

Local Development Framework Committee

**Town Hall, Colchester
2 November 2011 at 6.00pm**

The Local Development Framework Committee deals with the Council's responsibilities relating to the Local Development Framework.

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Local Development Framework Committee

To deal with the Council's responsibilities relating to the Local Development Framework.

**COLCHESTER BOROUGH COUNCIL
LOCAL DEVELOPMENT FRAMEWORK COMMITTEE
2 November 2011 at 6:00pm**

Members

Chairman : Councillor Colin Sykes.
Deputy Chairman : Councillor Martin Goss.
Councillors John Jowers, Kim Naish, Elizabeth Blundell,
Mark Cory, Beverly Davies, Andrew Ellis and Henry Spyvee.

Substitute Members : All members of the Council who are not members of the
Planning Committee.

Agenda - Part A

(open to the public including the media)

Pages

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 off or to silent;
- 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 and to give reasons for the urgency.

4. Declarations of Interest

The Chairman to invite Councillors to declare individually any personal interests they may have in the items on the agenda.

If the personal interest arises because of a Councillor's membership

of or position of control or management on:

- any body to which the Councillor has been appointed or nominated by the Council; or
- another public body

then the interest need only be declared if the Councillor intends to speak on that item.

If a Councillor declares a personal interest they must also consider whether they have a prejudicial interest. If they have a prejudicial interest they must leave the room for that item.

If a Councillor wishes to make representations on an item on which they have a prejudicial interest they may do so if members of the public are allowed to make representations. In such circumstances a Councillor must leave the room immediately once they have finished speaking.

An interest is considered to be prejudicial if a member of the public with knowledge of the relevant facts would reasonably regard it as so significant that it is likely to prejudice the Councillor's judgement of the public interest.

Councillors should consult paragraph 7 of the Meetings General Procedure Rules for further guidance.

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 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 not on this agenda.

6. Minutes

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To confirm as a correct record the minutes of the meeting held on 15 August 2011.

7. Colchester Town Centre Retail Study

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See report by the Head of Strategic Policy and Regeneration.

8. Tiptree Jam Factory Plan

17 - 23

See report by the Head of Strategic Policy and Regeneration.

9. Colchester Borough Green Infrastructure Strategy 24 - 40

See report by the Head of Strategic Policy and Regeneration.

10. Tendring District Council Consultation on Housing Development 41 - 47

See report by the Head of Strategic Policy and Regeneration.

11. Community Infrastructure Levy - Draft Charging Schedule 48 - 135

See report by the Head of Strategic Policy and Regeneration.

12. Exclusion of the Public

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).

LOCAL DEVELOPMENT FRAMEWORK COMMITTEE

15 AUGUST 2011

Present :- Councillor Colin Sykes (Chairman)
Councillors Elizabeth Blundell, Mark Cory,
Beverly Davies, Andrew Ellis, John Jowers, Kim Naish
and Henry Spyvee

Also in Attendance :- Councillor Nick Barlow
Councillor Nigel Chapman
Councillor Peter Chillingworth
Councillor Sonia Lewis

8. Minutes

The minutes of the meetings held on 18 May 2011 and 13 June 2011 were confirmed as a correct record.

Councillor Henry Spyvee (in respect of a close family relative's residence in Hertfordshire) declared a personal interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(3)

Councillor Colin Sykes (in respect of his membership of Stanway Parish Council) declared a personal interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(3)

Councillor Kim Naish (in respect of his membership of The Angling Trust and exclusive membership of The Angling Trust Eastern Region Freshwater Forum) declared a personal interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(3)

9. Draft National Planning Policy Framework - consultation

The Head of Strategic Policy and Regeneration submitted a report on a consultation document from the Department for Communities and Local Government (DCLG) on the draft National Planning Policy Framework (NPPF). The report provided a summary of each themed section of the NPPF and where possible an indication of the impact of any proposed new requirements, together with the key changes. The response to the consultation was delegated to the Portfolio Holder for Commerce and Sustainability and the Committee was invited to provide comments for the Portfolio Holder to consider including in his response.

Karen Syrett, Spatial Policy Manager, attended to assist the Committee in its deliberations. In her presentation to the Committee she referred to the indication in the document that the 20% uplift would apply to the five year target rather than the 15 year target. She pointed out that as the housing targets were a rolling programme, ultimately

the fifteen year target would become the five year target and subject to the 20% uplift.

Richard Beachamp, representing the Campaign for the Protection of Rural Essex, addressed the Committee pursuant to the provisions of Meetings General Procedure Rule 5(3). He sought clarification on how the NPPF would work and on whether it would have an impact on which sites were vulnerable to development. He asked that consideration be given to past and continuing risks. He was concerned for the future adding that there was already a presumption in favour of development.

Pete Hewitt, Myland Community Council, addressed the Committee pursuant to the provisions of Meetings General Procedure Rule 5(3). Myland Community Council urged this council to express its profound concerns that the proposed NPPF contradicted the ethos of localism. The community council valued localism and the town, and considered it vital that the presumption should be to protect natural and historic environments rather than the reverse. He suggested that the Borough Council respond that it was unable to identify 20% uplift. He wanted there to be no dilution to the protection of historic places and green open spaces, and that only sustainable developments that did not compromise the environment would be permitted. The community council believed the NPPF was contrary to the DEFRA white paper and other associated reports and the presumption in favour of development would be a barrier to the town's vision.

The Chairman read out comments from Councillor Ray Gamble, Chairman of the Planning Committee, who was unable to attend this meeting. Councillor Gamble referred to the strict policies which protected the countryside and he was of the view that any relaxation of those policies could put the protected areas at risk, notably in rural areas. Bearing in mind the need for social housing and developers' demand for building land, he believed that the current Local Development Framework (LDF) had managed land for building very well without allowing development to run rampant.

Members of the Committee made comments, set out below, within the themes as set out in the NPPF document.

Delivering Sustainable Development

- the principal concern was in respect to the 20% uplift in numbers of dwellings to be provided and where the dwellings would be located,
- the ethos of the NPPF had a strong presumption in favour of sustainable development which went too far,
- that development would win unless there were reasons for it not to do so,
- a clear definition of sustainable development was required to ensure it was not being watered down,
- development providing houses, jobs and infrastructure would be in the places where they should be if the development was led by a Plan, otherwise the reverse would be the case,
- there was concern that determination of the number of new dwellings the authority builds had effectively been taken away from the council,
- there was an inherent contradiction that localism meant local determination of applications, and yet the NPPF did the reverse; localism appeared not to have

- been taken into account,
- in reducing the size of the documents much of what had provided guidelines had been lost,
- there was a request for some clarification on how the NPPF particularly affected Colchester alongside the belief that planning should be plan led and Colchester had a plan which sat comfortably with the NPPF.

In response the Spatial Policy Manager referred to the definition of sustainable development in the Ministerial Forward as being “about change for the better, and not only in our built environment”.

Plan Making

- the current LDF had the advantage that any of its component documents could be updated when required without having to update the entire plan. This flexibility would be lost if there was a reversion to the single local plan document, which the NPPF appeared to be. It would be difficult to change and would constitute a poorer system.
- it was considered that Supplementary Planning Documents were helpful rather than a hindrance. It was noted that the NPPF prevented their use if they resulted in an additional financial burden.
- there were concerns in regard to the consultation document having no detailed information about the Certificate of Conformity.
- furthermore, in view of the lack of information on the Certificate of Conformity there were additional concerns about how the three main LDF documents, the Core Strategy, the Site Allocations Document and the Development Plan, would fit into the NPPF in the way they were currently written. The proposals were silent on this matter and the concern was that there would be a period of time when the council would be without a Certificate of Conformity and these three documents would not be recognised, thus leaving the way open to uncontrolled development. A moratorium was suggested.
- Colchester has an LDF plan in place to ensure that development goes where Colchester wants it to go.
- a comment should be made about the statement that brownfield sites were greenfield sites.
- there was agreement about the need to work collaboratively, but there was a concern that Colchester may find it was delivering development that neighbouring authorities ought to be delivering but were not.
- Colchester had adopted the regime of not duplicating national planning policies with its own policies on those matters. However Appendix 1 listed policy documents which would be cancelled by the NPPF, and as the authority was relying on those documents it may result in Colchester struggling to conform. The question was asked: would it be necessary for the authority to put back all these policies?
- there were concerns that in the absence of a local plan, planning applications would be determined in accordance with the NPPF which was to presume in favour of development and the consequence of that would be pressure for more development. The need for more homes was evidenced by the number of people on the waiting list.

- it was important to identify land which it was genuinely important to protect from development and that would be difficult because of the competing issues.
- the draft NPPF states that local plans should be aspirational and that local authorities were required to set out strategic policies and plan positively.
- there was a concern about the plan being required to be justified and that consultees may consider there was an alternative, and more appropriate, strategy.

The Spatial Policy Manager confirmed that prior to the LDF, the former local plan was one document which took a considerable length of time to prepare and had the disadvantage of the inability to change it in response to changing circumstances. Reviewing the Core Strategy took less time than reviewing a whole plan. She referred to the need to identify policy gaps arising as a result of having not duplicating national policy documents under the LDF. There were no gaps when the Regional Spatial Strategy was to be revoked. Key principles were embedded in the LDF. Some consideration will need to be given to the housing trajectory with respect to the proposed 20% uplift and whether that would necessitate bringing sites forward. She confirmed that more was awaited in regard to neighbourhood planning details; it was intended that they be used by communities for any planned growth or to plan for additional growth above existing targets.

In respect of the test of soundness needing to be justified under the LDF regime, a number of alternatives and options were put forward to the planning inspector with an indication of the preferred options and he determined the outcome. The Spatial Policy Manager did not believe that the council should be concerned about justifying the test of soundness. She also confirmed that funds from the Community Infrastructure Levy would be ring fenced for the community but revised regulations were awaited.

There was a discussion regarding the financial reward to local councils from allowing development and whether it should go to the community affected by the development or be shared out with other communities which did not have the land available for development but where there could be an impact on their amenity; a form of proportionality was suggested. There was a view that communities should themselves be able to decide whether or not they wanted development and to receive the financial benefit. Some members considered it morally wrong if a minority could obtain a financial gain for their community when the majority of the community may not have wanted the development. That some of the financial reward went to balances was not supported.

Development Management

- Pre application engagement and the submission of supporting information for planning applications being proportionate was supported, but there was no support for the imposition of conditions or planning obligations to allow otherwise unacceptable development to go ahead.

Business and Economic Development

- Members noted that the need to ensure the viability of town centres was made very clear in the document. Employment now appeared to include many things,

perhaps even retail 'having regard to market signals', and that planning policy should avoid the long term protection of employment land or floor space and applications for alternative uses of designated land or buildings should be treated on its merits. The question was asked whether clarity should be sought on what constituted employment.

- the document made it clear that if a change in the use of a building was necessary it was only permissible where the authority had identified an alternative use. In the past the authority had been able to use employment land for residential where there was a low take up of employment land but had been required to identify what additional obligations were required. This statement was a signal to authorities to be flexible and appeared to confer some freedom whereas in the past there was a hierarchy.

Transport

- the comment was made that traffic in Colchester was at a gridlock at the moment.
- it was considered that the transport section was an area which had been slimmed down too much and if the authority was not going to be able to use transport as a reason to oppose development it would worsen the situation.
- if the authority was going to have to work with other authorities, there was the risk that other authorities might decide not to make representations and Colchester's Planning Committee could not refuse an application on highways grounds if the Highway Authority had not responded. The onus would be on colleagues in other authorities.
- there was a concern regarding the removal of national parking standards but it was explained that this authority was in a better position than other authorities because it had adopted Essex County Council parking standards.
- the document referred to allowing traffic movements where sustainable, but it was hoped that this authority could oppose something that it believed to be dangerous.

Communications Infrastructure

The Committee made no comments on this section.

Minerals

As this was a county council function the Committee made no comments on this section.

Housing

- it appeared that authorities would have to provide 120% of development with no opportunity to refuse. The question of how it could be opposed on appeal was asked.
- this was a green light for greenfield development; if all the brownfield land was used there would only be greenfield land left. It was not considered that the use of greenfield land only was the right way to proceed. It was hoped that brownfield land would be prioritised in preference to greenfield land.
- Colchester would need to do a strategic housing market assessment and a

- strategic land availability assessment (brownfield land) to ensure the information was up to date. The authority must be able to demonstrate the need for housing.
- the comment was made that the authority had provided up to 95% of housing on brownfield land, but this could not continue because there was a finite supply of brownfield land. The authority made allowance for brownfield land being more expensive to develop. Colchester had delivered 120% on brownfield land already and was very good at utilising brownfield land, having put 8,200 houses in the centre of Colchester with only 16 objections.
 - there was a risk that land which was easiest to develop, that is greenfield land, would be used first, but Colchester did not use greenfield land unless it was absolutely necessary.
 - reference was made to windfall sites which had not previously been taken into account in terms of numbers of houses built. It was explained that windfall sites had been excluded in housing availability assessments unless there was some justification based on past trends. The authority had not been compelled to do that because there was a good supply. They were delivered at 100% per year so that figure had been removed and were able to demonstrate housing supply.
 - there was a concern regarding whether village envelopes would be retained.
 - reference was made to affordable housing in rural areas. There were two issues to consider; one was to allow residential development within a village envelope. The other was to change the village envelope, which required a local need assessment. Exception sites were purely for affordable housing. This was an issue about encouraging villages to accept market housing so they could get affordable housing but this was not popular in village plans. There was some support for the status quo in regard to rural exception sites, because the provision of affordable housing was not dependent upon the provision of market housing.
 - a survey of the availability of sites in villages which could accommodate ten houses had identified nearly 900 potential sites. There was some development which was constrained if people wanted their children to live in the village. The housing has to be social housing but it could be affordable housing. The debate is whether this was a NIMBYs charter.

The Spatial Policy Manager confirmed that village envelopes was one of the items not covered in this report by looking at PPS7 and the general presumption against development in the countryside. Much detail was missing in respect of the continued protection of the open countryside for the benefit of all and the control to discourage the use of greenfield land for new building development in the open countryside away from settlements.

Design

The Committee made no comments on this section.

Sustainable Communities

- if designated open space could be protected it could be designated local green space. It appeared that protection had been watered down. The council was seeking suggestions for designated local green space.

Green Belt

The Planning Policy Manager confirmed that green belt was set out in planning legislation and was only applicable to metropolitan boroughs. The Committee made no comments on this section.

Climate change, flooding and coastal change

- the document referred to flooding but there was no mention of drought which was a concern, particularly in respect of the supply of water for new developments and whether it could be sustained.

The Spatial Policy Manager explained that there had been a vulnerability classification and flood zones, but they appeared to have been omitted. They could be picked up in a local policy document or national guidance but the point should be made.

Natural Environment

- it appeared that the presumption in favour of development would override everything else. Reference was made to the use of the terms of sustainable development and sustainable economy. However, growth did not necessarily support the protection of the natural environment; the environment could be the loser.
- there was no indication that ecological impacts should be taken into account.

The Spatial Policy Manager was of the opinion that there was a need to clarify the general presumption to protect countryside.

Historic Environment

The Committee made no comments on this section.

General Comments

In response to a query regarding when it would become necessary to take the NPPF into account in the determination of applications, the Spatial Policy Manager stated that the planning inspector had produced a guidance note which explained that the draft Framework was a material consideration in decision making but weight was a matter for the decision taker.

RESOLVED that the report be noted and the Committee's comments be submitted to the Portfolio Holder for Commerce and Sustainability for consideration for inclusion into the Council's response to the consultation document.

10. Local Planning Regulations - consultation

The Head of Strategic Policy and Regeneration submitted a report on a consultation document from the Department for Communities and Local Government on a revised

set of regulations on the preparation of local plans. The revised set of regulations were intended to replace the Town and Country Planning (Local Development)(England) Regulations 2004, as amended, in response to reforms set out in the Localism Bill. The consultation draft also consolidated changes made to the 2004 Regulations into a single document. The response to the consultation was delegated to the Portfolio Holder for Commerce and Sustainability and the Committee was invited to provide comments for the Portfolio Holder to consider including in his response. The report set out the main issues covered by the 2004 Regulations and summarised the proposed changes to the regulations. The report also explained the revised processes applicable to the adoption or deletion of a plan, and the maintenance and publication of the local development scheme.

Karen Syrett, Spatial Policy Manager, attended to assist the Committee in its deliberations. The introduction of the Localism Bill was to cut red tape. New local plans would incorporate a duty to co-operate and would set out the public bodies with whom local authorities were required to co-operate. The list of general and specific consultees had not been revised. There were 60 or 70 on the two lists and 29 telecommunications companies; she invited the Committee to comment. The inspector's report could now only make recommendations; there was no requirement for the authority to agree to the suggested changes, it could either accept the suggested modifications or develop a new plan.

The Local Development Scheme and the Annual Monitoring Report would both remain but would no longer be submitted to the Secretary of State. Further information was to be published when it became available. There was no requirement for a sustainability appraisal.

The Spatial Policy Manager put forward her initial thoughts:- there was more emphasis on publishing documents to local people; local authorities would have more freedom on how to consult; and the consultation list should be determined by local councils.

Members of the Committee were of the opinion that the changes proposed in the Localism Bill and the issue of whether the revised regulations effectively consolidated the 2004 regulations with the revisions in 2008 and 2009, were particularly difficult for most members to comment upon. However, they made the following comments:- the list of bodies which were to be consulted should include neighbouring local authorities; the document did not provide a definition of a neighbourhood; there was a preference for all areas to be parished; and English Heritage was specifically mentioned but the Society for the Preservation of Historic Buildings was not; and the Committee also wanted it recorded that this local authority would prefer a suite of documents rather than a single document, adding that this local authority well understood the roles of the different documents.

In response to a query the Spatial Policy Manager confirmed that utility providers were included within the category of general consultation bodies. A member referred to this list as the duty to co-operate list which was not the same as the duty to consult list. The bodies listed were required to co-operate.

RESOLVED that the report be noted and the Committee's comments be submitted to

the Portfolio Holder for Commerce and Sustainability for consideration of inclusion into the Council's response to the consultation document.

11. Affordable Housing Supplementary Planning Document

The Committee considered a report by the Head of Strategic Policy and Regeneration on the adoption of the Affordable Housing Supplementary Planning Document (SPD) which would add clarity to the Core Strategy Policy H4. The SPD was being updated because the current SPD lacked detail on viability, peppercotting and exceptions, and it related back to the now superseded 2004 Local Plan. It was important to update the SPD to include these matters and because the emerging national policy in the form of the draft National Planning Policy Framework continued to require local authorities to set policies to meet affordable housing needs.

Karen Syrett, Spatial Policy Manager, attended to assist the Committee in its deliberations. She commented that the document did not sit easily with the amount of contributions on low threshold sites. She referred to the issue regarding SPDs and when they were necessary, that is to help bring forward sustainable development at a sustainable rate.

Andrew Crayston, Fenn Wright, addressed the Committee pursuant to the provisions of Meetings General Procedure Rule 5(3). They were concerned regarding the timing, calculation and additional charges imposed on developments within the fragile economy. He was pleased to see that financial contributions were being shelved for the time being and that charges would still come on stream in due course at lower levels. He asked that developers be given good notice of when it would happen. He wanted to make their comments to the consultation on the Community Infrastructure Levy (CIL). The subject of contributions for relevant infrastructure was sound and positive. He referred to the draft charging schedule, and the charge on a single plot together with any Unilateral Undertaking and Section 106 Agreement. There was no detail when it would be implemented and the developer had no right of appeal. He was concerned at the loss of value on any open spaces used and he questioned the viability of any brownfield scheme. He was concerned at only one month consultation in August and would like to ask whether these details could be worked on at a workshop session or the developers' forum meeting.

In response to a question by a member of the Committee regarding how the council could improve their consultation, Mr Crayston responded, that it was a very complicated situation. They wanted a workable situation. He did not think they were given enough in terms of the proposal. He would want a brain storming session so all can add their thoughts together.

The Spatial Policy Manager responded that the timescale for the CIL was set out in the Local Development Scheme. The consultation period was six weeks. This was the preliminary draft and any responses would be used to develop a revised draft which would go out for consultation again and if any further amendments were needed it would go out for a third consultation. She was willing to set something up with

consultants but was concerned that some people may not feel able to express their views in such a session.

In respect of the Affordable Housing SPD, the Chairman advised the Committee that it was not the first time this document had been considered. If it was adopted at this meeting, it would come back to the Committee when the charging structure was ready for agreement.

RESOLVED that the Affordable Housing Supplementary Planning Document be approved and adopted.



Local Development Framework Committee

Item
7

2 November 2011

Report of	Head of Strategic Policy and Regeneration	Author	Laura Chase 01206 282473
Title	Colchester Town Centre Retail Study		
Wards affected	Castle		

The Local Development Framework Committee is asked to note the Colchester Town Centre Retail Study

1. Decision(s) Required

- 1.1 The Local Development Framework Committee is asked to note the Colchester Town Centre Retail Study which will inform policy and programmes for the Town Centre.

2 Reasons for Decision(s)

- 2.1 In March 2011, Colchester Borough Council commissioned the consultants King Sturge (now Jones Lang Lasalle) to carry out an independent and objective appraisal of Colchester as a retail centre. The completed study provides a 'healthcheck' on Colchester's retail and leisure offer, highlighting areas of strengths and possible weakness. It is also forward-looking in scope so that it can inform future Town Centre policy work, addressing the issue of how the town may be improved and how the Council could best support appropriate retail development in the town centre in the face of changing economic and social circumstances

3. Alternative Options

- 3.1 There are no alternative options – the study is of a technical nature but it is thought appropriate for the committee to review the findings given the importance of the town centre to the whole borough.

4. Supporting Information

- 4.1 The Council is pursuing a co-ordinated approach to Colchester Town Centre development led by a Town Centre Steering Group composed of officers from a range of Essex County Council and Borough Council departments. Improvements to the Town Centre are being developed under the Better Town Centre banner, which highlights nine inter-related areas of activity. The future of the town's retail sector is key to many of them, including 'Improving Colchester for You and Your Family', 'Creating Quality Public Places and Spaces', 'Bringing New Buildings and Street Scenes', 'Supporting and Growing Business and Retailers', 'Promoting Colchester' and 'New things to See, Do and Visit'. (Further information is available

on the website: betterwoncentre.com) The group accordingly supported the commissioning of consultants early in 2011 to carry out a detailed assessment of Colchester's Town Centre retail and leisure businesses and prospects for future development.

- 4.2 King Sturge were selected through a competitive tendering process to address the following study objectives:
- A thorough review of the existing retail offer in the context of the town's wider catchment area
 - An appraisal of macro retail trends/changing shopping patterns and assessment of how these may affect the town now and in the future
 - The possible impact of changes in future supply both internal to Colchester and in competing centre
 - A strategy for long-term retail health and vitality.
- 4.3 To complete their work, King Sturge consulted with key local stakeholders including the Colchester Retail Business Association (CoRBA) and the Major Retailers Forum. They also reviewed previous retail and employment studies carried out to support the Local Development Framework. They used the Destination Benchmarking and Residents' Benchmarking Surveys undertaken by the Tourism team to provide data on local opinions.
- 4.4 The Executive Summary of the report is attached to this report as Appendix 1. The full report is available on the website (www.colchester.gov.uk). The Study provides a largely reassuring view of the health of the Town Centre, noting that 'By most measures, Colchester is a strong retail centre', underpinned by:
- A large catchment pool from which to draw
 - Robust population and spend growth
 - An extremely diverse geo-demographic base
 - A solid and rounded retail proposition
 - A compact retail pitch
 - A largely pleasant shopping environment.
- 4.5 These positive remarks are however, hedged with cautionary advice. In general terms, King Sturge highlighted the importance of continued innovation and development to ensure a competitive advantage, while in more particular terms, they note the following weaknesses in Colchester's retail and leisure offers;
- A high street in need of revitalisation
 - Areas of neglect/under-investment in need of regeneration (ie Queen/St. Botolphs Streets
 - Under-supply in some key retailing segments
 - Absence of some major retail and leisure names
 - A disjointed/un-coordinated independent/local trader proposition
 - Some problematic large-scale vacant units such as the former Odeon
 - Traffic and parking infrastructure issues
 - Apparent negative perception amongst many local residents.
- 4.6 The following actions are then recommended to address these issues:
- A more integrated and pro-active approach to town centre management and marketing

- Exploring the opportunity of appointing a Town Centre Manager
- More co-ordinated branding, management and promotion of the 'Independent Quarter'
- Investment in and management of the traditional high street
- Development of A3/Leisure uses to support the new Cultural Quarter
- Using this to drive regeneration of the wider Queen Street and St Botolph's Street area
- Review of car parking infrastructure.

4.7 These findings and recommendations will now be taken forward by the Town Centre Steering group, which is working with the Planning Policy team to develop an overall plan to guide the Better Town Centre programme.

4.8 Originally, it was considered that an Area Action Plan would be required to deliver aspirations for the Town Centre which would require an Examination in Public, but it is now felt that the existing Local Development Framework policies provide a sufficiently robust framework for future work. The list of recommendations above exemplify the point that the continued health of the town centre will rely on improved management arrangements, public realm improvements, and a willingness to try innovative new approaches rather than a raft of new planning policies to support wholesale change and significant new allocations. This supports the view that a Town Centre plan should be adopted as a Supplementary Planning Document rather than a weightier Area Action Plan (AAP). SPDs require a shorter period of development and consultation than the new policies and allocations in AAPs since they provide detail on policies that have already been through the consultation process. The Draft National Planning Policy Framework also suggests that Area Action Plans will not form part of the new planning structure.

4.9 The choice between an AAP or SPD is a technical one, since regardless of the specific planning policy format chosen, future policy for the Town Centre will be informed by evidence, including the Retail Study, and consultation to arrive at shared priorities for action. Additionally, the National Planning Policy Framework gives local authorities greater powers to devise their own unique Local Plans.

4.10 It is anticipated that a draft Town Centre SPD will be brought to the LDF Committee for consideration in January 2012 prior to public consultation.

5. Proposals

5.1 The Town Centre Retail Study provides a thorough and objective basis for the development of options to strengthen and enhance the town centre's retail offer. The committee are asked to note the content.

6. Strategic Plan References

6.1 The Retail Study provides evidence to help the Council with its strategic priority of enabling job creation.

7.0 Consultation

- 7.1 Public consultation has been ongoing in the Town Centre including under the 'Better Town Centre' banner which has highlighted nine inter-related areas of work in the Town Centre. Consultation feedback underpinned some of the questions addressed through the Retail Study and the study itself entailed consultation with relevant stakeholders including a number of town centre businesses and developers. The findings of the Retail Study were presented at a workshop for town centre retailers held at First Site on 19th October, which also included a presentation on the Digital Strategy.

8. Publicity Considerations

- 8.1 Findings from the Retail Study are likely to attract publicity due to the significant role played by that sector and the importance of the town centre to residents and businesses, which will provide opportunities for the Council to highlight the range of Town Centre actions it is undertaking through the Better Town Centre programme.

9. Financial implications

- 9.1 There are no direct financial implications for the Council

10. Equality, Diversity and Human Rights Implications

- 10.1 This document will inform the plan making process. An Equality Impact Assessment has been prepared for the Local Development Framework which is available following this pathway from the homepage: - Council and Democracy > Policies, Strategies and Performance > Diversity and Equality > Equality Impact Assessments > Strategic Policy and Regeneration > Local Development Framework.

11. Community Safety Implications

- 11.1 A healthy Town Centre retail sector is an important component of creating a safe atmosphere in the Town Centre. A diverse and active retail sector will support activity in the Town Centre and well-maintained, welcoming environments.

12. Health and Safety Implications

- 12.1 None.

13. Risk Management Implications

- 13.1 A good understanding of Colchester's retail position will help avoid the risk of the town missing opportunities to enhance its retail position and maintain the quality of the Town Centre.

improvement in both the retail and leisure propositions. Indeed, Colchester needs to continually enhance its retail standing if it is to remain competitive to other centres and cater fully for the changing demands of its catchment base.

There are still some fundamental weaknesses in Colchester's retail and leisure propositions. The key ones include:

- A high street in need of re-vitalisation
- Areas of neglect / under-investment in need of regeneration (eg Queens Road, Botolph's Street)
- Under-supply in some key retailing segments
- Absence of some major retail and leisure names
- A disjointed / un-co-ordinated independent / local trader proposition
- Some problematic large-scale vacant units (eg former Odeon, Co-op department store)
- Traffic and parking infrastructure issues
- Apparent negative perception amongst many local residents.

It follows that the key opportunities for Colchester lie in addressing these shortcomings. Doing so effectively will help the town capitalise on its full potential. The opportunities can be broadly divided into two camps – those purely at the mercy of market conditions / dynamics and those which may be driven and influenced by positive intervention by local stakeholders and the Council. An example of the former is retail occupier demand – if an identified retailer does not want to open in Colchester, there is little that can be done to force it. However, most of the opportunities fall more into the 'intervention' camp.

We would highlight the following 'intervention-based' priorities:

- A more integrated and pro-active approach to town centre management and marketing
- Exploring the possibility of appointing a Town Centre Manager
- More co-ordinated branding, management and promotion of the 'Independent Quarter'



Local Development Framework Committee

Item
8

2 November 2011

Report of	Head of Strategic Policy and Regeneration	Author	Laura Chase 01206 282473
Title	Tiptree Jam Factory Plan		
Wards affected	Tiptree		

The Local Development Framework Committee is asked to approve the process of preparing a plan for potential future development at the Tiptree Jam Factory

1. Decision(s) Required

- 1.1 To approve the principle of the preparation of a new plan, to be called the Tiptree Jam Factory Plan, for the Wilkin and Sons site and adjoining land in Tiptree.

2. Reason for Decision

- 2.1 To enable a new policy framework for the area to be prepared which can provide a basis for decisions on future planning applications.

3. Alternative Option

- 3.1 The alternative is not to prepare a new plan and to consider any future planning applications on the basis of existing policies.

4. Background Information

- 4.1 Wilkin and Sons is a major employer in Tiptree providing about 270 full-time and 125 part-time jobs, with about 80% of staff living in Tiptree. The labour force has grown by 35% in the last five years and is expected to increase to 500 by 2030. Parts of the existing factory are over 100 years old and it has become increasingly challenging to make jam efficiently and to maintain the buildings to meet ever-more demanding food standards. The owners require a new factory by 2014 to meet modern standards and to enable Wilkin and Sons to maintain its market position and grow. The company would prefer to remain in Tiptree but a feasibility study has shown that the construction of a new factory in the village would cost more than buying an existing building elsewhere. The company is therefore seeking enabling housing development on land north of Factory Hill to assist with the funding of a new factory in the village.
- 4.2 These issues were considered at the time of the preparation of the Site Allocations Document. As a result a site was allocated for a new factory to the south of the existing premises. However the land to the north of Factory Hill was not allocated for residential development. This was because the housing studies that informed the Core Strategy identified that Tiptree was in need of modest residential growth to

meet local needs and an alternative site which provided community benefit was supported by the Council. There were also concerns about disturbance to Birch Wood, which is a local wildlife site. The Council's position was supported by the Inspector who carried out the examination into the Site Allocations Document.

- 4.3 Following the adoption of the Site Allocations Document, Wilkin and Sons has carried out public consultation on the options open to them including moving to existing premises outside of the village or building a new factory in the village with enabling housing development north of Factory Hill. The consultation questionnaire is attached as Appendix 1. 1475 questionnaire responses were returned of which 98% favoured the retention of the factory in Tiptree with enabling housing development.
- 4.4 Subsequently officers have been in discussion with Wilkin and Sons on a way forward. The Government's proposals for the planning system that are emerging through the Localism Bill and the draft National Planning Policy Framework provide a new context in which the Wilkin and Sons proposals could be considered. In particular the Localism Bill provides for the preparation of neighbourhood plans for local communities which can provide for higher levels of growth than that required by the Core Strategy if there is local community support for the proposal. The Draft Planning Policy Framework is also advocating that local planning authorities ensure there is an additional 20% more housing land supply in the first five years of their targets to provide flexibility in delivery.

5. Proposals

- 5.1 In the light of the emerging legislation and policy it is considered that the Wilkin and Sons proposals could be the subject of a new plan drawn up according to the principles of neighbourhood plans. A number of pilot neighbourhood plans are already in preparation across the country. Because the provisions of the Localism Bill are unlikely to come into effect until next year these are being prepared in accordance with the existing regulations. It is therefore proposed that a new plan, to be called the Tiptree Jam Factory Plan, be prepared for the Wilkin and Sons premises and adjoining land to include the new factory site, housing development, community facilities and recreation land. The company are in agreement with this approach. The new plan would then provide a basis for the consideration of planning applications for the development.
- 5.2 Further consultation is currently being carried out by Wilkin and Sons to ensure that the requirements of Regulation 25 of the Town and Country Planning Act 2004, as amended, are satisfied. Subject to the Committee's agreement to the principle of the preparation of the new plan it is proposed to present a Draft Plan to the December meeting of this Committee for approval for pre-submission consultation. The plan would then go forward to independent examination in 2012.

6. Strategic Plan Reference

- 6.1 Development of a plan for Tiptree Jam Factory will inform the Council's vision to be a place where people want to live, work and visit. It will also contribute to the Council's priority for actions to enable job creation and homes for all.

7. Consultation

- 7.1 As indicated above substantial local consultation has already been carried out and further consultation is underway to ensure compliance with Regulation 25.

8. Publicity Considerations

- 8.1 This is a significant issue in the Tiptree area and has been and will continue to be the subject of media interest.

9. Financial Implications

- 9.1 The requirements for pre-submission consultation and examination will have resource implications. The provisions of the Localism Bill require these costs to be met by the local planning authority. It is proposed to enter into a planning performance agreement with Wilkin and Sons to cover the preparation of the new plan and the processing of associated planning applications which will help to cover these costs.

10. Equality, Diversity and Human Rights Implications

- 10.1 An Equality Impact Assessment has been prepared for the Local Development Framework which is available following this pathway from the homepage: -Council and Democracy > Policies, Strategies and Performance > Diversity and Equality > Equality Impact Assessments > Strategic Policy and Regeneration > Local Development Framework.

11. Community Safety Implications

- 11.1 No direct implications

12. Health and Safety Implications

- 12.1 No direct implications

13. Risk Management Implications

- 13.1 No direct implications

Background Papers

None



Tiptree, Essex CO5 0RF 01621 815407

www.tiptree.com

Your views are important to us Please detach and complete

If you have visited the exhibition already, of the three new factory concepts on display please tell us your preferred option:

- Contemporary
- Traditional
- Modern

Are there any other comments you would like to make about these plans?

About you

To be kept informed about these proposals, please provide the following information:

(The information you provide will be securely held in accordance with the Data Protection Act 1998 and will not be published on an individual basis.)

Name Age

Postcode Telephone

Email

Thank you for taking the time to complete this questionnaire.



Tiptree - where the jam comes from

How often have you heard that said, or said it yourself

Tiptree's jam factory has been producing the world famous 'Tiptree' jams for over 125 years. We've had Royal Warrants for 100 years, since 1911. Now we face the biggest challenge in the history of the business and we are asking for your opinion before we finalise our plans.

In 2009 we made submissions to the Local Development Framework and consulted with Tiptree's residents through a public meeting. Following that consultation we halved the area we were asking to develop for homes on our land opposite the jam factory.

In 2010, a government inspector reviewed the submissions for development in our village.

There was acceptance within the Local Development Framework that a new jam factory can be located on Factory Hill, beyond the existing factory buildings and that homes can be built on the existing factory site. Crucially, the inspector rejected plans for homes on a field opposite the existing jam factory at this time.

The jam factory is old. In places, it dates from Victorian times.

As our production and employee numbers have grown, so we've reached the point where we cannot continue in the present buildings; we need to find a new home for 'Tiptree'.

Our plans include gifting Birch Wood (twelve acres of woodland) to the village, together with a playing field, other community facilities and public open space, laid out in such a way as to prevent future development extending further towards Tollshunt Knights. We are keen to find ways of including retirement homes in our plans.



The numbers employed by Wilkin and Sons have grown by 35% since 2005. The business remains successful despite the recession and has shared some of that success with the village. The current plan is to grow to a business employing 500 people by 2030.

We would like to build a new food production unit at Tiptree; something that blends with the environment and replaces the existing buildings, including the large freezer store. Using environmentally-friendly materials such as lime-hemp bricks, wooden beams, low-energy loss design etc, such a unit will cost in excess of £1.5 million.

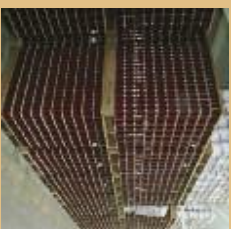
It's true that we could move into existing premises of a similar size (10,000 square metres) elsewhere in Essex for around £8 million, indeed we could reduce the immediate need for funding by renting premises elsewhere. We want to keep 'Tiptree' in Tiptree.



The Wilkins arrived here before Cook explored Australia. By the time Dickens wrote his first novel, they had been farming here for over one hundred years. The first Tiptree jams were made during the reign of Queen Victoria and our chairman, Peter Wilkin, is the great grandson of the founder of the business.

We need to fund the difference in cost between staying in the village and moving out. We aren't asking for the village to fund it - we are seeking your support for enabling development on one of our fields and for the principle of a jam factory in Tiptree.

The sketches in this leaflet are just some of the ideas we are considering at the moment, you can find out more by visiting an exhibition in the Tiptree Visitor Centre. Our planning application will take into account views of local residents and other interested parties.



Your views are important to us

Jobs in Tiptree

- How important are local jobs for local people?
- Very important
 - Quite important
 - Not important

If you do not currently work in the village, would you be interested in a local job if one were available to you?

- Yes
- No
- Not applicable to me

About the business

What is your experience of Wilkin and Sons? (*Select as many as you wish*)

- I work, or have worked for Wilkin and Sons
- I know someone that works, or has worked for Wilkin and Sons
- I have visited the factory, museum and/or tea rooms
- I have picked fruit for Wilkin and Sons
- I buy 'Tiptree' products
- I have no experience of Wilkin and Sons

What contribution do you feel Wilkin and Sons makes to Tiptree?

- A very positive contribution
- A positive contribution
- No contribution
- A very negative contribution
- A negative contribution

Did you know that Wilkin and Sons is an employee ownership business and almost half the voting rights are controlled by its employees?

- Yes
- No

What do you think about Wilkin and Sons as a key employer in the village?

About the future for 'Tiptree' preserves

Looking at the two options, would you prefer Wilkin and Sons to:

- Remain in Tiptree
- Relocate elsewhere in Essex

To remain in Tiptree, Wilkin and Sons needs to build a new jam factory on newly zoned land south of the existing site. Building new homes on the existing factory site and adjacent to it would fund this.

In order 1 - 4, tell us your preferences for the type of homes?

- Family homes (3 to 5 bedrooms)
- 1 or 2 - bedroom homes
- Sheltered (retirement) accommodation
- A mixture of the above

The preferred scheme would include additional homes opposite the existing site and free up land for community use, including woodland and an adjacent open site. What sort of community facilities do you think should take priority in that case:

- Publicly owned playing field
- Allotments
- Police facility
- Wildlife park
- Recreation ground
- Medical facility
- Open space
- Youth club

Other - please provide details



Over 125 years of history

THANK YOU FOR VISITING THE EXHIBITION.

THE EXHIBITION WILL BE OPEN 3 TO 7PM DAILY, 3.00PM TO 6.00PM ONLY AT THE WEEKEND AND 3.00PM TO 8.30PM ON THURSDAYS UNTIL 22ND JULY.



125 years future?

1885-1900
1900-1950
1950-2000
2000-PRESENT

Dear resident,

Wilkin and Sons have been producing 'Tiptree' preserves since 1885 and my family has farmed the land in and around the village for nearly 300 years.

Today 'Tiptree' jams, marmalades and other products are enjoyed in more than sixty five countries worldwide. We've quite literally grown up with the village and we are immensely proud of our long association. Eight out of ten of our staff live in Tiptree and as our business continues to expand we are committed to remaining here for as long as we can.

Continuing success brings its own challenges and our current jam factory can no longer cope with the growing demand for 'Tiptree' products - some of the buildings are over 100 years old. We currently employ 270 local people and expect this to increase to 500 by 2030.

We have to move to a new factory and we have two options. The first is to build a new visitor centre and small production unit on our land and move the main production to a new location elsewhere in Essex. The existing factory site would then be developed with homes, within the scope of the existing Local Development Framework. The second and our preferred option is to build a new factory in Tiptree, the village where my great grandfather Arthur Charles Wilkin made the first 'Tiptree' preserves 126 years ago.

To commit to a new factory designed for the next 100 years in the village will cost an estimated £15 million compared to purchasing an existing site elsewhere in the county at around £8 million. Consent to build new homes on a field opposite the existing factory would fund a proportion but by no means all of the difference.

Local support for the plans is very important and we'd be glad to hear your thoughts before we make a detailed planning application. Please help us by filling out this short questionnaire, including your email address if you would like to be kept up to date by email.

You can send your response by post to Wilkin and Sons Limited, Tiptree, Essex, CO5 0RF, online by visiting the Facebook page 'Tiptree - where the jam comes from' or by visiting the New Jam Factory exhibition that we are holding in the Tiptree museum from 14th to 22nd July. Opening hours are 3 p.m. to 7 p.m. except Thursdays (3 p.m. to 8.30 p.m.) and Saturday and Sunday (3 p.m. to 6 p.m.).

Thank you for your interest, we look forward to hearing your views and hope that a solution can be found that ensures the future of our business in the village of Tiptree.

Yours sincerely,

Peter Wilkin
Peter Wilkin
Chairman

ST SEVERUS'S RECTORY

THE TIPTREE ART FACTORY

WORLD FAMOUS PRESERVES OF THE FIRST QUALITY
PREPARED BY TIPTREE VICTORIA STREET 1885.

Questionnaire report

The survey was completed by 1475 people. Of which 45% were from Tiptree. Some surveys were returned after closing date but the results were not affected.

Location of respondent	Relocate elsewhere	Remain in Tiptree	Total	Remain in Tiptree
Tiptree	18	622	640	97%
T. Knights	0	81	81	100%
Chelmsford	5	160	165	97%
Colchester	3	134	137	98%
Ipswich	0	15	15	100%
Other	3	174	177	98%
None given	5	202	207	98%
Grand Total	34	1388	1422	98%
	2%	98%		

Type of House preferred				
Ranking	Family home	1 or 2 bed	Sheltered	Mixture
1	244	145	152	989
2	171	269	145	54
3	117	192	223	104
4	220	102	207	107

Community scheme									
Location of respondent	Playing field	Recreation	Allotments	Medic	Police	Open	Wildlife	Youth	Other
Tiptree	208	239	276	312	180	242	193	234	83
T. Knights	37	31	30	35	22	21	36	26	9
Chelmsford	70	84	55	50	29	62	67	52	10
Colchester	53	70	48	47	18	45	63	43	6
Ipswich	7	10	3	3	2	4	5	3	2
Other	71	79	68	61	33	61	75	57	13
None given	63	84	83	67	26	68	67	46	17
Grand Total	509	597	563	375	310	503	506	461	140
	35%	40%	38%	25%	21%	34%	34%	31%	9%

Other included: swimming pool, nature trails, sports centres.

Type of factory preferred				
Location of respondent	Contemporary	Traditional	Modern	Total
Tiptree	274	189	100	563
Tolleshunt Knights	23	27	7	57
Chelmsford Area	33	65	18	116
Colchester Area	38	43	20	101
Ipswich Area	9	2	0	11
Other	33	74	21	
None given	63	57	16	136
Grand Total	473	457	182	1112
	43%	41%	16%	

Tiptree residents (and indeed staff) have a preference for Contemporary.

Other Comments:

The majority of the comments were from Tiptree residents, where the most common comments show support, wanting to keep Wilkin & Sons in Tiptree and wanting to improve the infrastructure to cope with the new population. There were a few comments about hiring more locals, and about plans to leave Tiptree being blackmail.

Other points:

53% of replies came from exhibition visitors, 14% from Facebook, 9% from tiptree.com, 5% from The Tribune, 19% from Tiptree tea rooms.

82% of respondents have visited Tiptree visitor centre, 18% have worked or do work for Wilkin and Sons, 9% have picked fruit at Tiptree, 82% use Tiptree products sometimes, 43% know someone who has worked or does work at Wilkin and Sons.

84% felt that Wilkin and Sons make a very positive contribution to village life, 12% thought positive, 1% thought no contribution, negative or very negative contribution. 3% didn't know what contribution Wilkin and Sons makes.



Local Development Framework Committee

Item

9

2 November 2011

Report of	Head of Strategic Policy and Regeneration	Author	Beverley McClean 01206 282480
Title	Colchester Borough Green Infrastructure Strategy		
Wards affected	All wards		

The Local Development Framework Committee is asked to note that a Green Infrastructure Strategy for Colchester has been prepared which will form part of the Local Development Framework/Local Plan evidence base.

1. Decision(s) Required

- 1.1 To note the contents of the Green Infrastructure Strategy.

2. Reasons for Decision

- 2.1 The Green Infrastructure Strategy provides detailed and up to date evidence about green infrastructure provision across Colchester Borough. The document maps existing shortfalls and the scale and location of where new green infrastructure assets need to be provided. The Green Infrastructure Strategy will form an important part of the Local Development Framework evidence base and will be used to inform any reviews of the Borough's LDF documents and the preparation of a local plan in the future.

3. Alternative Options

- 3.1 The alternative is to rely on the Haven Gateway Green Infrastructure Strategy which considers green infrastructure provision in the sub region strategically. It is therefore less useful for assessing green infrastructure needs at the Borough level.

4. Supporting Information

- 4.1 Colchester Borough Council commissioned Land Use Consultants in September 2010 to prepare a Green Infrastructure Strategy for Colchester Borough covering the period up to 2025. The purpose of the strategy was to improve knowledge about green infrastructure provision levels across the Borough and to provide evidence to support the Local Development Framework process. Whilst the Green Infrastructure Strategy covers the whole Borough, detailed consideration was given to the Growth Areas around and within Colchester town where most development will take place.
- 4.2 Green Infrastructure can deliver many benefits and is defined in Planning Policy Statement 12 (PPS12): Local Spatial Planning, as:

" a network of multi-functional greenspace, both new and existing, both rural and urban, which supports the natural and ecological processes and is integral to the health and quality of life of sustainable communities."

4.3 The consultant used national guidance about green infrastructure developed by Natural England, The Royal Town Planning Institute and the Haven Gateway Green Infrastructure Strategy as a basis to develop the Colchester Green Infrastructure Strategy. The keys aims of developing the strategy were to:

- identify high quality accessible green infrastructure within a comprehensive landscape structure;
- identify ecological networks and links between habitats to improve quality of life, help address climate change and improve access to habitats and greenspace;
- deliver community well-being which complements and supports good quality housing and substantial economic growth planned for the Borough.

4.4 The Green Infrastructure Strategy includes 2 volumes. Volume I comprises the following 7 key sections:

- a) Introduction – this chapter defines the scope of the project, the area covered by the project, the aims of the project and also defines the term green infrastructure.
- b) Green Infrastructure context and Evidence base - this chapter includes a synopsis of the current policy framework governing green infrastructure planning, and also identified the studies and information to be used to produce Colchester’s green infrastructure strategy.
- c) Characterisation – this section identifies the key functions of Green infrastructure. These are Habitat Provision and Access to Nature, Landscape Character & Setting, Cultural Heritage, Sustainable Resource Management & Climate Change adaptation, Locally Productive Landscapes and Access, recreation and movement. This chapter also highlights the key economic, social and environmental characteristics of Colchester Borough and identifies the key issues in terms of green infrastructure under each function.
- d) Application of Accessible Natural Green Space Standards (ANGSt) – green infrastructure provision levels in Colchester were assessed against Natural Englands Accessible Green Space Standards. The ANGSt model is based on distance thresholds and defines the maximum distance any resident should travel from home to an area of accessible natural or semi natural green space.

The ANGSt standards used are set out in the table below

Sub-regional provision	Sites or habitats over 500ha	Within 10km
County scale provision	Sites or habitats over 100ha	Within 5km
District scale provision	Sites or habitats over 20ha	Within 2km
Neighbourhood scale sites	Sites or habitats over 2ha	Within 300m

Source: English Nature (2003) English Nature Report 526 ‘Accessible Natural Green Space Standards in Towns and Cities: A Review and Toolkit for Implementation’.

The results from the ANGSt assessment were mapped and the findings are discussed later in the report.

- (e) Analysis of deficiency and need – in this chapter the Borough is divided into 7 zones based on common characteristics and green infrastructure assets. The zones are Dedham Vale Area of Outstanding Natural Beauty and Stour Valley, Northern Farmland, Colne Valley River Valley, Colchester Town, Roman River Valley, Southern Farmland Zone and Coastal Zone
- (f) Proposed Green Infrastructure vision and network - this section sets out a vision for the provision of green infrastructure across Colchester up to 2025, developed in response to deficiency, need and policy drivers.
- (g) Green infrastructure Delivery Plan – this section includes a list of Green Infrastructure projects identified and prioritised by stakeholders for implementation to address need. This section provides also guidance about how to embed green infrastructure in the wider spatial policy and development management processes

4.5 Volume 2 contains all the supporting appendices. A copy of the Green Infrastructure Strategy is available on the website (www.colchester.gov.uk) however 2 supporting Appendices from the strategy are attached to this report.

5. Findings

- 5.1 Colchester Borough covers an area of 33,400ha of land, 2,028ha of which is accessible natural greenspace. An Essex Wildlife Trust ANGSt study concluded that the Borough is above the County average in terms of the provision of green space for all of Natural England's ANGSt categories. 19% of all households can access green space in all categories as opposed to a county average of 7% and only 1% of households in the Borough meet none of the ANGSt criteria
- 5.2 The Green Infrastructure ANGSt assessment commissioned by Colchester Borough Council concluded that the Borough has inadequate provision of neighbourhood level sites throughout the Borough and sub-regional level sites in the north of the Borough. It was found to have largely adequate provision of district and county level sites.
- 5.3 The assessment concluded that the southern part of the Borough has no deficiency in sub-regional level sites however; the northern part of the Borough, north of Colchester Town has no access to sites over 500ha in size within 10 km.
- 5.4 The majority of the Borough is considered to have adequate provision of County level sites. However, the eastern end of Mersea Island, the south western edge of the Borough around Tiptree and the north eastern edge of the Borough around Dedham all are deficient in access to sites over 100ha within 5km. The area around Dedham in the north east of the Borough has a significant deficit in larger scale publicly accessible open space; however this area has excellent access to the Public Rights of Way (PROW) network and to countryside in the Dedham Vale and Stour Valley AONB.
- 5.5 The main centres of population in the Borough have good access to District level green infrastructure sites although the central area of Mersea Island, and a large part of the central-eastern part of the Borough and a swathe across the northern part of the Borough all have a deficiency in access to sites over 20 hectares in size within 2km. Dedham again has a deficit in access to open space which is somewhat mitigated by good access to the PROW network. The study suggested that the settlements of Marks Tey, Copford, the western edge of Colchester Town, and Great Horkesley would benefit from an increase in access to District level GI resources even though these are essentially in or located close to areas of open countryside.

5.6 In addition to larger scale sites, people need access to sites close to where they live for more localised recreation. The study concluded that significant deficiencies exist in terms of neighbourhood green infrastructure provision across throughout the Borough with the majority of settlements either wholly or partially affected by this deficiency.

6. Response to public consultation

6.1 In total 32 responses were received during the consultation period. The consultees were generally positive that a Green Infrastructure Strategy had been developed for Colchester. Many of the responses were concerned with factual corrections or requests for additional text e.g. a glossary to be added to the document for clarity. These suggestions have been incorporated in the final Green Infrastructure Strategy. However a number of key issues were also raised during the consultation.

6.2 A criticism was made that the document lacked adequate information about the role of green infrastructure in mitigating climate change impacts. The additional work proposed to deal with this issue however was extensive and beyond the scope of the current project so no changes have been made.

6.3 A number of consultees in north Colchester were critical of the standards used in the study suggesting that they were only suitable for urban areas. They suggested that there was a risk of rural areas being urbanised with new inappropriate green infrastructure assets. They were also unhappy that the green infrastructure assessment excluded Public Rights of Way and open countryside and did little to promote bridleways. The inclusion of Rights of Way in the assessment would have skewed the results in terms of green infrastructure deficiencies at certain scales particularly in the more rural areas. The document was changed to explain this.

6.4 Two consultees suggested that the aspirations to deliver high levels of growth were incompatible with green infrastructure planning. They were concerned that the document had been prepared on the assumption that growth levels would not change. Growth levels for Colchester have been tested and examined publically and it is the new growth that will help deliver some of the green infrastructure needed to meet community needs. No change has been made in response to these comments.

6.5 Two consultees were concerned that including sites in the strategy as important green infrastructure assets would jeopardise future opportunities to develop them. Potential development land will be assessed for suitability through the LDF/Local Plan process. Furthermore, new green infrastructure will in many instances be requested as part of new development. No changes were therefore made to the document in response to these concerns.

6.6 A concern raised was that too much responsibility was placed on developers to provide major new green infrastructure assets in the document and the need to promote dialogue amongst all delivery bodies to take schemes forward. The strategy makes it clear that development cannot be expected to deliver all green infrastructure projects and that other funding sources should be pursued.

6.7 A number of consultees requested changing the priority awarded to certain projects on the long list. One such example was the Green Bridge over the A12 which has been assigned a low priority due to the high costs associated with this project. Projects included in the Green Infrastructure Strategy can be delivered at any time therefore it was not considered essential to make this change in the document

6.8 Consultees were supportive of a number of projects including proposed landscape and access enhancements in the Dedham Vale AONB, greening the A12 in north Colchester, and improving open spaces such as The Moors in East Colchester.

7. Proposals

7.1 In response to emerging findings a total of 70 projects were identified by stakeholders that could potentially start addressing shortfalls across the different zones. The long project list was further prioritised into a list of 36 schemes that scored highest in the priority ratings, and that were relatively low cost, quick to deliver and which delivered the most benefits.

7.2 Appendix A attached sets out details about the shortlisted projects while Appendix B sets out indicative capital and revenue costs and potential delivery partners. The costings used in the Green Infrastructure Strategy are based on national accepted standards e.g. SPONS which provides detailed professional guidance on costings for a wide range of environmental and landscape related projects.

7.3 Although some of the projects could be delivered through new development either through Section 106 contributions or CIL it is the intention that projects will be delivered by a range of partners. The Green Infrastructure Strategy identified the need to establish a Green Infrastructure Advisory and Delivery Panel to oversee the delivery of green infrastructure in the Borough in the future. This concept needs further consideration now that the strategy has been produced.

8. Strategic Plan References

8.1 The Green Infrastructure Strategy provides evidence about the location and scale of new green infrastructure assets required to meet community needs. The adoption of the Green Infrastructure Strategy will help the Council progress its strategic priorities including those concerned with healthy living and community development.

9. Consultation

9.1 The Strategy was developed with input from a wide range of stakeholders and a draft was issued for public consultation from 9 May to 30 June 2011. No further consultation is proposed before the Green Infrastructure Strategy is adopted Stakeholders included Colchester Green Links and Open Spaces group, Myland Community Council and Stanway Parish Council representatives, Love Myland, Natural England, Royal Society for the Protection of Birds, Essex County Council, Dedham Vale and Stour Valley Project, Essex Wildlife Trust, Tendring and Maldon Councils and representatives from other departments from Colchester Borough. A full list of stakeholders involved in developing the strategy for Colchester is included in the Appendices Report accompanying the Green Infrastructure Strategy. Stakeholders were involved at a variety of stages during the development of the document including validating the evidence base used, providing information about green infrastructure assets in their local areas, shaping the vision for Green Infrastructure for Colchester, identifying delivery opportunities and prioritising green infrastructures projects to be taken forward as a priority for the Borough.

9.2 A summary of the consultation responses is available from the Spatial Policy team on request.

10. Publicity Considerations

- 10.1 The Green Infrastructure Strategy will provide opportunities for the Council to highlight the work it has undertaken in relation to identifying green infrastructure needs across the Borough to ensure that new development is sustainable and community needs for access to green infrastructure assets met.

11. Financial Implications

- 11.1 None

12. Equality, Diversity and Human Rights implications

- 12.1 The Green Infrastructure Strategy was produced using a range of methods to enable as many people as possible to respond regardless of gender, gender reassignment, disability, sexual orientation, religion or belief, age and race/ethnicity.

The document will work to increase individual human rights by ensuring that green infrastructure provision is considered as part of the development process. An Equality Impact Assessment has been prepared for the Local Development Framework which is available following this pathway from the homepage: - Council and Democracy > Policies, Strategies and Performance > Diversity and Equality > Equality Impact Assessments > Strategic Policy and Regeneration > Local Development Framework.

13. Community Safety Implications

- 13.1 None

14. Health and Safety Implications

- 14.1 Well designed green infrastructure can deliver multiple benefits. As well as environmental benefits, green infrastructure can also help deliver health benefits for local communities by creating new open space areas. Green infrastructure can also perform a valuable flood mitigation function thereby protecting communities from flood risk.

15. Risk Management Implications

- 15.1 The approval of planning documents is intended to reduce the risk of inappropriate development and provide information about community needs/facilities or issues that can be delivered through planning gain. Adopted documents also provide the opportunity to offer consistent advice to landowners, developers, officers, councillors and members of the public.

Background Papers

No additional documents

Appendix A – Shortlisted Green Infrastructure projects

Zone 1: AONB/ Stour Valley projects

a) Consider opportunities to create new community orchards around the Village
b) Link ancient woodland from Dedham to Boxted
c) Enhance existing footpaths and upgrade to bridle ways where possible, access routes from Dedham to the surrounding countryside
d) Restoration of Heathland at Boxted and Dedham Heaths
e) Create new walking and cycling access routes from Dedham out to Boxted and Dedham Heaths
f) Manage local woodland for woodfuel to supply local markets

Zone 2: Northern Farmland Zone projects

b) Undertake improvements to the A134 underpass, B1508 - overpass, A134 - underpass, and the overpass at Cuckoo Farm and Runkins Corner to benefit biodiversity and landscape setting.
c) Buffering along the A12 to improve the visual setting, reduce noise and air pollution and to help create a wildlife corridor. Assume 3km length and new planting width of 50m each side in addition to any existing planting
d) Manage the screening belt for woodfuel.
e) Include provision for walking / cycling where possible along the screening belt. Assume 3km length x 1 side only - 2.4m wide, to include excavation and stone build up with self binding gravel wearing course (e.g. Coxwell or Breedon) + timber edge
2.2) Woodland enhancement zone
a) Extension of Fordham Community Woodland to West Bergholt (partially in the River Colne Zone – note also potential links to the Colne Valley Living Landscape and GI project 3.1). Woodland enhancement projects also include enhancement of related landscape features such as copses, hedgerows and grassland – a landscape mosaic
b) Creation of new woodlands throughout the zone where opportunities arise
c) Connecting and enhancing existing woodland throughout the zone
d) Creation of low key signed walking routes through the woodlands

Zone 3: Urban Cone Valley Zone

3.2) Urban Colne Valley Project
a) Create and enhance the setting for cultural heritage along the Valley.
b) Integrate SUDS into new developments to the east of the area and retrofit SUDS where possible amongst the existing development in the valley.
c) Improve access along the river. approximately 8km long, assume no surfacing but boardwalks across wet areas - say 5% of lengthx2 sides
3.3) Colne Estuary Project (links to Essex Living Landscape 70: Colne Estuary)
f) POS/Sports and Recreation facilities in Wivenhoe
g) POS/Sports and Recreation facilities in Rowhedge

Zone 4: Colchester Town

4.1) Communal Greening

e) POS/Sports and Recreation facilities in Colchester Town

e) POS/Sports and Recreation facilities in Colchester Town

Project 4.2) Enhancing gateways to Colchester (continued)

b) Green the inner ring road with improvements to verges, tree planting etc to enhance the setting of and approaches to the historic town, improve the public realm and boost the economic potential of the town. Westway, Balkerne Hill and Southway provide opportunities to introduce new planting and enhanced existing planting in the central reservation. The roundabout at Colne Bank Ave / Westway would benefit from some landmark trees. Magdalen St. and the west end of Barrack St. would be greatly enhanced by some small scale greening and street trees where there is space. Maudlyn Rd, and Hythe Quay might accommodate some street trees. St Andrew's Ave east side would benefit from shrub planting to create a buffer between the footpath and vehicular traffic

c) Roman Walls & Town Centre Public Realm improvements

Project 4.4) North Colchester Growth Area

a) Conserve and enhance the landscape and historic character setting of Mile End, and landscape framework, as well as creating a new landscape setting for future development, including woodland belts, new SuDS, wetland elements and semi natural greenspace

b) Create a linked network of semi-natural spaces and pocket woodlands for the benefit of people and wildlife

c) Provision of POS/Sports and Recreation facilities in North Growth Area

d) Maximise opportunities for SUDS – linking into the Colne Valley (create new balancing ponds and wetlands of say 2-4ha area)

e) Access project – walking/cycling routes into Colchester (outline project requiring more detailed consideration as part of the masterplanning of North Colchester Growth Area

Zone 5: Roman River Valley

5.1) Woodland Necklace

a) Create new

b) Enhance biodiversity throughout the woodland areas.

c) Increase access and accessibility to woodland.

Zone 6: Southern Farmland Zone

6.2) Communal greening project

c) POS/Sports and Recreation facilities in Tiptree

Zone 7: Coastal Zone

7.1) Mersea Island Green Chain

a) Creation of a buffer adjacent to the shoreline around Mersea Island to provide flood alleviation, habitat provision, and create pockets of accessible greenspace which are linked together by an access route. Assume 16km route.

Linear Routes

L2) Dedham – Colchester Town – Ardleigh Reservoir multi-user routes

a). Multi-user route linking Stour Valley Path at Dalethorpe (NW) with Colchester town south of Runkins Corner. [100% on road]

b) Multi-user route linking Runkins Corner with Ardleigh Reservoir. [combination of 66% on road and 34% off road]

L4) Garrison to Abberton Reservoir

a) Multi-user route linking the Garrison to Abberton Reservoir (S) [Follows existing footpaths and some PROW will require additional paths to link up fully - combination of 36% on road and 64% off road, including 17% in woodland]

b) Additional sections of multi-user path required to join up with proposed routes after reservoir expansion [combination of 14% on road and 86% off road] – to create a full loop around the Reservoir. [Off-road path required – no existing route]

Appendix B – Indicative costs and delivery partners

1.1 Dedham Gateway Enhancement		Potential funding streams
Indicative Capital costs	Indicative revenue cost	<p>Overview: Potential delivery partners</p> <p>Dedham Vale AONB and Stour Valley Project as the delivery body for 'Managing a Masterpiece'. Natural England (agri environment schemes) Forestry Commission (English Woodland Grant Schemes), landowners, Essex Wildlife Trust (Living Landscapes). Many of the landscape scale projects could be delivered by skilled volunteers e.g. BTCV, and those with a community focus by local green groups, the Green Light Trust or local schools groups, Colchester Borough Council in an enabling and facilitating role.</p> <p>For landscape and access/interpretative capital works: Higher Level Stewardship (HLS) schemes administered by Natural England (landscape restoration, interpretative and access projects which fall outside HLS target areas will be encouraged). English Woodland Grant Schemes (EWGS) for new woodland creation, enhanced management and reinstating positive, sustainable management regimes. CBC should liaise with landowners to encourage the uptake of such schemes. For project delivered by charities in the Dedham Vale (e.g. BTCV/volunteer organisations/local green groups) grants may be available (up to £20,000) from the Charles Hayward Foundation. (www.charleshaywardfoundation.org.uk)</p>
a: £33,000	£5,500	
b: £160,000	£6,500	
c: £30,000	£500	
d: £56,000	£2,000	
e: £400,000	£5,000	

2.1 A 12 Greening Project		Potential funding streams
Overview: Potential delivery partners		<p>Funding is likely to be through developer CIL contributions for strategic woodland planting. Also potentially through Woodland Grant Schemes (grants for woodland creation and woodland management), and through the National Tree Planting Campaign. There may be an opportunity to bring forward enhanced crossings of the A12 (bridges/underpasses) as part of existing Highways Agency Plans</p>
<p>Developers, landowners and Highways Agency/Highways Authority; Sustrans in relation to provision of enhanced shared use access. Forestry Commission in relation to woodland planting and management (grant schemes), Essex Wildlife Trust. There is an opportunity to bring forward crossing improvements of the A12 (over and underpasses/ multiuse routes) which would be a short term high priority in the absence of a green bridge.</p>		
Indicative capital cost	Indicative revenue cost	
a: Green bridge not costed as not high priority project as per table 7.1	Green bridge not costed as not high priority project as per table 7.1	
b: £170,000	£2,800	
c: £1,200,000	£21,000	
d: N/A	No additional cost as assumed works covered above	
e: £335,000	£4,500	

2.2 Woodland Enhancement Zone		Overview: Potential delivery partners	Potential funding streams
Indicative capital cost	Indicative revenue cost	Landowners and Forestry Commission (through English Woodland Grant Schemes). Also Natural England through agri environment schemes. CBC in an enabling/facilitating role. Also EWT in advisory role (linking to Living Landscapes).	English Woodland Grant Schemes (EWGS) for new woodland creation, enhanced management and reinstating positive, sustainable management regimes. CBC should liaise with landowners to encourage the uptake of such schemes.
a: £282,000	£8,000		
b: £120,000	£5,000		
c: £146,000	£5,500		
d: £96,000	£1,500		

3.2 Urban Colne Valley Project		Overview: Potential delivery partners	Potential funding streams
Indicative capital cost	Indicative revenue cost	CBC, developers in relation to Growth Areas and creation of SuDS. Local history groups/societies (small scale funding/delivery). Environment Agency (advisory/regulatory role).	Heritage Lottery Fund, if CBC were to make a coordinated bid to the HLF in relation to potential community, commercial and regeneration and access benefits the project can bring. Also CIL/section 106 contributions. Also links to and liaison with local community/volunteers groups such as The Moors Movement in relation to The Moors site, near The Hythe
a: £190,000	£2,500		
b: Outline project only	Outline project only		
c: £415,000	£6,000		

3.3f Public Open Space, Sport and Recreational Facilities in Wivenhoe	Overview: Potential delivery partners		Potential funding streams	
	Indicative capital cost	CBC, developers		Developer contributions through CIL tariffs
	a: £820,000			
Indicative revenue cost				
		Outline project only		

3.3g Public Open Space, Sport and Recreational Facilities in Rowhedge	Overview: Potential delivery partners		Potential funding streams	
	Indicative capital cost	CBC, developers		Developer contributions through CIL tariffs
	a: £1,200,000			
Indicative revenue cost				
		Outline project only		

4.1d Public Open space, Sport and Recreational Facilities in East Colchester	Overview: Potential delivery partners		Potential funding streams	
	Indicative capital cost	CBC, developers		Developer contributions through CIL tariffs/section 106
	a: £4,000,000			
Indicative revenue cost				
		Outline project only		

4.1e Public Open Space, Sport and Recreational Facilities in Colchester Town	Overview: Potential delivery partners CBC, developers		Potential funding streams Developer contributions through CIL tariffs/section 106
	Indicative capital cost a: £120,000,000	Indicative revenue cost Outline project only	

4.1f Public Open Space, Sport and Recreational Facilities in Stanway Growth Area	Overview: Potential delivery partners CBC, developers		Potential funding streams Developer contributions through CIL tariffs/section 106
	Indicative capital cost a: £5,300,000	Indicative revenue cost Outline project only	

4.2 Enhancing Gateways into Colchester		Overview: Potential delivery partners CBC including parks and greenspace department, developers, local history groups and societies. Essex Wildlife Trust (advisory role e.g. potential landscape links into Colne Valley and associated Living Landscapes)		Potential funding streams Potential Heritage Lottery Funding (could be combined as part of a co-ordinated bid to the HLF with project cluster 3.2 above, also in view of sub project 4.2c: Roman Walls & Town Centre Public Realm improvements). Also through CIL/section 106 contributions. Potential link to application for EU funding for town centre improvements submitted by CBC.			
						Indicative capital cost	Indicative revenue cost
						a: £700,000	£14,000
						b: £125,000	£9,000
		C: £2,600,000		Outline project only			
4.4 North Colchester Growth Area		Overview: Potential delivery partners CBC, developers		Potential funding streams Developer contributions through CIL tariffs/section 106. Note links to large scale woodland buffer project (2.1: A12 Greening Project) and associated funding streams for that, as large scale structural landscape works could also be part funded by English Woodland Grant Schemes/National Tree Planting Campaign grant aid.			
						Indicative capital cost	Indicative revenue cost
						a: £2,100,000	£40,000
						b: N/A	Outline project only
						c: £10,00,000	Outline project only
						d £1,300,000	Outline project only
e: Outline project only	Outline project only						

5.1 Woodland Necklace in the Roman River Valley		Overview: Potential delivery partners		Potential funding streams
Indicative capital cost	Indicative revenue cost	Essex Wildlife Trust (advisory/partnership role in relation to habitat creation and Living Landscapes areas). Essex and Suffolk Water. Natural England (through HLS). CBC in enabling/facilitating role. Also voluntary landscape management and works e.g. through organisations such as the BTCV. Environment Agency (advisory/regulatory role). Potential scope for a Roman River Valley Partnership of interested organisations, linked to one for Colne Valley.		HLS, Natural England Access to Nature Grants. Potential HLF funding if considered as part of the wider package of projects in the Roman River Valley.
a: £320,000	£8,000			
b: £600,000	Included in capital costs			
c: £618,000	£2,500			

6.2c Public Open Space, Sport and Recreational facilities in Tiptree		Overview: Potential delivery partners		Potential funding streams
Indicative capital cost	Indicative revenue cost	CBC, developer(s)		Developer contributions through CIL tariffs/section 106
£745,000	Outline project only			

7.1 Mersea Island Green Chain		Overview: Potential delivery partners		Potential funding streams
Indicative capital cost	Indicative revenue cost	Environment Agency through implementation of the Shoreline Management Plan and through their advisory and regulatory function. Potential to work with EWT and Natural England in relation to habitat creation, and with landowners. CBC in an enabling and facilitating role.		
a: £735,000	£8,000			

Linear Routes

L2 Dedham – Colchester Town – Ardleigh Reservoir Multi User Routes		Overview: Potential delivery partners	Potential funding streams
Indicative capital cost	Indicative revenue cost	CBC, developers, utilities providers/undertakers (Ardleigh Reservoir), Sustrans, Essex Rights of Way and Access team. Natural England in relation to potential HLS capital payments for access scheme.	Developer contributions through CIL/section 106. Natural England through HLS (although note that, as at April 2011, revenue payments for access schemes in HLS are no longer supported)
a: £8,000	£200		
b: £100,000	£2,000		

L4 Garrison to Abberton Reservoir		Overview: Potential delivery partners	Potential funding streams
Indicative capital cost	Indicative revenue cost	CBC, landowners, developers, utilities providers/undertakers (Abberton Reservoir), Sustrans, Essex Rights of Way and Access team. Natural England in relation to potential HLS capital payments for access scheme.	Developer contributions through CIL/section 106. Natural England through HLS (although note that, as at April 2011, revenue payments for access schemes in HLS are no longer supported).
a: £445,000	£3,000		
b: £615,000	£10,000		



Local Development Framework Committee

Item
10

2 November 2011

Report of	Head of Strategic Policy and Regeneration	Author	Karen Syrett 01206 282473
Title	Tendring Consultation on Housing Development		
Wards affected	St Annes, St Andrews, St Johns and Wivenhoe Cross		

The Local Development Framework Committee is asked to agree a response to the Tendring Consultation on Housing Development

1. Decision(s) Required

- 1.1 The Local Development Framework Committee is asked to note the Tendring Public Consultation on Housing Development and to agree any comments to be returned at this stage of consultation.

2 Reasons for Decision(s)

- 2.1 The consultation provides the Council with the opportunity to influence policy of an adjacent authority.

3. Alternative Options

- 3.1 The Committee could choose not to respond, but the consultation includes two sites which border Colchester, one of which includes land within the borough and will require a cross-boundary approach.

4. Supporting Information

- 4.1 Tendring District Council (TDC) adopted its Local Plan in December 2007. It embarked on the preparation of a Core Strategy, but is now seeking to develop a Local Plan in line with the new Draft National Planning Policy Framework. TDC has invited landowners, developers and the general public to put forward their ideas and suggestions for which sites could be earmarked for housing or mixed-use development.

- 4.2 The consultation being undertaken at the moment is slightly unusual in that TDC are not consulting formally on a plan but in response to the significant number of objections they received to housing proposals in the Clacton area from last year's draft Core Strategy, members are keen to allow members of the public to make known their views on housing numbers, the distribution of growth and the types of housing to be built, before any final decisions on a revised submission version of the plan are taken.

- 4.3 The consultation includes a questionnaire seeking views on housing numbers, housing types and potential locations for new housing which was targeted to local residents. The Council was not formally consulted and has not therefore responded to this consultation which ended on 28 October. At the same time, however, TDC also published a document listing 167 potential housing development sites which have been submitted thus far by developers and landowners as part of the Core Strategy/Local Plan process, to which a CBC response is considered relevant. Officers at Tendring have agreed that although the consultation is aimed at Tendring residents, they would be more than happy to receive the views of Colchester Borough Council and the Town/Parish Councils that adjoin the Tendring area.
- 4.4 In publicising these sites, TDC has made it clear that, at this stage, the Council has not approved any of these proposals for inclusion in the new district plan, but it is highly likely that some (but certainly not all) of these sites will be needed to deliver the number of new homes needed over the next 15-20 years. The document only contains proposals that would primarily deliver housing development. Proposals for employment development such as new retail stores, industrial estates or lorry parks will be considered separately at a later date.
- 4.5 Following this consultation on sites TDC will be undertaking two detailed assessments of each of these proposals:
- The Sustainability Appraisal (SA) – which will assess each site for the likely social, economic and environmental impact if it were to be developed; and
 - The Strategic Housing Land Availability (SHLAA) – which will assess each site to see if it would be suitable for housing development, available for development and achievable in reality, taking into account the economy, the housing market and the costs involved in making development viable.
- 4.6 Tendring DC is at the very initial stages of preparing a Local Plan, although it carried out work for a Core Strategy which is still likely to be relevant. Tendring DC's 2007 adopted Local Plan provides for most new development to be concentrated at the larger urban areas of Clacton and Harwich, an approach which is also reflected in infrastructure planning carried out at sub-regional level through the Haven Gateway Partnership.
- 4.7 Two proposals in the consultation are in a location and scale to warrant comment by Colchester Borough Council:
1. Plains Farm, Plains Farm Close, Ardleigh (33.27 ha) – Adjoins A120 and Bullock Wood at the north eastern edge of the built up area of Colchester. Proposal submitted by Architectural Building Services (Essex) Ltd (who are based in Thorpe).
 2. Land east of Colchester between A120 and A133, Elmstead Market and Ardleigh, (400.87 ha). One third of the site lies within Colchester. Submitted by planning consultant ADP on behalf of Mersea Homes.

Plans showing the sites are attached as Appendix 1.

4.8 Colchester's adopted Local Development Framework provides for new development to be focussed within identified Growth Areas centred around the urban area of Colchester. Growth Areas do not include any areas to the northeast of Colchester, where the above developments are proposed. Additionally, LDF policies (ENV1 in particular) provide that development in open countryside is to be strictly controlled to conserve the environmental assets and open character of the Borough. In general terms, the development above two sites is accordingly not considered to be compatible with adopted Colchester planning policies.

4.9 The future consideration of development on the north eastern border of Colchester will need to be undertaken when the borough reviews its Core Strategy/Local Plan and in light of the 'duty to cooperate' set forth in the Localism Bill. This is intended to ensure a joined-up approach to cross-border working, particularly given the abolition of a co-ordinating Regional Plan. Colchester is working together with Tendring on development of the Betts site, which includes land in both authorities. It is expected that any future consideration of land adjacent to Colchester will continue this approach of close cross-authority working.

5. Proposals

5.1 It is proposed that the LDF Committee send a brief response to the Tendring District Council consultation on potential housing development sites noting the current lack of policy support for any large scale development on the eastern edge of Colchester within Tendring and the need for joint working on any sites adjacent to the Colchester boundary. The proposed response is attached as Appendix 2.

6. Strategic Plan References

6.1 Working with adjacent authorities to ensure a coordinated approach to future development is fundamental to the Council's vision for Colchester to be a place where people want to live, work and visit.

7.0 Consultation

7.1 Public consultation has been carried out by Tendring District Council.

8. Publicity Considerations

8.1 The scale of development proposed by developers for the area east of Colchester has already attracted media attention.

9. Financial implications

9.1 There are no direct financial implications for the Council

10. Equality, Diversity and Human Rights Implications

- 10.1 The response is informed by the Council's adopted Local Development Framework. An Equality Impact Assessment has been prepared for the Local Development Framework which is available following this pathway from the homepage: - Council and Democracy > Policies, Strategies and Performance > Diversity and Equality > Equality Impact Assessments > Strategic Policy and Regeneration > Local Development Framework.

11. Community Safety Implications

- 11.1 None

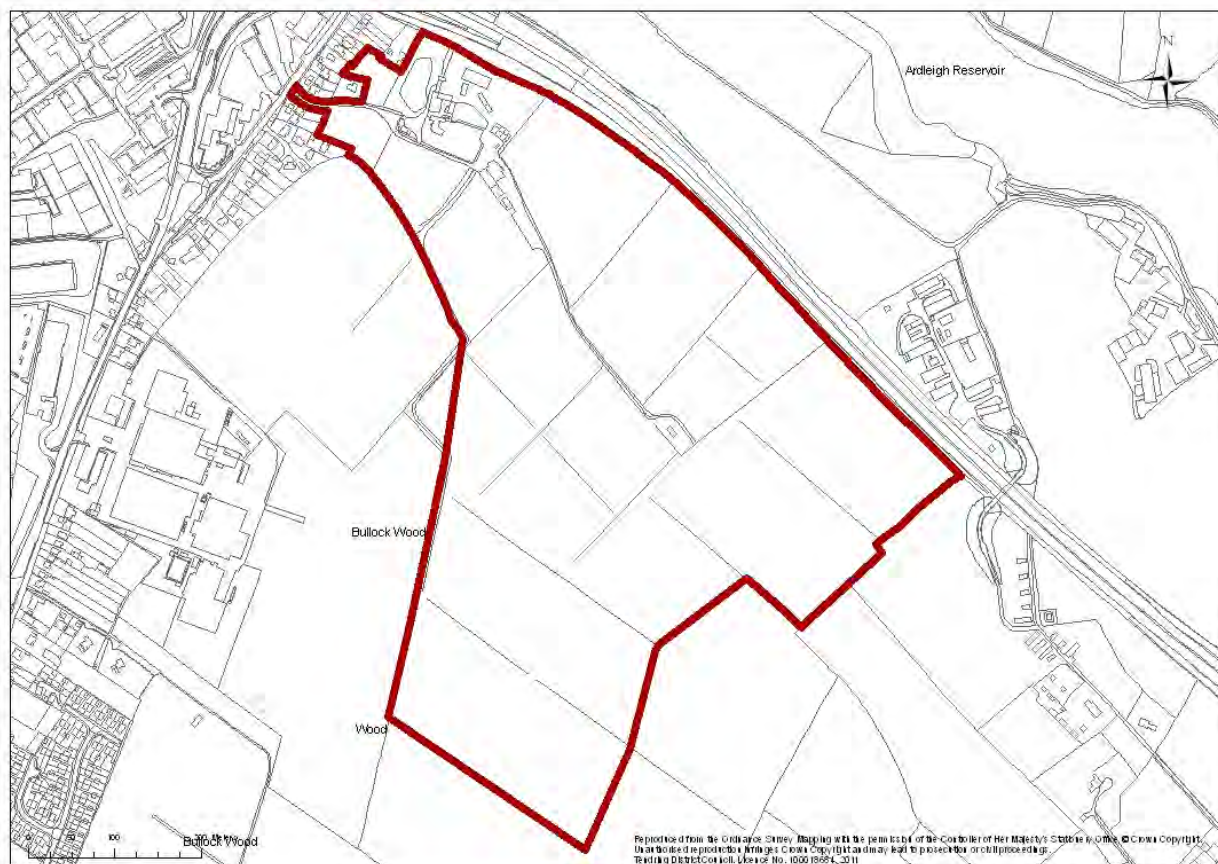
12. Health and Safety Implications

- 12.1 None.

13. Risk Management Implications

- 13.1 None

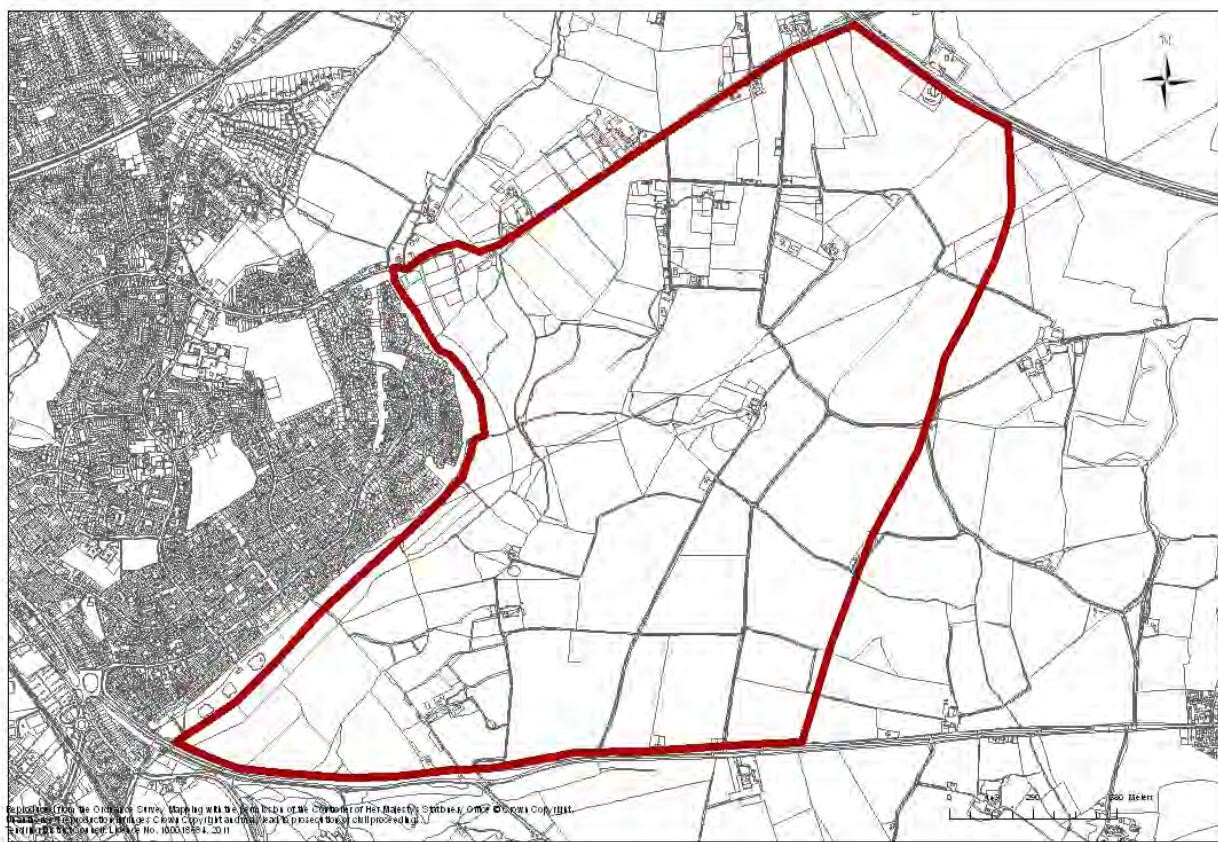
Site 4: Plains Farm, Plains Farm Close, Ardleigh



SITE DETAILS			
Site Postcode	CO7 7QU	Site Area	33.27 ha approx
Grid Reference	602320 (E) 228281 (N)	Site Status	Site being promoted for mixed-use development by a third party.
Site Description	The site is predominantly greenfield land in agricultural use, located on the edge of the Colchester built-up area. In the north eastern corner of the site is Plain's Farm and its associated outbuildings. The northern boundary is formed by the A120. To the west of the site is Bullock Wood and beyond this is commercial and residential development. To the east and south is further open agricultural land.		
Indicative Capacity	600 dwellings as part of a mixed-use development including leisure, hotel and commercial development..		

IMPORTANT NOTE: TENDRING DISTRICT COUNCIL WILL BE UNDERTAKING A DETAILED ASSESSMENT OF THIS SITE. THE COUNCIL HAS NOT, AT THIS TIME, MADE ANY FINAL DECISIONS ABOUT WHETHER THIS SITE SHOULD OR SHOULD NOT BE EARMARKED FOR DEVELOPMENT IN THE NEW LOCAL PLAN. THEREFORE ANY COMMENTS YOU HAVE WILL BE GRATEFULLY RECEIVED.

Site 11: Land east of Colchester between A133 and A120 Elmstead Market/Ardleigh



SITE DETAILS			
Site Postcode	CO7 7BJ	Site Area	400.87 ha approx
Grid Reference	604022 (E) 225618 (N)	Site Status	Site being promoted for major mixed-use development by a third party.
Site Description	Two thirds of the proposed site falls within the boundary of Tendring, the remainder falls in the boundary of Colchester Borough. The site lies between the A120 to the north and the A133 to the south and the western edge abuts the eastern fringe of Colchester's urban area. The site is bounded to the north-west by Bromley Road. Most of the area is open agricultural land but there are also areas of woodland and areas of interest to nature conservation. A line of electricity pylons runs through the site. A number of farmsteads and isolated residential properties exist on the site. To the south beyond the A133 lies the University of Essex.		
Indicative Capacity	7,500 dwellings as part of major mixed use development with industrial and commercial development, expansion of the university, education and community facilities, transport interchange (including railway station and park and ride facilities) a road link between the A120 and the A133, 60ha would be retained as woodland and expanded to create new areas of biodiversity, open spaces and community woodland.		

IMPORTANT NOTE: TENDRING DISTRICT COUNCIL WILL BE UNDERTAKING A DETAILED ASSESSMENT OF THIS SITE. THE COUNCIL HAS NOT, AT THIS TIME, MADE ANY FINAL DECISIONS ABOUT WHETHER THIS SITE SHOULD OR SHOULD NOT BE EARMARKED FOR DEVELOPMENT IN THE NEW LOCAL PLAN. THEREFORE ANY COMMENTS YOU HAVE WILL BE GRATEFULLY RECEIVED.

APPENDIX 2 RESPONSE BY COLCHESTER BOROUGH COUNCIL TO TENDRING DISTRICT COUNCIL CONSULTATION ON HOUSING DEVELOPMENT

Colchester Borough Council (CBC) notes that Tendring District Council is at very initial stages of considering potential site developments and has yet to carry out any assessment work of sites submitted to date. Pending the outcomes of this work, CBC would wish to make only general comments at this stage concerning two proposed sites at its eastern boundary;

1. Plains Farm, Plains Farm Close, Ardleigh (33.27 ha) – Adjoins A120 and Bullock Wood at the north eastern edge of the built up area of Colchester
2. Land east of Colchester between A120 and A133, Elmstead Market and Ardleigh, (400.87 ha). One third of the site lies within Colchester.

Colchester's adopted Local Development Framework provides for new development to be focussed within identified Growth Areas centred around the urban area of Colchester. Growth Areas do not include any areas to the northeast of Colchester, where the above developments are proposed. Additionally, LDF policies (ENV1 in particular) provide that development in open countryside is to be strictly controlled to conserve the environmental assets and open character of the Borough. In general terms, the development of the above two sites is accordingly not considered to be compatible with adopted Colchester planning policies. Additionally, it is noted that large scale development in West Tendring is at odds with adopted policy in the adopted 2007 Tendring Local Plan which focuses growth on Clacton and Harwich, an approach which is also reflected in infrastructure planning carried out at sub-regional level through the Haven Gateway partnership.

Colchester expects to commence a review of its Core Strategy/Local Plan in 2012 and until such time such proposals are considered premature. The future consideration of development on the eastern border of Colchester will of course need to be undertaken in light of the 'duty to cooperate' set forth in the Localism Bill. This is intended to ensure a joined-up approach to cross-border working, particularly given the abolition of a co-ordinating Regional Plan. Colchester is already working together with your authority on development of the Betts site, which includes land in both authorities. It is expected that any future consideration of land adjacent to and within Colchester will continue this approach of close cross-authority working.



Local Development Framework Committee

Item
11

2 November 2011

Report of	Head of Strategic Policy and Regeneration	Author	Karen Syrett ☎ 506477
Title	Community Infrastructure Levy – Draft Charging Schedule		
Wards affected	All		

The Local Development Framework Committee is asked to agree the content of the Community Infrastructure Levy Draft Charging Schedule and background papers and to approve public consultation and submission to the Secretary of State.

1. Decision(s) Required

- 1.1 To agree the content of the Community Infrastructure Levy (CIL) Charging Schedule and background documents.
- 1.2 To agree to publish and make available the Draft Charging Schedule and all supporting information, in order that representations can be made.
- 1.3 To subsequently submit the Charging Schedule to the Secretary of State for examination.
- 1.4 For the Committee to delegate authority to the Spatial Policy Manager to make minor revisions to the document prior to publication, submission and during the examination.

2. Reasons for Decision(s)

- 2.1 The Community Infrastructure Levy is an important source of future infrastructure funding. The Charging Schedule will be subject to examination and the LDF committee are required to agree the public consultation and submission. The Frontrunner Project requires the Council to meet very strict timescales.

3. Alternative Options

- 3.1 The committee could delay publication of the Charging Schedule but this would conflict with the timescales set out in the bid to be a Frontrunner. The good reputation which contributed to our selection could then be tarnished.

4. Supporting Information

- 4.1 The Community Infrastructure Levy is a new levy that local authorities can choose to charge on new developments in their area. The levy is intended to provide infrastructure to support the development of an area rather than to make individual planning applications acceptable in planning terms.
- 4.2 Local authorities are required to spend the levy's revenue on the infrastructure needed to support the development of their area and they will decide what infrastructure is needed ie roads, community facilities and open space. The levy is intended to focus on the

provision of new infrastructure and should not be used to remedy pre-existing deficiencies in infrastructure provision unless those deficiencies will be made more severe by new development. The levy can be used to increase the capacity of existing infrastructure or to repair failing existing infrastructure, if that is necessary to support development.

- 4.3 The idea is that the system is very simple in that it applies to most new buildings and charges are based on the size and type of the new development.
- 4.4 In December 2010 the Government invited local authorities to be “front runners,” developing innovative approaches to implementing the levy and giving local residents choice and control. The Planning Advisory Service and Planning Inspectorate provide tailored support and advice to up to eight authorities who wish to lead the way. The Council in partnership with Essex County Council were confirmed as one of the eight in February.
- 4.5 As part of the selection process it was confirmed that a Charging Schedule could be produced and submitted by the Autumn of this year. Public consultation took place in August and early September on the Preliminary Charging Schedule and the evidence base to support it. A meeting was also held between the CIL consultants and two local development companies and a property agent. A total of 25 responses were received to the consultation, a summary of which is attached as Appendix 1.
- 4.6 We have now reviewed all the responses received and revised the Charging Schedule and evidence base accordingly. These documents are attached as appendices. The key changes are as follows;
1. The retail charge – has been changed to £90 per sq m for comparison stores and £240 per sq m for convenience retailing (food)
 2. The evidence base has been revised for clarity as several of the respondents questioned this.
 3. Further valuation work has taken place to verify the charges and some of figures have been changed in light of information provided by respondents and the Homes and Communities Agency.
 4. Additional background documents have been produced for clarity. These are attached in draft form for comment but do not form part of the submission documents.
- 4.7 The residential charge has remained at £120 per square metre. Although this figure was disputed by some people who considered it would make their sites unviable, it is not considered that it would have this impact on the majority of sites expected to come forward in the next few years. An early review has also been written into the procedures which will allow us to reconsider the charges if necessary.
- 4.8 Before being examined, the draft charging schedule must be formally published for representations for a period of at least four weeks. During this period any person may request to be heard by the examiner. If further changes to the draft charging schedule are considered necessary after it has been published for representations, any person may request to be heard by the examiner, but only on those changes, during a further four-week period of consultation.
- 4.9 The Charging Schedule must be examined by an independent person appointed by the Charging Authority. The procedures are similar to those of a development plan document and any person requesting to be heard by the examiner must be heard in public. The most recent examination of a CIL, at Redbridge, was conducted entirely by written

representations. The independent examiner will be able to recommend that the draft charging schedule should be approved, rejected, or approved with specified modifications and must give reasons for those recommendations. At the present time the Examiners report is binding. To ensure democratic accountability, the charging schedule must be formally approved by a resolution of the full council of the charging authority although like the LDF documents the Schedule will first be referred to LDF Committee to recommend adoption. This does not have to take place immediately after receipt of the report and if the Council considers it more appropriate to leave a period of time before adoption this is permissible (this approach has been used by Newark and Sherwood, the first local authority to have an approved charging schedule.)

- 4.10 When the Council adopts and implements CIL it is also necessary to publish what is known as the 123 List. This lists all the infrastructure to be funded through CIL. CIL money can only be put towards items on this list and S106 contributions cannot be used towards anything on the list (there can be no doubling up.) The 123 list can be changed by the Council at anytime without the need for examination or any publicity. However to provide some certainty it is being recommended that the list is reviewed twice a year but would only be amended more than once in exceptional circumstances. To add clarity and in the interests of transparency an implementation plan and governance arrangements are also attached to this report.
- 4.11 The Government will require the Council to allocate a meaningful proportion of levy revenues raised in each area back to that neighbourhood. This will ensure that where a neighbourhood bears the brunt of a new development, it receives sufficient money to help it manage those impacts. The Government is currently consulting on what the 'meaningful proportion' should be.
- 4.10 The Governments intention to scale back the use of S106 Agreements makes it even more important to progress the Levy. Once CIL is adopted or in April 2014 the use of tariffs and standard charges will be severely restricted and securing funding for big items of infrastructure could become increasingly difficult.

5. Proposals

- 5.1 Members are requested to agree the content of the draft Charging Schedule and background papers and approve public consultation prior to submitting to the Secretary of State.

6. Strategic Plan References

- 6.1 The Council's vision is for Colchester to be a place where people want to live, work and visit. The provision of infrastructure through the CIL will provide resources to deliver priorities and in particular those objectives concerned with enabling job creation, community development and congestion busting.

7. Consultation

- 7.1 Public consultation has already taken place as detailed above. It is now proposed that further public consultation will be undertaken in November/December 2011. The consultation will be publicised by way of press release and by sending notification to people and companies on the Council's LDF consultation database.
- 7.2 Copies of the consultation document and supporting information will be made available on the Council's website, Colchester Library and in the Customer Service Centre.

- 7.3 Representations will be accepted electronically through the website or in hard copy.
- 7.4 All representations received will be submitted to the Secretary of State along with the Draft Charging Schedule.

8. Publicity Considerations

- 8.1 Attention could well be focused on the Community Infrastructure Levy Frontrunners, resulting in publicity for the Council.

9. Financial Implications

- 9.1 The costs of progressing the CIL have to date been funded from previous years Housing and Planning Delivery Grant. The examination will necessitate additional resources which could be in the region of £30,000 but it is considered appropriate to invest to secure better returns through implementation of the levy. As the Council is working in partnership with Essex County Council who will seek to benefit from the Levy, they could be asked to contribute to it's implementation.

10. Equality, Diversity and Human Rights implications

- 10.1 An Equality Impact Assessment has been prepared for the Local Development Framework and is available to view on the Colchester Borough Council website by following this pathway from the homepage: Council and Democracy > Policies, Strategies and Performance > Diversity and Equality > Equality Impact Assessments > Strategic Policy and Regeneration > Local Development Framework.

11. Community Safety Implications

- 11.1 None

12. Health and Safety Implications

- 12.1 None

13. Risk Management Implications

- 13.1 Implementation of the Community Infrastructure Levy will reduce the risk of there not being enough funding for infrastructure.

Background Papers

The Community Infrastructure Levy - An overview

The Community Infrastructure Levy - Summary

Community Infrastructure Levy Guidance - Charge setting and charging schedule procedures

Appendix 1 – Summary of Consultation Responses

Appendix 2 – Evidence Base

Appendix 3 – Draft Implementation Plan

Appendix 4 – Draft Governance Arrangements

APPENDIX 1 - SUMMARY OF RESPONSES TO CIL CONSULTATION

Number	Respondent	Summary of Response	Council Response
CIL001	Alresford Parish Council (Tendingr DC)	Note requirement for involvement of Parish Councils with major applications	Noted
CIL002	Feering Parish Council (Braintree DC)	<ol style="list-style-type: none"> 1. CIL should fund A12 improvements 2. Measures to ensure payment of contributions required as well as review levels 3. More attention to rural areas needed 4. Occupants of social housing will need infrastructure, but not subject to CIL 	<ol style="list-style-type: none"> 1. Priorities for funding will be agreed through development of a list (Regulation 123 list) approved by the Council 2. Noted – publication of the draft Charging Schedule will include further detail on payment requirements and review mechanisms. 3. The Evidence Base study notes that the base level scheme uses a large residential site on the outskirts of the Colchester urban area because this is where the critical mass of new housing is planned. While housebuilders will incur higher building costs on smaller rural sites, they will usually be spared the higher burden of providing extensive on site infrastructure and open space cost requirements. The volume of anticipated development on smaller rural sites will not be critical to achieving the overall planned number of houses and did not warrant the additional complexity of a differentiated charge in the CIL. 4. This is set by national regulations/outside the scope of CBC work
CIL003	Office for Nuclear Regulation	No comments	NA

CIL004	Tiptree Council	Parish	<p>1. Document poorly written and its intentions are unclear.</p> <p>2. Any monies gained for infrastructure should be used within the ward where the development is taking place and not made available to other areas of the borough.</p>	<p>1. Noted.</p> <p>2. Development has implications for increasing pressure on both local and strategic development and funding needs to be allocated accordingly. Clarification from Government is awaited on appropriate proportions for the neighbourhood element of CIL.</p>
CIL005	Jan Plummer		Environmentally sustainable projects should be exempt	<p>Noted. The Council will seek to encourage environmentally sustainable projects as a minimum requirement rather than as an exception but this will not affect the charge.</p>
CIL006	Eastern Region Country Land and Business Association		<p>1. One new rural dwelling should be exempt.</p> <p>2. Rural shops should be given separate consideration based on viability.</p>	<p>The policies for charging and exemptions are set by national legislation/regulations.</p>
CIL007	English Heritage		No comments other than to hope that funding by CIL will include enhancing the Borough's historic assets.	Noted
CIL008	Sport England		<p>1. Information on how the costs of sports facility projects were calculated should be provided and checked with Sports England methodology.</p> <p>2. Support not applying the levy to leisure/sports centres</p>	Noted
CIL009	Brian Morgan, Architecture and Design Partnership (ADP)		<p>1. The necessary projects in the CIL evidence base infrastructure schedule cannot be delivered within the plan period. The estimates of infrastructure requirements are unreliable because they change over time. Developers will be</p>	<p>1. Flexibility is inbuilt in the plan making process. The Council demonstrated its ability to assess essential infrastructure requirements through the LDF process. This included mechanisms to update funding requirements as needs and funding sources change. Further refinements to the infrastructure evidence base</p>

		<p>unclear how much in total they have to pay taking into account CIL and Section 106. If infrastructure can't be delivered during plan period, than it can't be categorised as necessary. Given the high cost of the proposals, the Council will need to come up with cheaper alternatives.</p> <p>2. The list of priorities (123 list) does not involve sufficient public consultation.</p>	<p>are being undertaken. The requirement is to demonstrate a funding gap which can be met through a number of sources including CIL rather than specific requirements to demonstrate deliverability within a given time period. No evidence has been provided on specific areas of overestimating, but as noted above, further refinement of the evidence base is underway to ensure the highest possible levels of accuracy.</p> <p>2. Governance arrangements will be put in place to ensure full Council and public scrutiny of the priorities for CIL funding.</p>
CIL010	Mersea Homes	<p>1. There is a lack of an appropriate evidence base. The Council needs to carry out further work before proceeding, including revised assessments of infrastructure needs, viability assessments and an updated SHLAA.</p> <p>2. Suggested infrastructure includes existing deficiencies and is factually incorrect.</p> <p>3. Accurate information is needed on the potential number of units and actual sites that CIL will be payable on. The funding gap of over a quarter of a billion pounds cannot be correct. The headline costs of the infrastructure within the report have not been published with suitable supporting evidence.</p> <p>4. Land values are incorrect and are too low.</p>	<p>1 and 2. Further refinements to the infrastructure evidence base are being undertaken, including updating receipt of Section 106 monies. The selection of infrastructure projects is in line with Government guidance, which provides that the levy focuses on the provision of new infrastructure and should not be used to remedy pre-existing deficiencies in infrastructure provision unless those deficiencies will be made more sever by new development. (CIL Overview, para 9)</p> <p>3. This information will be checked before the draft charging schedule is published</p> <p>4. The land values are considered to reflect best available information at the time. The rate has been set on the basis that it needs to be robust over time, bearing in mind that 'economic circumstances and land values could change significantly during the lifetime of the charging schedule' (para 29, Charge setting and Charging Schedule Procedures)</p>

CIL011	Countryside Properties	<ol style="list-style-type: none"> 1. Lack of evidence on infrastructure planning. 2. Assessment needed of other income sources. 3. More information on viability assumptions needed. 4. The effect on increased interest charges could be significant given the need for upfront CIL payments. 	<ol style="list-style-type: none"> 1. Evidence to back up the charging schedule needs to demonstrate that there is a funding gap, but is not expected to provide a detailed infrastructure delivery plan. Infrastructure will come forward in tandem with new development and cannot be fixed precisely until developer requirements are clear. 2. Information on other funding sources will be provided in a general form but cannot be relied on as absolute figures. Government guidance (Charge Setting and Charging Setting Procedures para 14) notes that 'there will be uncertainty in pinpointing other infrastructure funding sources, particularly beyond the short-term. The focus should be on providing evidence of an aggregate funding gap that demonstrates the need to levy CIL.' 3. Viability assumptions will be checked in light of responses received 4. CIL can be phased as required to deal with cash flow concerns.
CIL012	Hills Building Group	<ol style="list-style-type: none"> 1. Assumptions for dwelling projections are unclear. This could mean that if units are not built, CIL will need to be increased. 2. The principle of using a 'slush fund' of section 106 contributions is not considered acceptable. 3. Transparency needed in developing Regulation 123 list. 	<ol style="list-style-type: none"> 1. CIL levels are set based on viability rather than by number of units. The infrastructure evidence base demonstrates the existence of a gap but is not intended to serve as a precise delivery schedule. The CIL charging level can be reviewed as needed to reflect changes in viability. In a volatile market, caution is required in setting overly prescriptive review time periods. 2. The evidence base is being updated and will include a review of Sec106 requirements/contributions. 3. Agreed. Governance arrangements will be put in

		<p>4. Projects costing below £1 million have been excluded from detailed analysis, but no explanation as to the percentage of smaller developments in terms of overall levels of development. Caveating the information provided on education is not helpful – it means that evidence is not robust.</p> <p>5. Inclusion of New Homes Bonus monies required.</p> <p>6. Gross development value is overvalued, but land values are undervalued. Landowners will not want to put forward land in these circumstances.</p>	<p>place to ensure full Council and public scrutiny.</p> <p>4. The threshold of £1 million refers to infrastructure requirements rather than the size of development. Unless there is total clarity on the types of development coming forward, it is difficult to pin down exact education requirements.</p> <p>5. The New Homes Bonus is not ring fenced.</p> <p>6. The land values are considered to reflect best available information at the time. Government guidance recognises that some projects may be put at risk by a particular level of CIL, but the regulations specify that local authorities will 'strike an appropriate balance between the desirability of funding infrastructure and the potential effects of the imposition of the charge on the economic viability of development across its area.' (2010 CIL Regulation 14)</p>
CIL013	Strutt and Parker	<p>1. Schedule won't deliver fair and effective system of contributions</p> <p>2. The proposals will have a negative impact on deliverability of housing.</p> <p>3. There should be a differentiation between greenfield and brownfield. Brownfield sites aren't currently achieving sufficient returns and the imposition of further costs could result in a 50-100% reduction</p> <p>4. Proposed charging levels of 125m2 for residential and retail of 240m2 will have a significant negative effect on urban projects</p>	<p>1. Noted</p> <p>2 and 3. The viability work is considered to demonstrate otherwise. It considered different scenarios including greenfield and brownfield sites and did not establish a basis for different charging levels. The charge needs to be as simple and transparent as possible.</p> <p>4. There appears to be some confusion between costs and floorspace. The charging threshold is not considered to have a significant impact on viability given that smaller schemes would by definition also be paying smaller total levels of charging. It is accepted that some developments might not be viable under current economic conditions, but national policy</p>

		<p>being delivered. A greater reduction from 125m2 would be justifiable on brownfield land charging mechanisms. Charging mechanisms may have a negative impact on density given the cost per unit.</p> <p>5. A further significant discount for on-site affordable housing should be considered. There is no guidance on affordable housing in the evidence base – flexibility should be in-built.</p> <p>6. Colchester Borough Council has already committed to agreed planning obligations for the Betts site through a Development Brief.</p>	<p>recognises that ‘the introduction of CIL may put some potential development sites at risk. It is for charging authorities to decide what CIL rate, in their view, sets an appropriate balance between the need to fund infrastructure, and the potential implications for the economic viability of development across their area.’ (Para 21, Charge setting and charging schedule procedures)</p> <p>5. Affordable housing does not pay CIL. (See Regulation 49 of CIL Regulations 2010) Viability calculations undertaken for the evidence base factored in affordable housing contributions in line with Colchester Borough Council policy.</p> <p>6. Noted</p>
CIL014	Environment Agency	<p>The EA has identified other small scale drainage works that may benefit development in Colchester. Additional information on funded schemes is now available. Would welcome opportunity to input into the updated charging schedule and Section 123 list.</p>	<p>Some of the works identified may already be included in the £2.5 estimate of works included in the Infrastructure Table. The Council will work with the EA to update the charging schedule and prepare the Section 123 list. Site specific works will be expected to be delivered through S106 agreements.</p>
CIL015	Martin Robeson for Churchmanor Estates	<p>1. Council approach does not strike balance between desirability of funding infrastructure and potential effects of the change on economic viability.</p> <p>2. There is no evidence to justify why the infrastructure projects listed are required to deliver growth. There are 10 new projects that have been added since the Core</p>	<p>1. The CIL Evidence Base Report states that one of the core principles of the Colchester CIL is that it sets an appropriate balance between infrastructure funding and viability of development. The levies proposed are considered to be commensurate with viability.</p> <p>2-3. Evidence to back up the charging schedule needs to demonstrate that there is a funding gap, but is not expected to provide a detailed infrastructure delivery</p>

	<p>Strategy. No evidence to support costs is suggested and there seems to be double counting with charges for infrastructure to utility companies who already have a form of CIL in place</p> <p>3. Alternative sources of funding should be taken into account in the evidence base.</p> <p>4. The evidence base includes an admission that viability assumptions are neither transparent nor accurate. The use of standard construction costs ignores the Council's objectives to secure high quality design. Assumptions included in the viability assessment are inadequate and unjustified.</p> <p>5. Charging levels are not based on an appropriate or adequate evidence base.</p> <p>6. Only one example is used in the viability assessment. There is no sensitivity testing to assess different assumptions and thresholds. There is no justification of costs used or examples of actual development used to inform calculations. Timing information isn't provided – will the charge be robust over time? More information is required on 'exceptional circumstances'.</p> <p>7. More sophisticated calculation is appropriate for commercial and retail development.</p>	<p>plan. Infrastructure will come forward in tandem with new development and cannot be fixed precisely until developer requirements are clear. It is appropriate to update the work carried out for the Core Strategy 3-4 years ago to ensure that estimates of the infrastructure needed to support growth are as reliable as possible. Government guidance acknowledges that funding priorities can change over time. (Para 15, Charge setting and charging schedule procedures) Further refinements to the infrastructure evidence base are being undertaken. This will include information from utility companies on other funding sources</p> <p>4-6. The costs used by the consultants reflect the best available information available and are considered to be accurate.</p> <p>7. Simplicity is a key concern for the development of a transparent charge, so development of a complicated formula for commercial and retail projects is not supported. The CIL Evidence Base Report considered different scales and location of retail development as well as specific viability analysis of B-use class, leisure, hotel and residential care homes.</p> <p>8. Information on other funding sources will be provided in a general form but cannot be relied as absolute figures. Government guidance (Charge Setting and Charging Setting Procedures para 14) notes that 'there will be uncertainty in pinpointing other infrastructure funding sources, particularly beyond the short-term. The focus should be on providing evidence of an aggregate funding gap that demonstrates the need to</p>
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CIL016	Martin Robeson for Tesco Stores	<p>8. Lack of information on funding gaps for necessary infrastructure.</p> <p>9. CIL levels risk undermining the chances of development and thus infrastructure being delivered. CIL levels are far in excess of other local authorities.</p>	<p>levy CIL.' Infrastructure will come forward in tandem with new development and cannot be fixed precisely until developer requirements are clear. The Council agrees that CIL funding cannot be used to address historic deficiencies.</p> <p>9. The CIL charge has been set at a level that will meet a proportion of identified infrastructure needs without compromising overall development delivery. The small number of CIL charges approved to date vary widely according to the different values prevailing around the country. The proposed levels for Colchester reflect higher land values found in the south-east. (Not many other CILs have been set– Redbridge £70 + £35 Crossrail levy - £105 total (+ GLA levy), Portsmouth £105, Greater Norwich £85 outer area and £170 inner area)</p>
		<p>1. Council approach does not strike balance between desirability of funding infrastructure and potential effects of the change on economic viability.</p> <p>2. There is no evidence to justify why the infrastructure projects listed are required to deliver growth. There are 10 new projects that have been added since the Core Strategy. No evidence to support costs is suggested and there seems to be double counting with charges for infrastructure to utility companies who already have a form of CIL in place</p>	<p>1. The CIL Evidence Base Report states that one of the core principles of the Colchester CIL is that it sets an appropriate balance between infrastructure funding and viability of development. The levies proposed are considered to be commensurate with viability.</p> <p>2-3. Evidence to back up the charging schedule needs to demonstrate that there is a funding gap, but is not expected to provide a detailed infrastructure delivery plan. Infrastructure will come forward in tandem with new development and cannot be fixed precisely until developer requirements are clear. It is appropriate to update the work carried out for the Core Strategy 3-4 years ago to ensure that estimates of the infrastructure</p>

	<p>3. Alternative sources of funding should be taken into account in the evidence base.</p> <p>4. The evidence base includes an admission that viability assumptions are neither transparent nor accurate. The use of standard construction costs ignores the Council's objectives to secure high quality design. Assumptions included in the viability assessment are inadequate and unjustified.</p> <p>5. Charging levels are not based on an appropriate or adequate evidence base.</p> <p>6. Only one example is used in the viability assessment. There is no sensitivity testing to assess different assumptions and thresholds. There is no justification of costs used or examples of actual development used to inform calculations. Timing information isn't provided – will the charge be robust over time? More information is required on 'exceptional circumstances'.</p> <p>7. More sophisticated calculation is appropriate for commercial and retail development.</p> <p>8. Lack of information on funding gaps for necessary infrastructure.</p> <p>9. CIL levels risk undermining the chances of development and thus infrastructure being delivered. CIL levels are far in excess</p>	<p>needed to support growth are as reliable as possible. Further refinements to the infrastructure evidence base are being undertaken. This will include information from utility companies on other funding sources</p> <p>4-6. The costs used by the consultants reflect the best available information available and are considered to be accurate.</p> <p>7. Simplicity is a key concern for the development of a transparent charge, so development of a complicated formula for commercial and retail projects is not supported. The CIL Evidence Base Report considered different scales and location of retail development as well as specific viability analysis of B-use class, leisure, hotel and residential care homes.</p> <p>8. Information on other funding sources will be provided in a general form but cannot be relied as absolute figures. Government guidance (Charge Setting and Charging Setting Procedures para 14) notes that 'there will be uncertainty in pinpointing other infrastructure funding sources, particularly beyond the short-term. The focus should be on providing evidence of an aggregate funding gap that demonstrates the need to levy CIL.' Infrastructure will come forward in tandem with new development and cannot be fixed precisely until developer requirements are clear. The Council agrees that CIL funding cannot be used to address historic deficiencies.</p> <p>9. The CIL charge has been set at a level that will meet a proportion of identified infrastructure needs without compromising overall development delivery. The small</p>
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CIL017	Bloor Homes	<p>of other local authorities.</p> <ol style="list-style-type: none"> 1. Levy is set too high and will hinder delivery. 2. Viability questioned – Inflated rates of sale prices, depressed build cost rates, inflated affordable housing revenues, Unrepresentative average unit sizes, Unrealistic Profit and Land values 3. Concern about the effect of a levy on employment should extend to housing since it creates employment. 4. Clarification needed to ensure levy raised is spent on the most appropriate projects and that they are delivered cost effectively and in a timely manner. 5. Clarification also needed on additional funding sources, particularly where one company appears to be subsidising 	<p>number of CIL charges approved to date vary widely according to the different values prevailing around the country. The proposed levels for Colchester reflect higher land values found in the south-east. (Not many other CILs have been set– Redbridge £70 + £35 Crossrail levy - £105 total (+ GLA levy), Portsmouth £105, Greater Norwich £85 outer area and £170 inner area)</p>
		<ol style="list-style-type: none"> 1. The CIL Evidence Base Report concluded that the levy was commensurate with viability. In particular, the analysis focused on the strategic greenfield sites that will be delivering the majority of new housing units and found the development in these growth areas would not be compromised by the proposed CIL charge. 2. The costs used by the consultants reflect the best available information available and are considered to be accurate. 3. The point is noted, but equally the provision of new infrastructure supported by CIL funding will also create employment. Permitting housing to be built without supporting infrastructure is considered to be damaging to the overall prospects for the Borough to attract new employers. 4. Governance arrangements will be put in place to ensure full Council and public scrutiny and to ensure that projects are delivered cost effectively and in a timely manner. 5. Information on other funding sources will be provided in a general form but cannot be relied as 	

		<p>another. Some of the leisure and recreation projects appear to be responding to historic deficits.</p> <p>6. Indication of the Council's position requested on:</p> <ul style="list-style-type: none"> • Exceptional Circumstances Relief • Role of S. 106 obligations • Use of 'payment in kind' • Instalments • Monitoring and review 	<p>absolute figures. Government guidance (Charge Setting and Charging Setting Procedures para 14) notes that 'there will be uncertainty in pinpointing other infrastructure funding sources, particularly beyond the short-term. The focus should be on providing evidence of an aggregate funding gap that demonstrates the need to levy CIL.' Infrastructure will come forward in tandem with new development and cannot be fixed precisely until developer requirements are clear. The Council agrees that CIL funding cannot be used to address historic deficiencies.</p> <p>6. These areas are covered in general by the CIL Regulations 2010 and 2011 Amendments, but further detailed guidance will be developed as needed to support the draft schedule to be submitted to Government for examination.</p>
CIL018	Highways Agency	<p>1. No specific comments, however the approach taken marginalises the infrastructure requirements, with an acceptance that there will be a significant funding gap. There is a significant risk that infrastructure requirements will not be met whilst developments proceed on the basis that CIL requirements have been met. Further refinement work on costs is needed – estimate of £30m to deliver trunk road improvements not supported by sufficiently detailed work.</p> <p>2. Prioritising mechanism is needed.</p>	<p>1. Guidance stipulates the funding gap and notes that local authorities will have discretion to put a high premium on funding infrastructure 'if they see this as important to future economic growth in their area, or if they consider that they have flexibility to identify alternative development sites, or that some sites can be redesigned to make them viable.' Para 7, Charge setting and charging schedule procedures). Further refinements to the infrastructure evidence base are being undertaken.</p> <p>2. Governance arrangements will be put in place to ensure full Council and public scrutiny and appropriate prioritising mechanisms.</p>

CIL019	Lexden Restoration and Development	<p>Concerned about the incremental approach of charging on developer costs which is particularly severe for smaller developers.</p> <p>Tym work fails to carry out a cost assessment of a smaller site and further work on this issue should be carried out.</p> <p>Council needs to engage with local small to medium sized developers to gain a greater understanding of their role and the pressures they are under.</p>	<p>The Evidence Base study notes that the base level scheme uses a large residential site on the outskirts of the Colchester urban area because this is where the critical mass of new housing is planned. While housebuilders will incur higher building costs on smaller sites, they will usually be spared the higher burden of providing extensive on site infrastructure and open space cost requirements. The volume of anticipated development on smaller sites will not be critical to achieving the overall planned number of houses and did not warrant the additional complexity of a differentiated charge in the CIL. It is also noted that smaller schemes will by definition pay lower charges since calculations are based on the size of the scheme.</p>
CIL020	Essex County Council	<p>Endorse Draft Charging Schedule and proposal for an outline governance structure for CIL in Colchester-</p> <p>(i) A Decision Making group consisting of one or more Member and one or more senior officer from ECC and CBC</p> <p>(ii) An Advisory officer only level group</p>	<p>Noted</p>
CIL021	Vaughan & Blyth	<p>Fear that the continual introduction of financial contributions will render sites unviable. Viability model based on a green field site rather than types of brownfield sites small developers would be likely to be involved with. This means that the land</p>	<p>The Evidence Base study notes that the base level scheme uses a large residential site on the outskirts of the Colchester urban area because this is where the critical mass of new housing is planned. While housebuilders will incur higher building costs on smaller sites, they will usually be spared the higher burden of</p>

CIL022	Peacock and Smith	<p>values in the viability work are too low, and build costs used are also insufficient. Adding affordable housing contributions to the costs will make development in the Borough uneconomic for developers, who will look in adjacent authorities for land.</p>	<p>providing extensive on site infrastructure and open space cost requirements. The volume of anticipated development on smaller sites will not be critical to achieving the overall planned number of houses and did not warrant the additional complexity of a differentiated charge in the CIL. There is no certainty about affordable housing at the present time. Comments about figures used in the viability assessment are noted and will be checked.</p>
CIL023	Denis Palmer	<p>Concerned that the differential rate for retail development could impact on the viability of future edge and out of centre retail development. Viability analysis doesn't appear to take into account all likely costs associated with developing a new foodstore, including land remediation and land taxes. The edge and out of centre rate is significantly higher than other areas.</p> <p>Will CIL be raised on the Colchester United development in Tiptree? Money is needed for new infrastructure there to compensate for the proposed housing/sports area development.</p>	<p>The CIL Evidence Base Report found that larger out-of-centre or edge-of-centre retail continues to be one of the best performing sectors in the UK and accordingly a higher charge for this type of development was found to be viable.</p> <p>CIL will affect all new developments receiving planning permission after its adoption. The decision on how it will be spent will be made by the Council as charging authority and identified in the 123 list.</p>
CIL024	Andrew Crayston	<p>1. Levy will affect small sites and brownfield sites in particular, including redevelopment in the Hythe. Consideration should be given to exempting regeneration areas particularly in the case of the Hythe where partial development has left an</p>	<p>1. The Evidence Base study notes that the base level scheme uses a large residential site on the outskirts of the Colchester urban area because this is where the critical mass of new housing is planned. The consultants looked in particular at the Hythe area but did not consider it appropriate to very the charge.</p>

		<p>unsatisfactory situation. If the development charge is too high, developers will hold back on development until proposals completely collapse.</p> <p>2.The calculation of the levy adopts a residual valuation approach which uses an unrealistic base value of land. Best market evidence should have been used which would give higher figures. Previous attempts to drive down land values have put up development costs and increased sale prices.</p> <p>3. The short term exemption from social housing on less than 10 units is a help as would be the removal of the open space contribution levy.</p> <p>4. Supports exemption of conversion of listed buildings which should help stimulate preservation of our heritage.</p> <p>5. Appreciates that the process of adoption will involve considerable ongoing discussion.</p>	<p>2. The valuation approach is commonly used and is a simple approach which reflects guidance from DCLG.</p> <p>3. this comment relates to SPD/S106 contributions</p> <p>4. Noted</p> <p>5. Noted</p>
CIL025	Natural England	<p>1. No comments regarding charging schedule.</p> <p>2. Pleased to see projects in the evidence base linked to carbon reduction and green links</p> <p>3. Hope that 123 List will include multifunctional green infrastructure - Natural England will help to develop this.</p>	Noted.

Colchester Borough Council

Community Infrastructure Levy: evidence base

Final report



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APPENDICES

Appendix A – Full residential appraisal of a 10ha scheme with a £145/m² charge

Appendix B – Full residential appraisal of a 1ha scheme with a £145/m² charge

Appendix C – Non-residential viability appraisal

EXECUTIVE SUMMARY

1. This report represents the evidence base underpinning the CIL Charging Schedule for Colchester Borough.
2. Based on the infrastructure requirements in its adopted Core Strategy, updated to reflect changes since adoption, Colchester has a potential funding gap of almost £203m, as shown in the table below.

Infrastructure funding gap for 'necessary projects'

Infrastructure type	Cost (£m)	Developer funding secured (£m)	Non-developer funding (£m)	Funding gap (£m)
Transport	114.10	7.95	4.60	101.55
Education	126.90	24.60	39.10	63.20
Utilities	4.00	0.00	0.00	4.00
Health	0.00	0.00	0.00	0.00
Community, leisure, open space and outdoor sports	21.43	0.00	0.00	21.43
Other	12.50	0.00	0.00	12.50
Total	278.93	32.55	43.70	202.68

3. We have assessed the potential for a CIL charge in Colchester and consider that the following charges are appropriate because they do not undermine the Core Strategy:

Use	Charge
Charge for all uses unless stated	£0/m ²
Residential	£120/m ²
Convenience retail	£240/m ²
Comparison retail	£90/m ²

4. As a broad guide, these levels of charge would raise approximately £50m from CIL, so would not exceed the funding gap as assessed.

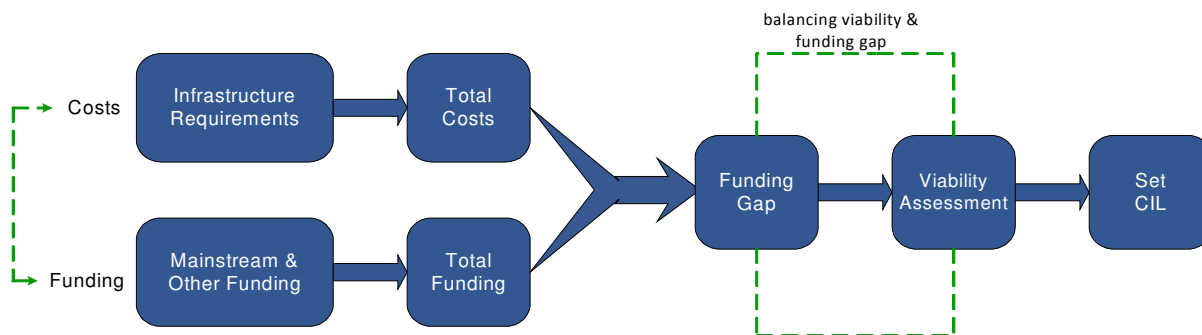
1 INTRODUCTION

- 1.1 Roger Tym & Partners was commissioned by Colchester Borough Council (CBC) to produce a Community Infrastructure Levy (CIL) Charging Schedule and supporting evidence base. This is not to say that CBC does not have a significant amount of evidence already completed. It has an adopted Core Strategy and Site Allocations Development Plan Document and much of the infrastructure needs to deliver growth have already been scoped out.
- 1.2 This study therefore seeks to achieve the following:
- To update the infrastructure evidence used to inform the Core Strategy, which was examined and declared sound in 2008.
 - To assess the potential level of CIL charge, by type of development, which could be borne by development.
 - To produce a CIL charging schedule and supporting evidence base which could be submitted for examination and ultimately approved and then adopted.

Our Approach

- 1.3 Our approach to deriving an appropriate CIL charge and producing an associated charging schedule is guided by the CIL Regulations (2010 and 2011) and the March 2010 Charge Setting and Charging Procedures guidance document.
- 1.4 In addition, we have been guided by DCLG’s CIL Team and the Planning Advisory Service (PAS), which have been providing support to the CIL Front Runners, of which CBC (and Essex County Council) is one.
- 1.5 Our basic approach to the CIL assessment is summarised in figure 1.1. The main steps, briefly were to update the existing infrastructure evidence base to arrive at a funding gap to inform the ‘CIL funding target’, undertake a viability assessment reflecting the scale and type of planned growth and assimilate the findings to arrive at a CIL charge that the majority of development can afford.

Figure 1.1 CIL Charge Setting Process



2 CORE PRINCIPLES

- 2.6 The following section outlines the core principles that we consider to be of most relevance to determining the level of infrastructure funding gap and viability assessment to inform the levy and produce a charging schedule.

Core principle 1: Appropriate balance between infrastructure funding and viability of development is at the heart of the CIL charging process

- 2.7 At the heart of the CIL charge setting process, is the need ‘to strike what appears to the charging authority to be an appropriate balance between the desirability of funding infrastructure and the potential effects of the imposition of the charge on the economic viability of development across its area’ (set out in CIL regulation 14 and expanded further in the guidance). The key advice in the guidance is that the CIL rate “should not put the overall development across their area at serious risk”¹.
- 2.8 A judgment must be made on this, as there are no hard and fast rules, it is up to the charging authority to decide ‘how much’ potential development they are willing to put at risk through the imposition of CIL. Thus, it is important in setting the charge to have a good understanding of its development context, the scale and type of development, the infrastructure requirements and the funding gap that the levy is intended to address, having taken account of other sources of available funding. This will demonstrate that there is need to levy a CIL charge and will provide the total ‘target’ amount that CIL can contribute towards.
- 2.9 The CIL must not be set at a level that would collect an amount in excess of this target. It needs to be emphasised that the Levy will usually form only a small part of the total overall funding of a development which will include where appropriate site specific Section 106, affordable housing and other obligations. In many cases other factors such as market fluctuations or the unique costs associated with the development of a particular site will have a much greater impact on development viability.

Core principle 2: Avoiding complexity in charge setting

- 2.10 Our aim is to provide a simple, transparent charge that is easy to understand and apply and one that is relevant to majority of expected development. Developments vary in value depending on their nature and location.
- 2.11 CIL Regulation 13 allows charging to be varied across the area and for different types of use (and by area and use). However, the objective of CIL is also to introduce simplicity and transparency to planning contributions. For that reason while we propose different rates of charge we have sought to keep the charge variations to a minimum and avoid undue complexity.

¹ DCLG CIL Charge Setting and Charging Schedule Procedures March 2010, paragraph 8

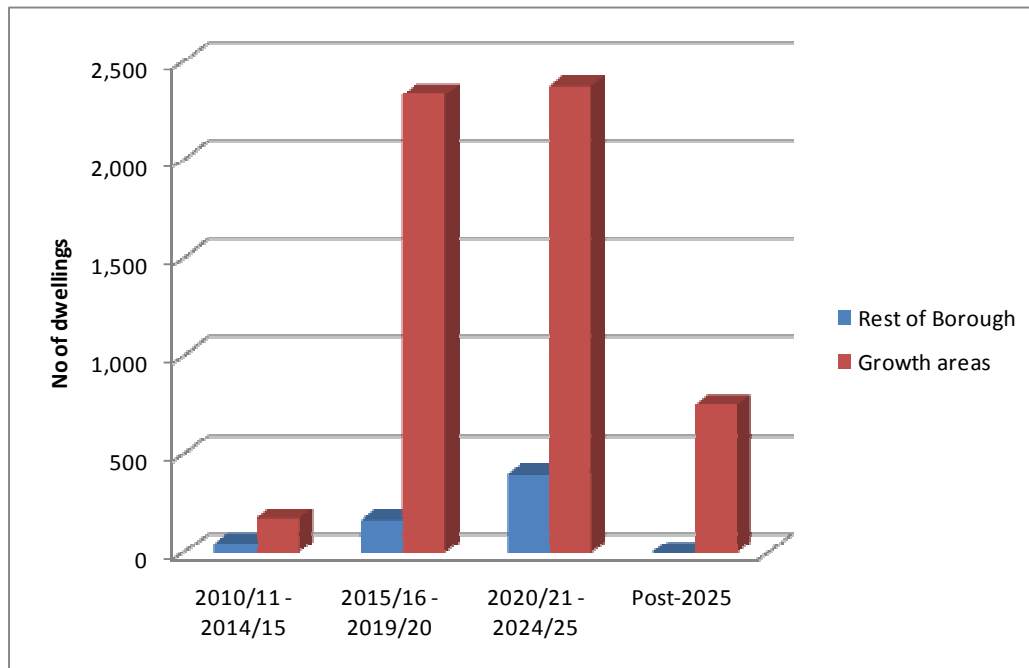
Core principle 3: Understanding the development context

2.12 The future development context of Colchester will inform the infrastructure and viability evidence base which in turn will shape the levy.

What is the scale and direction of growth?

2.13 Colchester Borough Council has undertaken a review of the remaining dwelling allocation to be delivered over the plan period. Figure 2.1 shows the breakdown by five-year period.

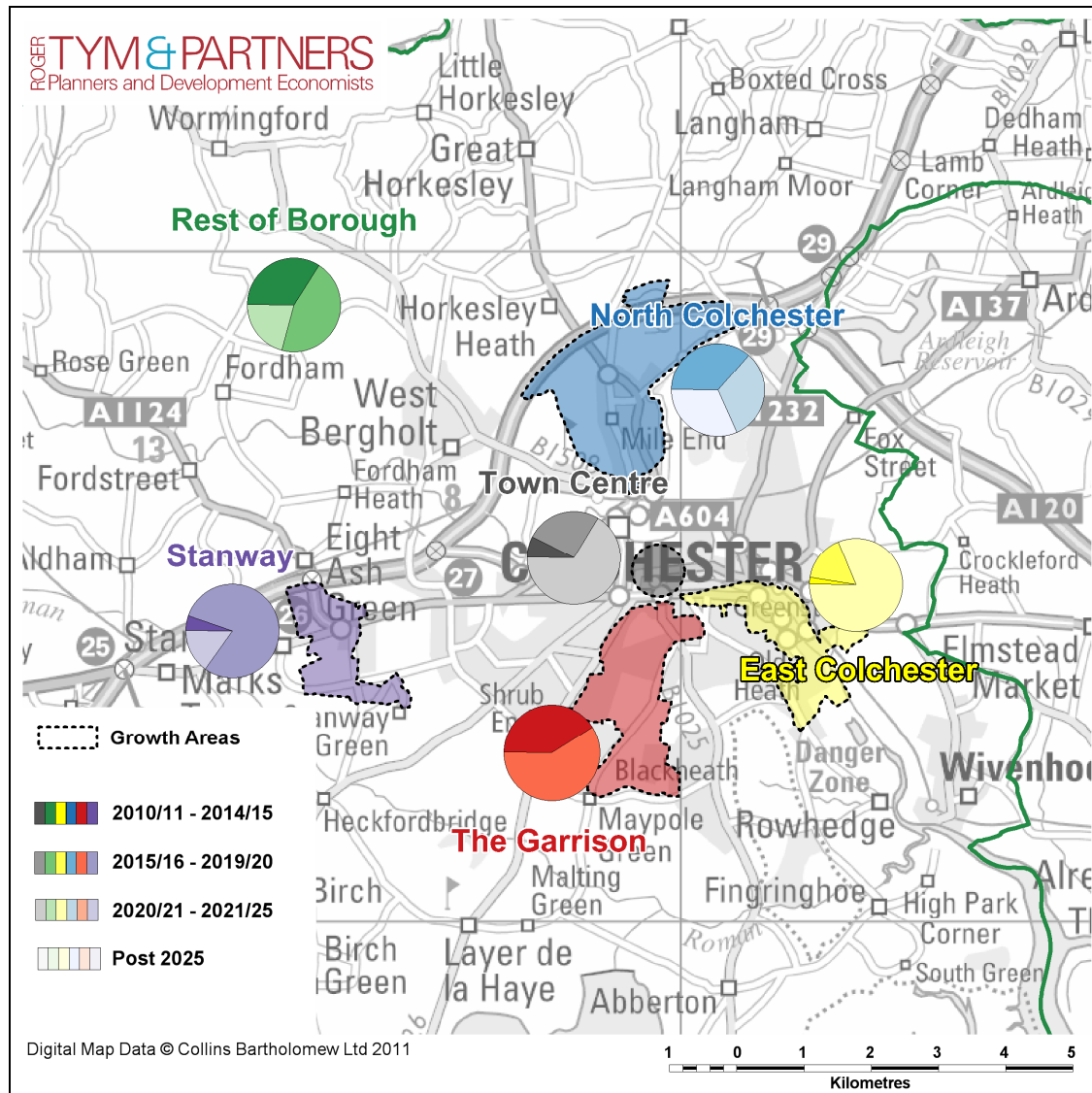
Figure 2.1 Remaining dwellings with planning permission, by time period



2.14 This shows that the Growth Areas are expected to deliver the majority of future growth in Colchester borough. Moreover, most of this growth is expected after the first five years of the plan period. This may be at a time when it is appropriate to review the CIL but to do so, it must be demonstrated that circumstances have changed.

2.15 North Colchester is the largest of the Growth Areas and its delivery is spread over the period 2015 onwards. At East Colchester, there is a similar picture, with most of the growth towards the end of the plan period, between 2020/21 and 2024/25. Stanway’s growth is expected to come forward sooner, starting in the current five-year period and largely being completed by 2019/2020. This is shown in Figure 2.2.

Figure 2.2 Expected phasing of sites without planning permission, by growth area



What are the 'core' uses expected in the future?

2.16 The development context will also be informed by the type of core uses likely to be expected in the Borough. Colchester borough has seen significant levels of growth over the past 5-10 years, principally in the residential, B-class commercial and retail sectors – (this is detailed further in section 5, and these are the core uses underpinning the development growth).

Core principle 4: Historic deficits are not included

2.17 One of the parameters guiding the use of CIL is that it should only be used to address the needs of future growth. It is not permissible to use CIL monies to address development that is under construction or has been completed, or to fund historic infrastructure deficits.

Core principle 5: Sites currently with planning permission are excluded

2.18 There are a significant number of sites, at March 2010, that have planning permission but where development has not commenced. Under CIL Regulation 128, any development that

is approved by grant of full or outline planning permission is exempt from CIL if, on the date of approval, there is no Charging Schedule in operation. In view of the procedures required to adopt a CIL Charging Schedule including a formal examination, it is estimated that the Colchester Charging Schedule may not be in place until the middle of 2012 at the earliest. It is therefore assumed, for the purposes of this study, that all sites with planning permission will not pay the CIL charge.

- 2.19 It should be noted that in assessing the scale of funding gap, a proportion of existing S106 monies already collected, along with a proportion of those to be collected from those sites with planning permission (or granted planning permission in the interim period), could contribute towards reducing that gap.

Core principal six: The charge will take account of future expectations

- 2.20 Whilst an argument could be made that the CIL should be set at a level that reflects normal circumstances (i.e. not those presently being experienced). This does open up a debate about what constitutes 'normal' circumstances? The use of current values may lead to low levels of delivery that are being experienced in the current economic climate. The CIL must be set at a level which the majority of development can afford now.
- 2.21 In this respect, it is logical to undertake some analysis of what the effect of different future scenarios might be on the level of charge and on total CIL receipts. We have therefore looked at a number of scenario variants when considering the level of residential charge. It is residential use that will collect by far the largest level of CIL receipts, so any changes in the charge level for residential will create the largest difference in overall CIL take.

3 ASSESSMENT OF INFRASTRUCTURE NEEDS

Approach to Infrastructure Assessment

- 3.22 In determining the aggregate infrastructure funding gap, the CIL Guidance² states:
- “This target may be informed by a selection of infrastructure projects or types (drawn from the infrastructure planning for the area) which are indicative of the infrastructure likely to be funded by CIL in that area.” (our emphasis)*
- 3.23 So, it is not necessary to identify the full list of infrastructure identified (as was the case for the infrastructure planning process for the Core Strategy). In this instance it is considered appropriate to focus on the items that CBC considers to be essential to support the proposed growth. Of these items, those that must be delivered in the first five years are considered to have highest priority so should be included in the infrastructure assessment.
- 3.24 The intention is not to identify an ‘absolute’ funding gap and then ensure that the CIL charge is set at a level that fills this gap. This could be open to challenge from the development industry, and leave Colchester vulnerable to having sufficient justification for a CIL levy, so we have aimed to provide evidence to support a ‘safe funding gap’ to justify that there is a need for a CIL.

Clarification of CIL Infrastructure Evidence and Regs 123 List

- 3.25 The inclusion of certain indicative infrastructure projects in this evidence base does not restrict how the CIL will eventually be spent. Rather the infrastructure evidence is provided to demonstrate the CIL funding gap target is justifiable. The guidance recognises the need for flexibility in the deployment of CIL funding to meet changing circumstances and priorities. For this reason, although various projects are included in this evidence base, it will be up to the charging authority to determine how this is spent.
- 3.26 The charging authority may decide (after the CIL examination) to publish on its website a Regs 123 list of relevant CIL infrastructure’ in order to avoid double funding developer contributions via CIL and S106. If this is not done then it is taken to mean that the local authority was intending to use the levy’s revenue for *any* type of infrastructure capable of being funded by the CIL, and consequently could not seek S106 planning contribution towards any such infrastructure
- 3.27 This S123 list does not have to be published in conjunction with the charging schedule. It can be published on the authority’s website once the CIL has been adopted. It will also be possible to update this list without the need for examination of the charging schedule; in theory this could be done as often as an authority wishes.

² DCLG Charge Setting and Charging Schedule 2010 – paragraph 14

Some infrastructure evidence was already available

- 3.28 Colchester Borough Council is well advanced in the LDF process, having an adopted Core Strategy and Site Allocations DPD. However, at the time of the emerging Core Strategy, leading into the Examination in Public (EIP), the revision to PPS12 had not been published. As such, CBC had not undertaken a full infrastructure delivery planning process as is now required. For the EIP, at the Inspector's request, CBC produced an Infrastructure Trajectory Paper which outlined the Council's position on infrastructure needs and delivery. This was used to inform Table 6d in the adopted Core Strategy on key facilities and infrastructure. It is this and the detail in the Trajectory Paper which forms the starting point for this updated assessment.
- 3.29 CBC identified infrastructure needs under two broad categories:
- Necessary Projects - These are the strategically important projects that the Borough and its partners consider are needed to unlock growth areas. They either "unlock" by providing sustainable access or are critical to improve "quality of life".
 - Local and Wider Benefit Projects - These projects are considered to create quality sustainable developments. The absence of any such project may not necessarily prevent development from occurring but it would be difficult to deliver the wider sustainable vision and strategic objectives of the Core Strategy and for Colchester to be a prestigious regional centre.
- 3.30 This list has been updated to reflect changes and what has been delivered over the intervening period since the EIP. For example, one of the key pieces of infrastructure identified as being needed was the new junction with the A12 and the final phase of the Northern Approaches Road. This has now been secured and the junction delivered. In addition, new items have been added that are felt to be required to support the remaining growth planned.
- 3.31 At this stage, it is also felt appropriate to merge these two categories of infrastructure to make one overall list of requirements. It is not the role of a study which underpins a CIL charge to assess the relative importance of the individual infrastructure requirements. This should be undertaken by CBC as part of a more detailed infrastructure delivery plan process.

Completed projects or with funding secured

- 3.32 Table 3.1 below shows the list of projects completed or with funding secured since the Core Strategy was adopted. These projects have obviously been eliminated from the assessment of the infrastructure funding gap. There are numerous other smaller projects that have been funded through s106 that are not listed but details are included in the supporting documents.

Table 3.1 Completed/funding secured infrastructure projects since Core Strategy adoption

Infrastructure category	Projects	Cost (£m)	Delivery Body	Status
Education	1 new primary school (Queen Boudica) North Growth Area	10.90	Developer/ ECC	Phase 1 completed, phase 2 under construction
Education	1 new primary school (Severalls) North Growth Area	10.90	Developer/ ECC	Funding secured (forward funding from ECC)
Transport	A12 Junction 28	10.00	Community Infrastructure Fund	Completed
Transport	North Transit Corridor	7.00	Developer	S106 funding secured (Severalls)
Transport	Northern Approaches Road Phase 3 (NAR3)	9.80	ECC	ECC, HCA and GAF funding secured
Transport	Stanway Western Bypass (final phase)	7.00	Developer	Funding secured
Transport	Cycling Improvements	4.5	Cycle Town	Completed
Leisure	Firstsite New site (Community Arts Facility)	30.00	CBC/others	Completed September 2011
Leisure	Community stadium - north Colchester	15.00	CBC	Completed
Transport	Hythe Rail Station improvements - East Colchester	1.70	Network Rail/ ECC	Completed
Transport	Colchester-Clacton branch line re-signalling	100.00	Network Rail	Secured
Leisure	Gym Facilities Garrison - South Growth Area	n/k	Developer/ CBC	Completed
Leisure	New clubhouse at athletics track - South Growth Area	0.70	CBC/Army/RMP	S106 secured through Garrison
Leisure	Castle Park Play Area	0.27	CBC	Completed
Leisure	Bergholt Road allotments	0.12	CBC	Completed
Public Realm	St Botolphs public realm improvements	0.25	Developer/CBC	Completed
Other	Magistrates' court - Town Centre	30.00	Dept for Constitutional Affairs	Under construction
Other	Cemetery expansion - Berechurch	0.00	CBC/MOD	Secured
Health	Wivenhoe Health Centre	3.50	PCT/LIFT Strategic Partnership Board	Secured

Size threshold

3.33 In order to focus the analysis, it was considered appropriate to exclude projects costing below £1m from the detailed analysis. However, this is not to say that these projects are not important to CBC/ECC, or that they would not be able to use CIL monies to fund their delivery. Rather, the process of determining the level of funding gap that CIL must contribute towards addressing points to an approach which focuses on the items of greatest cost. As the analysis will show, when focusing on items of over £1m the funding gap is

more than CIL can address on its own, which is sufficient for the purposes of this assessment.

3.34 The list of identified items below the £1m threshold is shown in Table 3.2:

Table 3.2 Projects below cost threshold

Infrastructure category	Projects	Cost (£m)	Delivery Body
Health	Medical Centre - South Growth Area	0.70	PCT
Health	Medical Centre - East Growth Area	0.20	PCT
Community	Community Hall improvements - Wivenhoe	Minimal	Developer/ CBC
Community	Village Hall improvements - Stanway Growth Area	Minimal	Developer/ CBC
Open space and outdoor sports	POS/Sports and Recreation facilities in Tiptree	0.56	Developer/ CBC
Leisure	Creation of Rowhedge Trail	0.80	Developer/ CBC
Community	Village Hall improvements - Rowhedge	Minimal	Developer/ CBC
Other	Re-engineering of Recycling Centre for Household Waste, Shrub End	0.65	ECC
Transport	Colchester Town Rail Station Improvements	0.35	Network Rail/ECC/CBC
Transport	Pedestrian and cycling bridge in East Colchester from King Edward Quay across River Colne	0.50	Developer
Leisure	Cultural Quarter (Public Realm)	0.80	Developer/ CBC

Transport

- 3.35 This and the following sections focus on the core infrastructure requirements to deliver the spatial strategy. Each section addresses the needs, costs and an understanding of the funding gap, the reduction of which CIL can contribute towards.
- 3.36 Transport requirements represent the largest infrastructure requirement in terms of costs. The projects are a mixture of road, public transport and walking/cycling projects, with the road-based projects representing the highest costs. In addition, the cost of the dualling of the A120 between Braintree and the A12 is unknown and the scheme itself will only partially benefit Colchester Borough. Table 3.3 identifies the projects and the funding position:

Table 3.3 List of transport infrastructure projects and funding position

Projects	Cost (£m)	Developer funding secured (£m)	Non-developer funding (£m)	Sources of non-developer funding	Funding gap (£m)	Delivery Body
A133 Central Corridor Improvements	20.00	1.95	0.00	N/a	18.05	ECC
North Park and Ride	5.60	0.00	4.00 *	ECC	1.60	ECC * (funding provisional only)
East Transit Corridor (phases 1 & 2)	7.00	0.05	0.00	N/a	6.95	ECC, CBC and developer
Town Centre Improvements (incl. bus interchange and St Bots roundabout)	7.00	1.00	0.60	Growth Area Funding	5.40	ECC, CBC and developer
Stanway road improvements, incl. Warren Lane and other local improvements	5.00	0.00	0.00	N/a	5.00	Developer
North/South Capacity Improvements (A133/A134)	13.50 *	0.00	0.00	N/a	13.50	ECC * reflects some improvements delivered through park and ride work
A12 Junction Improvements (Junctions 25, 26, 28, 29)	30.00	0.00	0.00	N/a	30.00	Developer / Highways Agency
Cycling and walking improvements	10.00	0.95	0.00	N/a	9.05	ECC/Developer
Quality Bus Partnerships and Public Transport Improvements	10.00	4.00	0.00	N/a	6.00	ECC/Developer
Colchester North Rail Station Improvements	6.00	0.00	0.00	N/a	6.00	Network Rail/ ECC/CBC/ Developer
A120 Braintree to A12	Not known	0.00	Not known	Not known	Not known	Highways Agency
Total	114.10	7.95	4.60		101.55	

3.37 The total cost of the transport infrastructure schemes (excluding the A120 from Braintree to the A12) is £114m. A relatively small amount of other funding has been secured, leaving a funding gap of £101.5m.

3.38 The A120 from Braintree to the A12 is a scheme which could possibly address needs of growth over the very long term. Whilst it is not possible to put a cost on it, ECC considers that it is of sufficient importance to register as part of the overall infrastructure needs.

Education

3.39 Education requirements are substantial, principally relating to the need for new schools at the North Colchester and Stanway Growth Areas. Related to this are needs for Early Years and Childcare.

3.40 Table 3.4 identifies the projects and the funding position. This shows a total cost for education provision of £127m. It should be made clear that this includes estimates of possible land costs for the provision of new schools which could change significantly depending on the existing use value attached to that land. The value of the land could reflect a number of different positions – with the new schools being developed on greenfield sites, it could be agricultural land values (which are very low); alternatively it could be land values for education sites (use class D1 - which is higher); or it could be residential values

(which is much higher still). Given that there is no recognised correct approach, it is considered appropriate to adopt the middle value, reflecting education (D1) land values.

Table 3.4 List of education infrastructure projects and funding position

Projects	Cost (£m)	Developer funding secured (£m)	Non-developer funding (£m)	Sources of non-developer funding	Funding gap (£m)	Delivery Body
3 new primary schools North Growth Area	26.70	6.30	0.30	ECC	20.10	ECC/Developer
New Primary School - Stanway Growth Area	7.00	0.80	0.00	N/a	6.20	ECC/Developer
New Primary School - South Growth Area	5.80	4.60	1.20	ECC	0.00	ECC/Developer
Expand secondary school capacity - North Colchester	38.00	6.00	5.00	ECC	27.00	ECC/Developer
Expand/reorganise secondary school, Stanway/south Colchester	30.00	6.60	23.40	ECC	0.00	ECC
Expand primary school Tiptree	1.00	0.00	0.00	N/a	1.00	ECC
Early Years and Childcare	4.70	0.00	0.00	N/a	4.70	ECC/CBC/private/developer
General primary expansions	13.70	0.30	9.20	ECC	4.20	ECC
Total	126.90	24.60	39.10		63.20	

Source: ECC

- 3.41 A proportion of that cost can be addressed through existing developer contributions collected and funding from Essex County Council. However, this still creates a funding gap of £63m.
- 3.42 It must be made clear that this represents Essex County Council's high-level assessment of the position at the time of this report. Multiple factors could serve to change the position over time and more detailed assessments will be necessary to refine their position statement on infrastructure needs.
- 3.43 One particular item which will need more detailed assessment is the demand for Early Years and Childcare provision arising from commercial development. Essex County Council considers that a significant proportion of people choose to use pre-school childcare facilities close to where they work, so just considering requirements arising from new residential development does not correctly assess true demand.
- 3.44 However, additional work needs to be undertaken in order to properly assess precise needs. As such, these needs are not explicitly identified in this study. The infrastructure delivery planning work that CBC should carry out shortly in order to underpin its infrastructure evidence base should include an understanding of these needs.
- 3.45 For the purposes of the CIL however, this assessment represents a sufficient understanding of core education requirements.

Other needs

Utilities

- 3.46 The two principal strategic utilities' needs identified through the infrastructure work are a new electricity sub-station and a new waste water pumping station to serve the North Colchester growth area. In respect of the latter, further work is required by Anglian Water in order to determine their preferred strategic approach to providing for such needs, and the associated cost and potential level of investment that could contribute towards delivering the scheme. As such, it is not possible to provide accurate costings towards these needs.
- 3.47 CBC should liaise with Anglian Water through their infrastructure delivery planning review to provide accurate figures for provision of waste water needs. This should be undertaken in the short term. Table 3.5 summarises the utilities needs:

Table 3.5 List of utilities infrastructure projects and funding position

Projects	Cost (£m)	Developer funding secured (£m)	Non-developer funding (£m)	Sources of non-developer funding	Funding gap (£m)	Delivery Body
Electricity Sub Station - north Colchester	4.0	0.00	0.0	None	4.0	Electricity Provider
Waste water pumping station	TBC	0.00	TBC	TBC	TBC	Anglian Water
Total	4.00	0.00	0.00		4.00	

Source: CBC and Anglian Water

- 3.48 This shows that for the electricity sub-station, there is a funding gap of £4m.

Health

- 3.49 The east and south growth areas require new medical centres and the south area has already secured funding for a centre. All other projects in the pipeline have been abandoned so at present there are no identified health infrastructure needs.
- 3.50 This shows that there is a zero funding gap at present. This may change in time if the projects at West Mersea and Tiptree are taken forward.

Community, leisure, open space and outdoor sports

- 3.51 There are a large number of community, leisure, open space and outdoor sports projects to support the growth areas as well as further development elsewhere. These are shown in Table 3.6 below. In total, these infrastructure needs are estimated to cost approximately £21m, with the majority of this relating to needs in the growth areas. This is based solely on the number of new dwellings expected to be built in each area on sites which do not yet have planning permission. The infrastructure will serve the needs of the resultant increase in population and will not be used to address existing deficiencies. Although considerable S106 contributions have been collected towards community, leisure, open space and sports facilities from sites with planning permission, these are not shown in the table below because they are already required to meet the increased demand generated from those developments. In many instances the contributions are for specific projects which have already been identified.

3.52 There are several other needs, including improvements to village halls and need for allotments, but these are considered to be too small to be considered within the context of a CIL assessment. These are shown in Table 3.2.

Table 3.6 List of community, leisure, open space and outdoor sports infrastructure projects and funding position

Projects	Cost (£m)	Developer funding secured (£m)	Non-developer funding (£m)	Sources of non-developer funding	Funding gap (£m)	Delivery Body
POS/Sports and Recreation facilities in North Colchester	7.202	0.00	0.00	N/a	7.202	Developer/ CBC
Community Hall improvements North Growth Area	1.00	0.00	0.00	N/a	1.00	Developer/ CBC
POS/Sports and Recreation facilities in Wivenhoe and Rowhedge	1.495	0.00	0.00	N/a	1.495	Developer/ CBC
POS/Sports and Recreation facilities in urban Colchester	4.664	0.00	0.00	N/a	4.664	Developer/ CBC
POS/Sports and Recreation facilities in East Colchester	3.076	0.00	0.00	N/a	3.076	Developer/ CBC
POS/Sports and Recreation facilities in Stanway	3.994	0.00	0.00	N/a	3.994	Developer/ CBC
Total	21.431	0.00	0.00		21.431	

Source: CBC

3.53 At present there are no known sources of funding so this leaves a total infrastructure funding gap of over £21m. It may be more appropriate for some of these projects to be delivered as land in kind.

Other infrastructure needs

3.54 There are a number of other, specific infrastructure needs which do not fit into any of the preceding categories. Of greatest note is the need for river wall repairs from the Colne Causeway bridge to the Fieldgate site, in East Colchester, which will cost approximately £10m but for which no funding has currently been secured. Table 3.7 lists the items:

Table 3.7 List of other infrastructure projects and funding position

Projects	Cost (£m)	Developer funding secured (£m)	Non-developer funding (£m)	Sources of non-developer funding	Funding gap (£m)	Delivery Body
River Wall repairs from Colne Causeway bridge to Fieldgate site	10.00	0.00	0.00	N/a	10.00	Environment Agency
Drainage	2.50	0.00	0.00	N/a	2.50	ECC/CBC/Developer
Total	12.50	0.00	0.00		12.50	

Source: CBC

4 THE INFRASTRUCTURE FUNDING GAP

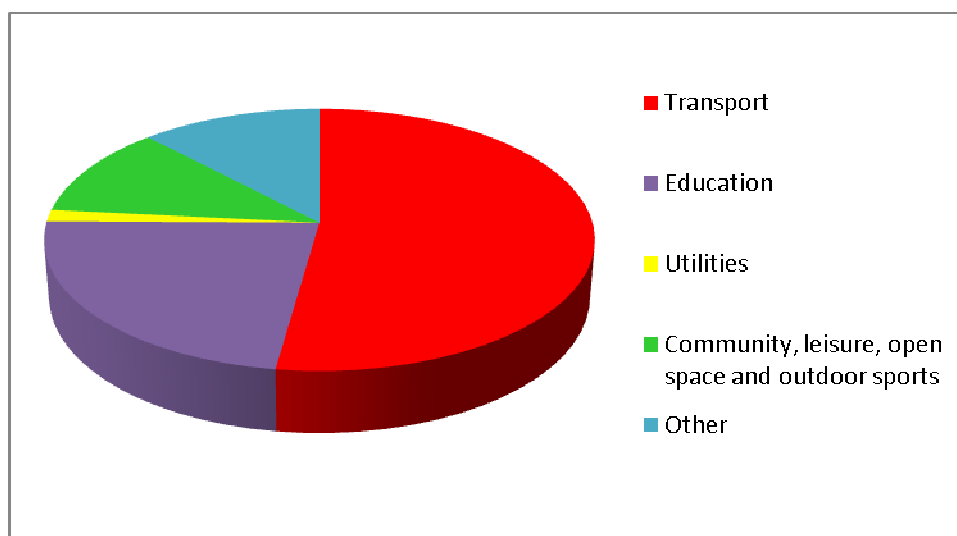
4.55 The overall funding gap of all the infrastructure requirements is shown in Table 4.1 below.

Table 4.1 Infrastructure funding gap

Infrastructure type	Cost (£m)	Developer funding secured (£m)	Non-developer funding (£m)	Funding gap (£m)
Transport	114.10	7.95	4.60	101.55
Education	126.90	24.60	39.10	63.20
Utilities	4.00	0.00	0.00	4.00
Health	0.00	0.00	0.00	0.00
Community, leisure, open space and outdoor sports	21.43	0.00	0.00	21.43
Other	12.50	0.00	0.00	12.50
Total	278.93	32.55	43.70	202.68

4.56 This shows that these projects have a total cost of £279m, with £32.5m already secured through developer funding and a further £44m funded through non-developer sources. This leaves a total gap potentially to be funded by development of almost £203m. Figure 4.1 below shows that the majority of this gap is accounted for by transport and education requirements.

Figure 4.1 Funding gap by infrastructure type



4.57 This £220m figure represents the higher end of the likely gap because, over the lifetime of the Core Strategy, it is expected that additional funding from mainstream and other non-

developer sources will be available. Some of this – through sources such as the New Homes Bonus – could be considerable and will serve to significantly address the funding gap.

- 4.58 For example, applying the CLG’s New Homes Bonus calculator to the 12,711 dwellings with planning permission or additionally required to deliver the Core Strategy creates a total value of £89.9m³. The difference between this and CIL is that CIL monies comes in upfront in the development process whereas New Homes Bonus funding does not come until the properties in question are completed.
- 4.59 As such, a related issue is the need for funding to support early delivery of supporting infrastructure, particularly in the early years of the plan period. One option that some authorities are considering is prudential borrowing against future development. Whilst it is not possible to borrow specifically against future CIL receipts, prudential borrowing may be one way of filling the funding gap. Other related mechanisms such as Tax Increment Financing (TIF) may also be possible. Clearly this is a matter for the Borough Council to consider as it takes forward its infrastructure delivery planning.
- 4.60 Therefore, at this current point in time it is not possible to be definitive as to when this funding will be realised and how much it will raise. For the purposes of this assessment, no accurate figure can be put to this so it is excluded.

³ This assumes 35% affordable housing, a £350 premium per affordable home per annum and no loss from the existing stock of housing

5 APPROACH TO ASSESSING DEVELOPMENT VIABILITY

Determining the CIL Charge and Charge Variation Options

- 5.61 The fundamental premise is that the CIL must be set at a level that does not put at risk the overall level of development in an area.
- 5.62 As we have shown earlier, the development that is vital to achieving the aims of the Core Strategy over the first 5-10 years of the plan period is predominantly in the Growth Areas, mainly the Northern and Stanway Growth Areas. This is on greenfield sites so at this point in time the priority is to ensure that the overall viability in these areas is not prejudiced by the proposed CIL. It is anticipated that development in the town centre will prove more challenging, irrespective of any CIL charge, and therefore is unlikely to take place for several years by which time the level of charge will have been reviewed. So it is important for the viability assessment to largely consider greenfield locations and this is the appropriate high level approach taken.
- 5.63 The starting point therefore must be to understand what overall level of charge would not compromise viability for the majority of developments in the growth areas. To do this, it is necessary to understand what forms of development can be expected, based on past experience and what is anticipated in the Core Strategy. It is not therefore necessary to test forms of development that are unlikely to be proposed on any significant scale in Colchester.
- 5.64 Following this, it is then necessary to test whether on viability grounds alone it is appropriate to vary the charge rate for CIL for certain types or locations of development. Regulation 13 allows CIL to be varied across the area and for different types of use to reflect this. But it is also intended to introduce simplicity and transparency to planning contributions. For that reason, while we propose different rates of charge, we have kept the variations to a minimum.
- 5.65 For any variation by area, it is important that the boundary of such a change is clearly justified. Use of existing policy boundaries is not acceptable without adequate justification that must demonstrate alternative levels of viability within those boundaries.
- 5.66 For any variation by land use type it is necessary to consider whether there is evidence to support a higher charge or conversely, that the proposed charge at the standard rate is likely to make the development for that use and on the scale implied by the Core Strategy unviable. We outline the steps to assessing the CIL charge and options considered for charge variation.

Step 1: What and where are the 'core' uses?

- 5.67 Colchester borough has seen significant levels of growth over the past 5-10 years (see also section 2 where we consider where the main growth will be), principally in the residential, B-class commercial and retail sectors.

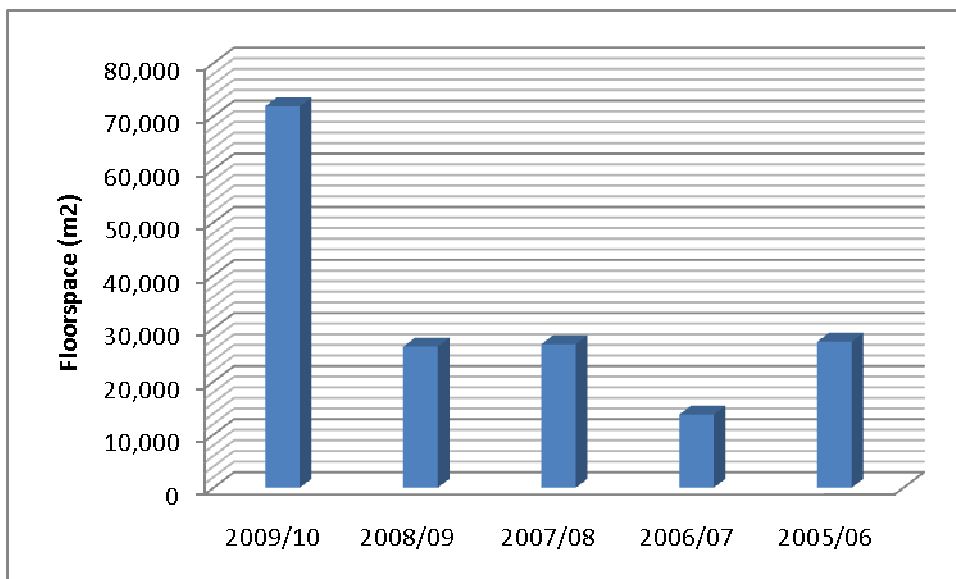
Residential

5.68 Between 2001/2 and 2009/10, 8,687 net additional dwellings were delivered in the Borough against a Regional Spatial Strategy target of 7,470 dwellings.

B-class commercial

5.69 Figure 5.1 shows that over the period 2005/6 to 2009/10, the following gross gains in B-class floorspace were made in the Borough:

Figure 5.1 Gross B-class floorspace gains in Colchester Borough



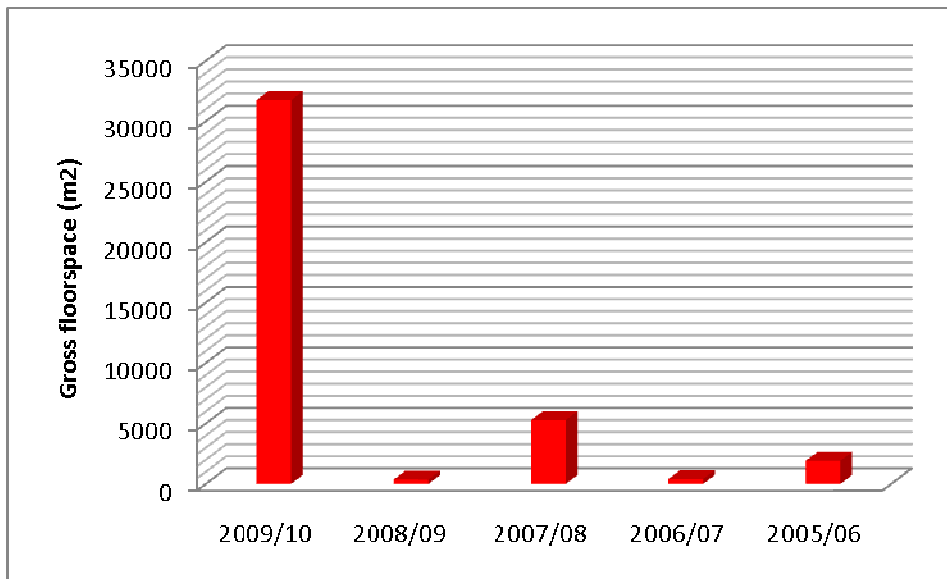
Source: Colchester Borough Council Annual Monitoring Reports

5.70 This totalled nearly 167,000m², at an average of just over 33,000m² of floorspace per annum. Nearly half of this was in the year 2009/10 and was accounted for by the completion of projects within the Garrison Regeneration Area.

Retail

5.71 Figure 5.2 shows that over the period 2005/6 to 2009/10, the following gross gains in retail (A1 and A2 class) floorspace were made in the borough:

Figure 5.2 Gross retail floorspace gains in Colchester Borough



Source: Colchester Borough Council Annual Monitoring Reports

- 5.72 This totalled over 39,700m², at an average of nearly 7,800m² of floorspace per annum. There are some large variations in certain, due to the development of large format convenience superstores. Apart from this, there has been little other retail floorspace developed, although this is a trend being observed across the UK.

Other uses

- 5.73 No other uses have provided anything like as much floorspace over the same period. It is clear therefore that residential, B-class and retail uses have represented the vast majority of past growth in terms of new floorspace provided by the private sector.
- 5.74 There has also been significant local investment in new social facilities such as education, health and community infrastructure. .
- 5.75 Colchester BC also identified a number of uses which were potentially considered to be important to the delivery of the Core Strategy, even if overall these may not deliver such significant quantum of floorspace. These uses are:
- Hotels
 - Larger fitness and leisure centres
 - Care homes

Our aim is to ensure overall development will not be frustrated by CIL charge

- 5.76 As stated earlier in this section the aim is to ensure that the overall development of the area will not be frustrated by a CIL charge and the uses listed above are seen by Colchester BC as being strategically critical in this regard and the viability analysis focuses on them It needs to be emphasised that the CIL will usually form only a small part of the total overall cost of a development. In many cases other factors such as market fluctuations or the unique costs associated with the development of a particular site will have a much greater

impact on viability. It will be unusual for the CIL charge alone to make the difference between a development going ahead or not.

Step 2: Simple viability modelling to identify development value

5.77 The core of our method is a simple comparison between:

- The sales receipts that might be generated though development.
- The costs of development including allowance for standard construction costs as well as well as land purchase, finance and the usual level of return on the developer's investment etc.

5.78 The criterion is that there should be a positive balance.

5.79 It is important to understand that a calculation of this sort is not the only determinant of viability because it doesn't explicitly deal with issues of risk or limitations on the amount of funding available to both purchasers and developers. For this reason it is necessary to augment the analysis of the contextual evidence on whether or not there is an appetite by developers to undertake various types of scheme. For example, an office developer might not go ahead with a scheme even if historic evidence suggests that receipts should substantially exceed costs. The reason might be that the market is showing occupier demand to be limited and therefore he considers there to be a significant risk that he could fail to let the building.

Assumption inputs to modelling are critical to determining accuracy

5.80 The accuracy of an appraisal model, when used to inform strategy rather than to analyse a specific development proposal, depends primarily on the accuracy of the underlying assumptions rather than on the complexity of the calculation. For this reason, and mindful of the benefits of simplicity and transparency, we have used a simple calculation. This has been extended in the study of residential development where the impact on values of other policies such as affordable housing and open space requirements in particular need to be considered.

5.81 In the calculation we have used 'readily available evidence', which has been informed and adjusted by an assessment of the local transactions and market demand. Further information on our data sources and judgments in this respect are provided in the next section.

5.82 Few specific sites for development have been identified for the purposes of this study. Largely this is due to the fact that, where specific sites can be identified, there is inadequate design and engineering data to ensure that a more detailed appraisal model would produce a more accurate result. However, it is important to understand that, because they are not focused on specific sites, calculations of this type are inherently imprecise and involve a high degree of generalisation.

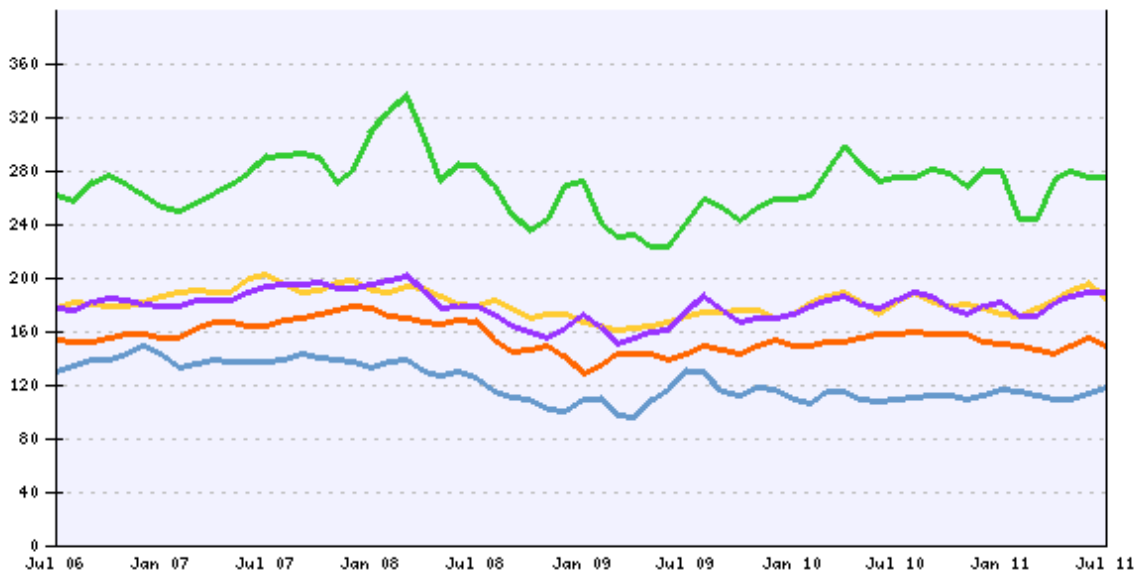
Values

5.83 Values for residential property were obtained by checking sales from existing and recent developments. For the reasons stated earlier, the primary focus was on standard two-storey, 3-bedroom houses and 2-bedroom flats to make it easier to align value and cost

estimates and avoid error. It is understood that different types of houses have different value and cost characteristics. For instance, three-storey houses will often cost less and be worth less on a pro-rata basis measured by gross internal floor space. But the approach adopted has provided a reliable way of averaging these effects in the past. Affordable housing has been assessed in accordance with current guidance and practice and with input from the HCA.

- 5.84 It is accepted that our core assumption - that a standard two storey 3-bedroom house would fetch £2,250 per m² in the current market - is at the higher end of the range of possibilities. Our reasoning is that historically the Colchester residential market has shown significant resilience to the recent economic downturn and average house prices have shown a marginal increase over the past 5 years (www.home.co.uk and www.mouseprice.com). The graph below illustrates performance over that time period up until July 2011.

Average Property Selling Prices in Colchester (£000's)



House type	July 2006	July 2011	Change
Detached	£262,032	£275,011	+5%
Semi	£178,071	£183,182	+3%
Terraced	£154,391	£150,371	-3%
Flat	£130,864	£119,496	-9%
All	£177,625	£189,731	+7%

Source Home.co.uk 3-month moving averages by property type in Colchester. Due to the small amount of data available for this graph it may appear to be erratic. To gain a better picture of the Selling Prices in this area please see

- 5.85 Secondly, no attempt has been made to anticipate the positive effect of a housebuilders' skill in gauging the mix of buildings on a site to maximise returns. Perhaps more critically, no allowance has been made for any increase in values relative to costs over time. Nevertheless, recent research by residential housing market experts at consultants Savills⁴ suggests that a significant increase (27%) in house prices across the region is likely in the period to 2015. This is significant insofar as most development will probably not commence until the latter part of this period and to that extent, our appraisals are cautious.
- 5.86 Values for commercial and retail property have been sourced using data from specialist agent's reports, the trade press, the Propertylink database of property on the market at present and the EGi databases of historic transactions. Conclusions were reinforced with local information and checked against the visible evidence (or lack of evidence) of progress on developments on the ground.
- 5.87 Again, no allowance has been made at this juncture for any increase in values or cost over time.

Cost and S106 estimates

- 5.88 Where possible we have based our cost estimates on cost studies produced by Cost Consultant's Davis Langdon⁵, only using generic cost index data as a last resort. This:
- assists an effort to make a proper allowance for the increase in costs contingent upon the requirement to comply with the revisions to Part L of the Building Regulations and to meet the cost of achieving Level 3 under the Code for Sustainable Homes as sought by Core Strategy policy ER1; and
 - helps to avoid the common error of failing to match the types of building implied by the cost estimates with the types identified as comparators when assessing values.
- 5.89 We have used high level approximations of the costs involved such as external works, fees, finance and developer's profit margins. Different types of developer account for these costs in different ways (for instance many volume housebuilders undertake design work in-house and don't use bank loans to fund individual schemes). So, for comparative purposes, the cost estimates have to be considered as a whole rather than analysed individually.
- 5.90 We have also made separate provision for Section 106 and other site-specific planning contributions where appropriate. These represent the average over a range of scheme types. In practice there is wide variation depending on the specific site and proposal. In

⁴ Savills, Residential Property Focus, Q3 2011

⁵ These are published in the journal 'Building' and in the Spon's series of Architects and Builders Price Books.

practice we would expect that each developer would regard some of our estimates as being too optimistic and some to be rather generous depending on their approach and circumstances.

- 5.91 It is assumed that commercial, retail and residential developments of market housing will need to achieve a margin on cost for the developer of 20%. In the latter case it is also assumed that they will achieve an internal rate of return on investment of 16%+. This is a measure of the acceptability of the cash flow. A lower profit margin has been applied to affordable housing for rent, with the effect that the overall blended target for the residential schemes at the level of affordable housing required is 16.5%.
- 5.92 A particular issue is identifying the cost of the land to be developed and we have made an estimate in most cases that assumes that the land has low value in its existing use (reflecting the greenfield nature of the bulk of development over the short to medium term) but that the landowner will want a very substantial premium over, say, agricultural or industrial use to bring a site to the market on a timescale that meets the needs of the Core Strategy.
- 5.93 For residential schemes we have assumed that the residual land value, after CIL charges and other policy requirements have been met, must exceed £500,000 per developable hectare if a satisfactory supply of land to the market is to be achieved. This can be compared with Valuation Office data suggesting that agricultural land in the region is worth £20,000 per hectare but it is also higher than the 'base price' that is usually adequate to allow developers to trigger land purchase under option agreements for the development of large scale, greenfield sites. It is self-evident and accepted that the imposition of a CIL charge at any rate means that, at the margin, sites with a very high 'hope value' or value in current use are less likely to come forward for development. This has particular implications for the economics of residential development in the town centre which will be dealt with later in this analysis.
- 5.94 We have rejected the approach of taking, as a starting point for estimating the cost of land for development, the prices paid for sites in the past as witnessed either by anecdotal evidence or Valuation Office Agency data. These reflect past circumstances rather than present or future planning and market realities. Also, when bidding for sites, developers will tend to make more optimistic assumptions about values, costs and planning requirements than the 'normative' or average levels that we have used and this is reflected and magnified in the reported prices paid for sites. (In the case of the Valuation Office Agency their data set is limited and in a particular area and timeframe can be skewed by specific transactions. In any event records of transactions are not fully informed by the terms of the contracts).

Step 3: Incorporating Market Interpretation to Assumption Inputs

- 5.95 The modelling assumption inputs were supplemented by incorporating a degree of market interpretation based on the following considerations:
- **Local information of land transactions.** Over a number of years, because the market has been subdued, there have not been many transactions and in the absence of sufficient local information and also being mindful of the fact that conditions have been changing, we have treated the local information with caution.

- **Circumstantial evidence on the appetite for development.** An absence of existing buildings or proposals for certain types of development which might be expected to be acceptable in suitable locations is taken as prima facie evidence that development is not viable on a scale commensurate with the aspirations of the Core Strategy.

6 POTENTIAL CIL CHARGING LEVELS

6.96 This section considers the potential level of CIL charge that could appropriately be set.

Residential development

6.97 The majority of development across the borough is expected to comprise residential schemes. An adequate supply of new homes is seen as critical to the overall development of the area. Most of the new homes will be provided on larger strategic sites and for the immediate future these should adequately meet local needs.

6.98 The viability of development on these larger sites is affected by affordable housing and open space requirements as already stated, but also - and particularly in the present economic climate - by the extent of the need for investment at the outset of a scheme. This is important because it determines the cash flow and CIL, which can be charged at the outset of a scheme, will impact upon it. For this reason, when analysing the viability of development in the growth areas, we have used a variant of the appraisal model that specifically identifies these variables, and imposed a cash flow performance target for residential viability. The notional scheme is a large residential site on the outskirts of the Colchester urban area, principally because this is where the critical mass of new housing is planned to appear (at the Northern Growth Area and the Stanway Growth Area). A summary of the core appraisal is shown in Table 6.1 with the full core appraisal shown in Appendix A.

Table 6.1 Summary of residential appraisal of a 10ha strategic scheme with a £145/m² CIL charge

Site Assumptions		
Gross Area	10	hectares
Area developable for housing	6	hectares
Dwellings per ha	40	of which
% of Houses	90%	
% of flats	10%	
% Market homes	65%	
% Shared ownership Homes	7%	
% Social Rented Homes	28%	
Sale proceeds		
	41,763,780	
Net land value per developable ha	500,000	
Development Costs	31,515,263	
Finance	1,129,882	
Total Cost	35,855,145	
CIL/m²	145	
Margin on Cost	16.5%	
Net Present Value	2,525,990	

6.99 This assumes that on the notional 10ha strategic development site, 40% of the land will be used for open space or otherwise not available for development but will still need to be

prepared and serviced. It also factors in the established Core Strategy policy for 35% affordable housing, with an 80:20 split of social rented to intermediate (shared ownership) dwellings and assumes that there is no grant available to offset these costs. Both of these assumptions have a significant impact on the conclusions and are major reasons why land values projected here cannot be expected to reach the levels expected in the past. It shows that a CIL of £145 per m² is achievable while meeting the land price, margin on cost and cash flow targets.

- 6.100 As stated, the majority of schemes that are expected to come forward and which are critical to the development of the area are on large scale strategic sites where significant costs will be incurred in providing on site infrastructure. On smaller sites these costs are limited. The appraisal in Table 6.2 is based on a scheme to build houses only (no flats) on a notional 1 ha plot with no need for investment in a major distributor road and reinforcement of utilities etc, but where the economics of development are the same in all other respects. The projected land value on the same basis (i.e. a CIL of £145 per m²) is £1m per hectare. A summary of the core appraisal is shown in Table 6.2 with the full core appraisal shown in Appendix B.

Table 6.2 Summary of residential appraisal of a 1ha scheme with a £145/m² CIL charge

Site Assumptions		
Gross Area	1	hectares
Area developable for housing	1	hectares
Dwellings per ha	40	of which
% of Houses	100%	
% of flats	0%	
% Market homes	65%	
% Shared ownership Homes	7%	
% Social Rented Homes	28%	
Sale proceeds		
	7,232,500	
Net land value per developable ha		
	1,000,000	
Development Costs		
	4,907,698	
Finance		
	231,123	
Total Cost		
	6,208,821	
CIL/m²		
	145	
Margin on Cost		
	16.5%	
Net Present Value		
	413,221	

- 6.101 This suggests that a charge of £145 per m² could be levied without compromising viability. However, we are aware that there is an intrinsic margin of error in high level calculations of this sort and thus propose a charge of £120 per m². This represents 5.3% of the price of the average market house.

Other levels of charge were considered

6.102 The residential viability assessment was tested by varying assumptions about the level of the CIL, the cost of land and the sales price of houses. The results are set out in Tables 6.3 and 6.4 below:

Table 6.3 Sensitivity analysis of a 10ha strategic scheme – level of CIL that returns a margin on cost of 17.5%+

House Price	£2,000	£2,250	£2,500
Land Value Per Net Ha			
£300,000	£0	£220	£430
£500,000	£0	£120	£340
£700,000	£0	£30	£240

NB. The developers' profit is set at 16.5%

Table 6.4 Sensitivity analysis of a 10ha strategic scheme – variation in the land value returned by varying the level of CIL

Level of CIL	£80	£120	£160
Land Value Per Net Ha	£3,800,000	£3,300,000	£2,800,000

NB. The developers' profit is set at 16.5%

6.103 As can be seen, both the assumed cost of the land and the level of house prices has a significant effect on the sums that can be raised through a CIL. In contrast, the level of the CIL itself has a smaller impact. This informs the decision that has been made on the balance of risk between the impact of the charge at the level proposed and the need to use the CIL to invest in the infrastructure that is necessary to support the planned growth and the development of the area as a whole. Quite simply, varying the CIL downwards does not have a significant effect on land values but has a major impact on the funding available to meet infrastructure costs. Increasing the level of CIL beyond £120 per m² would increase the level of funding available for infrastructure but would approach or exceed the ceiling at which the viability of the critical development in the growth areas is compromised. .

6.104 We conclude therefore that a levy of £120/m² is appropriate. It gives a far greater balance of probability that schemes will be delivered on an adequate proportion of the sites expected to come forward for housing in the borough. It also provides funding for the infrastructure necessary to secure the overall development of the area and in particular to support the development of the strategic greenfield sites, such as those at the Northern Growth Area and the Stanway Growth Area, where the majority of the borough's growth is to occur. It is evident from the analysis that the development in these growth areas is unlikely to be compromised by a CIL charge at this level unless market expectations of future house prices decline, in which case the charges will be reviewed.

Three other residential charging options were considered

6.105 Three other residential charging options were considered. Two relate to the probability of development proposals coming forward in the surrounding villages and towns where values

vary compared to Colchester urban area. The third option relates to residential development within Colchester urban area.

- i In the case of residential development in the villages, a higher levy charge in the higher value areas was rejected because the volume of anticipated development would be low, therefore this did not warrant the additional complexity it would add to the CIL. This will be reviewed if those circumstances appear likely to change.
- ii In the case of residential development in the larger towns outside the Colchester urban area, a lower CIL on housing in the low value areas was rejected for two reasons:
 - These are expected to involve smaller sites. In this situation, whilst housebuilders will incur higher building costs due to the lack of economies of scale, they will usually be spared the higher burden of providing extensive on site infrastructure and open space cost requirements.
 - As before, the volume of anticipated development will not be critical to achieving the overall planned number of houses and did not warrant the additional complexity of a differentiated charge in the CIL.
- iii With the option of residential development within the Colchester urban area, the Council is keen to see redevelopment and in particular in the East Colchester Regeneration Area. At present there is limited developer appetite for the type of high density residential scheme that is appropriate to the location. This partly reflects historic over-supply, the limited supply of mortgages that are priced to suit first time buyers and current constraints on capital investment within the housebuilding sector. Affordable housing requirements can also affect schemes of this type to a greater degree. These problems are not expected to be resolved in the immediate future but should be reduced over time. There are also specific problems involved with site assembly and rationalisation in the East Colchester Regeneration Area which will need to be addressed before a critical mass of development can be expected. An appraisal which reflected all these factors would show that development was not generally viable now, even if no CIL was charged in this area.

6.106 In time it is anticipated that market conditions will revert to historic patterns in which the higher density of development on sites of this type will be reflected in higher land values and thus an ability to meet the CIL charge. But for the immediate future, the level of the CIL is not the critical obstacle to development of these sites and their development in the short term is not critical to the development of the area as a whole. As such, there is no reason at this time to vary the £120/m² level of charge proposed for residential development as a whole.

Conclusions

- 6.107 There is not seen as being an adequate case to justify a departure from a £120/m² charge for residential space because:
- it would be difficult to define the scope of a differentiated charge either in terms of type of scheme or location;
 - this level of charge does not compromise viability in the Northern Growth Area and the Stanway Growth Area where the majority of development is planned.

- The comprehensive redevelopment of the East Colchester Regeneration Area is unlikely to take place in the immediate future or before sales values improve for reasons unrelated to the level of the CIL; and
- other planning requirements which are negotiable - in particular affordable housing - will have a greater impact on viability.

Suggested level of charge for residential uses: £120/m²

Non-residential development

- 6.108 As shown in Section 5, the 'core' uses which are fundamental to the delivery of the Core Strategy are residential, B-class commercial and retail uses together with the necessary supporting social infrastructure. In this section, we focus on the B-class commercial and retail uses and also the other uses identified by officers for further examination – leisure centres, hotels and care homes. We also consider the development of schools, health and other community facilities.
- 6.109 For all these non-residential uses, we have undertaken a high level viability assessment using typical values and costs for a range of development types and tabulated the conclusions in each section below. The analysis of all of the sectors and assumptions, with both a £120/m² and a £0/m² charge, is shown in Appendix C.

B-class commercial

- 6.110 The commercial property markets are subdued at present. This is a nationwide pattern outside of London. Many transactions are being concluded at much lower prices than might have been obtained (say) five years ago. It is not clear how long these circumstances will persist but market commentary suggests that the recovery of the market is some way off and there is no evidence that Colchester will be an exception in this respect.
- 6.111 In the analysis the general assumption is that the price sought for new development will reach the higher levels obtainable in the current market. This implies that development finance will be available and that there is some confidence in occupier demand. To the extent that this assumes a better development climate in respect of finance and demand (as opposed to headline prices and costs), it is axiomatic that, without this, very little development is likely to come forward. Of course, some owner occupiers may choose to do so.
- 6.112 It is clear that in Colchester borough, there is little new B-class commercial development on the market or underway and the Council are mindful that to achieve the continuing economic viability of the area requires the creation of employment on a wide range of sites and not merely those that are the easiest and cheapest to develop. This is a significant when market appetite for development is limited and risks are perceived to be high, schemes on secondary sites will be hardest to achieve. Therefore, as it stands, imposing a CIL charge on employment development would pose a significant risk to the volume of new development and to economic viability and for that reason no CIL charge can be justified. This will be reviewed if market conditions change significantly.

Table 6.5 B-class commercial viability analysis with a £0/m² CIL charge

	Town Centre Office	Business Park Office	Distribution Centre	Small Industrial
VALUES	2,570	2,350	890	1,000
COSTS				
EUV + Purchase Costs	500	100	100	100
Basic Build Cost	1,600	1,300	450	600
External Works	160	130	45	60
Fees	264	172	50	79
CIL @ £0/m ²	0	0	0	0
Section 106/m ²	0	50	50	0
Marketing & Sales	129	118	45	50
Contingencies	101	80	27	37
Interest	252	170	64	84
Margin	601	414	156	202
Total Cost Benchmark	3,607	2,533	987	1,212
Values - Costs	-1,037	-183	-97	-212

6.113 The analysis for town centre offices, business park offices, distribution centres and small industrial uses is shown in Table 6.5. This shows that, in all cases, costs are greater than values so development is usually unviable, even with a zero CIL charge. As such, the charge for these uses should be set at zero.

Suggested level of charge for B-class commercial uses: £0/m²

Retail

6.114 Within the retail sector, it was considered important to distinguish between two elements that operate very differently in development terms; smaller town centre/local retail and larger out-of-centre retail, the latter commonly being supermarkets and retail warehousing. We look at each in turn.

Town centre and local retail

6.115 Town centre retailing outside of London is in a period of transition. The majority of retail-led regeneration schemes have stalled due to a combination of weak consumer demand, constraints on investment capital and poor retail occupier performance. Developers in the sector have therefore been going through a process of redesigning existing schemes in order to make them deliverable in the current economic climate and more appropriate to future consumer demand. This has often involved reducing the scale of potential developments and targeting better quality, financially stable retail operators.

6.116 We estimate that Colchester town centre accommodates just over 92,900m² (1 million ft²) of retail accommodation. A significant proportion of this is managed and within the ownership

of four institutions. Culver Street owned by Prudential, Lion Walk by LaSalle Investment Management, Priory Walk by Scarborough Property Holdings and St John's Walk by Threadneedle Pensions. The prime pitch of Colchester is centred on Culver Walk which contains significant anchor occupiers such as Marks and Spencer, BHS and Top Shop. Headline Zone A rents are estimated at between £1,650-1,830 per m² based on transactions in the prime area in 2010. Nevertheless, rents do vary widely across the town centre with Culver Street Zone A rents at circa £1,360 per m² down to circa £370-700 per m². This is evidence that the value of new retail development in the town centre is heavily influenced by location and footfall generation and it is therefore difficult to generalise. Our response has been to assess a CIL charge at well below the 'prime' affordable ceiling to enable new development to proceed.

- 6.117 We are also mindful that vacancy rates for comparison retail across the town centre are estimated to be high with several reports indicating figures of between 8 and 15%. The high vacancy rates are likely to depress the value of smaller secondary space but not necessarily higher value well located new build units.
- 6.118 We are of the opinion that well designed, prime comparison retail accommodation in Colchester, which is free of substantial abnormal development and site assembly costs, would be economically viable. Actual delivery nevertheless will depend upon the re-emergence of occupier demand, fresh development capital into the property sector and a fresh appetite among developers to invest in regional shopping centres anchored by comparison goods operators.
- 6.119 In contrast, the convenience retail sector continues to perform with operators seeking to continually expand market share by the development of new store formats and the securing of prime locations both in town and out of town. It is worth noting that convenience retailing in Colchester is relatively limited with the main offers being from Sainsbury's on Priory Walk and a Marks and Spencer Food Hall on the High Street. It is therefore perhaps likely that any new retail development in the town centre will feature a food-based convenience operator as one of the anchor occupiers and that the scale of a retail store will not necessarily involve complex land assembly and will therefore incur a lower land cost.
- 6.120 The rate at which it is proposed that the CIL should be set is likely to be small in comparison with the relatively high values generated from relatively modest investments in the shops and stores themselves, with the exception being local convenience provision. The main obstacle to development in many cases is not so much project viability as occupier demand and the availability of suitable sites.
- 6.121 For retail space in town centres and local neighbourhood centres, the CIL is recommended to be charged at £90/m². Although town centre retail development will be valuable, the costs associated with site assembly are likely to be high, so this level is considered to be appropriate. As will be shown below, to split comparison retailing between town centre and local neighbourhood centres is considered to be difficult to justify, so a single CIL charge of £90/m² is appropriate, reflecting the relative importance of town centre retailing within the wider comparison retail offer planned for the borough. This is shown in Table 6.6.

Table 6.6 Town centre comparison analysis with a £90/m² CIL charge

	Town Centre Retail
VALUES	5,000
COSTS	
EUV + Purchase Costs	2,000
Basic Build Cost	925
External Works	200
Fees	169
CIL @ £90/m ²	90
Section 106/m ²	30
Marketing & Sales	250
Contingencies	43
Interest	348
Margin	801
Total Cost Benchmark	4,855
Values - Costs	145

New build convenience retail

- 6.122 Convenience retail continues to be one of the best performing sectors in the UK. Leases to the main supermarket operators (often with fixed uplifts) command premiums with investment institutions. Although there are some small regional variations on yields, they remain generally strong with investors focussing primarily on the strength of the operator covenant and security of income.
- 6.123 We would therefore suggest the evidence base for convenience retail can be approached on a wider regional or even national basis when justifying CIL charging. We would suggest the charge should be at least double that of the maximum residential levy at circa £240 per m² on such developments. Table 6.7 demonstrates that such a charge level is viable.
- 6.124 What this also shows is that a higher charge for retail warehousing would also be possible. However, as with local convenience retailing, the level of evidence to justify further subdivision from the proposed split of comparison and convenience retailing is not available. In addition, retail warehousing is not considered to be a priority for the Borough Council. Therefore retail warehousing, being comparison retail floorspace, would pay the proposed £90/m² CIL charge.

Table 6.7 Viability analysis for convenience retail and retail warehousing with a £240/m² CIL charge

	Convenience retail	Retail warehouse
VALUES	3,475	3,075
COSTS		
EUV + Purchase Costs	400	100
Basic Build Cost	1,200	750
External Works	120	75
Fees	132	83
CIL @ £240/m ²	240	240
Section 106/m ²	100	100
Marketing & Sales	160	154
Contingencies	73	45
Interest	179	125
Margin	393	266
Total Cost Benchmark	2,997	1,938
Values - Costs	478	1,137

Differentiating retail development for CIL charging

- 6.125 It would be simplest to base the two CIL levels proposed for retail on a floorspace threshold. However, there is insufficient evidence for this and would ignore the fact that new development within defined town centres is commonly by way of applications for comprehensive development, i.e. multiple stores, thereby exceeding any reasonable threshold that could be set to differentiate it from larger out-of-centre and edge-of-centre retail units.
- 6.126 Rather, a simple differentiation between convenience and comparison retail is most appropriate, based on the evidence. For all applications for new retail floorspace, it is necessary to identify the type of goods sold and, where a mix of convenience and comparison goods is proposed (as is common in supermarkets), the proportionate split of each declared. Therefore, it is proposed that whichever type of retail goods (comparison or convenience) represent the predominant amount of the total sales floorspace (i.e. more than 50%), the development will be liable for that CIL rate. In the unlikely event that there was a 50/50 split of floorspace, the development would be liable for the higher rate.

Suggested level of charge for convenience retail floorspace: £240/m²

Suggested level of charge for comparison retail floorspace: £90/m²

Other non-residential uses

Leisure development

- 6.127 There is no generic type of leisure development. For instance, the value of a cinema varies with location and size and has nothing at all in common with the economics of developing a leisure centre or nightclub.
- 6.128 For the most part, leisure uses and especially those developed on a larger scale, do not generate significant land values; the economics are inherently marginal and development only occurs when market conditions are favourable and on especially suitable sites. Providing facilities such as exhibition space, studio size cinemas and theatres, etc, on a commercial basis is especially challenging and it is rare to find needs met by new development.
- 6.129 Valuable exceptions include well-located licensed premises but there is no evidence that development opportunities in this respect are currently being sought on any scale in the Colchester area (all market transactions over the past five years recorded on the EGi database have involved existing premises).
- 6.130 None of these uses has been identified as central to the development of the area as a whole.
- 6.131 There is however an identified strategic need for additional indoor sports and leisure facilities. Private sector development is expected to meet this need which is regarded as important to the overall development of the area, particularly given the new urban extensions. There is no comparable market evidence of the value of these in the Colchester area but the basic economics of providing them does not vary much anywhere outside of the major cities, so evidence from elsewhere is relevant. For our analysis we focused on transactional evidence in relation to larger facilities rather than simple gymnasias - which are mostly provided in existing buildings. Our conclusion was that the value and cost of sports centres were finely balanced with a significant risk that a levy could deter the needed development. Therefore there was no basis to make an exception to the CIL levy charge in this respect.

Table 6.8 Leisure centre viability analysis with a £0/m² and £120/m² CIL charge

	Leisure Centre	Leisure Centre
VALUES	2,800	2,800
COSTS		
EUV + Purchase Costs	100	100
Basic Build Cost	1,700	1,700
External Works	170	170
Fees	187	187
CIL @ £0/m ² / £120m ²	0	120
Section 106/m ²	0	0
Marketing & Sales	0	0
Contingencies	103	103
Interest	216	228
Margin	248	249
Total Cost Benchmark	2,723	2,856
Values - Costs	77	-56

- 6.132 Table 6.8 shows the viability assessment for leisure centres. It shows that, even with a zero CIL level, values only just exceed costs. However, with a £120/m² charge, costs are higher than values. Both results are well within the margin of error for calculations of this kind so there is a significant risk that the viability of the development of leisure facilities on a scale commensurate with the aspirations of the LDF might be prejudiced by a CIL charge.

Proposed level of charge for leisure development: £0/m²

Hotels

- 6.133 Hotel values are calculated on an equivalent rent, based on the number of rooms multiplied by an investment yield. The rapid expansion in the sector at the end of the last decade was in part fuelled by a preference for management contracts or franchise operations over traditional lease contracts. The recession has curtailed the appetite from investors in management contract operations who prefer the security of lease-related income even if this reduces the potential additional income from a performance-related counterpart.
- 6.134 Outside of London (which has shown remarkable resilience to the recession), hotel development is being strongly driven by the budget operators delivering new projects through traditional leasehold arrangements with institutional investors. Room demand for budget operators is also driven by business occupiers as opposed to tourists. Therefore high occupancy in this sector is more of a characteristic of major regional centres rather than smaller market towns. The market for higher standard hotels remains difficult outside of the capital with the lack of access to finance curtailing development opportunities.
- 6.135 Outside of London, hotel development is seen as primarily coming from budget operators who are in turn driven by business occupiers as opposed to tourists. Therefore our viability

model is based on an out-of-town budget hotel scheme of circa 80-90 rooms Nevertheless the evidence for this use would suggest the economics of development are intrinsically marginal and would be unlikely to sustain a CIL charge. This is shown in Table 6.9.

Table 6.9 Hotel viability analysis with a £0/m² CIL charge

	Hotel
VALUES	1,618
COSTS	
EUV + Purchase Costs	100
Basic Build Cost	1,200
External Works	120
Fees	158
CIL @ £0/m ²	0
Section 106/m ²	0
Marketing & Sales	81
Contingencies	74
Interest	79
Margin	362
Total Cost Benchmark	2,175
Values - Costs	-557

Proposed level of charge for hotel development: £0/m²

Residential care homes

- 6.136 Data on residential care homes was obtained from trade sources. It is difficult to analyse the ability of care home schemes to contribute to CIL as they are generally established as a trading proposition with investors and developers realising profit upon the sale of the asset once its trading performance has been established through operational improvement. The initial viability test would therefore suggest that viability within the sector is marginal. The appetite for investment in the sector has been reduced by restrictions in Local Authority funding for places and more recently by the crisis within the Southern Cross Healthcare Group plc, one of the major operators within the sector. This will have a negative impact on values across the sector (by reducing confidence) and as a result the calculation is cautious, pending clarification of the effect of this crisis. At this present time we are of the opinion that development is not viable on this basis so no CIL charge can be justified. This is shown in Table 6.10.

Table 6.10 Residential care home viability analysis with a £0/m² CIL charge

	Care Home
VALUES	1,470
COSTS	
EUV + Purchase Costs	100
Basic Build Cost	1,291
External Works	129
Fees	170
CIL @ £0/m ²	0
Section 106/m ²	0
Marketing & Sales	74
Contingencies	80
Interest	85
Margin	386
Total Cost Benchmark	2,314
Values - Costs	-844

Proposed level of charge for residential care home development: £0/m²

Other uses

- 6.137 There are many other uses that will inevitably be delivered in the Borough over the plan period and would potentially occupy a significant amount of net additional floorspace (thereby having a significant amount of new development which is liable for CIL). This includes, but is not limited to:
- schools;
 - community facilities, including community halls, scout huts, libraries, religious meeting places;
 - Medical facilities.
- 6.138 There is no evidence of a commercial market for new build educational and community facilities, either on a local, regional or national basis. Clearly they have a value to the local authority which is purchasing them but this is normally equivalent to the aggregate of the cost of construction together with the cost of a site. (This lies at the basis of the 'depreciated replacement cost' approach to valuation that is referred to in the RICS Valuation Standards manual usually referred to as the 'Red Book'). In practice sites are usually sourced from:
- (a) within existing public sector land holdings at notional cost;
 - (b) from a housebuilder on terms dictated by a Section 106 Agreement; or
 - (c) by purchasing a site in an alternative but very low value use.

- 6.139 In short, there is no profit margin involved and usually no significant enhancement in the site value windfall for a landowner. Therefore there is no viability evidence that can be used to support a CIL charge.
- 6.140 The major exception is primary care facilities that are predominantly occupied by GPs. There is a commercial market for properties of this sort. We have analysed the price paid for completed investments across the country by specialist investments in the field and concluded that, again, the sites used are usually sourced on a preferential basis and the land values generated are not significant in most cases.
- 6.141 The earlier analysis considered that the level of CIL charge should be zero. Given that these facilities are commonly not commercially-driven developments, it is considered that there can be no evidence to justify a change from the CIL charge for such uses. Indeed, there is simply no evidence to suggest that 'value capture' could be achieved from such uses which usually require public funding to be delivered.

Proposed level of charge for public infrastructure development: £0/m²

What CIL is spent on – the 'Section 123' list

- 6.142 One issue that has arisen within the assessment is the appropriate use of CIL versus S106 as a means of securing appropriate contributions from a particular development without compromising deliverability. In Colchester, a significant proportion of development is expected to come forward in the Northern Growth Area and the question arises as to which mechanism will balance the need for early funding of significant infrastructure requirements to support growth with the ability of the developers to fund this, given cashflow constraints.
- 6.143 It is not considered likely that one approach should be solely taken forward in preference to another; the CIL Regulations enable a degree of flexibility in this regard. Section 123 of the CIL Regulations states that an authority must identify the list of infrastructure which it intends to charge CIL on. This can be as specific as the authority wishes and the list can be changed regularly if so desired.
- 6.144 One of the particular issues that should be raised in this context is the provision of education facilities to serve the Northern Growth Area. ECC has assessed that three new primary schools and a site for new secondary school provision to serve the wider north-west Colchester area are required. The primary schools could be said to be site-specific whereas the secondary school provides for more strategic education needs. One solution could therefore be to seek the primary school provision through a S106 agreement and the secondary school provision through CIL. This distinction would need to be made clear in the S123 list of items that CIL is to be spent on.
- 6.145 This is further complicated by the matter of land provision. For the purposes of the infrastructure assessment, the cost of land for new education provision was included, at D1 (education) land values. As stated in Section 4, it could equally be argued that this land should be valued at agricultural values or at residential values.
- 6.146 Whilst this issue is being flagged for when Colchester BC considers its infrastructure delivery plan in more detail, the important matter here is whether the cost of land should be

included within CIL or charged as S106. Based on guidance from CLG, we believe that it is theoretically possible to charge separately for land and buildings, keeping one in a CIL and the other outside the CIL (and thereby subject to a S106 agreement). This is simply a case of the S123 list being explicit about what it contains.

- 6.147 As to what the preferred approach should be, this will require further consultation with the developers of the Northern Growth Area. One observation is that the current infrastructure funding gap assessed in this report is sizeable. Even if, within the context of CIL, certain elements of infrastructure need were excluded because they were considered to be 'site specific', the gap would still be larger than the potential receipts from CIL. As such, it would be difficult for a developer to argue that there was double charging of CIL for education and S106 for a primary school.
- 6.148 It should be stressed that it is not for this study to recommend one approach over another regarding what is included in the CIL S123 list. This will need further consultation with the developers and it is notable that such a list does not have to be finalised and submitted as part of the CIL examination. As such, an open dialogue can be maintained whilst continuing to bring the proposed CIL charging schedule forwards. This dialogue is recommended in order to formulate an agreed view.

7 RECOMMENDED LEVELS OF CHARGE

- 7.149 Our viability assessments have shown that, of the uses which are considered to be intrinsic to the delivery of Colchester's Core Strategy, the majority have no potential to realise any receipts from a CIL without compromising the viability of development on a scale commensurate with the aspirations of the Core Strategy. The uses assessed were all B-class uses, hotels, leisure (sports centres) uses, residential care homes, education, medical and social and community facilities. The appropriate level of CIL in these cases, and across all other development unless otherwise stated, must be zero. This is applicable to all new developments, unless an alternative level of charge is stated.
- 7.150 In many respects, the CIL charge for these uses is, in any event, irrelevant because it is highly unlikely that there will be development (of any note) of these uses until market conditions improve and thus no contribution to meeting infrastructure costs could be expected.
- 7.151 If market conditions improve, it will be important to review whether CIL can be charged on such uses.
- 7.152 The exceptions to this are residential and retail development. The viability analysis has demonstrated that the types of development which need to come forward to support the overall development of the area can support a CIL level above zero, and that if they did not contribute at the levels proposed, it would compromise both the overall development of the area and the sustainability of the schemes themselves through lack of support for the necessary supporting infrastructure. Seeking to balance the need to maximise receipts from residential and retail development with ensuring that the level of charge is not set overly close to the ceiling of affordability, gives the following charge levels:
- Charge for all uses unless stated - £0/m²
 - Residential - £120/m²
 - Comparison retail - £90/m²
 - Convenience retail - £240/m²
- 7.153 As a broad guide, these levels of charge would raise approximately £50m from CIL, as shown in Table 7.1:

Table 7.1 Indicative levels of funding raised by the proposed CIL charges

Use type	Floorspace (m ²)	CIL charge/m ²	Potential CIL revenue (£m)	Assumption / source
Residential (dwellings)	4,141 dwgs (351,985m ²)	£120	£42.2m	Excludes 35% of dwellings that will be affordable, so pay zero CIL. Average floorspace per dwelling = 85m ²
Comparison retail	67,000m ²	£90	£6.0m	Based on North Essex Retail Study findings
Convenience retail	6,124m ²	£240	£1.5m	4 stores at 1,531m ² /store (which is average size of UK supermarket). There is no evidential basis for this level of provision; it is simply used as an illustrative guide.
Total			£49.7m	

Note: These figures reflect housing numbers shown in the Housing Trajectory produced December 2010 and maybe subject to change. It also assumes all outstanding sites will pay CIL, whereas in reality some developments may come forward before CIL is adopted and will therefore contribute to infrastructure provision through S106 Agreements.

- 7.154 Set against an infrastructure funding gap of £220m, it is therefore clear that the CIL will only contribute towards addressing some of the identified needs. However, there is no prospect of the CIL raising funds in excess of the levels needed and alternative/additional sources of funding should continue to be sought.
- 7.155 The New Homes Bonus could raise an additional £90m and there may be scope for prudential borrowing or Tax Increment Financing to be used as mechanisms to raise further funding. However, it is not clear as to the levels of funding that such mechanisms might raise, or the willingness of the Borough Council to consider such funding streams.

Instalments policy

- 7.156 It will be important that the Borough Council carefully considers an appropriate instalments policy. Given the focus of growth in the short term on some of the sites in the Growth Areas, it will be important that this policy is discussed with the developers. Cashflow is an issue for any developer, not least those involved in major developments with significant costs, so it is important that instalments are staggered appropriately so as not to unduly front-load contributions. The level of CIL proposed makes an assumption that the Borough Council does not seek an instalments policy which unreasonably front-loads CIL payments.
- 7.157 It is important to recognise that the instalments policy can be revised at any stage, subject to the appropriate notice period.

Review of the CIL

- 7.158 The nature of the Core Strategy very much envisages the greenfield Growth Areas representing the bulk of development in the short to medium term. Development in other locations, such as the East Colchester Regeneration Area and Colchester town centre, will

be on brownfield sites and is expected to come forward over a longer time period. This is largely due to market viability considerations, rather than any level of CIL charge.

- 7.159 However, it will be important to review the charge and determine a point at which a review is necessary. Certainly if it was demonstrated that the current proposed charge was the primary factor holding back development of the brownfield sites, then this would trigger the need for a review.
- 7.160 Based on market forecasts at the present time, it will likely be necessary for the Borough Council to review the CIL charge within three years.

APPENDIX A

Full residential appraisal of a 10ha scheme with £145/m² CIL charge

APPENDIX B

Full residential appraisal of a 1ha scheme with £145/m² CIL charge

APPENDIX C

Non-residential viability appraisal

**Colchester Borough Council
Community Infrastructure Levy
Implementation Plan**

DRAFT

Introduction

1.0 Purpose of the Implementation Plan

The Community Infrastructure Levy (CIL) Implementation Plan forms an important part of the Council's evidence base. It supports the Development Plan Documents by identifying the infrastructure needed to deliver Colchester's growth and is a key tool in coordinating infrastructure and investment with many organisations. The Implementation Plan will be reviewed annually following the process set out in the CIL Governance Arrangements.

The Implementation Plan draws together the main infrastructure requirements, as originally set out in the Core Strategy, that are required to support the growth in each part of the borough. It will identify those items of infrastructure that are considered to be priorities at a given point in time and will be used to inform the CIL 123 List. The Implementation Plan is closely aligned to the Local Investment Plan (LIP) arising from the 'Single Conversation' with the Homes and Communities Agency along with the Integrated County Strategy.

Development plan documents provide a long term strategy for the borough whereas the Implementation Plan provides a focus for developers and key partners on the priority infrastructure requirements to deliver Colchester's adopted vision. The Plan will also enable residents and businesses to see what infrastructure is expected to be provided and when. It is hoped over time that parish and town councils, along with neighbourhood forums and other interested people, will input into the document and provide details of their local infrastructure requirements and funding options.

The purpose of the Implementation Plan is to:

- provide clarity on the infrastructure requirements to support the growth, based on information within adopted LDF documents and the CIL evidence base;
- identify where developer contributions will be sought, setting out the general principles the Council will use in determining whether infrastructure needs will be met through Section 106 Agreements, Community Infrastructure Levy (CIL) or direct developer funding;
- identify the strategic and local priorities for the spend of CIL funding for the year ahead (CIL Regulation 123 List).

2.0 Making Decisions on Infrastructure Priorities

Infrastructure is funded from a variety of means, including financial contributions from developers, on-site provision (S106 agreements), other funding streams and the Community Infrastructure Levy (CIL). Given the current constraints on resources and investment streams, it is important that there is clarity on the local priorities for infrastructure provision. The Implementation Plan sets out what is needed and how it will be achieved,

either through the investment streams of local infrastructure and service providers or through the use of developer contributions. The Plan will be reviewed twice a year although revisions may not be required on each occasion.

3.0 Local and Strategic Infrastructure

The Government have just commenced consultation on proposals to reform the community infrastructure levy. The detailed proposals and draft regulations include a number of questions including what proportion of receipts ie the 'meaningful proportion' of CIL should be handed over to local communities to spend as they see fit to support growth in their areas. It is therefore expected that the local element will help fund infrastructure which will deliver local benefits.

Some infrastructure is vital to the delivery of Colchester's development strategy. This infrastructure has a strategic rather than a local focus, benefitting the borough as a whole.

Both the strategic and local infrastructure priorities will be set out within the Implementation Plan, following discussions with Town and Parish Councils, Neighbourhood Forums, infrastructure providers and local developers. This will be reviewed twice a year and agreed with the relevant Portfolio Holders from Colchester Borough Council and Essex County Council.

4.0 Structure of the LDF Implementation Plan

As set out above the Implementation Plan has three roles:

1. providing clarity on the infrastructure requirements to support the LDF
2. setting out the likely funding for infrastructure;
3. identifying the strategic and local priorities for the spend of CIL funding for the year ahead based on the Housing Trajectory and other known developments.

The Core Strategy contains a table setting out Key facilities and infrastructure which breaks down projects by necessary/local and wider benefit and also by development linkage. For the purposes of consistency this Implementation Plan will also identify infrastructure by area and it will prioritise projects according to how important they are to delivering growth. It is however acknowledged that funding through CIL can be spent anywhere in the borough (and beyond) providing it supports future development.

5.0 The '123' List

The community infrastructure levy is intended to provide infrastructure to support the development of an area rather than to make individual planning applications acceptable in planning terms. As a result, there may still be some site specific impact mitigation requirements without which a development should not be granted planning permission. Some of these needs may be provided for through the levy but others may not, particularly if they are very

local in their impact. Therefore, the Government considers there is still a legitimate role for development specific planning obligations (S106 agreements) to ensure that the specific consequences of development can be mitigated.

On the local adoption of the levy, the regulations restrict the local use of planning obligations to ensure that individual developments are not charged for the same items through both planning obligations and the levy. Where a charging authority sets out that it intends to fund an item of infrastructure via the levy then that authority cannot seek a planning obligation contribution towards the same item of infrastructure.

All items the Council intends to fund through CIL need to be included on what is known as a 123 List which must be published on the Councils website.

Each year the Council will review its 123 List to see if the infrastructure projects listed need changing. This maybe because an item has been delivered or because a new project is required and needs to be added. The tables below list the infrastructure the Council expects to be delivered and identifies if it will be provided through CIL or S106 agreement.

6.0 Infrastructure Projects by Area

The Core Strategy and subsequent Site Allocations DPD direct development towards the most accessible and sustainable locations, and plan for the provision of transport, employment and community facilities to support a number of growth areas. The tables below detail the infrastructure expected to be provided in each growth area as well as projects which are borough wide or which relate to another part of the borough.

6.1 Town Centre

The Town Centre is the focus of regeneration activity and will deliver 2000 new homes, 67,000sqm of retail floorspace and 40,000sqm of office floorspace. The regeneration of St Botolphs and the North Station area are delivering key outcomes, including Firstsite, the Cultural Quarter and North Station gateway.

Infrastructure Requirement	Cost	Level of Priority	Timing of Delivery	Funding			Notes
				CIL	S106	Other	
Town centre transport improvements (incl. bus interchange and St Bots roundabout)	£7m	High	2012		√	√	Some S106 already secured through The Garrison. Phased delivery.
Roman walls and public realm improvements	£2m	Low	n/k	√		√	

6.2 East Colchester

The East Growth Area is regenerating the former harbour to accommodate 2600 new homes, as well as delivering the East Transit Corridor, Hythe Station improvements, the University Research Park, and expansion of the University itself.

Infrastructure Requirement	Cost	Level of Priority	Timing of Delivery	Funding			Notes
				CIL	S106	Other	
East Transit Corridor Phase 1	£7m	High	2016	√			Feasibility Study complete. Phase 1 – includes on street bus priority and improved real time information and waiting facilities. One bridge provided in 2011
Phase 2	n/k	Medium	n/k	√			
Phase 3	n/k	Low	n/k	√			
Colne River pedestrian/cycle bridge	n/k	Low		√			
Public Open Space	£3.076m	Medium		√			

6.2 North Colchester

The North Growth Area will accommodate 6200 homes, many of which have already been built, and a new sustainable urban extension along with the regeneration of the former Severalls Hospital. This growth area has delivered the Community Stadium and the A12 junction and the final part of the Northern Approach Road and Park and Ride are expected to be delivered shortly.

Infrastructure Requirement	Cost	Level of Priority	Timing of Delivery	Funding			Notes
				CIL	S106	Other	
North Transit Corridor	£7m	High	2013		√		Secured through Severalls development
Park and Ride	£5.6m	High	2012	√		√	Cost reflects site and route into town
North/South capacity improvements (A133/A134)	£13.5m	High	2012 start		√		Cost assumes work undertaken for park and ride is completed
A133 Central Corridor Improvements	£20m	High		√	√		A series of junction and carriageway improvements between Colne Bank Roundabout and Greenstead Roundabout, including: dualling between Colne Bank and Albert Roundabout. Some S106 money already collected
North Rail Station improvements	£6m	Low	n/k	√		√	New station building and forecourt to north side, linked to North Station master plan work
3 new primary schools (land and build costs)	£26.7m	High	2012 onwards		√	√	1 secured through Severalls development; 1 to be delivered on site as part of planning permission for NGAUE; one to be delivered by ECC at Braiswick
Expand secondary school capacity (land and build costs as necessary)	£38m	Medium	2016		√	√	Education authority to decide how increased capacity is provided. Land for a new secondary school will be provided through planning permission for the NGAUE. Other sources of funding will be required for building.
Community Centre	£1m	Medium			√		Extension to Fords Lane pavilion to be delivered through planning permission for NGAUE. New community centre being built at Severalls as part of S106
Community Hub	n/k	Medium			√		Flexible floorspace for retail, community and commercial uses to be provided through NGAUE planning permission
Open space, sports facilities, allotments and youth facilities	£7.2m	Medium			√		Public open space, allotments, sport and youth facilities, etc to be provided through planning permission for NGAUE.
Affordable Housing	n/k	High			√		35% affordable housing to be provided through planning permission for NGAUE and through other new sites. 25% affordable housing secured on Severalls.
Electricity Sub-station	£4m	Medium			√		To be provided as part of NGAUE development
Waste water pumping station	tbc	Medium					Anglian Water undertaking further work to establish requirements/cost and timescales

6.4 The Garrison

The South Growth Area has delivered a new Army Garrison and is regenerating the former garrison to accommodate 3000 homes within an urban village with good links to the Town Centre. Various infrastructure has been delivered as a result of the Garrison development including new open space, walking and cycling routes. Section 106 contributions have also been secured towards an extension to St Johns Green Primary School which is about to commence and a new club house at the athletics track. Because this development is so well advanced it is not considered necessary to list infrastructure projects.

6.5 Stanway

The Stanway Growth Area is also subject to significant development during the life of the plan, including 1800 homes, employment development, and road improvements.

Infrastructure Requirement	Cost	Level of Priority	Timing of Delivery	Funding			Notes
				CIL	S106	Other	
1 Primary School	£7m	High	n/k		√		Secured through S106 for Lakelands
Secondary School expansion	£30m	Medium	2017	√		√	
Western Bypass	£7m	High	2012		√		Secured through S106 for Lakelands All developments expected to contribute to support growth in Stanway
Stanway road improvements including Warren Lane and surrounding area	£5m	Medium	2016	√			
Public Open Space, including allotments, sport and leisure	£4m		2013		√		S106's in place to secure significant open space, sport and leisure facilities through Lakelands development and following restoration of minerals sites. New developments will be expected to enhance this through on site provision.
Village Hall improvements	n/k		n/k	√			
Youth facilities	n/k		n/k	√			
Affordable housing	n/k					√	Affordable housing has been secured on sites with planning permission. Those coming forward in the future will be expected to provide 35% affordable housing.

6.6 Other Areas and borough wide Infrastructure

Tiptree, Wivenhoe and West Mersea are the main district settlements outside of Colchester Town. These settlements between them will deliver about 1600 homes over the plan period. They also provide shops and services to the surrounding rural hinterland and therefore new and enhanced infrastructure is required to support growth in these areas.

There are also a number of projects which support growth across the whole borough. It is likely that growth will result in improvements being required to the four main junctions serving Colchester from the A12. Enhancements are also required to public transport, walking and cycling routes as the Council encourages people to use more sustainable modes of transport.

Infrastructure Requirement	Cost	Level of Priority	Timing of Delivery	Funding			Notes
				CIL	S106	Other	
A12 junction improvements	£30m	Medium	n/k	√		√	Feasibility work to be undertaken. Timing will be determined by rate of development. S278 may be used.
A120 upgrade Braintree to A12	n/k	Low	n/k				Schemed shelved indefinitely
Public transport improvements	£10m	Medium	On-going	√	√		S106 contributions secured for
Green links, walking and cycling improvements	£10m	Medium	On-going	√	√		S106 contributions secured for
Tiptree – primary school expansion	£1m	Low		√			Limited growth in Tiptree forecast and nearest school to allocated site has capacity
Tiptree – sports pitches		Medium	2011 - 2012		√	√	To be delivered as part of Colchester United Grange Rd development and a public/private arrangement at Warriors Rest.
Tiptree – allotments	n/k	Medium	2016		√		To be delivered as part of Grange Road development
Tiptree – health centre	n/k	Low	n/k			√	PCT funding
West Mersea – health centre	n/k	Low	n/k			√	PCT funding
Wivenhoe – health centre	n/k	Low	n/k			√	PCT funding
Wivenhoe – community centre improvements	n/k	Low		√			
Wivenhoe - allotments	n/k	Low		√			
Wivenhoe – youth facilities	n/k	Low		√			
POS/Sports and Recreation facilities in Wivenhoe and Rowhedge	1.495	Low			√		
General Early Years and Childcare	4.70	Low		√	√		Details not specified
General primary expansions	13.70	Medium			√	√	Details not specified

Colchester Borough Council

Community Infrastructure Levy

Governance Arrangements

DRAFT

CIL Governance in Colchester

Background

The Planning Act 2008 provides a wide definition of the infrastructure which can be funded by the Community Infrastructure Levy (CIL), including transport, flood defences, schools, hospitals, and other health and social care facilities. This definition allows the levy to be used to fund a very broad range of facilities such as play areas, parks and green spaces, cultural and sports facilities, district heating schemes and police stations and other community safety facilities. This gives local communities flexibility to choose what infrastructure they need to deliver their development plan.

Once the levy is adopted, the regulations restrict the use of planning obligations to ensure that individual developments are not charged for the same items through both planning obligations and the levy. Where the Council sets out that it intends to fund an item of infrastructure via CIL then planning obligation contributions (S106 agreements) cannot be used towards the same item of infrastructure.

As required by the Regulations, the Council will set out its intentions for how revenue raised from the levy will be spent on its website. This list of infrastructure is known as the '123 list' and will be informed by the Council's Implementation Plan.

Collection of the levy will be carried out by the 'Community Infrastructure Levy collecting authority'. In most cases this will be the charging authority ie Colchester Borough Council. Essex County Council will collect the levy charged by the borough on developments for which the county gives consent.

Governance

The Council undertook consultation on its Preliminary Draft Charging Schedule in September 2011. A number of respondents expressed some concern about the governance of CIL in Colchester and the County Council made some outline proposals on how it could be undertaken.

Three other CIL Charging Schedules have now been examined but have been silent on this point.

To ensure that the levy is open and transparent, the Council must prepare short reports on the levy for the previous financial year which must be placed on the website by 31 December each year. These reports will ensure accountability and enable the local community to see what infrastructure is being funded from the levy and how much has been collected.

The initial proposal put forward by ECC envisaged a two tier structure:

- (i) A Decision Making Body comprised of Members and senior officers of the two authorities ;
- (ii) An Advisory Body comprising officers of the two authorities.

The Decision Making Body would be formally accountable to the LDF Committee of Colchester Borough Council as Charging Authority. This will allow public scrutiny of spending proposals.

The two bodies above will meet twice a year and look in detail at the following;

1. How much revenue from the levy has been received
2. How much has been spent
3. How much revenue is unspent and plans for spending
4. Details of what infrastructure the levy funded and how much of the levy was 'spent' on each item of infrastructure
5. Whether the 123 list remains appropriate or if it needs updating.
6. The detailed programme for spending of CIL in Colchester for the next period
7. If the Levy should be retained
8. If the Charging Schedule needs reviewing. At this stage it is anticipated that the first full review of the Charging Schedule would be after three years.
9. If the Instalment Policy needs revising
10. The state of the local development market.

The Advisory body will make proposals in a report every six months which could be accepted, amended or rejected by the Decision Making Body.

The Decision Making Body could also ask the Advisory Body to undertake more work on a set of proposals which would be brought back to the Decision Making Body at the next or another future meeting.

The make up of the two bodies will reflect the ECC and CBC services which are likely to be most closely involved in the provision of the infrastructure on which development in Colchester will most heavily depend. In addition the two bodies would have the ability to invite other representatives to its meetings if it felt that the attendance/participation of a particular organisation/group would be useful. The Advisory Body could include an observer representing developers active in the Borough or an appropriate trade body such as the House Builders' Federation who would be invited to provide advice on the current market.

The Advisory Body (AB)

Colchester already has a Development Team in place which includes officers from both local authorities and other stakeholders, which agrees the Section 106 contributions to be sought from all major planning applications. It is envisaged that this Development Team would take on the role of the Advisory Body but will be chaired at all times by the Spatial Policy Manager at Colchester Borough Council. Other members of the team would include;

- CBC Regeneration Manager
- CBC Street Services representative
- CBC Sport/Leisure/Recreation representative(s)
- CBC Community Development representative
- ECC Education representative
- ECC Highways representative
- CBC Affordable Housing Project Officer (dependent on role of affordable housing in CIL)
- Other stakeholders as appropriate ie Police, Health Service, etc.

While it is important to ensure that the Advisory Body has a wide enough membership it should not become so large as to be unwieldy. The maximum size of membership should be 12 people.

The AB will examine all the infrastructure projects that are required to support the development likely to be delivered in the Borough over the coming years. Infrastructure projects which appear to offer most support to growth in the Borough will be prioritised in this process. The baseline for this work will be the CIL evidence base documents. It is expected that other project proposals will come forward over time originating from both Councils or from other infrastructure providers and developers. The Advisory Body's role would be to examine all the potential schemes and assess them in relation to the development expected to be delivered in order to prioritise infrastructure projects for approval by the Decision Making Body.

As the Advisory Body's work is largely technical and could be commercially sensitive it is expected that its proceedings should be confidential but its recommendations to the Decision Making Body would be public.

The Decision Making Body

The role of this body is to receive reports and recommendations from the Advisory Body and make decisions based on the criteria above to inform the 123 List for the next period.

The DMB will comprise of the following;

- CBC Leader
- CBC Portfolio Holder for Planning
- CBC Portfolio Holder for Regeneration
- ECC Portfolio Holder for Planning
- ECC Portfolio Holder for Highways
- CBC Executive Director (Ian Vipond)
- CBC Advisory Body Chair (Karen Syrett)
- ECC Head of Strategic Development (Keith Lawson)

The decisions made by the DMB will be made public and incorporated in the Annual Monitoring Report which is approved by the Local Development Framework Committee.

Consultation

At least once a year a process will be undertaken to identify local infrastructure priorities through discussion and agreement with Town and Parish Councils and any Neighbourhood Forums which become established. A similar process will identify strategic infrastructure requirements through discussion and agreement with infrastructure providers. In addition, discussions will take place with developers active in the area to understand their infrastructure requirements and priorities. The results of the consultation exercises will be reported in the first instance to the Advisory Body who will make reference to how the information has been used to inform their recommendations to the DMB.

Delivery

As the charging authority Colchester Borough Council may pass money to whoever is best placed to deliver the infrastructure required. This may include outside bodies such as the Environment Agency for flood defence or, in two tier areas, the county council, for education and transport infrastructure. The Council is also able to collaborate and pool revenue with other charging authorities to support the delivery of 'sub-regional infrastructure', for example, a larger transport project provided it would support development in the borough.

The monitoring and reporting required by the Regulations will provide a mechanism to ensure delivery against targets.

