

Local Plan Committee Meeting

**Grand Jury Room, Town Hall, High Street,
Colchester, CO1 1PJ
Monday, 08 February 2016 at 18:00**

The Local Plan Committee deals with the Council's responsibilities relating to the Local Plan

Information for Members of the Public

Access to information and meetings

You have the right to attend all meetings of the Council, its Committees and Cabinet. You also have the right to see the agenda, which is usually published five working days before the meeting, and minutes once they are published. Dates of the meetings are available at www.colchester.gov.uk or from Democratic Services. Occasionally meetings will need to discuss issues in private. This can only happen on a limited range of issues, which are set by law. When a committee does so, you will be asked to leave the meeting.

Have Your Say!

The Council values contributions from members of the public. Under the Council's Have Your Say! policy you can ask questions or express a view to most public meetings. If you wish to speak at a meeting or wish to find out more, please refer to Your Council> Councillors and Meetings>Have Your Say at www.colchester.gov.uk

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www.colchester.gov.uk

COLCHESTER BOROUGH COUNCIL
Local Plan Committee
Monday, 08 February 2016 at 18:00

Member:

Councillor Martin Goss
Councillor Lyn Barton
Councillor Christopher Arnold
Councillor Elizabeth Blundell
Councillor Barrie Cook
Councillor Andrew Ellis
Councillor John Jowers
Councillor Kim Naish
Councillor Gerard Oxford

Chairman
Deputy Chairman

Substitutes:

All members of the Council who are not Cabinet members or members of this Panel.

AGENDA - Part A
(open to the public including the press)

Members of the public may wish to note that Agenda items 1 to 5 are normally brief.

1 Welcome and Announcements

- a) The Chairman to welcome members of the public and Councillors and to remind all speakers of the requirement for microphones to be used at all times.
- (b) At the Chairman's discretion, to announce information on:
 - action in the event of an emergency;
 - mobile phones switched to silent;
 - the audio-recording of meetings;
 - location of toilets;
 - introduction of members of the meeting.

2 Substitutions

Members may arrange for a substitute councillor to attend a meeting on their behalf, subject to prior notice being given. The attendance of substitute councillors must be recorded.

3 Urgent Items

To announce any items not on the agenda which the Chairman has agreed to consider because they are urgent, to give reasons for the urgency and to indicate where in the order of business the item will be considered.

4 **Declarations of Interest**

The Chairman to invite Councillors to declare individually any interests they may have in the items on the agenda. Councillors should consult Meetings General Procedure Rule 7 for full guidance on the registration and declaration of interests. However Councillors may wish to note the following:-

- Where a Councillor has a disclosable pecuniary interest, other pecuniary interest or a non-pecuniary interest in any business of the authority and he/she is present at a meeting of the authority at which the business is considered, the Councillor must disclose to that meeting the existence and nature of that interest, whether or not such interest is registered on his/her register of Interests or if he/she has made a pending notification.
- If a Councillor has a disclosable pecuniary interest in a matter being considered at a meeting, he/she must not participate in any discussion or vote on the matter at the meeting. The Councillor must withdraw from the room where the meeting is being held unless he/she has received a dispensation from the Monitoring Officer.
- Where a Councillor has another pecuniary interest in a matter being considered at a meeting and where the interest is one which a member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice the Councillor's judgement of the public interest, the Councillor must disclose the existence and nature of the interest and withdraw from the room where the meeting is being held unless he/she has received a dispensation from the Monitoring Officer.
- Failure to comply with the arrangements regarding disclosable pecuniary interests without reasonable excuse is a criminal offence, with a penalty of up to £5,000 and disqualification from office for up to 5 years.

5 **Have Your Say!**

a) The Chairman to invite members of the public to indicate if they wish to speak or present a petition at this meeting – either on an item on the agenda or on a general matter relating to the terms of reference of the Committee/Panel not on this agenda. You should indicate your wish to speak at this point if your name has not been noted by Council staff.

(b) The Chairman to invite contributions from members of the public who wish to Have Your Say! on a general matter relating to the terms of reference of the Committee/Panel not on this agenda.

6 **Street based Services Delivery Strategy - Update**

7 - 36

See report by the Head of Operational Services

7 **Community Infrastructure Levy - Consultation on Viability** 37 - 78

See report by the Head of Commercial Services

8 **Broadband Guidance** 79 - 86

See report by the Head Of Commercial Services

9 **Exclusion of the Public (not Scrutiny or Executive)**

In accordance with Section 100A(4) of the Local Government Act 1972 to exclude the public, including the press, from the meeting so that any items containing exempt information (for example confidential personal, financial or legal advice), in Part B of this agenda (printed on yellow paper) can be decided. (Exempt information is defined in Section 100I and Schedule 12A of the Local Government Act 1972).

Part B

(not open to the public including the press)

8 February 2016

Report of	Head of Operational Services	Authors Jolene Rogers 01206 282727 Laura Chase 01206 282473
Title	Updated Street-based Services Delivery Strategy	
Wards affected	All	

This report seeks approval for the updated Street Services Delivery Strategy.

1. Decision(s) Required

- 1.1 To approve the minor changes required to update the adopted Street-based Services Delivery Strategy as a Supplementary Planning Document.

2. Reasons for Decision(s)

- 2.1 To provide advice to developers, Councillors and members of staff around design and infrastructure requirements and responsibilities in relation to Street-based Services. The strategy ensures development is sustainable and mindful of street-based service requirements, which will help meet council aims to reduce, reuse and recycle and to be cleaner and greener, and also to ensure designs for development allow ease of waste and recycling collection. The document requires updating to take into account recent services restructures and responsibilities of service provision within the Council.

3. Alternative Options

- 3.1 To not approve the update. This would reduce the effectiveness of the Supplementary Planning Document (SPD) and reduce likelihood of adequate street service provision.

4. Supporting Information

- 4.1 The adopted Core Strategy and Development Policy documents set out the need to consider design and amenity, as well as to safeguard people friendly streets, improvements to roads and traffic and the need to meet carbon targets and be mindful of energy, resources, waste and recycling needs.
- 4.2 In line with these policies, the Council adopted the Street Services SPD in October 2012 to achieve the following objectives:
 - Support sustainable growth
 - Highlight the importance of street service facilities and infrastructure
 - Ensure adequate provision of the service
 - Inform developers and other interested parties about what the Council expects in new developments
 - Protect and improve existing street facilities

- Enable a more strategic approach to the provision of Street Services facilities in new developments

- 4.3 The Street Services Delivery Strategy was prepared by Street Services officers, with input and guidance from Planning Policy, Development Control and Essex County Council.
- 4.4 The adopted Street Services Delivery Strategy SPD has material status in planning decisions, and has been used in negotiations to secure the delivery of street infrastructure and waste and recycling containers.
- 4.5 The document now requires minor updates to reflect recent service restructures and responsibilities of service provision within the Council. The tracked changes version is attached as Appendix 1 to allow members to easily view the minor proposed changes which include the following:
- Changing the name from Street Services to Street-based Services, reflecting the new remit of the service, along with additional text on the service arrangements
 - Updating the table of background statistics in section 1.2
 - Reduction in the distance from storage areas to collection vehicles from 25 to 15 metres.
 - Addition of food waste containers.
 - Changes to costs associated with the bins and containers

A final version for approval is also attached (Appendix 2) along with the associated detailed guide on specifications (Appendix 3).

5.0 Proposal

- 5.1 To approve the proposed update to the Street-based Services SPD.

6. Strategic Plan References

- 6.1 The Street-based Services SPD contributes to the Strategic Plan commitments to make Colchester a vibrant, prosperous, thriving and welcoming place by ensuring the effective delivery of a range of supporting services and infrastructure.

7. Consultation

- 7.1 Consultation on the original document followed the methodology and techniques for the adoption of Local Development Documents set out in the Council's Statement of Community Involvement and was carried out over a four week period in February and March 2012. No further consultation is considered to be required on minor updates to the SPD.

8. Publicity Considerations

- 8.1 There are no significant publicity implications arising for the Street Services Delivery Strategy.

9. Financial Implications

- 9.1 The Street Services Delivery Strategy, once adopted can be used in the planning process as part of the evidence base to justify developer contributions where appropriate.

10. Equality, Diversity and Human Rights implications

- 10.1 An Equality Impact Assessment has been prepared for the Street Services Delivery Strategy. It is available to view on the Colchester Borough Council website by following this pathway from the homepage - www.colchester.gov.uk > Council and Democracy > Policies, Strategies and Performance > Diversity and Equality > Equality Impact Assessments > Street Services> Street Supplementary Planning Document
- 10.2 This EqiA was available throughout the consultation process and no comments were received on its contents.

11. Community Safety Implications

- 11.1 There are no significant community safety implications arising for the strategy, although the document will help to enable infrastructure and contributions to be sought for CCTV.

12. Health and Safety Implications

- 12.1 There is no significant health and safety implication arising for the Street Services Delivery Strategy.

13. Risk Management Implications

- 13.1 Minor risks in delaying delivery of Strategic Plan objectives.

Colchester Borough Council

Supplementary Planning Document

Adopted 8 October 2012
Updated 8th February 2016

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Street-based Services Delivery Strategy



1. Introduction

- 1.1 Colchester is one of the fastest growing boroughs in the East of England. Under current policies, 830 dwellings are expected to be built in the Borough each year. (Source: AMR 2011)
- 1.2 An impact of this growth in population has been an increase in the costs of delivering services which people take for granted.

Context- historical cost implications of Street Services

Year	07/08	08/09	09/10
Population (ONS estimates)	169,600	174,300	177,100
New homes built	1,243	1,067	518
Landfill Tax paid (Based on ECC figures)	£1,077,576	£1,224,800	£1,440,000
Domestic collection cost (budget books)	£2,624,900	£2,855,000	£3,008,900

2. The Role and Status of the Supplementary Planning Document

- 2.1 This Supplementary Planning Document (SPD) expands upon the Council's existing planning policies contained in its Adopted Core Strategy and Development Policies DPD.
- 2.2 The SPD is to form part of the Colchester Local Development Plan and is to be a material consideration in the determination of all planning applications for development including applications for renewal of consents where requirements do not alter design or layout of original plans. The requirements of the SPD come into immediate effect and will apply to all applications submitted after the date of adoption.

2.3 The Council consulted on the [2012 Supplementary Planning Document](#) (between 13th February – 12th March 2012) in accordance with regulations and the Council's Statement of Community Involvement. All responses received were taken into account in preparing the final adopted version of the SPD, a summary of these responses can be found within the Street Services SPD Consultation Statement published alongside [this the original](#) document and available on the Council's website. [This document has now been updated to take](#)

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into account recent services restructures and responsibilities of service provision within the Council.

2.3 During the preparation of the strategy consideration was given as to whether a Sustainability Assessment or Strategic Environmental Assessment was required for the Street-based Services SPD. After considering the impacts of the SPD it was considered that a Sustainability Assessment or Strategic Environmental Assessment were not required. This is because the SPD is unlikely to result in any significant negative environmental effects.

2.4 The purpose of this SPD is to;

- Support sustainable growth
- Highlight the importance of Street Services facilities and infrastructure
- Ensure adequate provision of the service
- Inform developers and other interested parties about what the Council will expect to be planned into new developments and where contributions for infrastructure are required
- Protect and improve existing street facilities
- Enable a more strategic approach to the provision of street services facilities in new developments
- Ensure that future developments are helping to achieve corporate objectives of the Council.

2.5 The SPD is intended to provide useful guidance to developers and assist them in making planning applications by setting out what will be expected. Further detailed information which developers and others may also find useful is available in the Street Infrastructure Guide. This lists the street infrastructure and waste/recycling facilities that can be provided, their specification and cost if developers wish to purchase them from the Council. Due to the evolving nature of the service, this information may be periodically reviewed to ensure that it is up to date. Changes to the SPD itself will be subject to approval by the Councils Local Plan Committee.

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3. Why is a Street-based Services Delivery Strategy required?

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3.1 This strategy is provided to ensure that councillors, officers and developers, as well as external stakeholders such as community groups and parish councils, understand the impact new development can have on the Council's ability to undertake duties people take for granted. These include recycling and waste management, litter and dog bins and ground maintenance.

4. National policy context and guidance

4.1 The following national policy documents provide background information;

1. Waste Strategy for England (2007)
2. Government Review of Waste Policy in England (2011)
3. DEFRA's Guidance on Part 4 of the Environmental Protection Act 1990 as amended by the Clean Neighbourhoods and Environment Act 2000
4. Clean Neighbourhoods and Environment Act (2005)
5. National Planning Policy Framework (March 2012)

4.2 National Planning Guidance

The National Planning Policy Framework (NPPF) was published and brought into immediate effect in March 2012. The NPPF outlines that the purpose of the planning system is to contribute to the achievement of sustainable development. The NPPF also includes as a core planning principle that policies and decision should always seek to secure a good standard of amenity for existing and future occupants of land and buildings. The Street-based Services SPD will assist the Council and developers in achieving sustainable development as described within the NPPF.

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4.3 The NPPF makes it clear that Supplementary Planning Documents should only be used where they can help applicants make successful applications or aid infrastructure delivery. The Street-based Services SPD is in conformity with this requirement because it provides advice for applicants to make a successful planning application by detailing the infrastructure and designs that new developments will be required to comply with in order to assist the Council's recycling programme.

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4.4 The Council is also conscious of the Governments position with regard to the use of conditions and planning obligations. The NPPF states that planning obligations should only be used where it is not possible to offset unacceptable impacts of development through a planning condition. They should only be sought where they meet all of the following tests: necessary to make the development acceptable in planning terms; directly related to the development; and fairly and reasonably related in scale and kind to the development. Local planning authorities should avoid unnecessary conditions or obligations, particularly when this would undermine the viability of development proposals. This has been reinforced by the Ministerial Statement of 6th September 2012.

4.5 The Planning Act 2008 (Part 11) provides the enabling powers for local authorities to apply a Community Infrastructure Levy (CIL) to support strategic infrastructure delivery in an area. Under this new system, planning obligations can still be used for site specific requirements, provided that it does not overlap with CIL.

5. Local Policy Guidance

5.1 The following documents and policies provide the local policy context;

Core Strategy (Adopted December 2008)

- ENV1 EnvironmentPR1 - People-friendly Streets
- TA4 - Roads and Traffic
- TA5 - Parking
- ER1 - Energy, Resources, Waste and Recycling
- UR2 – Built Design and Character

Development Policies DPD(Adopted October 2010)

- DP1: Design and Amenity

6. **Street-based Services** provision in new developments

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- 6.1 It is important that all new developments plan to accommodate street infrastructure and create sustainable development from the outset. Infrastructure may be required where a new development creates a new impact on the local area. This should be considered as part of the design and layout of any scheme.

- 6.2 **All Street-based Services** should be involved at the start of discussions concerning new developments to ensure infrastructure is planned for from the outset. These services include Operational Services, Community Services, and Commercial Services. Existing information about the presence of current facilities will be used to determine the impact a development is likely to have, whether it will add pressure on existing services or require the provision of new services.

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- 6.3 Section 106 Agreements and conditions will be used for site specific projects or infrastructure. Larger infrastructure items can be funded through CIL when the levy is implemented.

7.0 Design Requirements

- 7.1 Developers should plan from the outset and include Recycling and Waste collection requirements within the design of new developments. These will include the following;

- Roads and junctions should accommodate a collection vehicle which is 2500mm in width. Developers must ensure that collection vehicles can safely manoeuvre without causing damage to infrastructure, vehicles or property.
- Where practical, The Essex Development Construction Manual should also be used to inform design; specifically the recommendation that wider carriageways are applied to road types 4 and 5, which will aid waste and recycling collection.
- The design of all pathways, roads and junctions should ensure that collection vehicles do not have to reverse any further than 25 metres.
- Where smaller roads are included as part of a development, the proximity of properties and bin stores to roads and pathways,

should ensure that operatives walk no further than 125 metres to undertake collections. These can be more than 125 metres from the property, as there is no requirement for maximum distance for occupants to place out their waste and recycling.

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- Roads and pathways should ensure there is sufficient space to enable residents of houses to place their recycling and refuse on the boundary of the property for collection. Collections points should be outside the boundaries of the highway to ensure free flow of both pedestrians and vehicles.
- Adequate resident and visitor parking should be provided as set out in the adopted Vehicle Parking Standards SPD. Ensuring these requirements are met is essential in ensuring the Council can collect recycling and refuse which is placed out for collection. It may be necessary to introduce parking restrictions to achieve this.
- Communal bin storage areas are only acceptable in the design of flats. —For houses, the council operates a boundary collection to each individual property. Ideal design for bin store areas ensures that collection vehicles have somewhere 'off-road', like a car park to reverse into that is within a 25 metre proximity and make collections. This should not be obstructed in any way, including through car parking or landscaping. Ideal design features for bin stores are set out in the Street Infrastructure Guide. The required dimensions for bin store areas should be based on accommodating the waste and recycling containers required at the time of planning approval. For further details, please contact Colchester Borough Council's [Recycling, waste and Fleet Service](#).
- Where external or free standing bin stores are required, they must be designed in sympathy to the main buildings, reflecting the architectural style and attributes. For most situations the appearance should be that of a subservient outhouse, well located to meet the access and manoeuvrability requirements without being unduly prominent. The style of enclosure and materials, as well as the type of roof should take reference from the theme or style used in the principle buildings on the development.
- Consideration must be given to air circulation and ventilation in the store so that residents are not put off by the accumulation of odours. In the case of open fronted stores a canopy structure may be required to provide weather protection for residents. Combined bin stores with other uses such as bike stores are not acceptable.
- To ensure the successful collection of materials, the entrance of the bin store must be kept free from obstruction at all times. If the location is not accessed directly from the highway, where regulations permit, it may be necessary to apply traffic restrictions to prevent vehicles from parking in front or adjacent to the storage area. A dropped kerb should be installed where collection paths cross a pavement, to enable the retrieval and return of containers. The distance from the storage area to the collection vehicle should be no greater than 125m.

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7.2 Where the specified design criteria cannot be achieved there may be an increase in cost to the Council and difficulty in providing a waste and recycling collection service. In such cases, a contribution will be sought from the developer at the planning stage to offset this. This amount will be calculated based on additional collection requirements or special arrangements that need to be made. In 2012/13, this cost stood at £54.83 per household per year, based on the cost to operate a special collections service for the difficult properties in the borough, this would be payable for a 5 year period, after which time, Colchester Borough Council will assume responsibility and cost for the special collection route.

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7.3 More information and specifications for design of development are also available in the Essex Design Guide.

8.0 Infrastructure Requirements

8.1 New development often places extra demands on existing infrastructure or a requirement for additional facilities. The Council will therefore require developers to include the following as part of their development where their development necessitates it;

- Dog waste bins
- Litter bins
- Recycling and waste facilities.

8.2 The service can identify all the current litter and dog bin provision in the borough to give a picture of current infrastructure. This helps to identify where new developments will create a demand for litter and dog bins because there is inadequate current provision. Further details about all the infrastructure the Service uses is available in the Street Infrastructure Guide.

8.3 All infrastructure is available to purchase from the Council.

9.0 Trade recycling and waste requirements

9.1 Sustainability and waste minimisation are important issues to consider when developing commercial or retail premises. Developers should ensure that there is sufficient space to support waste minimisation initiatives and as a minimum provide recycling infrastructure for paper, cardboard and glass. Developments should adopt waste minimisation solutions for additional materials such as plastics, cans, food waste and composting, to ensure they are 'future proof'. This demonstrates a commitment to reducing waste in trade premises, and should be addressed during the planning application process. Facilities should be shown on site layout plans.

10.0 CCTV

- 10.1 The provision of CCTV forms a valuable part of street infrastructure, which if used correctly, can help to ensure a good living environment for everyone. It is important as part of good development, to reduce and deter crime and the fear of crime in areas where it is particularly difficult to design out issues, or the land use may require a greater need for monitoring.
- 10.2 CCTV may be identified as a need from the outset of a large scale development, and is particularly relevant in mixed-use schemes and those incorporating entertainment and leisure venues, commercial and retail uses and also car parks. In such cases where a need is identified, the Council will ask relevant developers to provide a camera(s), communication link, maintenance and infrastructure improvements including central monitoring and recording equipment.
- 10.3 Where it is known at the planning stage that CCTV is required, developers will be required to lay the necessary cabling and connections at the outset. This will avoid unnecessary disruption when the cameras are installed and linked to the control centre.

Comment [JR2]: cctv

11.0 Parking and Traffic Regulation Orders (TRO's)

- 11.1 New developments should consider access for a range of vehicles (this would include dustcarts etc), and also take into account the predicted number of vehicles likely to be present on the completion of a scheme.
- 11.2 Parking allocation and road access is something that should be addressed at the design stage of development. Good design should enable the ease of passage for a range of vehicles, and if this is done correctly it will reduce the need to create and enforce Traffic Regulation Orders. TRO's are not suitable in areas where the location is accessed directly from the highway.
- 11.3 All potential "pinch points" such as bends in the road, roundabouts, junctions, entrances to car parking, flat bin store areas, including the associated frontages that allow access to these locations, should ensure that they are designed (through landscaping, signage and adequate parking provision) to discourage inconsiderate and problematic parking.
- 11.4 Road widths are specified in this document under 'design requirements' (page 6) to allow access for large vehicles. Where only the minimum widths are provided for, parking restrictions may be required to prevent obstructions to vehicles through inconsiderate parking. Particular care should be applied on sites in or close to sites that generate large numbers of vehicles such as town centres, train stations and existing residents parking schemes.
- 11.5 Experience has shown that unless appropriate measures are considered during the design stage, it is inevitable that parking

pressures will increase considerably once a development is complete, which is particularly true of developments used by local workers, commuters and shoppers.

- 11.6 It is envisaged that a majority of the points contained within this section would be catered for in the design stage of a development, however in certain circumstances this may not always be possible and restrictions or suitable schemes may need to be considered or implemented and this could be achieved in liaison with the North Essex Parking Partnership and Essex County Council [Highways](#).

12 Monitoring and review

- 12.1 The [Street-based](#) Services strategy will be reviewed on an annual basis to ensure that it meets current needs and priorities.

Colchester Borough Council

Supplementary Planning Document

Adopted 8 October 2012
Updated 8th February 2016

Street-based Services Delivery Strategy



1. Introduction

- 1.1 Colchester is one of the fastest growing boroughs in the East of England. Under current policies, 830 dwellings are expected to be built in the Borough each year. (Source: AMR 2011)
- 1.2 An impact of this growth in population has been an increase in the costs of delivering services which people take for granted.

Context- historical cost implications of Street Services

Year	12/13	13/14	14/15
Population (ONS mid-year estimates)	176,008	177,626	180,420
New homes built	617	725	943
Landfill Tax paid (Based on ECC figures)	£2,852,560	£2,802,151	2,800.813
Domestic Collection Costs (Budget Books)	£3,028,800	£2,743,400	£2,939,700

2. The Role and Status of the Supplementary Planning Document

- 2.1 This Supplementary Planning Document (SPD) expands upon the Council's existing planning policies contained in its Adopted Core Strategy and Development Policies DPD.
- 2.2 The SPD is to form part of the Colchester Local Development Plan and is to be a material consideration in the determination of all planning applications for development including applications for renewal of consents where requirements do not alter design or layout of original plans. The requirements of the SPD come into immediate effect and will apply to all applications submitted after the date of adoption.
- 2.3 The Council consulted on the 2012 Supplementary Planning Document (between 13th February – 12th March 2012) in accordance with regulations and the Council's Statement of Community Involvement. All responses received were taken into account in preparing the final adopted version of the SPD, a summary of these responses can be found within the Street Services SPD Consultation Statement published alongside the original document and available on the Council's website. This document has now been updated to take into account recent

services restructures and responsibilities of service provision within the Council.

2.4 During the preparation of the strategy consideration was given as to whether a Sustainability Assessment or Strategic Environmental Assessment was required for the Street-based Services SPD. After considering the impacts of the SPD it was considered that a Sustainability Assessment or Strategic Environmental Assessment were not required. This is because the SPD is unlikely to result in any significant negative environmental effects.

2.5 The purpose of this SPD is to;

- Support sustainable growth
- Highlight the importance of Street Services facilities and infrastructure
- Ensure adequate provision of the service
- Inform developers and other interested parties about what the Council will expect to be planned into new developments and where contributions for infrastructure are required
- Protect and improve existing street facilities
- Enable a more strategic approach to the provision of street services facilities in new developments
- Ensure that future developments are helping to achieve corporate objectives of the Council.

2.6 The SPD is intended to provide useful guidance to developers and assist them in making planning applications by setting out what will be expected. Further detailed information which developers and others may also find useful is available in the Street Infrastructure Guide. This lists the street infrastructure and waste/recycling facilities that can be provided, their specification and cost if developers wish to purchase them from the Council. Due to the evolving nature of the service, this information may be periodically reviewed to ensure that it is up to date. Changes to the SPD itself will be subject to approval by the Councils Local Plan Committee.

3. Why is a Street –based Services Delivery Strategy required?

3.1 This strategy is provided to ensure that councillors, officers and developers, as well as external stakeholders such as community groups and parish councils, understand the impact new development can have on the Council's ability to undertake duties people take for granted. These include recycling and waste management, litter and dog bins and ground maintenance.

4. National policy context and guidance

4.1 The following national policy documents provide background information;

1. Waste Strategy for England (2007)
2. Government Review of Waste Policy in England (2011)
3. DEFRA's Guidance on Part 4 of the Environmental Protection Act 1990 as amended by the Clean Neighbourhoods and Environment Act 2000
4. Clean Neighbourhoods and Environment Act (2005)
5. National Planning Policy Framework (March 2012)
6. DEFRA's Waste Management Plan for England 2013

4.2 National Planning Guidance

The National Planning Policy Framework (NPPF) was published and brought into immediate effect in March 2012. The NPPF outlines that the purpose of the planning system is to contribute to the achievement of sustainable development. The NPPF also includes as a core planning principle that policies and decision should always seek to secure a good standard of amenity for existing and future occupants of land and buildings. The Street-based Services SPD will assist the Council and developers in achieving sustainable development as described within the NPPF.

4.3 The NPPF makes it clear that Supplementary Planning Documents should only be used where they can help applicants make successful applications or aid infrastructure delivery. The Street-based Services SPD is in conformity with this requirement because it provides advice for applicants to make a successful planning application by detailing the infrastructure and designs that new developments will be required to comply with in order to assist the Council's recycling programme.

4.4 The Council is also conscious of the Governments position with regard to the use of conditions and planning obligations. The NPPF states that planning obligations should only be used where it is not possible to offset unacceptable impacts of development through a planning condition. They should only be sought where they meet all of the following tests: necessary to make the development acceptable in planning terms; directly related to the development; and fairly and reasonably related in scale and kind to the development. Local planning authorities should avoid unnecessary conditions or obligations, particularly when this would undermine the viability of development proposals. This has been reinforced by the Ministerial Statement of 6th September 2012.

4.5 The Planning Act 2008 (Part 11) provides the enabling powers for local authorities to apply a Community Infrastructure Levy (CIL) to support strategic infrastructure delivery in an area. Under this new system, planning obligations can still be used for site specific requirements, provided that it does not overlap with CIL.

5. **Local Policy Guidance**

- 5.1 The following documents and policies provide the local policy context;

Core Strategy (Adopted December 2008)

- ENV1 EnvironmentPR1 - People-friendly Streets
- TA4 - Roads and Traffic
- TA5 - Parking
- ER1 - Energy, Resources, Waste and Recycling
- UR2 – Built Design and Character

Development Policies DPD(Adopted October 2010)

- DP1: Design and Amenity

6. Street –based Services provision in new developments

- 6.1 It is important that all new developments plan to accommodate street infrastructure and create sustainable development from the outset. Infrastructure may be required where a new development creates a new impact on the local area. This should be considered as part of the design and layout of any scheme.
- 6.2 All Street-based Services should be involved at the start of discussions concerning new developments to ensure infrastructure is planned for from the outset. These services include Operational Services, Community Services, and Commercial Services. Existing information about the presence of current facilities will be used to determine the impact a development is likely to have, whether it will add pressure on existing services or require the provision of new services.
- 6.3 Section 106 Agreements and conditions will be used for site specific projects or infrastructure. Larger infrastructure items can be funded through CIL when the levy is implemented.

7.0 Design Requirements

- 7.1 Developers should plan from the outset and include Recycling and Waste collection requirements within the design of new developments. These will include the following;
- Roads and junctions should accommodate a collection vehicle which is 2500mm in width. Developers must ensure that collection vehicles can safely manoeuvre without causing damage to infrastructure, vehicles or property.
 - Where practical, The Essex [Development Construction Manual](#) should also be used to inform design; specifically the recommendation that wider carriageways are applied to road types 4 and 5, which will aid waste and recycling collection.
 - The design of all pathways, roads and junctions should ensure that collection vehicles do not have to reverse any further than 25 metres.

- Where smaller roads are included as part of a development, the proximity of properties and bin stores to roads and pathways, should ensure that operatives walk no further than 15 metres to undertake collections. These can be more than 15 metres from the property, as there is no requirement for maximum distance for occupants to place out their waste and recycling.
- Roads and pathways should ensure there is sufficient space to enable residents of houses to place their recycling and refuse on the boundary of the property for collection. Collections points should be outside the boundaries of the highway to ensure free flow of both pedestrians and vehicles.
- Adequate resident and visitor parking should be provided as set out in the adopted Vehicle Parking Standards SPD. Ensuring these requirements are met is essential in ensuring the Council can collect recycling and refuse which is placed out for collection. It may be necessary to introduce parking restrictions to achieve this.
- Communal bin storage areas are only acceptable in the design of flats. For houses, the council operates a boundary collection to each individual property. Ideal design for bin store areas ensures that collection vehicles have somewhere 'off-road', like a car park to reverse into that is within a 25 metre proximity and make collections. This should not be obstructed in any way, including through car parking or landscaping. Ideal design features for bin stores are set out in the Street Infrastructure Guide. The required dimensions for bin store areas should be based on accommodating the waste and recycling containers required at the time of planning approval. For further details, please contact Colchester Borough Council's Recycling, waste and Fleet Service.
- Where external or free standing bin stores are required, they must be designed in sympathy to the main buildings, reflecting the architectural style and attributes. For most situations the appearance should be that of a subservient outhouse, well located to meet the access and manoeuvrability requirements without being unduly prominent. The style of enclosure and materials, as well as the type of roof should take reference from the theme or style used in the principle buildings on the development.
- Consideration must be given to air circulation and ventilation in the store so that residents are not put off by the accumulation of odours. In the case of open fronted stores a canopy structure may be required to provide weather protection for residents. Combined bin stores with other uses such as bike stores are not acceptable.
- To ensure the successful collection of materials, the entrance of the bin store must be kept free from obstruction at all times. If the location is not accessed directly from the highway, where regulations permit, it may be necessary to apply traffic restrictions to prevent vehicles from parking in front or adjacent to the storage area. A dropped kerb should be installed where collection paths cross a pavement, to enable the retrieval and return of containers. The distance from the storage area to the collection vehicle should be no greater than 15m.

- 7.2 Where the specified design criteria cannot be achieved there may be an increase in cost to the Council and difficulty in providing a waste and recycling collection service. In such cases, a contribution will be sought from the developer at the planning stage to offset this. This amount will be calculated based on additional collection requirements or special arrangements that need to be made. In 2011/12, this cost stood at £37.50 per household per year, based on the cost to operate a special collections service for the difficult properties in the borough, this would be payable for a 5 year period, after which time, Colchester Borough Council will assume responsibility and cost for the special collection route.
- 7.3 More information and specifications for design of development are also available in the Essex Design Guide.

8.0 Infrastructure Requirements

- 8.1 New development often places extra demands on existing infrastructure or a requirement for additional facilities. The Council will therefore require developers to include the following as part of their development where their development necessitates it;
- Dog waste bins
 - Litter bins
 - Recycling and waste facilities.
- 8.2 Community Services can identify all the current litter and dog bin provision in the borough to give a picture of current infrastructure. This helps to identify where new developments will create a demand for litter and dog bins because there is inadequate current provision. Further details about all the infrastructure the Service uses is available in the Street Infrastructure Guide.
- 8.3 All infrastructure is available to purchase from the Council.

9.0 Trade recycling and waste requirements

- 9.1 Sustainability and waste minimisation are important issues to consider when developing commercial or retail premises. Developers should ensure that there is sufficient space to support waste minimisation initiatives and as a minimum provide recycling infrastructure for paper, cardboard and glass. Developments should adopt waste minimisation solutions for additional materials such as plastics, cans, food waste and composting, to ensure they are 'future proof'. This demonstrates a commitment to reducing waste in trade premises, and should be addressed during the planning application process. Facilities should be shown on site layout plans.

10.0 CCTV

- 10.1 The provision of CCTV forms a valuable part of street infrastructure, which if used correctly, can help to ensure a good living environment for everyone. It is important as part of good development, to reduce and deter crime and the fear of crime in areas where it is particularly difficult to design out issues, or the land use may require a greater need for monitoring.
- 10.2 CCTV may be identified as a need from the outset of a large scale development, and is particularly relevant in mixed-use schemes and those incorporating entertainment and leisure venues, commercial and retail uses and also car parks. In such cases where a need is identified, the Council will ask relevant developers to provide a camera(s), communication link, maintenance and infrastructure improvements including central monitoring and recording equipment.
- 10.3 Where it is known at the planning stage that CCTV is required, developers will be required to lay the necessary cabling and connections at the outset. This will avoid unnecessary disruption when the cameras are installed and linked to the control centre.

11.0 Parking and Traffic Regulation Orders (TRO's)

- 11.1 New developments should consider access for a range of vehicles (this would include dustcarts etc), and also take into account the predicted number of vehicles likely to be present on the completion of a scheme.
- 11.2 Parking allocation and road access is something that should be addressed at the design stage of development. Good design should enable the ease of passage for a range of vehicles, and if this is done correctly it will reduce the need to create and enforce Traffic Regulation Orders. TRO's are not suitable in areas where the location is accessed directly from the highway.
- 11.3 All potential "pinch points" such as bends in the road, roundabouts, junctions, entrances to car parking, flat bin store areas, including the associated frontages that allow access to these locations, should ensure that they are designed (through landscaping, signage and adequate parking provision) to discourage inconsiderate and problematic parking.
- 11.4 Road widths are specified in this document under 'design requirements' (page 6) to allow access for large vehicles. Where only the minimum widths are provided for, parking restrictions may be required to prevent obstructions to vehicles through inconsiderate parking. Particular care should be applied on sites in or close to sites that generate large numbers of vehicles such as town centres, train stations and existing residents parking schemes.
- 11.5 Experience has shown that unless appropriate measures are considered during the design stage, it is inevitable that parking

pressures will increase considerably once a development is complete, which is particularly true of developments used by local workers, commuters and shoppers.

- 11.6 It is envisaged that a majority of the points contained within this section would be catered for in the design stage of a development, however in certain circumstances this may not always be possible and restrictions or suitable schemes may need to be considered or implemented and this could be achieved in liaison with Development Team at Essex County Council

12 Monitoring and review

- 12.1 The Street-based Services strategy will be reviewed on an annual basis to ensure that it meets current needs and priorities.

Colchester Borough Council

Street Services Infrastructure Guide



Published October 2012

Updated February 2016

Street Services Infrastructure Guide

In October 2012 the Council adopted the Street Services Delivery Strategy as a Supplementary Planning Document (SPD). To provide further information this additional guidance has been published. It does not form part of the SPD but simply adds a further layer of detail for those people involved in the provision of Street Services facilities and infrastructure. This document has been updated to account for service changes and price increases.

Bins

The need for and location of both dog waste and litter bins will depend on existing provision in the area, the size and type of development proposed, the scale of litter likely to be generated by a new development, the suitability of pavement and other planning considerations.

The distance people are prepared to go to use a waste bin determines the number of bins needed in identified locations. This distance varies from site to site. For example, people at transport terminals and shops would use a bin rather than litter within 3.5 metres of bins, while at coastal locations people would walk up to 17 metres to use a bin. Each proposal will be looked at on its merits to ensure there is adequate provision but at the same time avoiding street clutter.

Dog waste bins

Dog bins are an important sustainable feature; they promote clean streets and good quality living environments for all. Dog ownership is estimated in around 31% of UK households (based on a 2007 survey by the University of Bristol.)

A development of 35 dwellings therefore is likely to include 10 dog owning households. If provision is not already available in the local area, the inclusion of dog bin facilities and a sum for maintenance may be required in new residential developments of 35 or more units, in an appropriate position as agreed by the Borough Council and the local Highways Authority (as applicable).

Where a development incorporates a new green space which is likely to be used to exercise dogs from those within the development, a dog bin should be installed in a position agreed with the service based on accessibility. A commuted sum may also be required for maintenance.

Where the installation of a bin is not practical or desirable a developer of a scheme over 35 units may be asked to contribute towards maintenance costs and extra collections from existing bins. Dog bins should be red and the design should not allow for the waste to be removed from the bin once it has been put in. The design over the page is the type that we would expect to be installed;



Design specification	
Capacity	50litre
Height	750mm
Width	450mm
Depth	250mm

If required the bins should be supplied, installed and maintained by the developer for 5 years (including emptying). The developer may also contract the Council to supply, install and maintain the bins at the below specified costs.

Bin	Cost (excl VAT)	Installation + logo fit	Maintenance (5 years per bin)
Jubilee Recycling Bin	£410.00	£90	£1260
Jubilee Litter Bin	£350.00	£90	£1260
Retriever Dog Bin	£290.00	£90	£1260

Litter bins

New development may also increase the likelihood of littering in specific areas and as such infrastructure should be put in place to minimise this impact. Furthermore the use of recycling street units (litter bins with recycling compartments) will help to further promote recycling in the borough.

New residential developments of 10 or more properties that are likely to increase litter issues may be required to install street litter or recycling units, or make a contribution to the local authority to cover such costs. Areas likely to require litter bins include;

- Developments on a pedestrian school route, such as a common through pass between a school and retail premises, or a school and housing estate
- Green space used for recreational activities
- Other pedestrian routes which run around or through the development, particularly those linking housing estates with retail and recreational units.

All commercial units which are likely to require disposal of packaging (i.e. shops, fast food), will also be required to install litter bins within the vicinity, if existing provision is not adequate.

Litter bins are usually sited on the adopted highway or land owned or under the control of the Council. It is not general practice to locate litter bins in remote lay-bys, housing estates, or on land owned by others. Litter bins sited in such areas can suffer abuse and become a nuisance.

Street recycling units for paper and plastics should always be installed alongside litter bins. The bin dimensions below give the appropriate bin specifications. These would require two separate recycling bins for paper and plastics as well as a separate waste litter bin.

Waste litter



Recycling units



Design specification	
Capacity	130litre
Height	1158mm
Width	598mm
Depth	553mm

Recycling and waste facilities

Colchester Borough Council operates a kerbside collection of recycling and waste from all houses within the borough. All new developments of houses should therefore provide the following;

- Y Compost bins or compost infrastructure within a property boundary
- Y Recycling box for glass, cans and foil
- Y Hessian garden waste sacks
- Y Clear recycling sacks for plastics, paper, card and textiles
- Y Kitchen and external caddy's for food waste recycling
- Y Black refuse sacks for non-recyclable household waste

Residents living in blocks of flats are also required to separate their waste and should place materials in wheeled bins for collection. All new developments of flats require the provision of;

- Y Wheeled bins for recycling
- Y Wheeled bins for waste
- Y Storage areas.

The specifications for recycling and waste containers are listed over the page.

Any development of trade or retail premises should also incorporate adequate recycling and waste storage and collection facilities. As a minimum, businesses should be enabled to recycle paper, card and glass.

Domestic recycling and waste requirements: houses

Clear recycling sacks

To enable residents to place their paper, card, plastics and textiles out for collection, clear recycling sacks are provided to each household. It is important that relevant collection information is shown on the sacks. These sacks can be purchased through Colchester Borough Council.



Design specification	
Length	940mm
Width	740mm
Minimum acceptable gauge	100
Type of material	Recycled MDPE
Colour	Clear

Compost bins

Home composting bins similar to the one shown below and meeting the specifications detailed in the accompanying table can be provided. Alternatively, compost infrastructure can be built within a property boundary i.e. outdoor unit.



Design specification	1 – 4 persons	5 persons+
Capacity	220 litre	330 litre
Height	900mm	1000mm
Diameter	740mm	800mm

Recycling Box

An industrial strength plastic box with a lid enables residents to separate their glass, cans and foil. The container should have two lifting handles on the side as shown in the image below and four drainage holes on the bottom. These containers are available from Colchester Borough Council.



Design specification	
Capacity	55 litre
Width	630mm
Depth	390mm
Height	355mm
Weight	1.55kg
Divider	
Lid	
Colour preference	Green

Garden waste sacks

Garden waste sacks enable residents to participate fully in the kerbside collection scheme. The sacks reiterate the Council's collection policy with regards to what materials can be placed out for collection and how it should be presented. Sacks can be purchased from Colchester Borough Council.



Design specification	
Capacity	45 litre
Width	450mm
Depth	450mm
Height	450mm
Colour preference	White
Handles	Two lifting handles, one emptying handle on the base of the sack
Additional Information	Must specify what can be placed inside the sacks for collection.

Food Waste Caddy's

The Small Kitchen Caddy can be kept inside a residents property. Residents can use compostable caddy liners to contain food waste. The Large External Caddy is to be kept outside to transfer the contents over from the full kitchen caddy's. Caddy's should be placed out for collection in line with the councils collection policy. Compostable Caddy Liners - Each roll carries 26 liners and are 100% compostable and 100% biodegradable. Both Caddy's and liners can be purchased from Colchester Borough Council.



Design specification	
	Large: 23 Litre.
Width	320mm
Depth	400mm
Height	405mm
Colour preference	Green

Design specification	
	Small: 7 Litre
Width	252mm
Depth	229mm
Height	234mm
Colour preference	Grey/Green

Refuse Sacks

Black refuse sacks enable residents to securely place non-recyclable household waste for collection. The sacks reiterate the Council's collection policy with regards to collections and the presentation of refuse. These are available from Colchester Borough Council.



Design specification	
Length	940mm
Width	740mm
Minimum acceptable gauge	76
Type of material	Recycled MDPE
Colour	Black

Domestic recycling and waste requirements: flats

Residents living in blocks of flats should be provided with communal recycling waste facilities. These facilities should be contained within a dedicated bin storage area.

Waste bins

Residents living in blocks of flats are required to place non-recyclable household waste in securely tied sacks. The sacks should then be placed inside a communal eurobin for collection. The communal refuse bin should be made from galvanised steel and have a heavy duty, lightweight plastic lid. The bin must be compatible with all standard bin lift vehicles and have breaks to ensure the bin can be secured. One 1100L eurobin will serve 12 properties; average dimensions are shown below;



1100 litre eurobin specification	
Height	1430mm
Width	1370mm
Depth	970mm
Serves	12 properties

Recycling Bins

Based on current waste and recycling collections, all blocks of flats which are three storeys or more, should be provided with a set of three 360 litre eurobins to facilitate the collection of paper, glass and cans. **Consideration should be given for additional spaces as plastic and food waste collections are added.** The bins should be labelled with one of each uses.

The bin store, or designated recycling area, should be sized to meet the required storage size of waste and recycling containers at the time of planning approval. Further details about the current requirements can be obtained through Colchester Borough Council.

The dimensions of an average 360 litre bin are shown in the table below. One set of each recycling bins (currently for paper, glass and cans) will be sufficient for up to eight flats.



Recycling bins specification	
Height	1100mm
Width	600mm
Depth	880mm

Indicative specifications for required Recycling and Waste facilities

These are indicative specifications are based on current Colchester Borough Council requirements for recycling and waste containers. Costs are reviewed annually and information is available on request.

	Houses	Flat with own self contained garden	Flat with no amenity space
Containers which can be purchased from Colchester Borough Council	1 x roll of 52 black refuse sacks 1 x roll of 52 clear recycling sacks at 1 x green recycling box 1 x white reusable garden waste sacks	1 x roll of 52 black refuse sacks 1 x roll of 52 clear recycling sacks 1 x green recycling box 1 x white reusable garden waste sacks	360L recycling bin for paper with labelling 360L recycling bin for glass with labelling 360L recycling bin for cans with labelling <i>(1 of each bin is required for every 8 flats)</i>
Containers which cannot be purchased from the Council	220L compost bin 330L compost bin	220L compost bin 330L compost bin	1100L wheeled, galvanised metal waste bin (1 bin is sufficient for 12 properties)

8 February 2016

Report of	Head of Commercial Services	Author	Daniel Cameron 01206 506025
Title	Community Infrastructure Levy – Consultation on Viability Evidence Base		
Wards Affected	All		

The Local Plan Committee is asked to note the updates made to the Council's Community Infrastructure Levy Viability Evidence Base and approve public consultation.

1. Decision Required

- 1.1 That members note the viability evidence compiled by BPS Chartered Surveyors in October 2015 which serves to update the Roger Tym and Partners Community Infrastructure Levy (CIL) viability evidence base document of October 2011.
- 1.2 Members agree to go out to public consultation on the updated viability evidence in advance of progressing with a more complete CIL draft charging schedule alongside the emergent Local Plan.

2. Reasons for Decisions

- 2.1 Failure to take the updated viability work out to public consultation will mean that it will be out of date when the Council moves forward with the implementation of CIL. At that point, new viability evidence would be required.
- 2.2 Public consultation at this stage will allow the BPS viability evidence to become part of the CIL evidence base which the Council is required to demonstrate during later stages of the CIL adoption process.
- 2.3 Taking the updated evidence base out to public consultation has the added benefit of allowing the Council to address any concerns that may be raised regarding the updated viability evidence prior to more formal consultation period(s) within the CIL adoption process.

3. Supporting Information

- 3.1 In 2011 Colchester Borough Council commenced work on implementing the Community Infrastructure Levy. Two stages of consultation were undertaken as detailed below;
 1. The Preliminary Draft Charging Schedule was published in July 2011. The Charging Schedule proposed the following charges:
 - New residential development - £120/m²;
 - Retail (in town centres or covering less than 430m²) - £120/m²;
 - Retail in out of centre or edge of centre locations - £240/m²;
 - All other uses were to be exempt.

2. The Draft Charging Schedule was published in November 2011. This retained some charges from the preliminary draft, but made changes to the rates of retail CIL as follows:
- Residential development - £120/m²;
 - Comparison retail - £90/m²;
 - Convenience retailing - £240/m²;
 - All other uses were exempt.
- 3.2 The Council were at the point of submission when a number of Inspector decisions which had a bearing on the how the Levy was applied were released. The most relevant required CIL to be viable at the same time as delivering policy compliant affordable housing. The Council's policy at the time was 35% affordable housing but this was rarely being delivered because of viability concerns. It was therefore considered that the policy needed to be reviewed as part of the Core Strategy Focussed Review.
- 3.3 At the same time the Local Plan Committee was concerned about the impact of CIL on viability, especially with regard to small builders. Officers were instructed to review the viability evidence base. These two processes have taken time to complete and in the meantime the Council has continued using Section 106 agreements to secure infrastructure contributions.
- 3.4 However, recent changes to the planning system have seen the ability for Councils to fund infrastructure through Section 106 agreements be curtailed.
- 3.5 On the 28th November 2014 a ministerial statement issued by Sir Eric Pickles, the then Secretary of State for Communities and Local Government, set out immediate changes to the National Planning Policy Framework which prevented Local Planning Authorities from attaching Section 106 obligations on small sites. Within urban areas this was held to be sites of 10 units or fewer and within rural areas, sites of 5 or fewer.
- 3.6 The ministerial statement was challenged by West Berkshire District Council and Reading Borough Council in the High Court. Mr Justice Holgate ruled that the process of consultation prior to the enacting of the statutory policy was insufficient and the ministerial statement be removed from planning policy. The current government have sought leave to appeal this decision and have commented that they may look to introduce this policy in another form. In September 2015 this leave was granted, however, no appeal has yet been made.
- 3.7 In April 2015 the CIL Regulations came into effect as statutory policy, meaning that all Councils, regardless of whether or not they have adopted CIL are bound by its Section 106 pooling limit. Councils cannot now take five or more pooled contributions towards an infrastructure type or project. This pooling restriction has been backdated to April 2010 and is proving difficult for some other Councils to adhere to.
- 3.8 Recent consultation undertaken by National Government has raised issues regarding the speed at which Section 106 agreements are completed and the impact that any delay in negotiating the agreement may have on the development process. A Government response to this consultation is expected this year and may limit the amount of time in which a Local Planning Authority may use to negotiate a Section 106 agreement with a developer.
- 3.9 It has therefore become more important that the Council presses ahead with its intention to implement CIL.

4. Proposals

4.1 The Council is proposing to consult on the updated evidence base which suggests the following charges:

- Residential development outside of Colchester urban area (Greenfield) - £150/m²;
- Residential development within Colchester urban area (Brownfield) - £0/ m²;
- All other uses would be CIL exempt.

4.2 Consultation will take place over a 6 week period and be mainly web based. Further details are included in section 7 below.

5.0 Financial Implications

5.1 There are no financial implications for the Council which may arise as a result of this decision, although the consultation will inform the longer term process of identifying a new source of financial resources to deliver necessary infrastructure.

5.2 Any costs arising from holding a period of consultation would be minimal.

6. Equality, Diversity and Human Rights Implications

6.1 There are no equality, diversity or human rights implications which may arise as a result of this decision.

7. Consultation and Publicity Considerations

7.1 Although no period of consultation is given within the CIL Regulations it is advised that they last a minimum of six (6) weeks. This would accord with the minimum consultation period given within the Local Plan Regulations. It is therefore proposed that, should members be agreeable, public consultation on the updated viability evidence run for a period of no less than 6 weeks in March and April 2016, in line with the Council's adopted Statement of Community Involvement (SCI).

7.2 The SCI is consistent with regulation 15 of the CIL Regulations which specifies that the following bodies are consulted as part of the implementation of CIL:

- Any local planning authority whose area is in or adjoins that of the charging authority;
- Any county council whose area is in or adjoins that of the charging authority; and
- Each parish, town or community council whose area is within the charging authority's area.

7.3 Further to this list, a database of interested consultees is maintained to ensure they are also kept informed of any updates to the CIL implementation process.

8. Risk Consideration

8.1 There are no inherent risks for the Council as a result of taking this decision.

9. Strategic Plan References

9.1 The Strategic Plan has four headline themes. Through the collection of CIL the Council would generate funding to support many forms of infrastructure within the borough. This would help support delivery of transport infrastructure, affordable housing and green spaces and opportunities for health, wellbeing and enjoyment of all.

10. Community Safety Implications

10.1 There are no community safety implications raised as a result of this report.

11. Background Papers

Appendix 1 – BPS Chartered Surveyors report – October 2015.

Colchester Borough Council

Community Infrastructure Levy



Report

Update to Review of Evidence Base

Prepared by



October 2015

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Charging Levels

SECTION 1 - INTRODUCTION

- 1.1 BPS Chartered Surveyors has been instructed by Colchester Borough Council (CBC) to update the evidence base used to test the generic viability of development in the Colchester administrative area and on the basis of these findings to advise as to a viable charging schedule in respect of the introduction of the Community Infrastructure Levy.
- 1.2 In preparing this report we have had regard to Community Infrastructure Levy (Amendment) Regulations 2015 which came into force in March 2015 together with further updates which came into effect in June 2015. We have also had regard to CIL Statutory Guidance - June 2014 and earlier versions of this guidance. The statutory framework for CIL is embodied within the Community Infrastructure Levy (Amendment) Regulations 2014.
- 1.3 BPS was initially instructed by the Council in 2012 to review the Colchester Community Infrastructure Levy (CIL) Evidence Base Report (EBR) produced by Roger Tym & Partners (RT) which has been used to set the proposed CIL charge tariffs in the Council's Draft Charging Schedule. We subsequently prepared a report dated October 2012.
- 1.4 The Council has yet to adopt a CIL Charging Schedule and in view of the period of time that has elapsed since our 2012 report BPS has been instructed to update our evidence base and suggested Charging Schedule.
- 1.5 BPS has been advised that the Council is no longer contemplating pursuing a levy in respect of all forms of retail development given the weak current market for this use.

SECTION 2 - REPORT SUMMARY

- 2.1 BPS has been instructed by the Council to update our assessment of viability in relation to the residential costs and values adopted in our viability testing set out in our October 2012 report into possible CIL charging levels.
- 2.2 The original report methodology has been reviewed and updated to take account particularly of the changes in local residential values and build costs over the intervening period to the end of Q3 2014, but also in response to comments from the Council and Savills.
- 2.3 Our 2012 report considered two zones namely urban and rural. The Council has since considered these designations and has taken the view that defining development purely by reference to location either inside or outside the urban area could potentially fail to reflect real division between development on Brownfield sites and development on previously undeveloped and Greenfield land. The zones have therefore been reworked as **Zone 1** broadly equating to Brownfield sites and **Zone 2** equating to Greenfield.
- 2.4 For a variety of reasons the Council wishes to promote development on Brownfield sites which accords with National planning policy guidance and more specifically meets the following requirements:
 - a) The Council's desire to promote re-use and regeneration of previously developed Brownfield sites.
 - b) The marked contrast in apparent land values for Brownfield and Greenfield sites reflecting their different planning status.
 - c) The often significant difference in site density and infrastructure requirements between developments in these two environments.
 - d) A reflection of the significant levels of development coming forward on land not previously developed but which lies within the urban area.
- 2.5 Elements of the earlier methodology have been retained, in that it sought to differentiate house price data by postcode using urban and rural areas which remains a valid basis for establishing the relative development viability of Brownfield and Greenfield development. However adopting these revised definitions would effectively capture development on previously undeveloped sites within the urban area and similarly previously developed areas within the rural post code areas and as such is much more reflective of the viability facing these form of development.

Report Findings

- 2.6 It is quite apparent that there have been modest increases in house prices for all house types, with price growth running at a higher overall level in rural/Greenfield locations compared to urban/Brownfield locations over the past 2¾ years. For new build units in Greenfield locations these increases are 21% (caution small sample sizes) and 7% for Brownfield and for existing housing stock 6% and 3% respectively.
- 2.7 By contrast construction costs have risen equally in both locations at a rate amounting to 25%.
- 2.8 The net effect of these changes is that Greenfield development has become marginally more viable whereas Brownfield development has become less viable and these changes are reflected in our appraisal findings and also in our recommendations concerning CIL charging levels.
- 2.9 Following the methodology adopted in preparation of our 2012 report we have modelled hypothetical developments from which we draw the following conclusions:

Zone 1 - Brownfield

- 2.10 The combined impact of increasing costs when compared to some lower levels of house price growth show that developments are now less viable than in 2012.
- 2.11 Our modelling identifies that only a relatively modest level of CIL could be supported by developments but this would potentially impact on viability in some instances and could limit the ability of schemes to deliver other planning obligations such as affordable housing. Because CIL is a fixed development cost we are of the view that given the very low levels indicated by our modelling the Council and developers would be better served through individual assessments of viability and focussing on the potential of sites to deliver affordable housing and site specific S106 contributions rather than risk making development none viable.
- 2.12 Therefore in conclusion we recommend a zero CIL charge for Brownfield development.

Zone 2 - Greenfield

- 2.13 By contrast improvements in overall development viability for Greenfield development suggested a CIL of £185 per sqm could be supported whilst still delivering a policy compliant level of affordable housing at 20%.

- 2.14 However we have also considered the requirement that CIL charges should not be set at the margins of viability and so consequently we have examined the relative impact of charges at a number of levels to assess their impact on over all development costs. We conclude that CIL at £185 would not represent more than 10% of total development costs and therefore to change this impact would require significant changes to the level of CIL sought.
- 2.15 We take the view that it is appropriate to apply a reduced rate of £150 per sq m as this would provide approximately a 3% reduction total construction costs which should be seen in context with a typical development contingency of 5%.
- 2.16 We have further sought to contrast the cost per unit represented by CIL at £150 per sq m which averages across all unit types at a figure of £13,750. We take the view that this total compares well with the level of \$106 contributions typically achieved by the Council on recent consents for Greenfield development and so consequently we take the view that a charge of £150 per sq m provides for a suitable buffer against the charge being set at the margins of viability.

SECTION 3 - METHOD STATEMENT

- 3.1 The CIL report prepared by BPS on behalf of the council in September 2012 has been updated to take account particularly in changes in local residential values and build costs over the intervening period but also in response to comments from the Council and Savills.
- 3.2 The previous BPS report followed the approach initially proposed by Roger Tym & Partners in looking at two potential charging zones, zone 1 urban and zone 2 rural.
- 3.3 Further examination of development trends and market evidence suggests that these zones should now be modified to equate to Zone 1 - Brownfield land and Zone 2 - Greenfield development or more specifically sites which do not have a history of previous development.
- 3.4 We have maintained our original approach to analysing housing sales data based on a separation of postcodes into predominantly urban areas and those in predominantly rural areas as these continue to be relevant in terms of identifying the economics of development of Brownfield land which is characterised by development in the urban areas and Greenfield development which is generally focussed on development in the largely rural areas.
- 3.5 The key reason for the change in definition is that it is quite possible for development to occur on sites with no development history but which fall within the urban area. Similarly there are areas of former development within the rural areas and as such the revised definitions more accurately reflect the characteristics of the development type not simply location within a purely geographical area
- 3.6 This modified approach has been adopted to reflect a number of considerations:
 - a) The Council's desire to promote re-use and regeneration of previously developed Brownfield sites.
 - b) The marked contrast in apparent land values for Brownfield and Greenfield sites reflecting their different planning status.
 - c) The often significant difference in site density and infrastructure requirements between developments in these two environments.
 - d) A reflection of the significant levels of development coming forward on land not previously developed but which lies within the urban area.

Changes in House Prices

- 3.7 In order to update our assessment of development viability we have revisited house prices as this is an area where there remains a degree of volatility. It was agreed with the Council that the most appropriate basis for assessing change would be to secure information on all residential transactions through procuring all relevant records from the Land Registry.
- 3.8 The Land Registration Act 2002 makes registration of all property sales compulsory therefore it would be possible to secure a complete picture of all transactions since the preparation of our last report and this would provide a clear indication of prices and price movements over the intervening period.
- 3.9 The Land Registry supplied information for all relevant postcodes within the Colchester administrative area. The transactional information was then separated into areas where new development was seen as being typified by Greenfield development or by Brownfield development. Appendix 1. includes a sector post code map which shows how postcodes have been distributed between Greenfield and urban areas.
- 3.10 Land Registry transactions must by law be registered within 3 months of the transaction. The Land Registry data is generally a quarter behind registrations therefore there is a potential delay between date of the actual transaction and the availability of data for analysis purposes. However this is common to most predictive analysis where sales data is used as the data for analysis. Therefore the data represents the most reliable and comprehensive an up to date basis for determining house price trends.
- 3.11 We have revisited house prices and two alternative methods have been considered as a basis from which to update our original 2012 study. It is possible to simply take new build values and apply them to our analysis , however there is a considerable risk in using information drawn from very limited sample sizes, therefore we considered alternative methods of analysis which were likely to generate a more consistent and reliable outcome. These methods are discussed below.

Method 1

- 3.12 A detailed analysis of Land Registry of all transactions in the relevant Colchester postcodes from 2012 to the end of Q3 2014 has been undertaken. Both existing property sales and new build sales have been analysed separately. We have also analysed the variances in the values of new build and existing property sales by housing type as well as referencing the

change in prices over time for both zones. Appendix 2 includes the raw data for all CO postcodes for 2014. Appendix 3 includes the total value of properties for the relevant CO postcodes for Zone's 1 and 2, for 2012 - 2014 to derive Average Value by Property Type.

- 3.13 The house prices derived from these figures are then summarised in the 2 tables below for existing and new build properties for Zones 1 (Brownfield) and zone 2 (Greenfield). The key figures and percentage changes (see 3.15) have then been inputted into the appraisal.

Table 1: Analysis of Existing Housing Transactions

EXISTING					
	4 bed House - 120m ²	3 bed House - 95m ²	2 bed House - 80m ²	2 bed Flat - 65m ²	
Q's 1,2 & 3 2014 Zone 1	£293,182	£209,995	£172,542	£129,923	£192,299
2013 Zone 1	£274,784	£194,587	£171,713	£115,032	£187,400
2012 Zone 1	£287,345	£190,204	£161,613	£113,770	£185,887
Q's 1,2 & 3 2014 Zone 2	£358,148	£210,013	£195,350	£135,976	£269,137
2013 Zone 2	£327,996	£202,034	£179,951	£122,688	£250,739
2012 Zone 2	£334,977	£199,996	£188,283	£134,867	£254,983

Table 2: Analysis of New Build Housing Transactions

NEW BUILD					
	4 bed House - 120m ²	3 bed House - 95m ²	2 bed House - 80m ²	2 bed Flat - 65m ²	Total
Q1&Q2 2014 Zone 1	£265,404	£206,445	£212,600	£152,741	£209,298
2013 Zone 1	£238,013	£200,384	£195,328	£142,821	£194,136
2012 Zone 1	£253,136	£207,721	£187,588	£126,983	£193,857
					small sample size
Q1,Q2, Q3 2014 Zone 2	£377,547	£226,392	£200,700	£143,125	£236,941
2013 Zone 2	£318,659	£214,229	£230,047	£178,791	£275,128
2012 Zone 2	£306,031	£250,666	£239,319	£137,083	£244,973

Note

Where data is flagged in orange it denotes that it has been derived from a relatively small number of transactions which makes conclusions drawn less reliable.

- 3.14 Tables 4 and 5 below show in numbered rows. The following paragraphs provide analysis and explanation which is referenced to the row number in order to assist comprehension.

- 3.15 In order to calculate the new values to be used in the updated appraisal (4. in Tables 4 & 5 below), the price per sq metre (2. Tables 4 & 5) was derived for each house type by dividing the 2014 average value for each house type for existing properties (1. Tables 4 & 5), by the floor area for that property type. This price per sq m based on existing values was then multiplied by the average percentage difference between the years 2012, 2013 and 2014 in new build values by housing type compared to existing values for the same period (3). Appendix 4 summarises the percentage difference between new and existing properties, by property type, zone and year, averaged to derive this percentage (3).
- 3.16 The percentage difference multiplier between new and existing properties (3) has been applied, rather than using the actual values for new house sales, due to the sample sizes for existing property sales being significantly larger and therefore much more reliable. Specifically for Zone 1, Brownfield samples were 6 times higher, whilst for Zone 2 where numbers of new build sales were particularly limited sales of existing properties were 20-60 times greater than for new build. For Zone 2 in particular this was important as the sample for 2014 only included 60 properties, 32 of which were detached. See Appendix 5 for comparative sample sizes of existing and new sales.
- 3.17 Through looking to establish the approximate margin above second hand unit values it would then be possible to take a much broader sample size from across all postcodes mitigating the impact of potentially anomalies.
- 3.18 In looking at house prices on a post code level, prices have been based on the much larger samples of sales of existing stock to which the identified margin or premium for new build per unit type has then been applied.

Method 2

- 3.19 Using the same updated Land Registry data, the percentage change in values between 2012 and 2014 for existing properties, as summarised in the table below, has been applied to the new house values used in the original report and appraisal to derive an updated figure. Changes in existing house prices were used due to the increased reliability from a significantly larger sample size.

Table 3: Analysis of House Price Increases – Existing Stock

Existing	Detached	Semi-detached	Terraced	Flat/maisonette	Total
% Ch 2014 V 2012 Zone 1	2%	10%	7%	14%	3%
% Ch 2014 V 2012 Zone 2	7%	5%	4%	1%	6%

Analysis

- 3.20 Tables 4 and 5 below highlight that whilst methods 1 and 2 represent a route to generating figures close to actual sales values for Zone 1, (appraisal values -1% below actual values method 1 compared to -5% lower than actual values method 2), for Zone 2 the percentage difference between the updated 2012 figures from the original appraisal are on average -21% lower than actual values using method 2 as compared to only -4% difference using method 1.
- 3.21 For Greenfield sites both methods were compared with the new build prices for the average of 2013 and 14 to increase the size of the sample whilst for Brownfield sites the 2014 sample was considered sufficiently large enough to enable direct comparison.
- 3.22 Therefore as the results derived from Method 1 are generally very close to actual new house prices evidenced in the area as in Tables 1 and 2 below, the focus has been on updating our appraisals using this method.

Table 4 - Zone 1 Brownfield - changes in value

	Zone 1 - Brownfield	4 bed House - 120m2	3 bed House - 95m2	2 bed House - 80m2	2 bed Flat - 65m2	Average
1	Existing Q's 1,2 & 3 2014 Zone 1	£293,182	£209,995	£172,542	£129,923	£201,411
2	Price per sq m	£2,440	£2,210	£2,160	£2,000	
3	Average % Diff New/Existing Zone 1 based on 3 years	-12%	3%	18%	18%	
4	Values of new build derived from above figures used in appraisal	£258,872	£217,297	£203,352	£153,112	£208,158
5	Actual new build Values 2014	£265,404	£206,445	£212,600	£152,741	£209,298
6	% difference values used in Appraisal (4) V New Build Values 2014 (5)	-2%	5%	-4%	0%	-1%
7	2012 Report figures New Build	£234,000	£204,250	£157,500	£130,000	£181,438
8	2012 report figures New Build * average change in values 2012-14 for existing properties (to give larger sample size)	£238,753	£225,503	£168,152	£148,457	£199,819
9	Updated Report figures (8) V New Build Values 2014 (5)	-10%	9%	-21%	-3%	-5%

Table 5 - Zone 2 Greenfield - changes in value

Zone 2 - Greenfield		4 bed House - 120m ²	3 bed House - 95m ²	2 bed House - 80m ²	2 bed Flat - 65m ²	Average
1	Existing Q's 1,2 & 3 2014 Zone 2	£358,148	£210,013	£195,350	£135,976	£224,872
2	Price per sq m	£2,980	£2,210	£2,440	£2,090	
3	Average % Diff New/Existing Zone 2 based on 3 years	-2%	16%	17%	18%	
4	Calc values of new build from appraisal	£350,900	£242,955	£227,806	£159,830	£245,373
5	Actual new build Values 2014/13 to give reasonable sample size	£348,103	£220,310	£215,374	£160,958	£256,035
6	% difference values used in Appraisal (4) V New Build Values 2014/13 (5)	1%	10%	6%	-1%	-4%
7	2012 Report figures	£245,760	£213,750	£165,410	£143,325	£192,061
8	2012 report figures New * average change in values for existing properties (to give larger sample size)	£262,760	£224,456	£171,618	£144,504	£202,723
9	% difference values used in Appraisal (4) V Updated 2012 Report figures (8)	-25%	2%	-20%	-10%	-21%
Adjusted % as small sample size resulted in larger % difference existing V new of 27%, as compared with any other property type. Therefore applied the average of % diff 3 bed house and 2 bed flat Zone 2 and same as difference in Zone 1 (17%)						

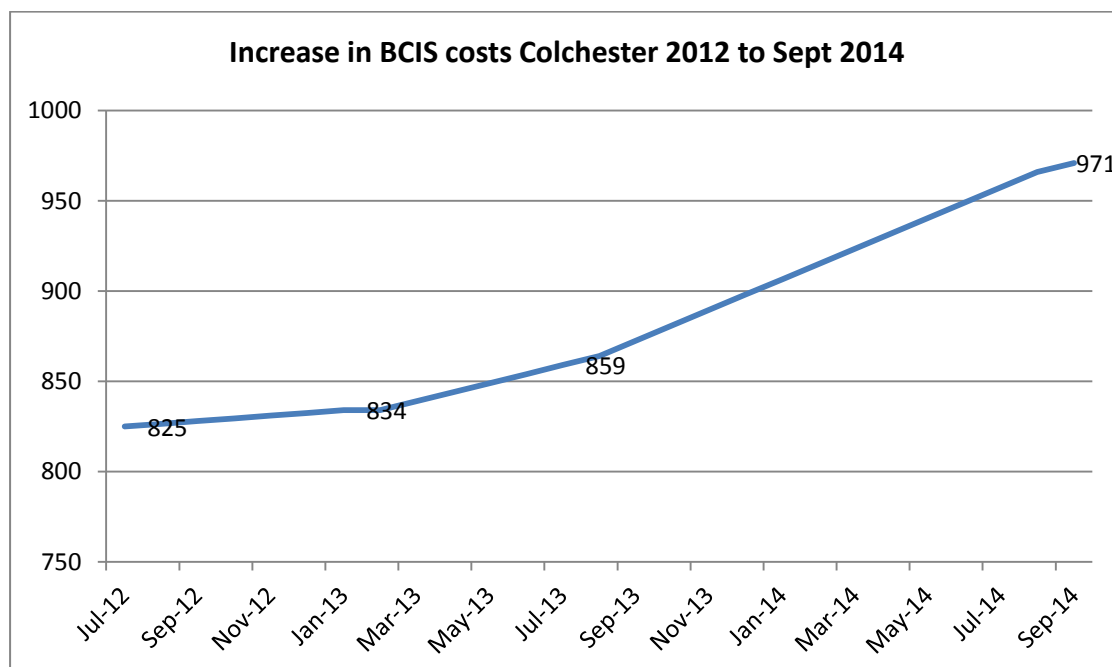
3.23 Private house prices by Zone have initially been calculated from the average house prices for existing properties for Q1 and Q2, 2014 as this represents a significantly larger sample than new build values alone.

3.24 These figures, by housing type and zone, have then been multiplied by the average differential between prices of new properties compared to existing properties, using 2012, 2013 and Q1 and 2 2014 data, in order to maximise sample size. Any anomalous values have been excluded as they could potentially skew the data. For example a few very high detached prices in rural areas in particular are not atypical of the majority of property prices. For Zone 2 caution has been applied to certain sub groups of property type for new build where annual samples sample sizes are low.

Changes in Construction Costs

- 3.25 In order to update the construction cost estimates set out in our 2012 report we have used information from the RICS Building Cost Information Service (BCIS). We use BCIS costs for benchmarking because it is a national and independent database. Construction costs have been updated from our 2012 report by reference to the BCIS All in Tender price Index (5 years) adjusted by the relevant location factor for Colchester.
- 3.26 Since July 2012 to September 2014 there have been changes to both the index and also to the location factor as shown in the table below. General movements in the index are illustrated by the following chart:

Chart 1: Changes in BCIS All In Tender Price Index



- 3.27 The location factor measures the relative costs of development in Colchester against the national average. In July 2006 the location factor stood at 100 and by September 2014 had moved to 106 indicating that relative to the rest of the country development costs had increased by 6% in Colchester.
- 3.28 BCIS median build costs and location factor have together increased by 26% between the original report in September 12 and September 14. This compares to real house price increases of 4-6% in Colchester and although the revised method of more accurately calculating house prices has resulted in some higher house prices, particularly in rural areas, there has therefore been a significant negative impact on the amount of affordable housing, CIL and S106 payments which can now be provided particularly in Zone 1.

SECTION 4 – APPRAISAL RESULTS

Appraisal Inputs & Benchmarking

- 4.1 The updated appraisals have been run using a number of assumptions for simplicity these have been summarised in Appendix 6
- 4.2 The key assumption that differentiates Brownfield land from Greenfield is the presumption of planning consent being secured whereas Greenfield development represents a considerably higher planning risk. Other factors such as probability of Brownfield land having a current development use contribute to a conclusion that Brownfield land is likely to generate a higher land value than Greenfield.
- 4.3 Our appraisals assume £1,000,000 per hectare for Brownfield and £600,000 per hectare for Greenfield land.

Appraisal Outputs – Sensitivity Testing – Brownfield

- 4.4 The outputs generated by the appraisal have been sensitivity tested. This means that different combinations of input assumptions have been used to generate different outputs. The primary variables used for sensitivity testing purposes include:
 - a) Quantum of affordable housing
 - b) Level of site specific S106 contributions required on a per unit basis
 - c) Level of CIL per Sq M
- 4.5 In relation to the application of CIL it has been assumed that 50% of floor area developed would be eligible for CIL. Based on these assumptions sensitivity analysis generates the following results:

Table 6 - Sensitivity Testing CIL Levels - Zone 1 Brownfield

BROWNFIELD SENSITIVITY TESTING RESULTS			
% affordable	S106	CIL	Net Residual against Land Cost
0%	£3,200	£0	£21,242
0%	£0	£70	£20,108
0%	£0	£25	£127,195
5%	£0	£25	£27,818
10%	£0	£25	-£116,302

- 4.6 It can be seen that development on Brownfield sites generates only a relatively small development surplus from which to fund planning obligations broadly amounting to some £3,200 per unit as represented by the standalones S106 sum shown in the first row of the table above.
- 4.7 Translating this sum to a CIL would represent a CIL of £70 per sqm. However this figure would fall by 50% if the modelling assumptions assumed 100% of development floor area would attract CIL.
- 4.8 There is also clearly an impact on the potential ability of schemes to deliver affordable housing as it can be seen that even with a relatively modest CIL charge a 10% affordable housing quantum would be undeliverable.
- 4.9 The following table shows the impact on affordable housing of an assumption of a nil CIL rate and either a limited or nil S106 contribution shown on a per unit basis.

Table 7 - Sensitivity Testing Affordable Housing and S106 Levels - Zone 1 Brownfield

BROWNFIELD SENSITIVITY TESTING RESULTS			
% affordable	S106	CIL	Net Residual against Land Cost
0%	£1,000	£0	£134,986
5%	£1,000	£0	£35,415
10%	£1,000	£0	-£109,348
0%	£0	£0	£186,688
5%	£0	£0	£86,082
10%	£0	£0	-£62,817

- 4.10 It can be seen that there is likely to be a delicate balance between development's ability to fund a site specific S106 and affordable housing contributions.
- 4.11 Recognising that the NPPF requires that the scale of planning obligations should not be a factor adversely affecting viability to the point where a scheme would not be delivered and that CIL regulations seek to ensure that any CIL charge is not set at the margins of viability it would seem appropriate that any imposition of a CIL levy could potentially adversely affect viability.

- 4.12 Against this backdrop it would seem that securing planning obligations from developments would be most advantageously achieved through assessments of individual scheme viability rather than through a more generic exercise.

Appraisal Outputs – Sensitivity Testing – Greenfield

- 4.13 The assumptions informing these appraisals are set out in Appendix AXX. The primary variables used to inform the sensitivity testing are remain the same as those used for testing Brownfield development:

- a) Quantum of affordable housing
- b) Level of site specific S106 contributions required on a per unit basis
- c) Level of CIL per Sq M

- 4.14 Unlike Brownfield development it has been assumed that 100% of developed floor area would be chargeable for CIL purposes. Based on these assumptions sensitivity analysis generates the following results:

Table 8 - Sensitivity Testing CIL Levels - Zone 2 Greenfield

GREENFIELD SENSITIVITY TESTING RESULTS			
% affordable	S106	CIL per sq m	Net Residual against Land Cost
10%	£1,500	£185	£250,417
15%	£1,500	£185	£197,474
20%	£1,500	£185	£8,921
10%	£0	£200	£254,473
15%	£0	£200	£201,453
20%	£0	£200	£12,430

- 4.15 It can be seen that a CIL of £185 per sq m can be supported even allowing for delivery of 20% affordable housing and £1,500 per unit site specific S106 contribution. The deliverable CIL figure increases to £200 per sq m assuming there were no site specific S106 charges.

- 4.16 Allowing for a CIL rate of £185 but no site specific S106 shows a £50,000 surplus. As a proportion of GDV of the hypothetical scheme modelled this surplus represents approximately 1%. Therefore in our view £185 represents

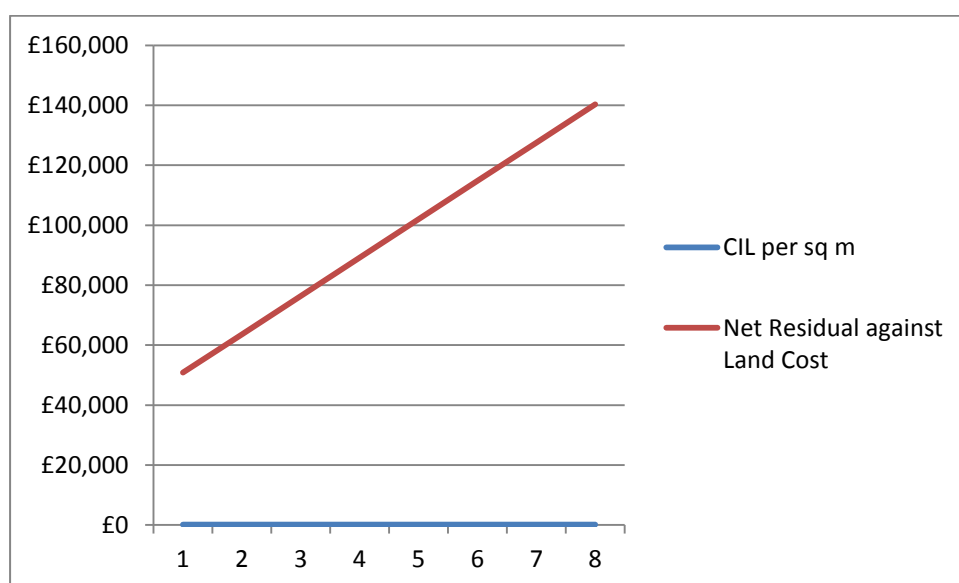
the ceiling for a supportable CIL charge whilst allowing for the delivery of policy target levels of affordable housing.

- 4.17 There is no specific advice issued to indicate what a suitable margin below ceiling rates would represent when setting a CIL charge rate. National planning policy guidance makes the following statement:

A charging authority's proposed rate or rates should be reasonable, given the available evidence, but there is no requirement for a proposed rate to exactly mirror the evidence. For example, this might not be appropriate if the evidence pointed to setting a charge right at the margins of viability. There is room for some pragmatism. It would be appropriate to ensure that a 'buffer' or margin is included, so that the levy rate is able to support development when economic circumstances adjust. In all cases, the charging authority should be able to explain its approach clearly.

- 4.18 We have considered the effect of variable CIL rates on the level of surplus generated by the appraisal and it can be seen from the following chart that the level of surplus shows a straight-line correlation to the level of CIL charge tested;

Chart 2: Changes in Residual Value Compared to CIL Charging Levels



- 4.19 Recognising this correlation there is no obvious tipping point which suggests where the “buffer” might be most appropriately set.
- 4.20 To further assist this consideration we have also considered the CIL payment as a proportion of total building costs and then modelled the impact on overall costs of £5 incremental changes in the CIL charge.

- 4.21 At £185 the quantum of CIL shown as a cost in our appraisal is £457,644. As a proportion of total development costs, assuming no site specific S106 payment this represents 9.54%. Total costs exclude the CIL payment itself and developer profit. This percentage falls to 7.74% when the charge is reduced to £150.
- 4.22 It can be seen from this analysis that CIL is a relatively small proportion of total development costs and that movements in the charge rate will have only a very modest impact on total overall development costs. We have illustrated this point by modelling the residual values generated by the appraisal as a percentage of total build costs using differential charge rates:

Table 9 - CIL Charging Levels - Impact on Residual Value

CIL per sq m	Net Residual as % of Total Development Costs
£185	1.06%
£180	1.33%
£175	1.59%
£170	1.86%
£165	2.13%
£160	2.39%
£155	2.66%
£150	2.93%

- 4.23 It can be seen from the above table, which models the residual value generated by the appraisal and computes its value as a percentage of total development costs, that a £35 change in rate from £185 which broadly corresponds to a 20% rate reduction generates less than 2% reduction in overall build costs. Therefore it is clearly important that when seeking to ensure an affective “buffer” is built into the rate care is taken to avoid large scale reductions in the rate as a basis for making significant changes to scheme costs.
- 4.24 To place the percentage changes in context it is common practice for development to include a build cost contingency. This sum varies with the nature of the development and the specifics of the individual site. However a general allowance of 5% of total construction costs is commonly accepted for new build schemes. In this context a reduction from £185 to £150 reflects approximately 60% of a typical development contingency.
- 4.25 Reducing the charge still further to generate a 5% impact on build costs would have the effect of reducing the charge to £110.

- 4.26 It should be considered that cost contingencies are to cover risk on unknown or uncontrolled changes to estimated cost whereas CIL is a known costs from scheme inception, therefore in setting a charge it would not seem appropriate to seek to insulate development from normal development risk by setting an unduly low charge. In this context a reduction reflecting 5% would therefore seem too great.
- 4.27 On balance therefore a charge set at £150 per sqm would appear to be both achievable without impact on the ability of scheme to deliver policy compliant levels of affordable housing and would not reflect a charge set at the margins of viability.

Impact on land value

- 4.28 National Planning Policy Guidance makes the following comments in respect of land value:

Land Value

Central to the consideration of viability is the assessment of land or site value. Land or site value will be an important input into the assessment. The most appropriate way to assess land or site value will vary from case to case but there are common principles which should be reflected.

In all cases, land or site value should:

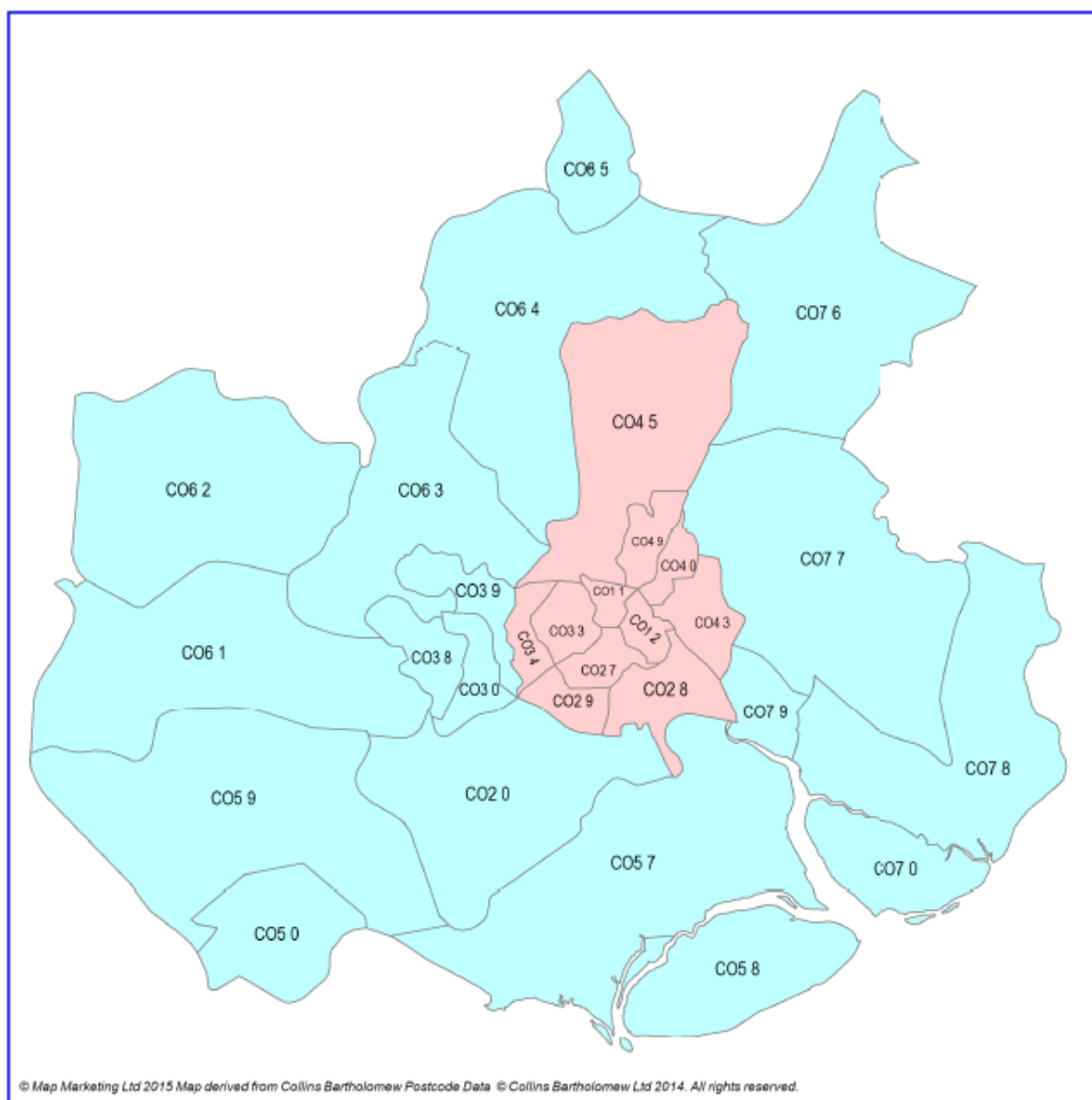
- reflect policy requirements and planning obligations and, where applicable, any Community Infrastructure Levy charge;*
- provide a competitive return to willing developers and land owners (including equity resulting from those wanting to build their own homes); and*
- be informed by comparable, market-based evidence wherever possible. Where transacted bids are significantly above the market norm, they should not be used as part of this exercise.*

- 4.29 It can be seen that the guidance anticipates land value will reflect the impact of CIL. It is therefore appropriate to consider the impact of CIL on land values. To make a fair comparison it is important to contrast the impact of CIL with levels of S106 which might otherwise have been sought. To achieve this we have looked at some specific schemes which have recently secured consent in what could be described as Greenfield locations.
- 4.30 The assumptions relating to the level of land value have remained unchanged since our 2012 report. We are aware that land values have in

general moved in an upward direction with some parts of the UK seeing very significant rises. However land value analysis can be very misleading unless the full facts relating to the transaction are known and inevitably there are likely to be assumptions made by purchasers regarding factors such as the anticipated level of affordable housing and future sales values which remain very subjective.

- 4.31 The purpose of this report was to identify the impact of changes in time to residential development costs and values since production of our earlier report. It can be seen that although prices have risen so too have construction costs with the net effect being a reduction in overall viability. Against this backdrop it would be perverse to assume that land values had risen when they are directly related to development viability.
- 4.32 For this reason holding land values at the level assumed in 2012 has the effect of maintaining land value against a general fall in development viability accounting in part for the wider trend in land values whilst reflecting that maintaining land values has the effect of insulating land owners against movements in the market. We are of the view this position represents an appropriate balance of these competing influences on land value.
- 4.33 A CIL charge based on £150 per sq m would generate a cash sum equivalent to £13,750 per private housing unit. This is very comparable with recent Greenfield consents where we have seen a typical cost per private unit of approximately £14,000. Therefore we conclude there should be no net additional cost to developers and that there should consequently be no net impact on the supply or value of development land with a CIL charge at this level.

Appendix 1 - Post Code Map Colchester



Key

Zone 1



Urban / Brownfield Areas

Zone 2

Rural / Greenfield Areas

Appendix 2 - Raw Land Registry data - 2014 ALL Sales CO postcodes by Q1, Q2 & Q3

Q1 Jan-Mar 2014

	Detached		Semi-det		Terraced		Flat/mais		Overall Total	
CO1 1	£365,625	4			£353,333	3	£103,486	7	£231,921	14
CO1 2	£215,996	5	£194,498	2	£177,982	15	£125,000	1	£185,378	23
CO10 0	£267,249	3			£250,000	1			£262,937	4
CO10 7	£254,332	6	£195,000	1	£200,000	1			£240,124	8
CO10 9					£148,000	1			£148,000	1
CO12 3							£88,830	3	£88,830	3
CO13 9							£165,000	1	£165,000	1
CO15 1							£52,000	1	£52,000	1
CO15 4	£278,332	3							£278,332	3
CO15 6	£249,995	1	£199,995	1			£150,000	1	£199,997	3
CO16 8	£201,122	12	£174,500	2	£165,746	4			£190,303	18
CO16 9			£142,995	1					£142,995	1
CO2 7	£249,950	1	£215,993	9	£181,289	15	£146,263	15	£177,679	40
CO2 8							£140,750	10	£140,750	10
CO2 9	£218,108	9	£182,862	11	£187,347	10			£194,931	30
CO3 8	£256,667	3	£239,374	4	£230,000	2			£243,055	9
CO4 5	£301,750	3			£253,750	9			£265,750	12
CO5 0	£422,500	2							£422,500	2
CO6 1							£157,500	2	£157,500	2
CO8 5	£310,000	1	£207,500	4					£228,000	5
CO9 1	£525,000	1							£525,000	1
CO9 2					£250,000	1	£215,000	1	£232,500	2
CO9 4			£229,995	1					£229,995	1

Q2 Apr-Jun 2014

	Detached		Semi-det		Terraced		Flat/mais		Overall Total	
CO1 1	£284,231	13	£395,000	1	£300,000	1			£292,667	15
CO1 2	£227,495	2			£192,968	5	£144,496	4	£181,620	11
CO10 0	£335,377	8							£335,377	8
CO10 2			£240,000	1					£240,000	1
CO10 7	£175,000	1			£202,498	2			£193,332	3
CO10 8	£549,995	1					£157,500	1	£353,748	2
CO11 2	£335,000	1							£335,000	1
CO12 3	£230,000	1					£95,923	17	£103,372	18
CO15 4	£278,746	4							£278,746	4
CO15 6			£199,995	2					£199,995	2
CO16 8	£187,995	16	£152,498	2	£148,996	5			£176,430	23
CO16 9	£110,000	1							£110,000	1
CO2 7	£248,330	3	£232,854	7	£172,517	24	£168,745	4	£189,220	38
CO2 8			£172,000	1			£158,625	16	£159,412	17
CO2 9	£214,262	15	£186,360	11	£173,603	14	£139,995	1	£191,081	41
CO3 3							£340,000	1	£340,000	1
CO3 8	£246,750	6	£238,142	7	£193,375	8			£223,547	21
CO4 5	£255,000	3			£272,495	2	£142,733	15	£172,549	20
CO5 0	£350,000	1							£350,000	1
CO5 7	£395,000	1							£395,000	1
CO6 1	£725,000	1							£725,000	1
CO6 2	£210,000	1							£210,000	1
CO6 4	£348,000	1							£348,000	1
CO7 0	£217,500	4	£190,000	2					£208,333	6
CO7 7	£495,000	1							£495,000	1
CO7 8	£325,000	1							£325,000	1
CO7 9	£820,000	1							£820,000	1
CO8 5	£306,700	5	£257,500	4	£241,667	3			£274,042	12
CO9 1	£525,000	2			£152,500	2			£338,750	4
CO9 2					£262,500	2	£150,000	1	£225,000	3

Q3 July- Sept 2014

	Detached		Semi-detached		Terraced		Flat/maisonette		Total	
Postcode Sector	Average Price	Sales	Average Price	Sales	Average Price	Sales	Average Price	Sales	Overall Averages	Overall Sales
CO1 1	£515,000	1			£410,000	1	£204,100	6	£268,700	8
CO1 2	£249,995	2			£221,662	3	£149,328	3	£201,620	8
CO10 0	£386,839	5							£386,839	5
CO10 7	£215,000	1							£215,000	1
CO10 8	£503,749	4							£503,749	4
CO11 1	£435,000	1							£435,000	1
CO12 5	£350,000	1							£350,000	1
CO13 9							£335,000	3	£335,000	3
CO15 3			£198,000	1					£198,000	1
CO15 4	£279,995	1							£279,995	1
CO15 6	£279,995	2							£279,995	2
CO16 8	£210,723	11			£165,998	8			£191,891	19
CO16 9	£305,000	1							£305,000	1
CO2 7	£209,995	3	£210,999	10	£206,560	23	£183,737	14	£201,264	50
CO2 8							£159,909	11	£159,909	11
CO2 9	£262,998	5	£194,534	8	£187,051	9			£207,033	22
CO3 3							£160,000	1	£160,000	1
CO3 9							£147,500	1	£147,500	1
CO4 5			£265,000	1	£249,846	13	£137,667	3	£230,941	17
CO5 0	£531,000	4					£110,000	1	£446,800	5
CO5 7	£384,000	1							£384,000	1
CO7 0	£180,000	1	£165,000	1					£172,500	2
CO7 7	£650,000	1							£650,000	1
CO7 8	£320,000	1							£320,000	1
CO7 9	£790,000	1							£790,000	1
CO8 5	£297,500	2	£330,000	1					£308,333	3
CO9 2					£137,500	1	£246,250	10	£236,364	11

Appendix 3 - Total Value of Properties By Zone, Year, Sample Size to derive Average Value by Property Type

Zone 1

2012

Application										
Property Type	Detached		Semi-det		Terraced		Flat/mais		Overall Total	
C01 1	£220,000	1	£206,667	3	£191,750	17	£135,000	1	£192,488	22
C01 2	£221,076	7	£214,998	3	£185,806	40	£128,540	6	£185,643	56
C02 7	£216,792	14	£206,559	29	£186,252	44	£131,004	33	£179,530	120
C02 8	£208,665	3	£167,665	3	£192,250	4	£126,867	58	£136,121	68
C02 9	£204,378	18	£199,206	18	£184,021	25	£134,499	5	£189,962	66
C03 3							£150,000	1	£150,000	1
C03 4										
C04 5	£292,634	45	£222,145	20	£190,916	39	£76,000	4	£234,825	108
Application										
Property Type	Detached		Semi-det		Terraced		Flat/mais		Overall Total	
C01 1	£220,000		£620,000		£3,259,745		£135,000		£4,234,745	
C01 2	£1,547,535		£644,995		£7,432,230		£771,241		£10,396,001	
C02 7	£3,035,091		£5,990,224		£8,195,101		£4,323,140		£21,543,556	
C02 8	£625,995		£502,995		£769,000		£7,358,259		£9,256,249	
C02 9	£3,678,800		£3,585,700		£4,600,528		£672,495		£12,537,523	
C03 3	£0		£0		£0		£150,000		£150,000	
C03 4	£0		£0		£0		£0		£0	
C04 5	£13,168,528		£4,442,890		£7,445,705		£304,000		£25,361,123	
Total Value	£22,275,949		£15,786,804		£31,702,309		£13,714,135		£83,479,197	
Number of properties	88		76		169		108		441	
Average Value										
Zone 1	£ 253,136		£ 207,721		£ 187,588		£ 126,983		£ 189,295	

2013

Application										
Property Type	Detached		Semi-det		Terraced		Flat/mais		Overall Total	
C01 1	£242,499	14	£208,750	4	£271,667	6			£244,166	24
C01 2	£210,935	8			£181,965	31	£129,500	5	£181,270	44
C02 7	£223,629	19	£200,771	40	£184,792	92	£140,996	53	£180,164	204
C02 8	£231,125	6	£163,000	2	£161,750	2	£144,547	37	£157,117	47
C02 9	£216,551	18	£186,558	16	£178,108	18	£138,995	2	£191,977	54
C03 4	£361,500	2							£361,500	2
C04 5	£278,530	15	£227,828	9	£216,005	63	£249,950	1	£228,258	88
Application										
Property Type	Detached		Semi-det		Terraced		Flat/mais		Overall Total	
C01 1	£3,394,980		£835,000		£1,630,000		£0		£5,859,980	
C01 2	£1,687,480		£0		£5,640,916		£647,500		£7,975,896	
C02 7	£4,248,945		£8,030,857		£17,000,870		£7,472,790		£36,753,462	
C02 8	£1,386,750		£326,000		£323,500		£5,348,230		£7,384,480	
C02 9	£3,897,925		£2,984,920		£3,205,935		£277,990		£10,366,770	
C03 3										
C03 4	£723,000		£0		£0		£0		£723,000	
C04 5	£4,177,952		£2,050,452		£13,608,345		£249,950		£20,086,699	
Total Value	£ 19,517,032		£14,227,229		£41,409,566		£13,996,460		£89,150,287	
Number of properties	82		71		212		98		463	
Average Value Zone 1	£ 238,013		£ 200,384		£ 195,328		£ 142,821		£ 192,549	

2014 Q1, 2 & 3

Application						
Property Type	Detached		Semi-det		Terraced	
C01 1	£5,672,500		£395,000		£1,770,000	£1,949,000
C01 2	£2,034,960		£388,995		£4,299,550	£1,150,970
C02 7	£879,935		£4,053,925		£7,470,230	£4,766,266
C02 8	£0					£3,166,495
C02 9	£3,277,960		£3,567,755		£3,556,920	
C03 3						£160,000
C03 4						
C04 5	£1,670,250		£265,000		£6,076,735	£2,553,995
Total Value	£ 13,535,605		£8,670,675		£23,173,435	£13,746,726
Number of properties	51		42		109	90
Average Value Zone 1	£ 265,404		£ 206,445		£ 212,600	£ 152,741

Zone 2 NB Anomalous values highlighted in red exclude from analysis

Annual 2012									
	Detached		Semi-det		Terraced		Flat/mais		Overall Total
C03 0	£251,667	6	£250,000	1	£226,615	13	£171,263	19	£204,103 39
C03 9							£110,790	5	£110,790 5
C05 0	£350,000	1					£132,125	4	£175,700 5
C05 7	£238,750	2					£165,000	2	£201,875 4
C05 8	£282,833	3							£282,833 3
C05 9	£307,000	1							£307,000 1
C06 1	£195,000	1							£195,000 1
C06 2	£446,000	1							£446,000 1
C06 3	£530,000	1							£530,000 1
C06 4	£285,888	9	£256,250	4	£315,000	1			£279,500 14
C07 0	£225,000	2	£217,400	5					£219,571 7
C07 6	£900,000	1							£900,000 1
C07 7	£317,500	1							£317,500 1
C07 8	£203,500	2	£197,000	1					£201,333 3
C07 9	£354,916	22	£300,246	4	£328,782	1			£345,849 27

C03 0	£1,510,000	£250,000	£2,946,000	£3,254,000	£7,960,000
0	£0	£0	£0	£0	£0
C03 9					
0	£0	£0	£0	£0	£0
C05 0	£350,000	£0	£0	£528,500	£878,500
C05 7	£477,500	£0	£0	£330,000	£807,500
C05 8	£848,500	£0	£0	£0	£848,500
C05 9	£307,000	£0	£0	£0	£307,000
C06 1	£195,000	£0	£0	£0	£195,000
C06 2	£446,000	£0	£0	£0	£446,000
C06 3	£530,000	£0	£0	£0	£530,000
C06 4					
	£2,572,995	£1,025,000	£315,000	£0	£3,912,995
C07 0					
	£450,000	£1,087,000	£0	£0	£1,537,000
C07 7	£317,500	£0	£0	£0	£317,500
C07 8	£407,000	£197,000	£0	£0	£604,000
C07 9	£7,808,144	£1,200,985	£328,782	£0	£9,337,911
Total Value	£16,219,639	£3,759,985	£3,589,782	£4,112,500	£27,681,906
Number of properties	53	15	15	30	113
Average Value					
Zone 2	£ 306,031	£ 250,666	£ 239,319	£ 137,083	£ 244,973

Annual 2013										
	Detached		Semi-det		Terraced		Flat/maia		Overall Total	
C03 0	£250,000	2	£250,000	2	£227,118	17			£231,476	21
C03 8	£266,346	26	£206,224	10	£200,000	1			£248,304	37
C04 6	£332,498	2	£275,246	4	£256,665	3			£281,775	9
C05 0	£344,688	9					£118,745	1	£322,094	10
C05 7	£178,000	1					£145,000	1	£161,500	2
C05 8	£590,000	1	£177,500	2					£315,000	3
C05 9	£250,000	1							£250,000	1
C06 1							£249,000	1	£249,000	1
C06 2			£155,000	1					£155,000	1
C06 3	£500,000	1							£500,000	1
C06 4	£324,398	15							£324,398	15
C07 0	£212,500	2	£236,875	4					£228,750	6
C07 6	£785,000	1	£234,995	1					£509,998	2
C07 7	£270,000	1							£270,000	1
C07 8	£425,000	1							£425,000	1
C07 9	£515,714	7	£235,000	1			£186,667	3	£400,454	11
	TOTAL VALUES									
C03 0	£500,000		£500,000		£3,861,000		£0		£4,861,000	
C03 8	£6,925,000		£2,062,235		£200,000		£0		£9,187,235	
C03 9										
C04 6	£664,995		£1,100,985		£769,995		£0		£2,535,975	
C05 0	£3,102,195		£0		£0		£118,745		£3,220,940	
C05 7	£178,000		£0		£0		£145,000		£323,000	
C05 8	£590,000		£355,000		£0		£0		£945,000	
C05 9	£250,000		£0		£0		£0		£250,000	
C06 1	£0		£0		£0		£249,000		£249,000	
C06 2	£0		£155,000		£0		£0		£155,000	
C06 3	£500,000		£0		£0		£0		£500,000	
C06 4	£4,865,975		£0		£0		£0		£4,865,975	
C07 0	£425,000		£947,500		£0		£0		£1,372,500	
C07 7	£270,000		£0		£0		£0		£270,000	
C07 8	£425,000		£0		£0		£0		£425,000	
C07 9	£3,609,995		£235,000		£0		£560,000		£4,404,995	
Total Value	£22,306,160		£5,355,720		£4,830,995		£1,072,745		£33,565,620	
Number of properties	70		25		21		6		122	
Average Value Zone 2	£ 318,659		£ 214,229		£ 230,047		£ 178,791		£ 275,128	

Appendix 4 - % Difference between New & existing properties, by property type, zone & year

difference % New/Existing	4 bed House - 120m²	3 bed House - 95m²	2 bed House - 80m²	2 bed Flat - 65m²	
2014 Zone 1	-9%	-2%	23%	18%	9%
2013 Zone 1	-13%	3%	14%	24%	4%
2012 Zone 1	-12%	9%	16%	12%	4%
Average % Diff New/Existing Zone 1 based on 3 years	-12%	3%	18%	18%	
2014 Zone 2	5%	8%	3%	5%	-12%
2013 Zone 2	-3%	6%	28%	46%	10%
2012 Zone 2	-9%	25%	27%	2%	-4%
Average % Diff New/Existing Zone 2 based on 3 years	-2%	16%	27%	18%	
			17%		

2 bed Zone 2 adjusted to 17% as size of % diff existing and new seems to be due sample bias therefore taken av of % diff 3 bed house and 2 bed flat zone 2 and similar to diff in Zone 1 (17%)

Appendix 5 - Sample Sizes Existing and New Build Properties

Sample sizes EXISTING	4 bed House - 120m ²	3 bed House - 95m ²	2 bed House - 80m ²	2 bed Flat - 65m ²	
Q's 1,2 & 3 2014 Zone 1	346	413	656	469	1,884
2013 Zone 1	428	533	700	418	2,079
2012 Zone 1	411	496	588	410	1,905
Q's 1,2 & 3 2014 Zone 2	673	441	269	105	1,488
2013 Zone 2	879	578	312	138	1,907
2012 Zone 2	701	493	220	119	1,533

Sample sizes NEW BUILD	4 bed House - 120m ²	3 bed House - 95m ²	2 bed House - 80m ²	2 bed Flat - 65m ²	
Q's 1,2 & 3 2014 Zone 1	51	42	109	90	292
2013 Zone 1	82	71	212	98	463
2012 Zone 1	88	76	169	108	441
Q's 1,2 & 3 2014 Zone 2	32	14	10	4	60
2013 Zone 2	70	25	21	6	122
2012 Zone 2	53	15	15	30	113

Sample size less than 10

Appendix 6 - Appraisals

Brownfield Residential Scheme - 1 Hectare			Update based on detailed study of house sales in Colchester 2012/13/14			
1. APPRAISAL SUMMARY						
1.1 VALUES		No.*				Sales value
Private units		49				£10,249,085
Affordable		3				£369,075
Ground Rents (flats)						£34,255
						£10,652,414
* Note: Rounded to 51 units, based on target density of circa.50 units per developable Ha						
1.2 DEVELOPMENT COSTS						Total cost
Construction Costs						£5,957,388
Post-Completion Costs & Other Costs						£1,198,835
Finance Costs						£208,660
Developer's Profit						£2,069,140
						£9,434,023
NET RESIDUAL VALUE						£1,093,415
Land Value (inclusive of purchaser's costs)						-£1,058,000
NET RESIDUAL AGAINST LAND VALUE						£35,415
2. RESIDENTIAL VALUES						
			Sales Value per m² using average existing 2014 * new build difference (factor			
2.1 PRIVATE	No. of units	Avg. unit size m² (NIA)	land reg) y	% change)	Value per unit	Total Value
2 bed flats	9	65	£2,356	0.0%	£153,112	£1,378,006
2 bed houses	11	80	£2,542	0.0%	£203,352	£2,236,868
3 bed houses	21	95	£2,287	0.0%	£217,297	£4,563,233
4 bed houses	8	120	£2,157	0.0%	£258,872	£2,070,978
	49	4,420	£2,319		£209,165	£10,249,085
	No. of units	Unit size m² (NIA)	Sales value per m²	Value sensitivity (% change)	Sales Value per unit	Total Value
2.2 AFFORDABLE						
Affordable Rent	2	95	£ 1,295	0.0%	£123,025	£246,050
Shared Ownership	1	95	£ 1,295	0.0%	£123,025	£123,025
	3	285				£369,075
2.3 GROUND RENTS						Total Value
Ground Rents						£34,255
CAPITAL VALUE						£10,652,414

3.0 COSTS						
					19%	24%
	No. of units	Total area (m ² GIA) inc assumption 15% Gross to net flats	Base build cost per m ² (BCIS £/m2 median Sept 14 * location factor 106)	Cost sensitivity (% change)	Build Cost per unit	Total Cost
3.1 CONSTRUCTION						
Private	49	4508	£1,130	0%	£103,954	£5,093,758
Shared Ownership	1	95	£1,130	0%	£107,350	£107,350
Affordable Rent	2	190	£1,130	0%	£107,350	£214,700
	52	4,793				£5,415,808
Abnormals/Infrastructure			10.0%			£541,581
						£5,957,388
3.2 OTHER COSTS						
Contingency			5%			£297,869
Professional Fees			10%			£595,739
						£893,608
3.3 POST COMPLETION COSTS						
Sales Costs - Agent & Legal Fees			2.5%			£256,227
CIL payments			£0 per m ² (of net additional area			£0
Section 106 payments			£1,000 per unit			£49,000
						£305,227
3.4 FINANCE COSTS						
Interest payments (excluding land finance costs)			6.75%			£208,660
Arrangement Fee			0%			£0
						£208,660
3.5 DEVELOPER'S PROFIT						
Profit on private units			20.0% on GDV		£1,422,981	£2,049,817
Profit on affordable units			6.0% on cost			£19,323
						£2,069,140
		Equivalent blended profit on GDV:		19.42%		
		Equivalent blended profit on Cost:		24.74%		
TOTAL DEVELOPMENT COST						£9,434,023
4.0 RESIDUAL VALUATION						
GROSS RESIDUAL VALUE						£1,218,391
Less LAND FINANCE COST						-£124,976
NET RESIDUAL VALUE						£1,093,415
5.0 RESIDUAL AGAINST VIABILITY BENCHMARK						
NET RESIDUAL VALUE						£1,093,415
Land Value (inclusive of purchaser's costs)						-£1,058,000
NET RESIDUAL AGAINST LAND VALUE						£35,415

Greenfield Residential Scheme - 1 Hectare Update based on detailed study of house sales in Colchester 2012/13/14

1.0 APPRAISAL SUMMARY						
VALUES	No. *					Sales value
Private units	27					£6,485,050
Affordable units	7					£861,175
Ground Rents (flats)						£21,409
						£7,367,634
<i>*Note: Total unit No. rounded to 34, based on target density of 35 units per Ha</i>						
DEVELOPMENT COSTS						Total cost
Construction Costs						£3,901,466
Post Completion Costs & Other Costs						£1,118,409
Finance Costs						£144,837
Developer's Profit						£1,342,097
						£6,506,809
NET RESIDUAL VALUE						£775,127
Land Value (inclusive of purchaser's costs)						-£634,800
NET RESIDUAL AGAINST LAND VALUE						£140,327
2.0 RESIDENTIAL VALUES						
2.1 PRIVATE	No. of units	Avg. unit size (m² NIA)	Value per m² based on 2014 sales existing * diff New build	Value sensitivity (% change)	Sales value per unit	Total value
2 bed flats	5	65	£2,459	0.0%	£159,830	£799,152
2 bed houses	6	80	£2,848	0.0%	£227,806	£1,366,834
3 bed houses	12	95	£2,557	0.0%	£242,955	£2,915,464
4 bed houses	4	120	£2,924	0.0%	£350,900	£1,403,600
	27	2,425	£2,674		£240,187	£6,485,050
2.2 AFFORDABLE	No. of units	Unit size sq m (NIA)	Sales value per m²	Value sensitivity (% change)	Sales value per unit	Total value
Affordable Rent	6	95	£1,295	0.0%	£123,025	£738,150
Shared Ownership	1	95	£1,295	0.0%	£123,025	£123,025
	7	665				£861,175
						Total value
Ground Rents						£21,409
CAPITAL VALUE						£7,367,634

3.0 COSTS						
		Total area (m² GIA) inc assumption 15% ground works private housing 12.5% affordable	Base build cost per m² (BCIS £/m2 median Sept 14 * location factor 106)	Cost sensitivity (% change)	Build cost per unit	Total cost
3.1 CONSTRUCTION	No. of units					
Private	27	2,474	£1,130	0%	£103,531	£2,795,338
Shared Ownership	1	95	£1,130	0%	£107,350	£107,350
Affordable Rent	6	570	£1,130	0%	£107,350	£644,100
	34	3,139	£1,130			£3,546,788
Abnormals and Infrastructure			10%			£354,679
CONSTRUCTION COST						£3,901,466
3.2 OTHER COSTS						
Contingency			5%			£195,073
Professional Fees			10%			£390,147
						£585,220
3.3 POST COMPLETION COSTS						
Sales Costs - agent & legal fees			2.5%			£162,126
CIL payments			£150	per m² (of net additional area		£371,063
Section 106 payments			£0	per private unit		£0
						£533,189
3.4 FINANCE COSTS						
Interest payments (excluding land finance)			6.75%			£144,837
Arrangement Fee (% of total borrowings)			0%			£0
						£144,837
3.5 DEVELOPER'S PROFIT						
Profit on private units			20.0%	on GDV		£1,297,010
Profit on affordable units			6.0%	on cost		£45,087
						£1,342,097
		Equivalent blended profit on GDV:		18.22%	7.74%	£4,793,649
		Equivalent blended profit on Cost:		23.28%		£5,164,712
TOTAL DEVELOPMENT COST						£6,506,809

4.0 RESIDUAL VALUATION						
GROSS RESIDUAL VALUE						£860,825
Less LAND FINANCE COST						-£85,698
NET RESIDUAL VALUE						£775,127
5.0 RESIDUAL AGAINST VIABILITY BENCHMARK						
NET RESIDUAL VALUE						£775,127
Less LAND VALUE (inclusive of purchaser's costs)						-£634,800
NET RESIDUAL AGAINST LAND VALUE						£140,327

Appendix 7 - Assumptions in relation to Zone 1 Brownfield Development Appraisals

Assumptions for Zone 1 Brownfield Modelling

- Prices for affordable housing have been updated from the original model by the average of change in Zone 1 house prices of +6% and +4% for Zone 2 between 2012 and 2014.
- Land values are currently unchanged from the original model £1,000,000 per Ha Zone 1, £600,000 per Ha Zone 2.
- The original model assumed S106 payments of £2000 for both Zone 1 and Zone 2 private accommodation. Sensitivities in the levels of S106 payments have also now been included in the model.
- Provision of affordable housing, CIL and S106 payments, have also been adversely affected by increasing developers profit from 17.5% in the original model to 20% on the private elements and remains unchanged at 6% for the affordable housing.

Appendix 8 - Assumptions in relation to Zone 2 Greenfield Development Appraisals

Assumptions for Zone 2 Greenfield Modelling

- Prices for affordable housing have been updated from the original model by the average of change in Zone 1 house prices of +6% and +4% for Zone 2 between 2012 and 2014.
- Land values are currently unchanged from the original model £1,000,000 per Ha Zone 1, £600,000 per Ha Zone 2.
- The original model assumed S106 payments of £2000 for both Zone 1 and Zone 2 private accommodation. Sensitivities in the levels of S106 payments have also now been included in the model.
- Provision of affordable housing, CIL and S106 payments, have also been adversely affected by increasing developers profit from 17.5% in the original model to 20% on the private elements and remains unchanged at 6% for the affordable housing.

8 February 2016

Report of	Head of Commercial Services	Author	Karen Syrett 01206 506477
Title	Broadband Guidance		
Wards affected	All		

The Local Plan Committee is asked to adopt new guidance on the provision of high speed broadband in new developments.

1. Decision(s) Required

- 1.1 The Local Plan Committee is asked to adopt the Supplementary Planning Guidance on the Provision of Broadband in New Developments.

2. Reasons for Decision

- 2.1 The Technical Guidance will ensure that applicants and developers have access to a clear and informative source of guidance as to what the Council will encourage in proposals for new development.
- 2.2 The Guidance is intended to be helpful for both developers and members of the public. It will set out the benefits to developers of installing high speed broadband infrastructure and identify what can be achieved to members of the public, who can take it into account when moving home.

3. Alternative Options

- 3.1 The Committee could decide not to adopt the Guidance. Such a decision would result in applicants and developers not having clear guidance.

4. Supporting Information

- 4.1 The National Planning Policy Framework (NPPF) came into effect on 27th March 2012 and is a material consideration in planning decisions. It sets out the Government's planning policies on supporting high quality communications.
- 4.2 Section 5 of the NPPF, paragraph 42, states that advanced, high quality communications infrastructure is essential for sustainable economic growth. The development of high speed broadband technology and other communications networks also plays a vital role in enhancing the provision of local community facilities and services.
- 4.3 The proposed Guidance will add detail to this national policy objective and sets out the benefits to installing high speed broadband infrastructure in new development. The document is split into several sections as detailed below.

- 4.4 The first section sets out the context and aim of the Guidance. It states that Local Planning Authorities have a pivotal role to play in encouraging developers to ‘future-proof’ their developments by installing high speed broadband infrastructure. In addition to the reputational and wider economic benefits of ensuring that residents are able to access high speed broadband when they move into new developments, there is also the issue of avoiding the costs and frustrations to occupiers of future retrofitting if the infrastructure is not fit for purpose.
- 4.5 There are then sections on national and local policy and an acknowledgement that at present although Government and the NPPF both support and encourage the inclusion of high speed broadband, there are no statutory requirements which support this aspiration. There are however a number of options which Local Planning Authorities (LPAs) can adopt to encourage and support high speed broadband provision in new developments.
- 4.6 The key benefits in ensuring that planned development is ‘future proofed’ by providing high speed broadband infrastructure are outlined and include the following;
- Superfast speeds are increasingly important to prospective home buyers
 - Costs per unit for larger sites are usually cost neutral
 - Options such as satellite broadband for rural or isolated developments to address financial viability concerns.
- 4.7 The final page of the Guidance identifies network providers and the distribution network.

5. Proposals

- 5.1 The Committee is asked to adopt the Guidance as a material planning consideration which will guide applicants and developers through the planning process to ensure that wherever possible they include high speed broadband infrastructure in new developments.
- 5.2 Officers will research the topic further to inform the development of the Local Plan.

6. Strategic Plan References

- 6.1 An up to date Local Plan and supplementary guidance will help the Council deliver its strategic priorities to generate opportunities for growth and supporting infrastructure, improve sustainability, provide opportunities to increase the number of homes available including those that are affordable for local people and to develop a strong sense of community across the Borough by enabling people and groups to take more ownership and responsibility for their quality of life.

7. Consultation; Publicity Considerations and Financial; Equality, Diversity and Human Rights; Community Safety; Health and Safety and Risk Management Implications

- 7.1 None.

Planning for Broadband

Aim of this note

This document aims to highlight the benefits to developers of installing high speed broadband infrastructure on new developments.

The document provides some background on national policy and local aspirations for future broadband provision, the current “gap” between aspirations and reality at present and some helpful information and guidance on key aspects of the installation and ownership of broadband infrastructure. It also looks at the issue of future-proofing broadband provision in new developments.

Context

Access to broadband is a vital component of infrastructure in today’s world. It is key to growing a sustainable local economy, vital for education and home working and an increasingly central part of community cohesion and resilience, particularly in rural areas. In addition, Local Authorities are increasingly reliant on digital infrastructure to provide services and interact with their customers.

Local Planning Authorities have a pivotal role to play in encouraging developers to ‘future-proof’ their developments by installing direct fibre access, where ever possible. Current providers, including BT, Virginmedia and Hyperoptic can all deliver direct fibre access services if given sufficient warning.

In addition to the reputational and wider economic benefits of ensuring that residents are able to access high speed broadband when they move into new developments, there is also the issue of avoiding the costs and frustrations to occupiers of future retrofitting if the infrastructure is not fit for purpose.

Enhanced broadband provision also has the potential to reduce the need for road, rail and air travel. Developers are key in determining how projects shape an area; therefore the planning of telecommunications infrastructure in relation to development is vital.

National Policy and Guidance

The Government recognises that, reliable broadband internet access is essential for homes throughout the country to benefit from online services, and for UK businesses to compete globally. It aims to achieve a transformation in the country’s broadband access, with everyone in the UK able to access broadband speeds of at least 2 megabits per second (Mbps) and 95% of the UK receiving far greater speeds (at least 24Mbps) by 2017 and is also exploring options to extend the benefits of fast broadband to remaining areas. This is being executed by overlaying optical fibre over the existing telephone network. The closer fibre is brought to a development the better the service. Direct fibre access is the most future-proof option.

The National Planning Policy Framework (NPPF), which came into force in 2012, recognises the importance of infrastructure in delivering sustainable economic growth,

and states that 'the development of high speed broadband technology and other communications networks also plays a vital role in enhancing the provision of local community facilities and services' (Paragraph 42). It also states that 'in preparing Local Plans, local planning authorities should support the expansion of electronic communications networks, including telecommunications and high speed broadband' (Paragraph 43).

Local Position

Although Government and the NPPF both support and encourage the inclusion of high speed broadband, there are no statutory requirements which support this aspiration. The main provider, BT, has discretion in what it offers with resulting inconsistencies and limitations in its delivery of the newest technology. From 2017 EU Legislation will specify that new build and major renovations of buildings will need to be high speed ready, however, exemptions will be allowed for historic buildings, holiday homes or where the cost to do this would be disproportionate, meaning that smaller and rural developments are likely to be excluded.

Traditionally building regulations state the minimum requirement and the current DCLG consultation R 1 consultation states 'at least 30Mbps'. This is problematic as BT can offer their legacy copper access and then request subsidies or direct payments for overlaying fibre to street cabinets, so the copper access offered meets the minimum requirement. Colchester Borough Council (CBC) have also evidence of developers being approached for payments for adding additional cabinets once the original cabinet of typically 288 customers has been filled.

There are a number of options which Local Planning Authorities (LPAs) can adopt to encourage and support high speed broadband provision in new developments.

These include incorporating objectives and policies to support Broadband in local plans; referencing the issue in pre-application discussions and adding it to planning application validation lists as a consideration.

Given the clear social and wider economic benefits of ensuring that high speed broadband is included in new developments, some LPAs have already included objectives and policies in their local plans and core strategies to support broadband in new developments. These include:

- ☐ Eastleigh Borough Council
- ☐ Gosport Borough Council
- ☐ Havant Borough Council
- ☐ East Dunbartonshire Council
- ☐ Fenland District Council
- ☐ Richmondshire District Council
- ☐ South Gloucestershire Council
- ☐ Swale Borough Council

☐ West Northamptonshire Core Strategy.

The inclusion of broadband in these policies and strategies ranges from a desire to grow the rural economy of the area, improve accessibility, reduce carbon emissions through the need to travel and improving social inclusion. However, none of these policies are mandatory and therefore cannot compel developers to install high speed broadband infrastructure on new developments.

The Council is in the process of reviewing its Local Plan and will consider the need and benefits of policies encouraging technological infrastructure, within the limits imposed by current restrictions on the scope of current planning and building regulations in this area. Braintree and Tendring Councils have draft policies as set out below and this type of approach would seem most appropriate.

Draft Broadband Policy

The Council will work with the telecommunications industry to maximise access to super-fast broadband, wireless hotspots and improved mobile signals for all residents and businesses, assisting them in delivering their investment plans and securing funding to address any infrastructure deficiencies or barriers. All new properties (both residential and commercial) must be served by a high speed and reliable broadband connection. This will need to be directly accessed from the nearest exchange and threaded through resistant tubing to enable easy access to the cable for future repair, replacement and upgrading.

Exceptions may be made to the above, in exceptional circumstances where applicants must show through consultation with broadband infrastructure providers, that this would not be possible, practical or economically viable. In these cases an equivalent developer contribution towards off site works will be sought which could enable greater access in the future.

The Council will work with other local authorities and the Local Government Association to make the economic case for technological improvements, which can be cost neutral, and will make this view known to Ofcom and CMS Select Committee inquiry into Broadband.

Benefits and Opportunities

The key benefits in ensuring that planned development is 'future proofed' by providing high speed broadband infrastructure include:

1. As the take up of broadband and associated data services has increased, it has become apparent that people will demand a data service with a property as a matter of course, considering it as important as other utilities.
2. Superfast speeds are increasingly important to prospective home buyers, and homes without broadband could be worth as much as 20% less than comparable properties with a good connection (1).

3. Given the market demand for broadband, and the fact that costs per unit for larger sites are usually cost neutral, it makes good business sense to ensure that new developments include high speed broadband infrastructure as a matter of course. Some developers are already recognising this and have publicly stated that they will install high speed broadband in all of their developments. Others are already implementing the practice.
4. Not only can developers who provide these services use them as a promotional tool, they will also avoid the negative reputational impacts of customers complaining in the press if their new home is not able to support high speed broadband.
5. Estate agents also report that an increasing number of buyers are willing to pull out of a deal if broadband is not available in that area. The property search website rightmove.co.uk has added a broadband speed checker to every one of its listings, alongside details of transport links and schools (2).
6. If broadband installation is integrated into the planning of developments as early as possible, it may be possible to mitigate costs of installation through electricity and broadband cables sharing the same infrastructure assets, routes or networks. Potential savings of 16-26% could be achieved where existing infrastructure is used to rollout broadband (3). From 2017, EU legislation will mean that network operators (e.g. telecoms, power, water) will have an obligation to offer access to their infrastructure if a reasonable request is made.
7. On more rural or isolated developments where the cost-per-site for other technologies will be over a few hundred pounds, it may be worthwhile considering the option of installing satellite broadband. The recent roll-out of more powerful equipment and use of higher frequencies now mean that an effective service can be offered at a reasonable subscription and competitive connection cost-per-site. Options include a mix of Satellite Distribution Nodes and individual Direct to Home technologies which can be deployed depending on the layout and geography of the area. The Superfast Satellite for Communities: the BDUK Pilot Project (Feb 2015) report provides further details of these options

1 <http://www.theguardian.com/technology/2014/mar/02/fast-broadband-vital-to-homebuyers>

2 <http://www.theguardian.com/technology/2014/mar/02/fast-broadband-vital-to-homebuyers>

3 <https://www.london.gov.uk/sites/default/files/London%20Infrastructure%20Plan%202050%20Consultation.pdf>

Working with a Network Provider

Given the sometimes complex nature of installing broadband in new developments, and the lead in times required, it is recommended that developers work with a network provider from the early stages of planning a development.

BT Openreach and Virgin Media are the two main providers in the UK and offer advice if you are planning a new development.

However other providers are also available, for example GTC and Hyperoptic (David.walker@hyperoptic.com).

There is much scope for developers to improve the consistency and quality of new infrastructure. CBC will share with developers best practice and best contacts as these emerge on a case by case basis.

The Distribution Network

Another key issue that should be considered is that service delivery depends on “end-to-end connectivity”, (i.e. a connection from the broadband supplier right through to the device situated within the home) and therefore needs both parts of the distribution system. The Government has produced detailed guidance on the installation of such infrastructure in new domestic developments which can be found in the document PAS 2016:2010 Next Generation Access for New Build Homes Guide.

In our response to the CLG consultation we are recommending the PAS 2016:2010 is updated to allow for the future proof solutions and not to be limited by the ‘at least 30MBps’.

Note: This document has been produced with reference to two documents produced by Hampshire County Council;

- 1. Planning for Broadband - A Guide for Local Planning Authorities*
- 2. Planning for Broadband - A Guide for Developers*

