. Planning decisions spelled this out twice in 2011 when the need to refuse new building in this place was emphasised in emails from planning officers:

- Of Tollgate Cottage (at the entrance to the racecourse), “The application property …. is outside of any establishment settlement ….” (July 2011)
- Of Jesters (overlooking the racecourse, “The site therefore in planning terms forms part of the countryside and in such locations both national and local policies seek the protection of the countryside…….” (August 2011).

3.2.5 The place of Westenhanger in the Settlement Hierarchy is wrongly (and confusingly) given within the Core Strategy and SDC planning responses:

- figure 4.4 p48 shows it as a secondary village,
- the table in #4.62, p 46 shows it as a primary village, BUT
- SDC Development control regards it as ‘countryside’.

3.2.6 The present view from the A20, from Westenhanger, from parts of the M2, from local footpaths, and from the AONB along the ridge to Postling from Farthing Common is of open space across the racecourse. These will become views over a large housing estate which will impact on the setting of the AONB. This is an opinion shared by the Kent Downs AONB Unit.

3.2.7 We conclude that building here would be contrary to national and local guidelines.
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?

Appendix 2 (pp121 to 125) of the Core Strategy identifies POTENTIAL infrastructure projects. Within the following extracts, all the projects relate to SS8.

<table>
<thead>
<tr>
<th>entry</th>
<th>Site</th>
<th>Project</th>
<th>Timing</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Newingreen junction A20/A261/Stone Street</td>
<td>Upgrade</td>
<td>By 2016</td>
<td>TBC</td>
</tr>
<tr>
<td>11</td>
<td>Westenhanger</td>
<td>New 1-2 form entry primary school</td>
<td>2021-2026</td>
<td>£4-8m</td>
</tr>
<tr>
<td>12</td>
<td>Stanford/Westenhanger</td>
<td>New mains sewage connection</td>
<td>2021</td>
<td>TBC</td>
</tr>
<tr>
<td></td>
<td>Table 6.1 p123</td>
<td>Westenhanger Station</td>
<td>2021-2026</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Page 125</td>
<td>Improve broadband</td>
<td>2016</td>
<td>-</td>
</tr>
</tbody>
</table>

We note that:
- these are all merely potential, not formal requirements
- none of these will be in place before 2016
- the school will possibly not open before 2026 but children will have been living here for up to ten years
- sewage disposal will not be available until many years after the first house is built (the present system has no more capacity)
- there is no mention of medical or community services
- green infrastructure is entirely absent
- the costs are largely unknown.

The display on page 76 (of the July 2011 version of the Care Strategy) records that planning permission will be given only if certain infrastructure requirements are in place but Appendix 2 is not reassuring as to delivery or phasing. We find the lack of clarity of responsibility, and absence of detail of cost and timing to be alarming. We also note that the Quod Viability Updates demonstrate a serious lack of appreciation of the scale and cost of infrastructure requirements for this development.

(2750 words)

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Chair
Stanford Parish Council
April 2012