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EAST HERTFORDSHIRE DISTRICT COUNCIL

NOTICE IS HEREBY GIVEN that a meeting of East Hertfordshire District Council will be held in the Council Chamber, Wallfields, Hertford on Wednesday 24th July, 2019 at 7.00 pm, for the purpose of transacting the business set out in the Agenda below, and you are hereby summoned to attend.

Dated this 16th day of July 2019

Alison Stuart
Head of Legal and
Democratic Services

Note: Prayers will be said before the meeting commences. Those Members who do not wish to participate will be invited to enter the Chamber at their conclusion

AGENDA

1. Presentation by Citizens Advice East Herts
2. Chairman's Announcements

To receive any announcements.

3. Apologies for Absence

To receive any Members' apologies for absence.

4. Minutes (Pages 7 - 26)

To approve as a correct record and authorise the Chairman to sign the Minutes of the Council meeting held on 15 May 2019.

5. Declarations of Interest

To receive any Members' declarations of interest.

6. Petitions

To receive any petitions.

7. Public Questions

To receive any public questions.

8. Members' questions (Pages 27 - 28)

To receive any Members' questions.

9. Executive Report (Pages 29 - 42)

(A) Harlow and Gilston Garden Town Guidance Infrastructure Delivery Plan Strategic Viability Assessment and "How to" guide_(Pages 43 - 382)

10. Housing Delivery Test Action Plan (Pages 383 - 412)

11. Establishment of Financial Sustainability Committee (Pages 413 - 424)

12. Leisure Centre Capital Developments (Pages 425 - 440)

13. Development Management Committee: Minutes - 22 May 2019 and 19 June 2019 (Pages 441 - 460)

Chairman: Councillor T Page

14. Motion on Notice (Pages 461 - 462)

To receive a Motion on Notice.

DISCLOSABLE PECUNIARY INTERESTS

1. A Member, present at a meeting of the Authority, or any committee, sub-committee, joint committee or joint sub-committee of the Authority, with a Disclosable Pecuniary Interest (DPI) in any matter to be considered or being considered at a meeting:
 - must not participate in any discussion of the matter at the meeting;
 - must not participate in any vote taken on the matter at the meeting;
 - must disclose the interest to the meeting, whether registered or not, subject to the provisions of section 32 of the Localism Act 2011;
 - if the interest is not registered and is not the subject of a pending notification, must notify the Monitoring Officer of the interest within 28 days;
 - must leave the room while any discussion or voting takes place.
2. A DPI is an interest of a Member or their partner (which means spouse or civil partner, a person with whom they are living as husband or wife, or a person with whom they are living as if they were civil partners) within the descriptions as defined in the Localism Act 2011.
3. The Authority may grant a Member dispensation, but only in limited circumstances, to enable him/her to participate and vote on a matter in which they have a DPI.
4. It is a criminal offence to:

- fail to disclose a disclosable pecuniary interest at a meeting if it is not on the register;
- fail to notify the Monitoring Officer, within 28 days, of a DPI that is not on the register that a Member disclosed to a meeting;
- participate in any discussion or vote on a matter in which a Member has a DPI;
- knowingly or recklessly provide information that is false or misleading in notifying the Monitoring Officer of a DPI or in disclosing such interest to a meeting.

(Note: The criminal penalties available to a court are to impose a fine not exceeding level 5 on the standard scale and disqualification from being a councillor for up to 5 years.)

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MINUTES OF A MEETING OF THE
COUNCIL HELD IN THE COUNCIL
CHAMBER, WALLFIELDS, HERTFORD ON
WEDNESDAY 15 MAY 2019, AT 7.00 PM

PRESENT: Councillor J Kaye (Chairman).
Councillors A Alder, D Andrews, T Beckett,
S Bell, R Bolton, P Boylan, M Brady,
E Buckmaster, R Buckmaster, S Bull, J
Burmicz, L Corpe, K Crofton, B Crystall,
G Cutting, B Deering, I Devonshire,
H Drake, J Dumont, R Fernando, J Frecknall,
M Goldspink, J Goodeve, A Hall, L Haysey,
D Hollebon, A Huggins, J Jones, Ian Kemp,
G McAndrew, M McMullen, S Newton,
T Page, J Ranger, C Redfern, S Reed,
P Ruffles, S Rutland-Barsby, M Stevenson,
T Stowe, N Symonds, A Ward-Booth,
G Williamson, C Wilson and J Wyllie.

ALSO PRESENT: Former Councillor K Warnell, Mr R
Cassidy.

OFFICERS IN ATTENDANCE:

Rebecca Dobson	- Democratic Services Manager
Jonathan Geall	- Head of Housing and Health
Peter Mannings	Democratic Services Officer
Simon O'Hear	- Head of Human Resources and

	Organisational Development
Helen Standen	- Deputy Chief Executive
Alison Stuart	- Head of Legal and Democratic Services
Ben Wood	- Head of Communications, Strategy and Policy

1 CHAIRMAN'S ANNOUNCEMENTS

The Chairman, former Councillor K Warnell opened the meeting.

Former Councillor Warnell spoke of the numerous interesting events he had both arranged and attended during his tenure, including a bike ride on behalf of the Isabel Hospice, Music in the Garden, several quiz nights and a ball. He was pleased to report that he had raised a total of £10,555, which had been divided between his charities, the Air Ambulance for Hertfordshire and Isabel Hospice. The majority of the funds raised had been given to Isabel Hospice, and he had been delighted to present the charity with a cheque for £9,500.

Former Councillor Warnell said his time as Chairman had been a marvellous experience. He thanked Councillor Jonathan Kaye for attending several events on his behalf. He thanked his PA for arranging his engagements, and his wife for her support throughout his year in office.

Former Councillor Warnell said he had compiled a

slideshow of memorable occasions from his year as Chairman, which he invited Members to watch.

The Leader, Councillor L Haysey, said the photo montage clearly showed the Chairman's ability to make people feel part of the community. In particular she recalled the moving Holocaust Memorial Day which the Chairman had shown was a truly inclusive event. She thanked the Chairman for his dedicated service to the residents of East Hertfordshire, and presented him with a bouquet of flowers. The Leader proposed the Council place on record its thanks to the Chairman.

Councillor M Goldspink, seconding the proposal, thanked the Chairman on behalf of the Liberal Democrat group. Members supported the proposal.

2 ELECTION OF CHAIRMAN 2019/20

It was moved by Councillor J Jones and seconded by Councillor G Williamson that Councillor J Kaye be elected as Chairman of the Council for the civic year 2019/20. After being put to the meeting and a vote taken, this motion was declared carried.

RESOLVED – that Councillor J Kaye be elected Chairman of the Council for the civic year 2019/20.

Councillor J Kaye made the statutory declaration of acceptance of office and took the chair.

3 APPOINTMENT OF VICE CHAIRMAN 2019/20

It was moved by the Leader, Councillor Haysey and seconded by Councillor S Rutland-Barsby that Councillor K Crofton be appointed Vice Chairman of the Council for the civic year 2019/20. After being put to the meeting and a vote taken, the motion was declared carried.

RESOLVED – that Councillor K Crofton be appointed Vice Chairman for 2019/20.

Councillor K Crofton made the statutory declaration of acceptance of office. He said he was honoured to accept the role of Vice Chairman, and would support the Chairman during the forthcoming year. He thanked former Councillor K Warnell for his work as Chairman in the 2018/19 civic year.

4 FURTHER CHAIRMAN'S ANNOUNCEMENTS

The Chairman, Councillor J Kaye, thanked former Councillor K Warnell for all he had done over the past year. He had reached out to minority groups in East Hertfordshire, setting up an interfaith group, Living Together in East Herts. He commended that group's work, particularly in light of troubling events across the world over recent months. He reminded Members there would be an inter-faith event in Bishop's Stortford on Sunday 15 September 2019, with which he hoped former Councillor K Warnell would continue to be involved. He wished him well for the future.

The Chairman said he aimed to accomplish his civic duties as effectively as possible. He had chosen as his

charities Isabel Hospice and Children's Integrated PlaySchemes (CHIPS). He said CHIPS arranged play schemes for children with learning and physical disabilities between the ages of six and nineteen. The play-schemes were held on Saturdays and through the Summer, at locations in schools in Ware and Hertford. He hoped that Members would support the events he proposed to hold in order to raise funds in support of his charities. He was considering holding a civic event which might involve something different, such as a lecture, perhaps by a celebrity historian, and listed a number of usual topics which he had investigated but had ruled out.

The Chairman said he also intended to reach out to the District's sports clubs.

The Chairman stated that with the consent of the meeting, he intended to change the order of the agenda and take Item 13, the Scrutiny Review, before Item 11, the Political Balance report. This was supported.

5 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors A Curtis, M Pope, C Rowley and D Snowdon.

6 MINUTES - 5 MARCH 2019

The Chairman said he had been advised that Councillor M Stevenson had attended the meeting on 5 March 2019 but had been omitted from the attendees. It was moved by Councillor J Kaye and seconded by

Councillor S Bell that the Minutes of the meeting held on 5 March 2019, as amended, be confirmed as a correct and signed by the Chairman. After being put to the meeting and a vote taken, the motion was declared CARRIED.

RESOLVED – that the Minutes of the meeting held on 5 March 2019 as amended, be confirmed as a correct record and signed by the Chairman, subject to Councillor M Stevenson being added to the list of Members present.

7 DECLARATIONS OF INTEREST

Councillor J Wyllie declared a non-pecuniary interest as Member of The Rhodes Trust and of the Old River Lane Delivery Steering Group.

8 MEMBERS' QUESTIONS

Councillor A Ward-Booth asked the Executive Member for Communities “what steps were being taken to support new Members to enable them to carry out their roles effectively”.

The Executive Member for Communities stated that in 2011 the Council had gained the Member Development Charter, and since that date the Council had pledged to maintain the principles and aims set out in the Charter. She invited the Opposition Group Leaders to make the same commitment.

The Executive Member said a Member Development Group had been established to guide and review

training for Members. She outlined the programme for the induction of new Members, which was also available to returning Members. The programme for the next three months included both external and in-house training, covering training for committee Members on the responsibilities of those committees and numerous other types of training such as guidance on social media use. Information on training had been placed on the Members' area of the East Herts intranet. Whilst most training was free to Members, where there was a cost involved for an individual to attend a specific course and prior authorisation from the Leader in consultation with the Executive Member was required.

9 REVIEW OF SCRUTINY

The Head of Legal and Democratic Services submitted a report on a review of Scrutiny. She referred Members to the recommendations for improvement. These were to

- establish a single independent scrutiny committee (the Overview and Scrutiny committee) which would agree an annual programme of scrutiny of issues which reflected the concerns of residents and councillors;
- to require the Executive to minute and make formal its responses to the scrutiny committee recommendations in the form of a letter from the Leader to the Scrutiny committee chairman; and
- to decommission the Performance, Audit

and Governance Scrutiny committee replacing it with a Performance, Audit and Governance Oversight Committee.

The Head of Legal and Democratic Services explained the reasons for the recommendations, as detailed in the report. She stated that a request had been received from a Member to include a reference to training for Members of the new committee on Standards. This amendment to the Constitution, if approved, would be made as a consequential amendment. Consequential amendments were those amendments which were necessary due to a change authorised by legislation or decisions taken through the year. Such amendments were delegated to the Monitoring Officer.

Councillor E Buckmaster asked whether the wording of the Constitution was to be changed at tonight's meeting. The Head of Legal and Democratic Services advised that the Constitution would be amended to reflect the additional recommendation.

It was moved by Councillor J Goodeve and seconded by Councillor D Hollebon that the recommendations, as detailed, be approved. After being put to the meeting and a vote taken, the motion was declared CARRIED.

Councillors T Beckett, L Corpe and M Goldspink requested that their abstention from voting be recorded.

RESOLVED – that (A) a single independent Scrutiny Committee (the Overview and Scrutiny

Committee) be established;

(B) The Overview and Scrutiny Committee agree an annual programme of scrutiny of issues reflecting the concerns of residents and councillors;

(C) The Executive be requested to formalise its responses to the Scrutiny Committee in the form of a letter from the Leader to the Scrutiny Committee Chairman;

(D) Performance, Audit and Governance Scrutiny committee be decommissioned and replaced with a Performance, Audit and Governance Oversight Committee, with the terms of reference to be as set out in the report to the meeting ; and

(E) To provide for training on Standards for members of the Performance, Audit and Governance Oversight Committee.

10 POLITICAL BALANCE OF THE COUNCIL 2019/20

The Head of Legal and Democratic Services submitted a report calculating the political balance of the Council following the ordinary election of all Members. She said Council, at its annual meeting, was required to approve the decision-making arrangements for the discharge of functions as set out in the recommendations now detailed. The appointment of the Leader, Councillor L Haysey was proposed, together with the composition of the portfolios of

Executive Members, and those appointed to those roles.

Councillor L Haysey proposed the recommendations, which were seconded by Councillor E Buckmaster. Council approved the recommendations as set out in the report and in the supplementary report.

RESOLVED – that (A) the following scrutiny committee, regulatory committees and joint committees be appointed, with the number of voting Members stated:

Committee	Number of Members
Overview and Scrutiny	14
Performance, Audit and Governance Oversight	7
Development Management	12
Licensing	12
Human Resources	7
Chief Officer Recruitment	5
East Herts Council and Stevenage Borough Council Joint Revenues and Benefits	3
Joint CCTV Executive (3 from East Herts)	12

(B) the membership of the Overview and Scrutiny Committee, the regulatory committees (Development Management and Licensing Committees) and other committees (Performance, Audit and Governance Oversight, Human Resources, Chief Officer Recruitment and East Herts Council and Stevenage Borough Council Joint Revenues and Benefits Committees) be as set out in Essential Reference Paper 'C' with Members being appointed in accordance with the wishes of the political group to whom the seats on these bodies have been allocated;

(C) Councillor Linda Haysey be appointed Leader of the Council for the four year term of the Council;

(D) the intention of the Leader of the Council to appoint 7 Members to the Executive (in addition to the Leader) with the portfolio responsibilities as detailed in Essential Reference Paper 'B', be noted;

(E) the programme of Council meetings, as detailed at paragraph 5.1 of the report, be approved;

(F) the Head of Legal and Democratic Services be authorised to make changes in the standing membership of committees and joint committees in (A) above, in accordance with the wishes of the political group to whom seats on

these bodies have been allocated;

(G) Appointments of representatives to outside bodies be taken by the Head of Legal and Democratic Services, in consultation with the Leader, under delegated authority; and

(H) the Monitoring Officer be authorised to make such amendments to the Council's Constitution as may be necessary to account for the decisions in (A) to (G) above.

11 REVIEW OF THE CONSTITUTION

The Head of Legal and Democratic Services submitted a report on a review of the Constitution.

It was moved by Councillor J Wyllie and seconded by Councillor A Alder that the recommendations as detailed be approved. Councillor M Goldspink requested that her abstention from voting be recorded.

RESOLVED that (A) revisions to the Council's Constitution as detailed, be approved;

(B) the Monitoring Officer be authorised to make any minor amendments, correct typographical or drafting errors required; and

(C) the Monitoring Officer be authorised to make any consequential changes to the Constitution arising from any legislative changes or other decisions that may be taken during the

year.

12 ANNUAL REPORT OF SCRUTINY COMMITTEES

Councillor J Wyllie submitted the annual report of the Overview and Scrutiny Committees for 2018/19

The Annual Report set out the work of the Overview and Scrutiny Committee and the Performance, Audit and Governance Scrutiny Committee during the civic year 2018/19, and summarised the findings of an internal review and its key recommendations.

Councillor M Goldspink asked that consideration be given to amending the content of the template of one of the papers accompanying all reports. This paper was the implications and consultations paper referred to as ERP A. She asked that the template include reference to climate change emergency implications.

The Chairman welcomed the suggestion. The Head of Legal and Democratic Services said Officers could make the change to the template to include suitable wording. Members' received the report.

RESOLVED – that the report be received.

13 OUTSIDE BODIES - ANNUAL REPORT

The Head of Legal and Democratic Services submitted a report on Outside Bodies for 2018/19. Reports from Members appointed during that year to be the Council's representatives on Outside Bodies were submitted. The report recommended that Council

receive these reports as detailed.

The Head of Legal and Democratic Services said an additional recommendation was sought to confirm that Council approved delegation of appointments to representatives to outside Bodies, to the Head of Legal and Democratic Services, in consultation with the Leader.

It was moved by Councillor L Haysey and seconded by Councillor G McAndrew that the recommendations, as amended be approved. (Councillors L Corpe and M Goldspink requested that their abstentions from voting be recorded).

RESOLVED - that (A) the report as detailed be received; and

(B) Appointments to Outside Bodies be delegated to the Head of Legal and Democratic Services, in consultation with the Leader.

14 HUMAN RESOURCES COMMITTEE: MINUTES - 13 MARCH 2019

RESOLVED - that the Minutes of the meeting of the Human Resources Committee held on 13 March 2019 be received.

15 HUMAN RESOURCES COMMITTEE - MINUTES 10 APRIL 2019

Councillor P Boylan submitted the draft Minutes of the meeting of the Human Resources Committee held on 10 April 2019. Through the Chairman, he asked

Members of that Committee to now approve those Minutes. Members of the Human Resources Committee approved the Minutes.

In response to a question from Councillor M Goldspink regarding reference in the Minutes to an apparent abolition of job sharing policy, Councillor P Boylan said he would respond in writing. The Head of Human Resources and Organisational Development said he could provide a response now in that the policy on job sharing had not been abolished, but had been consolidated within the flexible working policy.

Councillor I Devonshire asked a further question about apprenticeships in terms of the retention of apprentices. Councillor E Buckmaster raised a point of order that the Minutes of Committee meetings were to be received only. The content of those Minutes was not for debate at meetings of the Council. The Chairman noted that the Head of Human Resources and Organisational Development would respond outside the meeting to any written queries.

On a show of hands, Members received the Minutes of the meeting.

RESOLVED - that the Minutes of the meeting of the Human Resources Committee held on 10 April 2019, be received.

15 PAY POLICY STATEMENT

The Head of Human Resources and Organisational Development submitted a report on the Pay Policy

statement and referred to the Minutes of the meeting of the Human Resources Committee held on 10 April 2019, which had been confirmed by Members of that Committee present tonight, as a correct record. Members of the Human Resources Committee recommended to Council that the Pay Policy Statement 2019/2020 be approved.

The Head of Human Resources and Organisational Development said the Council was obliged to provide a pay policy statement in accordance with statutory requirements. The policy statement had been developed for 2019/20 to reflect and set out the revised pay structure created following negotiations with Unison and to incorporate NJC and JNC awards as well statutory changes. Feedback from East of England LGA following consideration by the Human Resources Committee was now presented for Council's approval.

It was moved by Councillor L Haysey and seconded by Councillor P Boylan that the Pay Policy Statement be approved. Councillors L Corpe and Cllr M Goldspink requested that their abstentions from voting be recorded.

RESOLVED - that the Pay Policy Statement 2019/2020 be approved.

16 PERFORMANCE, AUDIT AND GOVERNANCE SCRUTINY COMMITTEE: MINUTES - 22 JANUARY 2019

RESOLVED - that the Minutes of the meeting of the Performance, Audit and Governance Scrutiny Committee, held on 22 January 2019, be

received.

17 LICENSING COMMITTEE: MINUTES - 6 FEBRUARY 2019

RESOLVED - that the Minutes of the meeting of the Licensing Committee held on 6 February 2019, be received.

18 DEVELOPMENT MANAGEMENT COMMITTEE: MINUTES - 13 FEBRUARY 2019

RESOLVED - that the Minutes of the meeting of the Development Management Committee held on 13 February 2019, be received.

19 MOTIONS ON NOTICE

Councillor M Goldspink proposed a motion on notice, which was seconded by Councillor C Wilson.

The motion submitted was that "This Council resolves, subject to legal advice, to put the proposed development of the Old River Lane site in Bishop's Stortford on hold, until further consultations have been carried out with Theatre Companies and Theatre Agents and with the residents of Bishop's Stortford."

In support of the motion, Councillor M Goldspink said the proposed development of the site might jeopardise the future of The Rhodes Centre and Museum. Cllr Goldspink described comments received during campaigning prior to the elections from residents anxious about the plans for a new car park at Northgate End, Bishop's Stortford. Views expressed by

residents were that the Old River Lane scheme was strongly disliked. Whilst she endorsed aspects of the proposals, consultation was needed with theatre companies and residents. She commended her motion, and sought a recorded vote.

Councillor C Wilson said he appreciated the hard work of Officers and Members in developing the project. The scheme was potentially a good one, but it was necessary to consult further.

Councillor G Williamson outlined the approach taken. He said the proposals would provide retail space and better provision for arts and leisure activities. He outlined the consultation carried out, including the establishment of a Steering Group, membership of which included local people.

Councillor G Williamson said the development's architect was now revisiting original designs. This work would be published this Summer, when further consultation would take place.

Councillor E Buckmaster said Members had undertaken visits to art theatres around the country in order to assess what worked well. They had found that increasing such provision could multiply the benefits to the local economy and that it was important that high streets and town centres should adapt to survive. Rather than deferring the Old River Lane development, Councillor E Buckmaster invited Members to agree it should be progressed.

Councillor J Wyllie said it was not the case, as

Councillor M Goldspink had suggested, that the project would jeopardise The Rhodes Centre or Museum. The Rhodes Centre was not under threat of closing, as had been made clear by Bishop's Stortford Town Council. The Centre was too small and that its access was too limited to be appealing to theatre companies. Specifically, the back stage access did not permit access for scenery. He invited Councillor M Goldspink to speak to the management of The Rhodes Centre, and asserted that the project at Old River Lane would complement it.

In response, Councillor M Goldspink thanked Members for their explanations. She appreciated the limitations of The Rhodes Centre, but her question remained, had any theatre groups been asked if a larger theatre would encourage them to use the venue.

As per paragraph 16.9(a) of the Council's Constitution, the debate was then put to the vote.

At the request of 5 members per paragraph 18.5.1 of the Council's Constitution, a recorded vote was taken, the result being:

FOR

Councillors T Beckett, M Brady, L Corpe, J Dumont, M Goldspink, C Redfern and C Wilson.

AGAINST

Councillors A Alder, D Andrews, R Bolton, P Boylan, E Buckmaster, R Buckmaster, S Bull, J Burmicz, K Crofton,

G Cutting, R Deering, I Devonshire, H Drake, R Fernando, J Goodeve, A Hall, L Haysey, D Hollebon, A Huggins, J Jones, J Kaye, I Kemp, G McAndrew, M McMullen, S Newton, T Page, J Ranger, S Reed, P Ruffles, S Rutland-Barsby, M Stevenson, A Stowe, N Symonds, A Ward-Booth, G Williamson and J Wyllie.

ABSTENTIONS

Councillors S Bell, B Crystall and J Frecknall.

For: 7

Against: 36

Abstentions: 3

The motion was therefore not carried.

The meeting closed at 8.15 pm

Chairman

Date

COUNCIL – 24 JULY 2019

MEMBERS' QUESTIONS

Question 1

Councillor L Corpe to ask the Executive Member for Environmental Sustainability:

Noting the recent successes of 'Wildflower Verges' [1] in increasing biodiversity in roadside verges, while reducing maintenance costs, and noting the motion on this topic considered by Hertfordshire County Council on 16th July 2019 [2] , how will the portfolio holder work with Hertfordshire County Council to identify suitable locations in East Herts and implement the scheme here?

[1]

https://www.rotherham.gov.uk/info/200083/roads_highways_and_pavements/793/grass_and_verges_maintenance_schedule/2

<https://plantlife.love-wildflowers.org.uk/roadvergecampaign/inspiring-stories>

[2] item 11A

of <https://democracy.hertfordshire.gov.uk/documents/s10617/190716%2002%20Summons%20and%20Agenda.pdf>

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EAST HERTS COUNCIL

COUNCIL – 24 JULY 2019

REPORT BY LEADER OF THE COUNCIL

EXECUTIVE REPORT – 4 JULY 2019

WARD(S) AFFECTED: All

Purpose/Summary of Report

- This report details the recommendations made by the Executive at its meeting held on 4 June 2019. The meeting of the Executive scheduled for 9 July 2019 was cancelled, in consultation with the Leader, as the only items for determination were either due to be decided by Council so are included on this agenda, or were for noting.

1.0 Background

1.1 Since the last Council meeting, the Executive at its meeting on 4 June 2019 has considered and supported a number of recommendations on the following items:

- Harlow and Gilston Garden Town Guidance Infrastructure Delivery Plan Strategic Viability Assessment and “How To” Guide (see below)
- Annual Report on Performance
- Draft Statement of Community Involvement
- Risk Management Strategy
- Heritage Fund Lottery additional funding

- General Fund Revenue and Capital Outturn 2018/19

The full reports for the above items which were determined by the Executive can be viewed at [Executive Agenda](#) . Of the above items, one was recommended to Council, as set out below and as included on the Council's agenda at item 9a.

2.0 **Agenda Item 9a - Harlow and Gilston Garden Town Guidance Infrastructure Delivery Plan Strategic Viability Assessment and "How To" Guide**

- 2.1 The Executive considered and supported a number of recommendations on key documents relating to the extent and provision of infrastructure associated with the Harlow and Gilston Garden Town.

<u>RECOMMENDATIONS FOR COUNCIL: that:</u>	
(A)	The Harlow and Gilston Garden Town Infrastructure Delivery Plan, Strategic Viability Assessment and How To Guide for Planning Obligations, Land Value Capture and Development Viability be agreed as material considerations for Development Management purposes.
(B)	the Leader be delegated authority to make minor consequential changes necessitated by the publication of the National Planning Guidance.

3.0 **Executive Decisions**

- 3.1 Other matters determined by the Executive are detailed in the draft Minutes of the meeting included for information at

Essential Reference Paper 'A' to this report.

Background Papers

The full agenda for the Executive meeting can be viewed at [Executive Agenda](#)

Contact Member: Councillor L Haysey, Leader of the Council
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DRAFT MINUTES OF A MEETING OF THE
EXECUTIVE HELD IN THE COUNCIL
CHAMBER, WALLFIELDS, HERTFORD ON
TUESDAY 4 JUNE 2019, AT 7.00 PM

PRESENT: Councillor L Haysey (Chairman/Leader)
Councillors G Williamson, P Boylan,
E Buckmaster, G Cutting, J Goodeve,
G McAndrew and S Rutland-Barsby.

ALSO PRESENT:

Councillors S Bull, P Ruffles, N Symonds
and A Ward-Booth.

OFFICERS IN ATTENDANCE:

Richard Cassidy	- Chief Executive
Rebecca Dobson	- Democratic Services Manager
Ian Sharratt	- Environmental Manager
Helen Standen	- Deputy Chief Executive
Kevin Steptoe	- East Herts Garden Town Lead Officer
Alison Street	- Finance Business Partner
Alison Stuart	- Head of Legal and Democratic Services
Robert Winterton	- Financial Services Manager
Ben Wood	- Head of Communications,

Strategy and Policy

38 LEADER'S ANNOUNCEMENTS

The Leader reminded all present that the meeting was being webcast. She welcomed the new Chief Executive, Richard Cassidy, and all new Members, to the Council.

Councillor Haysey said it was with pleasure that she could announce the recognition of the excellent achievements of two Officers, Kathrine Foy, from the Housing and Health team, who was the Council's Social Prescribing Officer and Mekhola Ray, the Community Wellbeing Programme Officer. Kathrine Foy and the social prescribing team had received the Dr Joan Crawley award for Public Health Excellence. Councillor Haysey congratulated the Officers and their colleagues.

39 MINUTES - 26 FEBRUARY 2019

Councillor G McAndrew proposed, and Councillor G Williamson seconded, a motion that the minutes of the meeting held on 26 February 2019 be approved as a correct record and signed by the Leader. After being put to the meeting and a vote taken, the motion was declared CARRIED.

RESOLVED – that the Minutes of the meeting of the Executive held on 12 February 2019 be approved as a correct record and signed by the Leader.

40 HARLOW AND GILSTON GARDEN TOWN GUIDANCE
INFRASTRUCTURE DELIVERY PLAN STRATEGIC VIABILITY

ASSESSMENT AND "HOW TO" GUIDE

The Leader of the Council submitted a report seeking consideration of key documents relating to the extent and provision of infrastructure associated with the Harlow and Gilston Garden Town. Councillor Haysey said these documents were intended as guidance to developers so that development was provided with consistency and to a high standard.

The Garden Town Lead Officer explained the documents had been endorsed by the other participating councils. The approach being taken by each authority differed, but for this council, all technical documents were being approved by the Executive and then by full Council. The documents would continue to be reviewed and updated.

Councillor Haysey reminded Members that the strategic documents before them included land value capture and viability guidance, and the infrastructure delivery plan. These documents were essential to ensure the Council's residents obtained their fair share of the value of any uplift on land, and that it was used for the benefit of the community.

Councillor E Buckmaster said the site promoters would present their own IDP in their applications, which would capture specific elements, but that this document was a framework for the whole area. There was a high level of interest from the parishes involved, as ongoing stewardship as a principle which should include community ownership.

Councillor Haysey said she was aware that officers wished

to add a further recommendation.

The Garden Town Lead Officer confirmed the intention in seeking a further recommendation was to enable the documents to be amended to reflect minor changes to references to National Planning Guidance which had been re-published since the documents had been prepared. Therefore he sought an additional recommendation that the Executive delegate to the Leader the authority to make consequential amendments to reflect updated National Planning Guidance.

Councillor L Haysey proposed, and Councillor S Rutland-Barsby seconded, a motion to support the recommendations detailed in the reports. After being put to the meeting and a vote taken, the motion was declared CARRIED.

RESOLVED that it be recommended to Council that – (A) the Harlow and Gilston Garden Town Infrastructure Delivery Plan, Strategic Viability Assessment and How To Guide for Planning Obligations, Land Value Capture and Development Viability be agreed as material considerations for Development Management purposes; and

(B) the Leader be delegated authority to make minor consequential changes necessitated by the publication of the National Planning Guidance.

41 ANNUAL REPORT ON PERFORMANCE 2018 - 19

The Leader introduced a report on the Council's Annual

Report for the year 2018/19, setting out key achievements, and detailing actions and performance indicators which supported the Council's corporate strategic plan priorities. Councillor Haysey said the report had been signed off by the previous Chief Executive, and set out a number of current projects. She invited the Head of Communications, Strategy and Policy to comment.

The Head of Communications, Strategy and Policy referred Members to the summary of achievements, which was included as a draft and would be produced in final form after this meeting. He said the main points to note were that the Council was performing well in respect of its statutory functions. Major projects were being progressed and there was a great deal of support being given to businesses.

Councillor G McAndrew questioned whether the top five pages referred to in the summary document would be subject to change if the dates shown were updated.

The Head of Communications, Strategy and Policy said these were the correct figures in relation to the year 2018/19, and would not change once minor changes to the document had been made.

In response to a question from Councillor Haysey regarding publicity for the Performance Report, the Head of Communications, Strategy and Policy said the summary would be publicised on the Council's website and through social media.

Councillor P Boylan said whilst he would not wish to detract from the successes shown in the report, he

questioned whether the indicators remained appropriate. If the Council was meeting those indicators consistently, then what was the purpose in having them? He suggested a review of performance indicators should take place.

The Leader asked that the Chief Executive and Head of Communications, Strategy and Policy consider this suggestion and work with the Executive Member for Corporate Services on the performance indicators within his portfolio.

Councillor L Haysey proposed, and Councillor G Williamson seconded, a motion to support the recommendation in the report.

The Executive noted the report.

42 DRAFT STATEMENT OF COMMUNITY INVOLVEMENT

The Leader of the Council and the Executive Member for Planning and Growth submitted a report on the Statement of Community Involvement draft document for consultation.

Councillor Haysey said the consultation would ensure that the Council took account of the expectations of its residents.

The Garden Town Lead Officer explained this document had been updated under legislation which required the Council to review its statement setting out how it would consult the community and other stakeholders in the preparation and review of the Local Plan and other documents in the consideration of planning applications.

The document reflected changes in the National Planning Framework over that time and took account of collaborative work with other councils in developing the Harlow and Gilston Garden Town.

Councillor J Goodeve said this document would be the subject of a six week consultation. The Garden Town Lead Officer confirmed the consultation would be publicised via the website, social media and through identified contacts.

Councillor Haysey said it would be helpful to authorise through delegation necessary minor changes to the document.

Councillor J Goodeve proposed, and Councillor G McAndrew seconded, a motion to support the recommendations now detailed. After being put to the meeting, and a vote taken, the motion was declared CARRIED.

RESOLVED – that (A) the draft Statement of Community Involvement, as set out in the documents submitted, be agreed, and published for a six-week period of consultation; and

(B) authority be delegated to the Head of Planning & Building Control to make minor or consequential changes to the document.

43 RISK MANAGEMENT STRATEGY

The Executive Member for Financial Sustainability submitted a report on the Risk Management Strategy for 2019/20 for review. He explained that the Strategy had

been considered by the Performance, Audit and Governance Oversight Committee and that no changes had been recommended by the Committee.

Councillor G Williamson proposed, and Councillor S Rutland-Barsby seconded, a motion to support the recommendations now detailed. After being put to the meeting, and a vote taken, the motion was declared CARRIED.

RESOLVED - that (A) the updated Risk Management Strategy be approved; and

(B) recommendations that could enhance or streamline risk management and the associated monitoring process be noted.

44 HERITAGE FUND LOTTERY

The Executive Member for Environmental Sustainability submitted a report seeking support for the allocation of additional expenditure to meet a funding gap between the existing Council contribution and the final value of the Heritage Lottery Fund grant to carry out improvement works to Castle Park.

Councillor McAndrew said that since receiving the grant from the Heritage Lottery Fund in 2016, and confirmation in 2018 that the application to move to Stage 2 of the project had been successfully, revised designs to enable the budget to be met involved repurposing existing structures. He referred the Executive to the detail of the report setting out these works and the efficiencies that had been identified. Despite these efficiencies, there remained

a shortfall of £124,000 .

Councillor Williamson confirmed his approval of the figures set out in the report.

Councillor Haysey said the Castle Park project was a very important initiative, adjacent to Old River Lane and forming part of the rejuvenation of Bishop's Stortford. She congratulated the Head of Strategic Finance and Property and Interim Head of Operations on her team in obtaining Heritage Lottery Funding. It was important that the Council delivered what it had promised.

Councillor G McAndrew proposed, and Councillor G Cutting seconded, a motion to support the recommendations now detailed. After being put to the meeting, and a vote taken, the motion was declared CARRIED.

The Executive supported the proposals as now detailed.

RESOLVED - that (A) capital funding of £124k be made available in 2019/20 to bridge the funding gap to enable the HLF project at Castle Park to proceed.

45 GENERAL FUND REVENUE AND CAPITAL OUTTURN 2018/19

The Executive Member for Financial Sustainability submitted a report advising the Executive on the General Fund Revenue Outturn for 2018/19 and providing explanations for significant variances against the approved Budget. The report also advised the Executive of the financing arrangements for the 2018/19 capital outturn and sought approval of slippage from 2018/19.

Councillor Williamson said the outturn figures were very good. Whilst there were some variances, there were also some investments which had performed better than anticipated. He referred to the capital programme showing many completed projects, and a number which would need to be re-scheduled to the present year.

Councillor Haysey congratulated officers on the work in preparing the report, and said she recognised that capital schemes could slip.

Councillor G Williamson proposed, and Councillor G McAndrew seconded, a motion to support the recommendations now detailed. After being put to the meeting and a vote taken, the motion was declared CARRIED.

RESOLVED – that (A) the transfer of the General Fund revenue outturn of £15,000 underspend be transferred to the General Reserve; and

(B) that Capital budgets of £5.611m be re-profiled from the 2018/19 capital programme to the 2019/20 programme to fund ongoing capital schemes.

The meeting closed at 7.30 pm

EAST HERTS COUNCIL

COUNCIL – 24 JULY 2019

REPORT BY LEADER OF THE COUNCIL

REPORT TITLE: HARLOW AND GILSTON GARDEN TOWN:
INFRASTRUCTURE DELIVERY PLAN, STRATEGIC VIABILITY
ASSESSMENT AND HOW TO GUIDE.

WARD(S) AFFECTED: ALL

Purpose/Summary of Report

- The Executive at its meeting on 4 June 2019 considered key documents relating to the extent and provision of infrastructure associated with the Harlow and Gilston Garden Town. The Executive agreed to add to the recommendation provision for the Leader to have delegated authority to make minor consequential changes necessitated by the publication of the National Planning Guidance.

<u>RECOMMENDATIONS FOR COUNCIL:</u> that:	
(A)	The Harlow and Gilston Garden Town Infrastructure Delivery Plan, Strategic Viability Assessment and How To Guide for Planning Obligations, Land Value Capture and Development Viability be agreed as material considerations for Development Management purposes.
(B)	the Leader be delegated authority to make minor consequential changes necessitated by the publication of the National Planning Guidance.

1.0 Background

- 1.1 The Council has been working collaboratively with partners at Harlow District Council, Epping Forest District Council, Hertfordshire County Council and Essex County Council to bring forward transformational growth through the Harlow and Gilston Garden Town. A Vision and a Design Guide for the Garden Town have been published and set out the aspirational nature of the development that the partner Councils are seeking to achieve.
- 1.2 A core Garden Town team of officers has been established and is undertaking tasks across a number of workstreams to ensure that development, when it comes forward, meets the aspirations set out in the Vision and Design Guides.
- 1.3 An important and early element of that work is to identify the range of infrastructure that will be required to support the development. This has been undertaken through the preparation of an Infrastructure Development Plan (IDP). Associated with this, work has been carried out to test the potential of the development to generate funds to enable the delivery of the infrastructure identified as required. This work has taken place through the preparation of a Strategic Viability Assessment (SVA).
- 1.4 These documents, together with an explanatory 'How to' Guide, are now published on the websites of the partner District Councils. They have already been endorsed by the partner Councils, through their Member representative on the Garden Town Board.
- 1.5 The production of the documents has also seen a programme of stakeholder engagement. All key landowners and developers have been involved in this.
- 1.6 The purpose of this report is to inform the Council of this work and to enable it to formally endorse the documents as material to the consideration of development proposals, when they come forward.

2.0 The Infrastructure Delivery Plan (IDP)

2.1 The IDP is attached to this report as **Essential Reference Paper B**. The document sets out:

- the scale of infrastructure required across the Garden Town;
- anticipated delivery phasing;
- indicative costs;
- priorities and responsibilities; and
- funding gaps.

2.2 Prior to the production of this Garden Town IDP, work of a similar nature has already been undertaken for the District as part of the preparation of the East Herts District Plan. In addition, an Infrastructure Prospectus, undertaking a similar role, has been prepared on a cross Hertfordshire basis. The Garden Town IDP builds on these former reports and now focusses on the infrastructure required for the delivery of the Garden Town.

2.3 The IDP provides a full summary of the infrastructure considered to be necessary to ensure that good quality development is delivered as part of the Garden Town, meeting the aspirations of the partner Councils.

2.4 The IDP is a live document, as infrastructure requirements and delivery will change as development takes place. In that respect it represents matters at the point in time that it has been produced. It will be subject to regular review. It is proposed that, in future, the wider East Herts District Plan IDP will exclude consideration of Garden Town infrastructure matters. These will continue to be covered in any future Garden Town IDP update. This will avoid duplication.

3.0 Strategic Viability Assessment (SVA)

- 3.1 The SVA is attached to this report as **Essential Reference paper C**. The role of the SVA is to test the ability of the development sites, which form the Garden Town allocations, to meet the costs of delivery of the infrastructure identified as required in the IDP. The report assesses the value that will be generated by the development through its housing and other land use elements. It factors in land costs, development costs and other standard assumptions that are incorporated in work of this type.
- 3.2 The conclusion reached in the SVA is that the viability of the delivery of the sites is sensitive to, amongst other matters, the timing of infrastructure delivery and the mix and type of housing delivered. It is stressed in the report that it represents a 'worst case' scenario, with all infrastructure and mitigation costs arising as a result of the development included in the assessment. In that respect the work does not take into account the potentially beneficial impact of externally sourced infrastructure funding, for example the £171m Housing Infrastructure Fund (HIF) Bid, to be used to provide transport related infrastructure, that has been submitted to government.
- 3.3 Overall, the conclusion is that the partner Councils should continue to work with the promoters of the key sites. Confidence is given that the sites are deliverable. However, it is noted that flexibility around the timing of infrastructure payments and the mix of affordable housing can have a significant impact on and improve viability notably.
- 3.4 Importantly, changes in national policy, in the form of the National Planning Policy Framework (NPPF), published in Feb 2019, have shifted the emphasis on viability testing from the development management (planning application) stage to the plan making stage. Harlow and Epping Forest Districts are in the process of taking their Local Plans through the Examination process. The IDP and SVA have been submitted

to those Examinations and are being assessed therefore, at the plan making stage.

- 3.5 For East Herts, the Examination has concluded and the District Plan has been adopted. The NPPF sets out however that the weight to be given to a viability assessment is a matter for the decision maker, having regard to all the circumstances in the case, including whether the plan and the viability evidence underpinning it is up to date. So, with regard to East Herts, because of the recent and up to date nature of this work, it is still the case that it can be given full weight in any relevant decision making.

4.0 How To Guide

- 4.1 At the same time as the publication of the IDP and the SVA, the Councils have published a Guidance Note setting out the approach the Councils will take to ensuring delivery of the necessary infrastructure to enable the Vision and aspirations of the Councils to be met. This is in the form of a note titled: A Harlow and Gilston How To Guide for Planning Obligations, Land Value Capture and Development Viability. Attached to this report as **Essential Reference Paper D**.

- 4.2 The Guidance Note summarises the land value capture approach that the Councils will take, ensuring that a reasonable element of the value generated by the development is used to ensure the provision of high quality new places and infrastructure.

- 4.3 The Note provides a summary to the approach set out in the IDP and SVAs. It then sets out the approach the Council will take to securing provision through the use of s106 Agreements.

3.0 Implications/Consultations

- 3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

Background Papers

None

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IMPLICATIONS/CONSULTATIONS

Contribution to the Council's Corporate Priorities/ Objectives	Priority 1 – Improve the health and wellbeing of our communities Priority 2 – Enhance the quality of people's lives Priority 3 – Enable a flourishing local economy
Consultation:	The documents have been subject to stakeholder engagement through their preparation.
Legal:	Planning Obligation Agreements will relate to the infrastructure requirements identified in the IDP, funding arrangements set out in the SVA and be based on the approach set out in the How To Guide.
Financial:	The conclusions of the IDP and SVA reports will have a significant bearing on the funding arrangements for the delivery of infrastructure as part of the Garden Town development.
Human Resource:	No implications.
Risk Management:	The IDP, SVA and How To Guide seek to clearly set out how the partner Councils will approach the extent, funding and delivery of infrastructure and other mitigation required as a result of the development. Their preparation seeks to minimise the risks associated with this.
Health and wellbeing – issues and impacts:	Much of the Garden Town infrastructure is sought to underpin the Garden Town aspiration of the development of a healthy new place.

Equality Impact Assessment required:	No

Harlow and Gilston Garden Town

Infrastructure Delivery Plan

Final Report

April 2019



ARUP



This report takes into account the particular instructions and requirements of our client. It is not intended for and should not be relied upon by any third party and no responsibility is undertaken to any third party.

Job number 263366-00

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Appendices

Section 1

Introduction

1 Introduction

1.1 Overview of the Garden Town

Harlow District Council (HDC), East Hertfordshire District Council (EHDC), Epping Forest District Council (EFDC), Hertfordshire County Council (HCC) and Essex Country Council (ECC) are working together to bring forward the transformational growth of Harlow as the **Harlow and Gilston Garden Town**. The objectives of the Garden Town are to deliver sustainable growth and infrastructure of considerable scale and significance, which will meet housing and employment needs, deliver regeneration objectives and create a high-quality environment). Approximately 16,000 new homes are planned for the Garden Town within the Councils' plan periods to 2033 (including units already delivered or consented), with an additional 7,000 delivered beyond the plan periods.

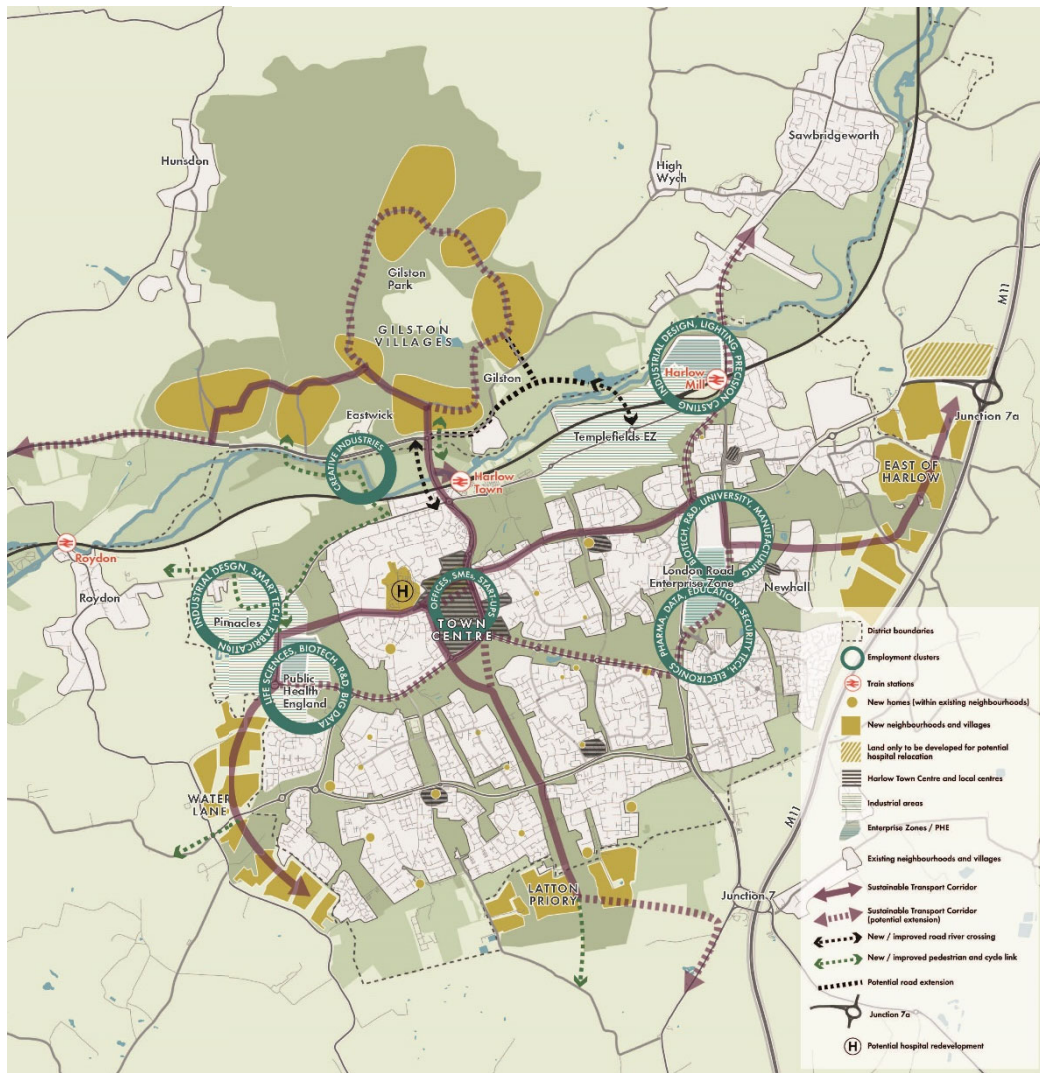
The Garden Town comprises development sites both within the Harlow administrative area and within East Hertfordshire District and Epping Forest District. This includes:

- **Gilston Area**, located in East Hertfordshire District – 10,000 units across distinct villages (of which at least 3,000 will be delivered by 2033).
- **East of Harlow**, located in Harlow and Epping Forest Districts – 3,350 units.
- **Water Lane Area**, located in Epping Forest District – 2,100 units. Water Lane Area is broken down into two separate areas known as West of Katherine's and West Sumners.
- **Latton Priory**, located in Epping Forest District – 1,050 units.
- A further 21 sites, which together total 1,147 dwellings, are allocated in the draft Harlow Local Plan.

The locations of these growth areas are shown in Figure 1.

In January 2017, the Government announced its support for Harlow and Gilston Garden Town. This 'Garden Community status' makes clear the aspiration to accelerate delivery of growth within the first five years of the authorities' plan periods, and the phasing of appropriate levels of infrastructure delivery is integral to this aspiration.

Figure 1 Harlow and Gilston Garden Town



Harlow and Gilston Garden Town is being delivered in accordance with the Town and Country Planning Association's 'Garden City Principles'¹, which are:

1. **Land value capture for the benefit of the community.**
2. **Strong vision, leadership and community engagement.**
3. **Community ownership of land and long-term stewardship of assets.**
4. **Mixed-tenure homes and housing types that are genuinely affordable.**
5. **A wide range of local jobs in the Garden City within easy commuting distance of homes.**
6. **Beautifully and imaginatively designed homes with gardens, combining the best of town and country to create healthy communities, and including opportunities to grow food.**
7. **Development that enhances the natural environment, providing a comprehensive green infrastructure network and net biodiversity gains,**

¹ Available at: <https://www.tcpa.org.uk/garden-city-principles> (accessed March 2019).

and that uses zero-carbon and energy-positive technology to ensure climate resilience.

8. **Strong cultural, recreational and shopping facilities in walkable, vibrant, sociable neighbourhoods.**
9. **Integrated and accessible transport systems, with walking, cycling and public transport designed to be the most attractive forms of local transport.**

Paragraph 72 of the National Planning Policy Framework (NPPF) (2019) also references the role of the Garden City Principles in setting clear expectations for the quality of development and how this can be maintained.

The Garden City Principles have informed the **Garden Town Vision** that has been prepared to help residents, business, investors and developers to understand the Garden Town and its quality aspirations to create the shared Vision:

The pioneering New Town of Gibberd and Kao will grow into a Garden Town of enterprise, health and sculpture at the heart of the UK Innovation Corridor. Harlow and Gilston will be a joyful place to live with sociable streets and green spaces; high quality homes connected to fibre optic broadband; local centres accessible by walking and cycling; and innovative, affordable public transport. It will set the agenda for sustainable living. It will be adaptable, healthy, sustainable, innovative.

1.2 Purpose of the Infrastructure Delivery Plan

The Councils have commissioned the preparation of an **Infrastructure Delivery Plan** (IDP) to assist in bringing forward transformational growth at the Harlow and Gilston Garden Town. The purpose of the IDP is to set out the infrastructure that will be required to deliver the planned level of housing and employment growth at the Garden Town. The IDP draws on previous work undertaken by the Councils – in particular, the District-level IDPs already produced to support the respective Local Plans (See Section 2.2) – and compiles, aligns and updates it.

The combined Infrastructure Schedule for the Garden Town (set out in full in Appendix A and summarised in Section 5) covers a wide range of types of infrastructure. The Schedule:

- Identifies the **scale of infrastructure** required across the Garden Town.
- Determines the anticipated **phasing** of the infrastructure based on the trajectory for the Garden Town.
- Presents **indicative costs** associated with delivering the infrastructure required to support growth.
- **Prioritises the infrastructure** interventions according to whether it is considered ‘critical’, ‘essential’ or ‘required’ to the delivery of the planned growth.

- Sets out the **organisational responsibility** for delivery and potential sources of funding.
- Identifies, where possible, the **scale of the funding gap** where funding is not fully committed.

The commission also identifies how expected developer contributions from various sites will be apportioned and what collection mechanisms can be utilised to assist in funding the infrastructure items which serve more than one site.

Through the process of producing the IDP, a package of measures and broad estimates of the likely financial contribution for each of the Garden Town sites has been produced. The IDP has been produced concurrently with the Strategic Viability Assessment, to allow these costs to be included in the appraisal. The purpose of the Strategic Viability Assessment is to consider the wider deliverability of the Harlow and Gilston Garden Town, taking into account infrastructure requirements alongside other considerations. More information on the Strategic Viability Assessment can be found in Section 4.10.

How the Infrastructure Delivery Plan will be used

Changes to national policy – in the form of NPPF 2019 (updating the July 2018 version) and Planning Practice Guidance updates – have shifted the emphasis on viability testing from the development management stage to the plan making stage (see Section 2.1 for more information). Understanding infrastructure requirements and their impact on viability early is an important component of this.

Planning Practice Guidance states that, where up-to-date policies have set out the contributions expected from development, planning applications which comply with them should be assumed to be viable.

The IDP, along with the Strategic Viability Assessment (see Section 4.10) will be used as a basis for subsequent strategic masterplanning and planning application discussions for the four strategic sites (Gilston Area, East of Harlow, Water Lane Area, and Latton Priory).

Further guidance on this process is set out in the Harlow & Gilston Garden Town ‘How To’ Guide for Planning Obligations, Land Value Capture and Development Viability².

IDPs are, by their very nature, a ‘snapshot in time’, and as different infrastructure providers respond to their own unique challenges, the information that they provide will naturally date and alter over time. There are a number of areas of work ongoing which will further inform infrastructure requirements. The IDP will be reviewed periodically and updated where necessary.

² Available on Districts’ websites.

1.3 Disclaimer

This report takes into account the particular instructions and requirements of the client. It is not intended for and should not be relied upon by any third party and no responsibility is undertaken to any third party.

1.4 Acknowledgements

Production of the IDP has involved collaborative working between a wide range of stakeholders. Arup is grateful for the time taken by the local authorities, infrastructure providers, and developers/promoters and their agents and consultants who engaged with the study.

More information on the consultation and engagement undertaken as part of producing the IDP is set out in Section 4.4.

1.5 Structure

The rest of the IDP is structured as follows:

- **Section 2** sets out the national and local policy context.
- **Section 3** describes the collaborative arrangements in place to deliver the Harlow and Gilston Garden Town.
- **Section 4** summarises out the methodology used to identify the infrastructure requirements of the Garden Town.
- **Section 5** provides a summary of the infrastructure required to support the Harlow and Gilston Garden Town.
- **Section 6** explores alternative contribution collection and funding approaches.
- **Appendix A** provides the Infrastructure Delivery Schedule in full.
- **Appendix B** sets out the Garden Town delivery trajectory.
- **Appendix C** explains the approach to applying risk allowance to infrastructure costs.

Section 2

Policy Context

2 Policy Context

2.1 National Context

2.1.1 National Planning Policy Framework

The revised NPPF (2019) requires planning authorities to positively plan for development and infrastructure required in the area to meet the needs associated with growth. Local planning authorities must progress a proportionate evidence base for infrastructure which assesses the quality and capacity of various forms of infrastructure.

The IDP is therefore an important part of the evidence base. Its purpose is to demonstrate that the infrastructure requirements necessary to support the level of housing and employment growth in Harlow and Gilston Garden Town can be delivered.

Paragraph 16 of the NPPF states that plans should be prepared positively, in a way that is aspirational but deliverable, while being prepared with the objective of contributing to the achievement of sustainable development. Specifically, the NPPF states that both strategic (paragraph 20) and non-strategic (paragraph 28) policies should set out the overall strategy for the pattern, scale and quality of development, and make sufficient provision for infrastructure, including transport and community facilities (such as health and education).

Paragraph 34 of the NPPF states the following:

“Plans should set out the contributions expected from development. This should include setting out the levels and types of affordable housing provision required, along with other infrastructure (such as that needed for education, health, transport, flood and water management, green and digital infrastructure). Such policies should not undermine the deliverability of the plan.”

Updates to the NPPF (since the previous version published in July 2018) have shifted the emphasis on viability testing from the development management stage to the plan making stage. Paragraph 57 of the NPPF states that:

“Where up-to-date policies have set out the contributions expected from development, planning applications that comply with them should be assumed to be viable. It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage.”

Because of this increased emphasis on the plan making stage, early understanding of the infrastructure requirements (and their impact on viability) has also become more important.

2.1.2 Planning Practice Guidance

Planning Practice Guidance (PPG) (Paragraph: 059; Reference ID: 61-059-20190315) explains the role and function a Local Plan in delivering infrastructure:

- The Local Plan should identify what infrastructure is required and how it can be funded and brought forward.
- Early discussion with infrastructure and service providers should be undertaken to collaboratively identify infrastructure deficits and requirements, and opportunities for addressing them. In doing so they will:
 - Assess the quality and capacity of infrastructure, and its ability to meet forecast demands. Policies should set out how identified deficiencies will be addressed; and
 - Take account for strategic infrastructure, including nationally significant infrastructure, within these areas.
- It is recommended that an Infrastructure Funding Statement is prepared using available evidence to set out the anticipated funding from developer contributions, and the choices local authorities have made about how these contributions will be used. At examination this can be used to demonstrate the delivery of infrastructure throughout the plan period.
- Where longer term growth is planned through new settlements or significant extensions to existing villages or town, less detail may be provided as the position regarding the provision of infrastructure is likely to be less certain. In these circumstances, it is expected that authorities will demonstrate a reasonable prospect that the proposals can be developed within the timescale envisaged.

PPG also provides guidance on viability and plan making. It states that:

“Plans should set out the contributions expected from development. This should include setting out the levels and types of affordable housing provision required, along with other infrastructure (such as that needed for education, health, transport, flood and water management, green and digital infrastructure).

“These policy requirements should be informed by evidence of infrastructure and affordable housing need, and a proportionate assessment of viability that takes into account all relevant policies, and local and national standards, including the cost implications of the Community Infrastructure Levy (CIL) and Section 106.”

(Paragraph: 001 Reference ID: 10-001-20180724)

The PPG also states that plan makers should engage with landowners / developers and infrastructure providers to secure evidence on costs and values to inform the understanding of viability (Paragraph: 006 Reference ID: 10-006-20180724).

2.1.3 Planning Obligations

Planning obligations assist in mitigating the impact of unacceptable development to make it acceptable in planning terms. Planning obligations may only constitute a reason for granting planning permission if they meet all the tests set out in Paragraph 56 of the NPPF and Regulation 122 of the CIL Regulations:

- necessary to make the development acceptable in planning terms;
- directly related to the development; and
- fairly and reasonably related in scale and kind to the development.

The PPG (Paragraph: 059; Reference ID: 61-059-20190315) states that local authorities should ensure that the combined total impact of such requests does not threaten the viability of the sites and scale of development identified in the development plan.

Developers may be expected to provide contributions for infrastructure in several ways. This may be by way of Community Infrastructure Levy (CIL) charged, or through Section 106 (S106) Agreements and Section 278 (S278) Agreements relating to highways works. None of the Councils have a local CIL Charging Schedule in place, and Charging Schedules are not currently being progressed.

Under the CIL Regulations 2010 (2014 amendments) there are currently restrictions on the ‘pooling’ of separate Section 106 planning obligations, so that authorities cannot pool more than five obligations to pay for a single piece of infrastructure³. (There are no limits on pooling for Section 278 Agreements, though in practice pooling a large number of Section 278 Agreements might not be practicable.)

It should be noted that the Government has committed to introducing guidance on the use of CIL and planning obligations, and it is expected that the restriction on pooling will be lifted.

2.2 Sub-Regional and Local Policy Context

In support of their Development Plan Documents, each District has produced a District-level IDP:

- Delivery Study for Harlow and Surrounding Area: Infrastructure Delivery Plan (2018)⁴
- East Herts Infrastructure Delivery Plan (2017)

³ A consultation document *Supporting housing delivery through developer contributions* was published by the Government in March 2018. The document includes proposals to remove the pooling restrictions in certain circumstances – where there is an adopted CIL Charging Schedule; where authorities fall under a threshold of the tenth percentile of average new build house prices meaning CIL cannot meaningfully be charged; or where a development is planned on several strategic sites.

⁴ This document also considers infrastructure requirements beyond Harlow District Council’s administrative boundary.

- Epping Forest District Council Infrastructure Delivery Plan: Part A Report (Infrastructure Delivery Plan) and Part B Report (Infrastructure Delivery Schedule) (2017)

The three Districts have set out policies for planning obligations within their respective Development Plan Documents, as follows:

- Harlow Local Development Plan (Pre-Submission Publication May 2018), Policy IN6
- East Herts District Plan (adopted October 2018), Policy DEL2
- Epping Forest District Plan (Submission Version 2017), Policy D1

The two Counties have also adopted separate documents to provide information on planning obligation requirements:

- Essex Planning Protocol (2018)
- Essex County Council Developers' Guide to Infrastructure Contributions (Revised Edition 2016)⁵
- Essex Local Viability Protocol (2018)
- Planning Obligations Guidance - Toolkit for Hertfordshire (2008)⁶

The guidance sets out infrastructure policy standards and costing information, to help standardise the approach to delivery, and ensure new developments are sustainable. These documents have been used as a starting point for identifying the quantum and provision of infrastructure required to support growth over the Plan period.

A 'How To' Guide⁷ has been prepared and published by the Garden Town authorities, providing guidance to applicants, decision makers and other stakeholders on the delivery of growth and infrastructure, including the capture of development land value through the use of planning obligations. The Guide promotes a consistent approach – in line with the Garden City Principles and the Garden Town Vision – to the sustainable delivery of the Garden Town and its long-term stewardship. The Guide has been endorsed by the Garden Town Member Board, including Councillors from Harlow, East Herts and Epping Forest District Councils and Essex and Hertfordshire County Councils.

⁵ Essex County Council is in the process of updating the Developers' Guide to Infrastructure Contributions and this is due to be completed by mid 2019.

⁶ Hertfordshire County Council is in the process of updating the Toolkit with an updated version of the document proposed to be adopted by the end of 2019.

⁷ Harlow and Gilston Garden Town, 'How To' Guide for Planning Obligations, Land Value Capture and Development Viability (2019) (Available on Districts' websites)

Section 3

Garden Town Collaboration and Delivery

3 Garden Town Collaboration and Delivery

3.1 Joint Working

Local planning authorities are expected to cooperate on planning issues that cross administrative boundaries, particularly those which relate to the strategic priorities. In January 2017, Epping Forest District, Harlow District and East Hertfordshire District Councils were given Garden Town status for the strategic development at Harlow and Gilston Garden Town.

The successful delivery of the Garden Town needs to be underpinned by a comprehensive package of infrastructure, phased and delivered in a timely way, ahead of, or in tandem with the development it serves. This necessitates a coordinated approach across local authority boundaries and the involvement of a range of partners, including the site owners/promoters, infrastructure providers and other stakeholders. The IDP will help to ensure that a consistent approach to infrastructure requirements to support the sites will be adopted. The Councils will continue to work with one another and with relevant working groups and partners, to ensure the funding and delivery of strategic infrastructure requirements impacting on the Garden Town, while considering the cross-boundary implications.

The three District Councils are not all at the same stage of the plan-making process but have come together with Essex and Hertfordshire County Councils where necessary to undertake evidence base work to support the delivery of the Garden Town. The housing and economic market area extends to include Uttlesford District Council. As such, the three Councils and Uttlesford have consequently sought to align local plan policies as far as possible and have agreed three Memorandums of Understanding. A Vision and Design Guide have also been produced which set out the vision for the Garden Town and the aspirations for the delivery of high quality and sustainable development.

Figure 2 Harlow and Gilston Garden Town Vision and Design Guide



The East-West and North-South Sustainable Transport Corridors are a key element of the infrastructure required to integrate the Garden Town Communities with the built-up area of Harlow and achieve the aim to make walking, cycling and public transport the most attractive option in line with Garden City Principles. A Draft Transport Strategy has been produced for consultation setting out objectives for achieving sustainable travel and a Sustainable Transport Corridor Study for the Garden Town has been produced to set out the design and scope of the corridors, and further detailed work is ongoing.

3.2 Planning Obligations Supplementary Planning Document

The Garden Town authorities have identified that further guidance in the form of Planning Obligations Supplementary Planning Document/s (SPD) may also be required in order to ensure that contributions to, and delivery of, strategic infrastructure such as the Eastern River Stort Crossing and the Sustainable Transport Corridor network is secured in a co-ordinated and consistent manner.

3.3 External Funding

The IDP is a live document and will be updated over time; when published or reviewed it is based upon the best available evidence at the time of publication or review. In relation to certain infrastructure items in the IDP, external funding has been factored in where evidence exists to indicate that it is likely to come forward either because there is sufficient commitment to that funding (such as in relation to the M11 Junction 7A works), or where past experience or engagement with stakeholders suggests that it is likely to come forward (such as in relation to emergency services funding).

Harlow and Gilston Garden Town has been designated as a Garden Town by the Government and through this status the authorities have been able to obtain external funding from Homes England to support work to deliver the growth. The authorities are also committed to working positively and proactively to identify further opportunities for external or innovative funding approaches to ensure that the Garden Town is delivered in accordance with the Garden City Principles and Garden Town Vision, in particular with regards to the early delivery of necessary infrastructure.

Securing external funding will not mean that reasonable and appropriate funding from development through the capture of land value is precluded. Such external funding can be used to address cashflow problems or funding gaps should these be identified in the course of delivering growth across the Garden Town. If external funding is used to forward fund infrastructure, then subsequent contributions received from development will be used to contribute towards a rolling infrastructure fund.

If additional external funding is secured, or the likelihood of securing it is considered sufficiently high, this will be reflected in future reviews of this IDP, where applicable.

3.3.1 Housing Infrastructure Fund

At the time of writing (April 2019), a business case is currently being prepared for the Housing Infrastructure Fund (Forward Funding bid) (HIF) – a capital grant programme to assist in the delivery of new homes. The fund will be used to deliver new physical infrastructure to support new communities and enable local authorities to forward fund infrastructure on the understanding that contributions from future development will reimburse that forward funding and those contributions will be allocated to a rolling infrastructure fund which will be available to cover other critical gaps in infrastructure funding.

HIF is designed to address ‘market failure’, where the market alone cannot resolve an issue that would otherwise have been resolved through the conventional development market delivery approach (e.g. funding of infrastructure required to unlock growth).

A key aspect underpinning the successful delivery of the Harlow and Gilston Garden Town is the delivery of the Sustainable Transport Corridors and other strategic infrastructure (including the River Stort Crossings) that will ensure sustainable growth across the area. However, development across the Garden Town is not expected to be able to fund some of the key infrastructure elements and sustainable transport corridors at the right time to ensure that new development comes forward in a sustainable way. To achieve the level of sustainability that the Garden Town is seeking may therefore not be possible without intervention and support provided by the HIF.

The HIF would enable the priority transport infrastructure to be delivered when it is necessary, whilst also enabling developers to fund the early delivery of wider infrastructure needs. Due to the scale of the strategic infrastructure, the complex phasing of housing, the number of developers and multiple authorities involved, it

is likely that the delivery of the development and infrastructure will only be secured comprehensively with a co-ordinated effort and upfront funding.

If successful, the HIF would help accelerate delivery of this infrastructure and thereafter use contributions recovered from development to create a rolling infrastructure fund for the Garden Town which would continue to be used to forward-fund key infrastructure, in turn recovering additional developer contributions creating a virtuous cycle supporting early infrastructure delivery. External funding can also be used to prioritise developer funding to achieve early delivery of other forms of infrastructure where this would also support the realisation of the Garden City Principles and Garden Town Vision.

More information about how the Housing Infrastructure Fund bid has been treated in the IDP is provided in Section 4.9.3.

3.4 Delivering Sites

Strategic masterplans will be developed for the East Harlow, Latton Priory and Water Lane Area sites and Village Masterplans will be developed for the Gilston Area, with a view to them being formally endorsed by the relevant authorities. This process will be undertaken jointly with the Garden Town Partners and the site developers/promoters through collaborative engagement with stakeholders and the community.

A key element of the planning application and masterplanning process will be to establish in more detail how the specific infrastructure required for each development allocation will be delivered. Consultation with the key infrastructure providers will continue as the planning and design process progresses.

3.5 Key Infrastructure

3.5.1 M11 Junction 7A and Improvements to M11 Junction 7

Harlow is connected to the national motorway network via Junction 7 on the M11. Junction 7 is at capacity; future planned growth at Harlow and Gilston Garden Town is therefore dependent on upgrades to the strategic road network.

Planning consent has been granted and funding secured for a new Junction 7A on the M11 (between J7 and J8), to facilitate current and future development. Plans include a new motorway junction between the existing Junction 7 and Junction 8, and the construction of a new link road and roundabout to link the junction with Gilden Way and Sheering Road. This scheme also includes widening and improvements to Sheering Road and Gilden Way. Preparatory works to deliver Junction 7A began in January 2019.

In the longer term, improvements to Junction 7 of the M11 are also required. A Memorandum of Understanding⁸ commits the relevant parties to working together to resolve key highways issues including Junction 7.

3.5.2 Sustainable Transport Corridors Network

The Sustainable Transport Corridors (STC) will form a strategic network of routes, principally, north-south and east-west across the Garden Town, connecting the new neighbourhoods and villages to Harlow Town Centre, the existing neighbourhoods of Harlow new town and key locations including the railway stations and employment areas. This network will provide dedicated routes for public transport as well as cycling and walking, identified in the Harlow and Gilston Garden Town Transport Strategy (Draft for Consultation 2019). These modes of travel are key interventions necessary to achieve the 60% modal split for the Garden Town communities⁹.

In the HIF bid to Homes England, sections of the STC network have been identified as forming part of the network to support the comprehensive and sustainable growth of the Garden Town (see Section 3.3). The HIF bid has been identified as a means to support delivery of the network both directly (through funding sections of the network) and indirectly (from forward funding that will enable a rolling infrastructure fund to be set up and developer contributions recovered for HIF-funded infrastructure).

3.5.3 River Stort Crossings

Identified within the IDP is the provision of works to enhance connectivity across the River Stort valley. This infrastructure is identified as a combination of highway capacity improvements and that necessary to enable provision of active, healthy sustainable connectivity in order to achieve the mode share targets within the Garden Town, in accordance with the Garden City Principles and the Garden Town Vision, as articulated further within the Harlow and Gilston Garden Town Transport Strategy (Draft for Consultation 2019).

The works principally comprise two distinct enhancements, as set out below.

Central Stort Crossing

The existing Fifth Avenue crossing, between the Eastwick roundabout in East Hertfordshire and Burnt Mill roundabout in Harlow, has been identified for enhancement in the adopted East Herts District Plan (Policy GA2) and the Harlow Local Development Plan (Pre-Submission Publication) (Policy SIR1). The identified enhancement comprises dualling of the northbound and southbound

⁸ Memorandum of Understanding on Highways & Transportation Infrastructure for the West Essex/East Hertfordshire Housing Market Area between Essex County Council, Hertfordshire County Council, Highways England, East Hertfordshire District Council, Epping Forest District Council, Harlow District Council and Uttlesford District Council (2017)

⁹ Objective 1 of the Harlow and Gilston Garden Town Transport Strategy (Draft for Consultation 2019) provides that 50% of all journeys across Harlow will be made by active and sustainable modes. This target rises to 60% of all journeys within the new communities.

carriageways and provision of a new footway/cycleway, which will form part of a north-south sustainable transport corridor through Harlow.

The dualling is for the purposes of providing dedicated public transport lanes, which together with the new footway/cycleway will form an extension of the planned Sustainable Transport Corridors. The existing highway capacity will remain broadly as presently provided. The works also include reconfiguration of the existing Eastwick roundabout to a signalised junction; in this regard, these works overlap with works to deliver the new Eastern Stort Crossing (covered below).

The Eastern Stort Crossing

The proposed new Eastern Stort Crossing will primarily provide new highway capacity in the Harlow area connecting existing sections of the A414 strategic highway network as well as local roads and key locations within the Garden Town and its environs including the Gilston Area allocation, existing neighbouring villages and the Harlow Enterprise Zone and employment areas. The route will also serve a function in supporting active, healthy sustainable travel through dedicated footways/cycleways and could support highway based public transport routes.

Although journeys using the existing highway capacity provided by the Central Stort Crossing may divert to use the new route, it will essentially represent an increase in capacity for crossing the Stort Valley irrespective of the fact that it lies further east. In this function it is considered to represent a strategic highway mitigation that will support the growth of the Garden Town. Even with the achievement of the travel modal targets, additional highway journeys will still be generated by the housing growth, particularly of an inter-urban nature such as between the Garden Town and the Hertfordshire towns of Hertford, Ware, Sawbridgeworth, Bishops Stortford, Hoddesdon and Broxbourne as well as further afield.

The Eastern Stort Crossing may be delivered in more than one phase of works. Works including the realignment of the existing Eastwick Road carriageway and a bypass of the existing properties in Pye Corner would provide interim highway measures which would mitigate negative impacts of traffic seeking to enter/exit Harlow from the north and would also complement the access strategy for the Gilston Area allocation including the eastern most development access point. If a phased approach is adopted, as indicated above, this first phase would only represent an interim solution pending the delivery of the bridge crossing. Once completed in final form these would, in combination, serve the strategic role identified and therefore the cost of the works in their totality are apportioned on that basis.

The River Stort Crossings have been identified within the HIF bid to Homes England as forming part of an infrastructure package to support the comprehensive and sustainable growth of the Garden Town (see Section 3.3). In the absence of external funding (or in combination with external funding), the proposed developers in the Gilston Area have publicly indicated the intention to seek to forward-fund elements of the River Stort Crossings if necessary. This is explored in further detail in Section 6.6.

3.5.4 Other Key Infrastructure

There are a number of other key infrastructure items required to support the delivery of the Harlow and Gilston Garden Town. These include (but are not limited to) the following:

- **Princess Alexandra Hospital:** The Princess Alexandra Hospital NHS Trust is considering options to meet its future service requirements. The hospital serves a catchment much larger than the Garden Town alone, and must meet the existing and future needs of this catchment.

The Trust is continuing to develop its Business Case for the redevelopment or relocation of the acute and general hospital site at Harlow. The process undertaken to date has narrowed down the healthcare strategy to three main options: a redevelopment of the existing main hospital site at Harlow; partial redevelopment and partial refurbishment of the main hospital; or the provision of a new hospital within the East Harlow development area. The Trust's preferred option is relocation and provision of a new facility at the East Harlow strategic site.

The preferred option may require additional transport mitigation measures including M11 Junction 7A capacity works above and beyond what it currently planned (see Section 3.5.1).

- **Education:** The growth of the Garden Town will require significant new primary and secondary education provision, in the form of both new and expanded schools. New early years and childcare places will also be required.
- **Suitable Alternative Green Space (SANGS):** Epping Forest is designated as a Special Area of Conservation (SAC), with a Zone of Influence which currently extends to 6.2km from its boundary (which will be subject to review from time to time). To mitigate the recreational pressures that development will have on the SAC, SANGS will be required. An Epping Forest Recreational Pressure and Air Pollution Mitigation Strategy is currently being finalised which will provide further guidance on the requirement for, and delivery of, SANGS.

A full list of the infrastructure required to support Harlow and Gilston Garden Town is summarised in Section 5 and provided in full in Appendix A.

Section 4

Methodology

4 Methodology

4.1 Locations of Growth

The IDP reflects and plans for the level and locations of growth set out in across the three Districts' (adopted and emerging) Local Plans. This growth is set out in Table 1.

Table 1 Level and Distribution of Growth

Site	Units	Justification (if applicable)
Gilston Area Villages 1-6	8,500	The Gilston Area allocation is in two separate landownerships so is treated as two sites.
Gilston Area Village 7	1,500	
East of Harlow (Epping Forest District portion)	750	The East of Harlow site falls in both Harlow and Epping Forest Districts. For the purposes of the IDP the two portions have been dealt with separately.
East of Harlow (Harlow District portion)	2,600	
Latton Priory	1,050	
West Sumners	807	West Sumners and West of Katherine's together make up the Water Lane Area allocation in the Submission Version Epping Forest District Local Plan. In order to disaggregate the two portions of Water Lane Area, indicative capacities have been taken from the Epping Forest Site Selection Report 2018 ¹⁰ .
West of Katherine's	1,331	
Other sites within Harlow District	1,147	A further 21 sites proposed for allocation in the Pre-Submission Publication Harlow Local Development Plan.
Total	17,685	

Appendix B sets out the delivery trajectory for this growth.

¹⁰ West Sumners is taken to be sites SR-0068-N (indicative capacity 691 homes) and SR-0107 (indicative capacity 116 homes). West of Katherine's is taken to be sites SR-0964-Z (indicative capacity 1,149 homes), SR-0424 (indicative capacity 118 homes), SR-0039 (indicative capacity 43 homes) and SR-0038 (indicative capacity 21 homes). These total 2,138 which is slightly higher than the 2,100 stated in the Submission Version Epping Forest District Local Plan. Please refer to Epping Forest District's Site Selection Report 2018 for further details.

4.2 Infrastructure Types

The IDP focuses on the infrastructure types which require on-site provision (land and/or facilities), or off-site provision where a financial contribution is required. The IDP also considers infrastructure which is necessary to enable delivery or to make development acceptable in planning terms and/or need to be delivered or secured through the planning system. The Schedule covers the physical and social infrastructure types shown in Table 2, and reported at the spatial scales identified in Table 3.

Table 2 Infrastructure types identified in the Schedule

Category	Infrastructure
Transport	Highways
	Public Transport
	Active Transport (including behavioural change)
Education	Early Years and Childcare
	Primary Schools
	Secondary Schools
	Other
Health and Social Care	GPs
	Dentists
	Pharmacies
	Secondary Healthcare
	Adult Social Care
Emergency Services	Police
	Ambulance
	Fire and Rescue
Community Facilities	Community Space (including Libraries, Community Halls and Youth)
	Public Art
Open Space	Amenity Greenspace
	Public Parks and Gardens
	Natural Space
	Children's Play
	Allotments
	Other (including Stewardship)
Sports and Leisure	Sports and Leisure
Utilities	Water and Waste Water
	Electricity
	Gas
	Telecommunications

Category	Infrastructure
	Strategic Waste Provision
Flood	Flood Defences
	Drainage

Infrastructure provision has been considered across a range of spatial scales to reflect what is required to serve the Garden Town in the widest sense.

Table 3 Spatial scales reported in the Schedule

Spatial Scale	Infrastructure schemes
Individual sites	Infrastructure required to specifically support growth on one particular site <i>– for example, on-site open space at Gilston Village 7 which will serve the growth of that development.</i>
Groups of sites	Infrastructure required to support growth on a number of sites within the Garden Town <i>– for example, a new secondary school at East Harlow which will serve the growth of more than one site.</i>
All sites	Infrastructure required to serve growth across Harlow and Gilston Garden Town as a whole <i>– for example, additional adult social care provision, which will serve the growth of all the sites in the Garden Town.</i>

It should also be noted that different infrastructure types were assessed and calculated across a range of geographies. This was informed by consultation with providers, and was used to best reflect how services are delivered and used. These are referenced below:

- Early years – assessed on a ward-level scale
- Primary schools – assessed in Primary Forecast Planning Groups
- Secondary schools – assessed in Secondary Forecast Planning Groups
- Primary and secondary healthcare – assessed on a Garden Town-wide scale (based on work undertaken by NHS Strategic Estates Planning Service, commissioned by Harlow and Gilston Garden Town)
- Dentists – assessed on a Garden Town-wide scale
- Pharmacies – assessed on a Garden Town-wide scale
- Emergency services – assessed on a Garden Town-wide scale
- Adult social care – assessed on a Garden Town-wide scale
- Sports and leisure – assessed on a Garden Town-wide scale

4.3 Identifying the Garden Town Infrastructure Requirements

The purpose of the Harlow and Gilston Garden Town IDP is to identify the infrastructure required to support housing and employment growth across the Garden Town. Individual IDPs have already been prepared for each authority in support of each respective Local Plan (see Section 2.2). The three authorities' IDP Schedules present the infrastructure need to ensure that all development is policy compliant, in relation to the level of social and physical infrastructure required to serve the needs of the additional population in their areas.

This IDP has built on the findings of the three District IDPs, identifying the infrastructure requirements that are specifically relevant to the planned growth at the Garden Town. Infrastructure has been identified where it supports the delivery of specific sites, as well as the wider growth of the Garden Town. Where necessary, growth beyond the Garden Town has also been considered where it might have an impact on infrastructure provided within the Garden Town (for example, secondary education).

The updated Harlow and Gilston IDP Schedule for the Garden Town sets out the following:

- The infrastructure required, including locations and phasing of delivery.
- Whether the infrastructure required is site specific (whether on or off-site) or strategic (serving several sites).
- The organisation or organisations responsible for delivery.
- The priority for delivery – based on a ‘critical’, ‘essential’ or ‘required’ categorisation (see Section 4.6).
- The estimated cost (Section 4.7) and how contributions might be collected and apportioned between sites (Section 4.8 and Section 4.9).
- Other potential sources of funding.

The commission has sought to update and align the three individual IDPs to produce one collated and updated version of the IDP Schedule for the Garden Town. This has included deciding what infrastructure categories should be reported, and evaluating the different scales presented and the metrics used (for example the reporting of school need in either form entries or site size requirement). The IDPs have also been aligned in collaboration with the relevant stakeholders. The Schedule has also been updated where new information has been made available since the individual IDPs were prepared. This includes further refinements in the Sustainable Transport Corridor Study, and further work undertaken by developers and the local authorities.

Where an item is strategic (in other words, it serves more than one of the Garden Town sites, other sites beyond the Garden Town), it has been necessary to make assumptions about which sites it will serve/will benefit from it and apportion costs between the sites. The methodology for undertaking this is set out in Section 4.9.

It is important to note that service delivery is complex, and limited by financial constraints. It will be for providers to decide how best to deliver services and meet new infrastructure demands. This may include further co-location of services, multi-use of buildings, such as using schools for alternative uses at weekends and evenings, or moving towards hub models. Whilst the IDP identifies what is currently expected to be required to support growth across the Garden Town, it may be subject to change and will not necessarily identify every site-specific requirement which might be identified in response to specific planning applications. Section 4.11 provides more detail on review of the IDP.

4.4 Consultation and Engagement

The PPG states that plan makers should work alongside infrastructure providers, service delivery organisations, and developers, landowners and site promoters to understand information requirements (Paragraph: 059; Reference ID: 61-059-20190315), and the impact on viability (Paragraph: 006 Reference ID: 10-006-20180724). Production of the IDP has therefore involved collaborative working between a range of stakeholders. A list of workshops held is set out in Table 4.

Service and infrastructure providers have been re-consulted to provide an opportunity to update their position on infrastructure requirements and ensure consistency and coverage across the Garden Town. Providers were also able to advise of any new evidence base needs assessments or of changing models of delivery and preferred implementation plans.

Engagement with developers for both the Harlow and Gilston Garden Town sites was undertaken to seek their understanding of the infrastructure required to deliver their respective sites. Information was requested on the provision of different types of infrastructure associated with development proposals. This included information on any engagement that has been undertaken with providers and any preliminary modelling or capacity work.

Table 4 Summary of workshops

Workshop	Attendees	Date	Purpose
Developer Forum	Strategic developers	10 September 2018	Early engagement with developer to introduce them to the commission.
Face-to-face developer meetings (1)	Strategic developers	26 September 2018	To seek information on the emerging infrastructure requirements and contributions and any additional work undertaken by developers on infrastructure. (Where developers were not able to make this date, teleconference meetings were held.)

Workshop	Attendees	Date	Purpose
Education workshop	Education authorities – Essex County Council and Hertfordshire County Council Other relevant officers	04 October 2018	To agree requirements and apportionment across sites.
Transport workshop	Transport authorities – Essex County Council and Hertfordshire County Council Other relevant officers	23 October 2018	To agree requirements and apportionment across sites.
Face-to-face developer meetings (2)	Strategic developers	04 December 2018	To present the draft list of infrastructure requirements and seek feedback on apportionment methodology.
Legal workshop	Relevant officers	08 January 2019	To discuss the legal status of the IDP.
Health workshop	Health providers NHS Improvement Other relevant officers	25 January 2019	To discuss health inputs to the IDP.
Face-to-face developer meetings (3)	Strategic developers	04 and 05 March 2019	To seek feedback on apportionment and viability.

4.5 Phasing

The Schedule set out in Chapter 7 identifies when the infrastructure will need to be delivered over the Plan period. The phasing of infrastructure was determined through a combination of consultation with service providers, existing strategies and evidence base documents, and the Garden Town housing trajectory (provided in Appendix B).

Where infrastructure is required to serve the Garden Town as a whole (rather than a specific or a group of specific sites), phasing has been matched to the overall trajectory. In using this phasing to apportion costs, this may have the impact of showing some sites as continuing to contribute beyond their completion. In reality, they are likely to need to contribute in line with their site-specific trajectory¹¹.

¹¹ An adjustment has been made to correct for this in the Strategic Viability Assessment. More information on the Strategic Viability Assessment is provided in Section 4.10.

4.6 Infrastructure Prioritisation

The infrastructure interventions included in the Schedule in Chapter 5 have been listed as either *critical*, *essential* or *required*. The definition for each priority is set out in Table 5. These establish an indicative system of priority which inform consideration of the trigger points by which the infrastructure should be delivered. Lower priority infrastructure should not be assumed to be of any lesser importance in terms of making the development acceptable in planning terms, developments will still be expected to deliver all identified infrastructure needs.

Table 5 Infrastructure requirement prioritisation criteria

Priority	Criteria
Critical (C)	Critical infrastructure is that which must happen in order for development to proceed. It most commonly involves connections to transport and utility networks. It is usually triggered by the commencement of development activity.
Essential (E)	Essential infrastructure is that which is necessary to mitigate impacts arising from the development, for example provision of education and health facilities. It is usually triggered at occupation of a development site, either a specific phase or the whole site. It enables development to come forward in a way that is both sustainable and acceptable in planning terms.
Required (R)	Required infrastructure is that which is required for sustainable growth and to achieve good place making objectives in line with the Garden City Principles, but the absence of which is unlikely to prevent development in the short to medium term. It is usually triggered at occupation of a development site, either a specific phase or the whole site. This type of infrastructure would improve operational capacity, and deliver other wider benefits, but would not necessarily prevent or delay the delivery of further development.

4.7 Costing Infrastructure

Infrastructure costs have been obtained from the most recent or locally-specific information available. Where possible, cost estimates have been provided directly from providers. The source of the costs is shown in the Schedule in Appendix A (see 'Cost Source' column).

For some types of infrastructure, costs have been estimated by Arup. Table 6 sets out the sources of the Arup estimates.

Table 6 Costing sources

Infrastructure	Source of cost
Early Years education	Cost estimates derived from BCIS average prices, rebased to 2018 and Essex
Adult social care	Cost estimates derived from BCIS average prices, rebased to 2018 and Essex. Floorspaces taken from National Care Standards: Care Homes for Older People (2007)
Community space	Where required, cost estimates derived from BCIS average prices, rebased to 2018 and Essex (some costs for community space provided by Essex County Council and Hertfordshire County Council)
Open space	Cost estimates derived from 2017 Spons and a South East adjustment factor; Arup professional experience on live/completed jobs
Sports facilities	Cost estimates derived from Sport England average facility costs, rebased to 2018

It should be noted that costs have been included even where the infrastructure required may or will be directly delivered as part of development, funded through a Section 278 Agreement (for highways), etc. **A cost being included in the Schedule does not indicate it will necessarily form part of a Section 106 Agreement; rather, it provides an indication of the total liability of the development, to inform the Strategic Viability Assessment.**

4.7.1 Unknown Costs

Within the Schedule, some costs are labelled as unknown. This is due to either a lack of detail of the intervention at this stage, or that costs have not yet been formulated by the delivery body. The most significant unknown costs are as follows:

- Delivery of / contributions towards Suitable Alternative Natural Green Space (SANGS) and air quality measures, related to Epping Forest Special Area of Conservation (SAC). An Epping Forest Recreational Pressure and Air Pollution Mitigation Strategy is currently being finalised¹².
- Contributions towards projects contained in the emerging Harlow Town Centre Area Action Plan.
- Contributions towards ongoing maintenance and stewardship of open space, community facilities and so on. Harlow and Gilston Garden Town Stewardship Advice Stage 1 Report and Stage 2 Report are currently being prepared.

¹² Potential on-site delivery of SANGS may also have an impact on the unit numbers and densities delivered on site. For the purposes of the IDP it has been assumed that the units set out in Table 1 are delivered.

- Delivery of / contributions towards Travel Plan measures and monitoring, additional passenger travel infrastructure, and pump priming of bus routes (above and beyond what is already contained in the Schedule).
- Delivery of / contributions towards post-16 education and employment and skills.

The costs do not include off-site land costs, or any costs in relation to compulsory purchase of land to deliver infrastructure. This is because the costs related to this are currently unknown. The Garden Town has commissioned a Land Assembly Advisor to identify needs for land assembly to deliver infrastructure and, where necessary, support on compulsory purchase.

The Strategic Viability Assessment has tested the impact of a range of infrastructure costs to understand the impact on site viability. This provides an understanding of the likely scale of the impact in the absence of exact costs. (More information on the Strategic Viability Assessment is provided in Section 4.10).

The costs for the Sustainable Transport Corridors included in the IDP are based on the high-level costs included in the Harlow and Gilston Garden Town Sustainable Transport Corridors Strategy and refined for the preparation of the Housing Infrastructure Fund Bid (Section 3.3). More detailed work on the Corridors will continue to be undertaken which will establish more detailed costs.

4.8 Collection Mechanisms

There are a range of funding sources available to support infrastructure delivery over the Plan period, including from a range of governmental and non-departmental public bodies, partnerships and wider grant opportunities. Funding options include:

- Central government
- Homes England
- Funding through the South East LEP
- Funding opportunities relating to Garden Town status
- Funds available through the County Councils
- Other grant sources

Alongside these sources, developer funding will be the most important element of delivering the infrastructure required to support growth through the capture of increases in land value in accordance with the Garden City Principles (See the Harlow & Gilston Garden Town ‘How To’ Guide for Planning Obligations, Land Value Capture and Development Viability). Importantly, where infrastructure serves more than one development, there will need to be an approach to apportioning costs fairly and equitably. As the councils do not currently have a CIL charging regime in place, the main mechanisms for collecting contributions are S106 planning obligations and where relevant, S278 Agreements for highways works. As set out in Section 2.1.3, under the current CIL Regulations 2010 (2014

amendments), there is a limit on the pooling of separate S106 planning obligations. Direct delivery of infrastructure will also be appropriate in some circumstances.

Where funding is already in place for an item of infrastructure, it is reflected in the Schedule in Appendix A (see 'Identified Funding' column).

Other opportunities for collection are considered in Section 6.

4.9 Apportionment

4.9.1 Approach to Apportionment

Where an item is strategic (in other words, it serves more than one of the Garden Town sites and in some cases other sites beyond the Garden Town), it has been necessary to make assumptions about which sites it will serve/will benefit from it. The general principles underpinning apportionment are as follows:

- Infrastructure interventions should be matched to those development(s) which result in that intervention being required.
- Contributions should be equitable between developments, in proportion to the scale of the development and level of impact or generated demand.
- The framework should be consistent with District Policies, the Essex Developers' Guide to Infrastructure Contributions and Hertfordshire's Planning Obligations Guidance, plus any other approaches taken by the Councils.

The first stage of apportionment has been to match interventions with the developments, through consultation and evidence base information such as transport modelling, existing and likely future travel to school patterns and school catchments. Apportionment approaches are based upon the best available information at the time that the IDP is published.

Contributions are proportional to the level of impact or generated demand resulting from the planned growth based on likely trip generation, housing unit numbers and child yields. The methodology for apportionment varies by infrastructure type, and is set out below:

- **Transport** – in absence of detailed modelling on the transport impact of each site, apportionment based on professional judgement with unit numbers used in many instances as a suitable proxy for impact. See Section 4.9.2 for further details.
- **Education** – apportionment based on number of units as a suitable proxy for child yields (in the absence of detailed site mixes).
- **Healthcare** – per-unit requirement provided by NHS Strategic Estates Planning Service, therefore no apportionment required.
- **Emergency Services** – apportionment based on number of units.
- **Community Facilities** – apportionment based on number of units.

- **Open Space** – requirements calculated on a site-by-site basis, therefore no apportionment required.
- **Sports and Leisure** – apportionment based on number of units.
- **Utilities** – apportionment based on number of units.
- **Flood Defence** – no apportionment required.

Developer contributions towards infrastructure projects may need to be collected from sites within different local authority administrative areas, and sites which do not fall within the Garden Town. An example of this is secondary school provision which reflects school planning areas that are not defined by district authority borders.

Where infrastructure is expected to be delivered on one site but will also serve other sites (for example new schools), a variant apportionment was also developed which took into the account the cost of providing the land at existing use value. However, given that it is not the role of the planning system to ‘equalise’ costs between landowners and developments this variant is not reflected in the costs shown in Section 5 and Appendix A, nor was it used in the inputs to the Strategic Viability Assessment (see Section 4.10).

4.9.2 Transport Apportionment

Sustainable Transport Corridors

For the Sustainable Transport Corridors to be effective in achieving the modal split targets for the Garden Town, they will need to work as a network rather than piecemeal interventions. Accordingly, the network is considered to represent a single strategic item of essential infrastructure, with the cost of the works apportioned to all the strategic sites across the Garden Town¹³.

These strategic sites must all achieve a 60% modal split target. (see Section 3.5.2). To support sites in achieving this target, and ensure the network is operating holistically, the apportionment is based upon the number of dwellings that each site is contributing to the Garden Town’s growth. It is envisaged that contributions will be pooled and used to deliver the Sustainable Transport Corridor network, which will likely be delivered in phases for practical reasons of delivery and funding¹⁴.

This apportionment approach is considered appropriate and reasonable in the context of the Garden Town, in order to support the delivery of the interrelated Garden City ambitions through the Garden Town Vision. It is therefore

¹³ The apportionment also assumes that contributions from the wider regeneration of the town centre will be available to fund some of the Sustainable Transport Corridors and Town Centre Transport Hub town centre upgrades – shown as a ‘funding gap’ in the Schedule summarised in Section 5 and provided in Appendix A.

¹⁴ A possible approach to the phasing of the Sustainable Transport Corridors has not been identified in this IDP as it will be influenced by a range of factors including where the greatest benefits might initially be derived, land assembly and other factors such as taking advantage of opportunities to improve the efficiency of delivery by co-ordination with other planned works such as other highway works, public realm improvements or nearby development.

considered that when determining planning applications for Garden Town proposals, the approach set out above will meet the legal and policy tests that apply to planning obligations (in other words it is compliant with the Community Infrastructure Regulation 122 tests for developer contributions).

There may be opportunities to collect contributions from a wider range of sites – see Section 6.3.

River Stort Crossings

Fifth Avenue River Stort Crossing

Upgrades to the existing Fifth Avenue River Stort Crossing are considered to principally¹⁵ form part of the access strategy for delivering the East Herts District Plan Gilston Area allocation (Policy GA1), as they are deemed essential in order to deliver the active and sustainable mode access connections between the Gilston Area and the existing urban area of Harlow in order for the Gilston Area to access the planned Sustainable Transport Corridor network. Accordingly, the cost of the works has been apportioned to the two Gilston Area sites.

Hertfordshire County Council have published the A414 Corridor Study (Draft for Public Consultation 2018) which identifies opportunity for creation of an inter-urban Mass Rapid Transport (MRT) network between Hatfield and Harlow and Gilston Garden Town. The Study envisages MRT services will route through the planned Gilston Area development with MRT making use of the transformed Fifth Avenue River Stort Crossing and onward Sustainable Transport Corridor network to Harlow town centre. The MRT is not presently an established project identified in this IDP and, whilst it would perform a strategic function, it is not identified as likely to present any additional design considerations to the Fifth Avenue River Stort Crossing works and therefore has not been considered a factor in the approach to apportionment.

Second River Stort Crossing

As set out in Section 3.5.3, the Second River Stort Crossing is considered to represent a strategic highway mitigation that will support the growth of the Garden Town. Accordingly, the cost of the works is apportioned to all of the strategic sites across the Garden Town.

For the purposes of the IDP, and in the absence of individual site transport modelling at this point in time, the apportionment of the Second River Stort Crossing has been proposed on a per-dwelling basis. It is, however, recognised that future transport modelling may establish that the development of some sites may place a greater or lesser demand on the highway routes across the Stort Valley. It is therefore acknowledged that the approach to apportionment may need to be revisited as development proposals are advanced.

¹⁵It has been identified that the existing Railway Bridge of the Fifth Avenue River Stort Crossing will require replacement at some point in the future, the replacement of this structure is not required in order to deliver the access to the Gilston Area but due to the age, condition and design of that structure it would therefore be considered a strategic intervention.

4.9.3 External Funding and Apportionment

Where external funding may be available (from the sources set out in Section 3.3 and Section 4.8) but is not yet secured, the apportionment (in the main) assumes that development will meet the remaining costs in full (the assumptions for each infrastructure intervention is shown in the ‘Cost to be Apportioned – Rationale’ column in the Schedule contained in Appendix A.)The five authorities will continue to explore opportunities for other sources of funding, and successful bids etc. will be reflected in the apportionment in future iterations of the IDP. In this sense, the inputs into the Strategic Viability Assessment could be considered conservative (see Section 4.10) as they assume no additional external funding.

As set out in Section 3.3.1, a Housing Infrastructure Fund (HIF) bid is being progressed, to help meet the total amount of infrastructure required to support delivery of the Garden Town, at the right time, and in a co-ordinated fashion. Similar to other non-secured funding sources (as set out above), the apportionment currently tests the impact of development meeting the costs without HIF. The findings of the Strategic Viability Assessment (April 2019) have shown that whilst the Councils can be confident of the deliverability of the Garden Town, there are challenges with the delivery of large scale development associated with both the level of infrastructure required and the timing of delivery and/or contributions¹⁶, and that some of the sites are more ‘marginal’ than others.

4.10 Strategic Viability

Through the process of producing the IDP, a package of measures and broad estimates of the likely financial contribution for each of the Garden Town sites has been produced.

The IDP has been produced concurrently with the Strategic Viability Assessment, to allow these costs to be included in the appraisal. The purpose of the Strategic Viability Assessment is to consider the wider deliverability of the Harlow and Gilston Garden Town, taking into account infrastructure requirements alongside other considerations.

In order to feed the IDP into the Strategic Viability Assessment, a risk allowance has been added to the infrastructure costs. In general, a 20% risk allowance has been added, reflecting comments contained in the North Essex Inspector’s report. Some education and highways costs from ECC and HCC already include an element of contingency so a risk allowance has not been added to these costs. More information on the risk allowance added to the IDP costs is provided in Appendix C. To be clear, the costs set out in Section 5 and Appendix A do not include a risk allowance.

It is anticipated that as schemes are designed and delivered the amount of risk allowance required on each scheme may reduce. Because of this, the inputs into the Strategic Viability Assessment could be considered conservative (see also Section 4.9 on external funding).

¹⁶ Refer to Section 12, paragraphs 12.137-12.139 of the Strategic Viability Assessment (April 2019).

In order to avoid double counting, costs in the IDP associated with on-site open space were excluded as they are already accounted for as a development cost in the strategic viability appraisal.

4.11 IDP Review

IDPs are, by their very nature, a ‘snapshot in time’, and as different infrastructure providers respond to their own unique challenges, the information that they provide will naturally date and alter over time.

There are a number of areas of work ongoing, which will further inform infrastructure requirements, and will be reflected in the Schedule as part of periodic reviews.

Section 5

Summary of Infrastructure Requirements

5 Summary of Infrastructure Requirements

5.1 Overview

A Schedule of infrastructure has been produced to clearly show interventions required to support the delivery of the Harlow and Gilston Garden Town. The Schedule is provided in full in Appendix A and summarised in the rest of this chapter.

Infrastructure requirements by topic

Section 5.2 provides summary tables of the infrastructure required to support delivery across the entire of the Garden Town, broken down into topics. The summary tables include the following information:

- Intervention required
- Priority – see Section 4.6 for prioritisation criteria
- Delivery partners
- Potential funding sources
- Total estimated cost of the intervention
- Funding already identified to deliver the intervention
- Costs apportioned to sites – what is expected to be funded/delivered through development¹⁷
- Contributing sites

In relation to ‘Apportioned Costs’ column, it should be noted that even where a cost has not been included it does not mean there is no cost to be met, particularly:

- where costs are part of ‘normal development costs’ which have been dealt with separately within the Strategic Viability Assessment (in particular for utilities);
- where the exact requirements and/or delivery mechanism is still to be determined (for example, Suitable Alternative Natural Green Space (SANGS)¹⁸); or
- where costs are still unknown (see Section 4.7.1).

¹⁷ As stated in Section 4.7, costs have been included even where the infrastructure required may or will be directly delivered as part of development, funded through a Section 278 Agreement (for highways) etc. A cost being included in the Schedule does not indicate it will necessarily form part of a Section 106 Agreement; rather, it provides an indication of the total liability of the development, to inform the Strategic Viability Assessment.

¹⁸ The number of SANGS required is not yet determined, and for this reason costs are not currently attributed to specific sites.

Infrastructure requirements by strategic site

Section 5.3 provides summary tables of the infrastructure required to support each of the strategic sites, broken down into topics. The summary tables include the following information:

- Intervention required to support the site
- Cost apportioned to the site
- Proportion of the total expected through developer contributions apportioned to the site
- Proportion of the total cost of the infrastructure apportioned to the sites

For the same reasons as set out above, it should be noted that even where a cost has not currently been apportioned to the site it does not mean there is no cost to be met by the site.

The phasing of key infrastructure required for each site is also shown. It should be noted that for many of interventions the exact phasing is not yet known, or will depend on more detailed sub-phasing of the site¹⁹. For this reason, broader bands of time are shown. As more specific timings or triggers become known this phasing may be revised in future iterations of the IDP.

Funding gap

A summary of the funding gap is shown in Section 5.4.

As explained in Section 4.9.3, where external funding may be but is not yet secured (including the outstanding HIF bid), the apportionment largely assumes that development will meet the remaining costs in full through developer contributions.

As stated in Section 3.3, the Garden Town authorities are committed to working positively and proactively to identify further opportunities for external or innovative funding approaches to ensure that Garden Town is delivered in accordance with the Garden City Principles and Garden Town Vision. Opportunities to address this funding gap will therefore be pursued over time.

¹⁹ The phasing of sites shown in the figures in this section currently matches each Districts' local development plan trajectory.

5.2 Infrastructure Requirements by Topic

5.2.1 Transport

Table 7 Summary of transport interventions

Ref	Intervention	Priority	Delivery Partners	Potential Funding Sources	Cost	Identified Funding	Apportioned Costs	Remaining Funding Gap (After Developer Contributions)	Delivery Phasing	Contributing Sites								
										Gilson 1-6	Gilston 7	E. Harlow (N)	E. Harlow (S)	Latton Priory	W. Sumners	W. Katherine's	Other Sites	
Highways																		
TR1	M11 Junction 7A	N/A ²⁰	Highways England / ECC	Highways England - RIS1	£50,000,000	£50,000,000	£0	£0	2018-2022									
TR2	Mayfield Farm access to East Harlow strategic site, including a single junction upgrade and link-road to the site	C	Developers	Developer contributions (S278)	£4,000,000	£0	£4,000,000	£0	2020-2025 (dependent on phasing)			✓						
TR3	Sheering Way access to East Harlow strategic site, including a single junction upgrade and link-road to the site	C	Developers	Developer contributions (S278)	£2,000,000	£0	£2,000,000	£0	2020-2025 (dependent on phasing)			✓						
TR4	Nursery site (east of Gilden Way) access to East Harlow strategic site, including a single junction upgrade and link-road to the site	C	Developers	Developer contributions (S278)	£7,000,000	£0	£7,000,000	£0	2020-2025 (dependent on phasing)				✓					
TR5	Minor upgrades and improvements to M11 Junction 7 to provide access to Latton Priory strategic site and B1393	C	Developer / ECC	Developer contributions (S278 / S106)	£5,000,000	£0	£5,000,000	£0	2023-2033					✓	✓	✓		
TR6	Link road and B1393 junction from Latton Priory strategic site to M11 Junction 7	C	Developer	Developer contributions (S278)	£5,000,000	£0	£5,000,000	£0	2016-2025					✓				
TR7	Improvements to M11 Junction 7	E	Highways England / ECC	Highways England - RIS	£29,000,000	£0	£0	£29,000,000	2025-2030									
TR8	Enhancements to Water Lane / A1169 roundabout; A1025 / Abercrombie Way signals; and traffic calming along the A1169	C	Developers	Developer contributions (S278)	£12,000,000	£0	£12,000,000	£0	2021-2026						✓	✓		
TR9	Velizy / Second Avenue works including signalled crossing and	R	ECC	Developer contributions (S106)	£10,000,000	£100,000	£9,900,000	£0	2021-2023	✓	✓	✓	✓	✓	✓	✓	✓	

²⁰ Committed, partially delivered or delivered interventions are shown as ‘N/A’ in the prioritisation.

Ref	Intervention	Priority	Delivery Partners	Potential Funding Sources	Cost	Identified Funding	Apportioned Costs	Remaining Funding Gap (After Developer Contributions)	Delivery Phasing	Contributing Sites							
										Gilson 1-6	Gilston 7	E. Harlow (N)	E. Harlow (S)	Luton Priory	W. Summers	W. Katherine's	Other Sites
	walking and cycling at grade crossing																
TR10	Gilden Way / Harlowbury development primary site access	N/A	ECC	Developer contributions (S106)	£800,000	£800,000	£0	£0	2018-2023								
TR11	Gilden Way / Harlowbury development secondary site access	N/A	ECC	Developer contributions (S106)	£200,000	£200,000	£0	£0	2018-2023								
TR12	Gilden Way / (B183) Mulberry Green for Harlowbury	N/A	ECC	Developer contributions (S106)	£100,000	£100,000	£0	£0	2023-2028								
TR13	A414 / Edinburgh Way / Cambridge Road (A1184) / Station Road, including junction improvements and road dualling	N/A	ECC	Growing Places Fund	£10,000,000	£10,000,000	£0	£0	2018-2023								
TR14	Closure of Old Road through traffic at rail bridge adjust A1184 / Old Road signals	E	ECC	Developer contributions (S106)	£250,000	£250,000	£0	£0	2018-2023								
TR15	New Junction from River Way (Templefields (EZ)) onto Cambridge Road	E	ECC	Developer contributions (S106)	£4,000,000	£0	£0	£4,000,000	2018-2023								
TR16	Cycling and walking improvements to A1025 Second Avenue / Manston / Tripton junction; cycling and walking improvements to the A1025 Second Avenue / Howard Way improvements / pedestrian crossings; and public transport and general capacity improvements	E	ECC	Developer contributions (S106)	£7,000,000	£0	£7,000,000	£0	2023-2028						✓	✓	
TR17	A414 Edinburgh Way / Howard Way improvement scheme	E	ECC	Developer contributions (S106)	£7,000,000	£0	£7,000,000	£0	2022-2033	✓	✓						
TR18	Amwell Roundabout upgrades and 'throughabout'	C	HCC	Developer contributions (S106) / Grant	£4,200,000	£0	£4,200,000	£0	2022-2033	✓	✓						
TR19	Central access to Gilston (Village 1) including Eastwick junction improvements with bus priority, provision of new walking/cycling bridge over A414, widening of 5th Avenue to create sustainable transport corridor including works to the bridges, and improved	C	Developer / HCC	HIF (claw back to be recycled) / Developer contributions (S106 or S278)	£36,200,000	£0	£36,200,000	£0	2021-2023	✓	✓						

Ref	Intervention	Priority	Delivery Partners	Potential Funding Sources	Cost	Identified Funding	Apportioned Costs	Remaining Funding Gap (After Developer Contributions)	Delivery Phasing	Contributing Sites							
										Gilston 1-6	Gilston 7	E. Harlow (N)	E. Harlow (S)	Luton Priory	W. Summers	W. Katherine's	Other Sites
	access to Harlow Town Station from the north																
TR20	Second Stort Crossing including realignment of the Eastwick Road and new junction allowing access to Terlings Park and Pye Corner, Pye Corner bypass including junction between north-south section and east-west section, the remainder of the Eastern Crossing including River Way Bridge, and severance mitigation measures at Terlings Park	C	Developer / HCC	Developer contributions (S278)	£92,840,000	£0	£92,840,000	£0	2022-2033	✓	✓	✓	✓	✓	✓	✓	✓
TR21	Access to Gilston Area Village 2	C			£2,159,000	£0	£2,159,000	£0	2023-2028	✓							
TR22	Access to Gilston Area Village 1 (north of Eastwick junction) and creation of Sustainable Transport link within Village 1	C			£13,240,000	£0	£13,240,000	£0	2022-2023	✓							
TR23	Western access (village 7) to Gilston at A414/Church Lane	C	Developer / HCC	Developer contributions (S278)	£1,535,000	£0	£1,535,000	£0	2022 onwards		✓						
TR24	Sustainable link between Gilston Village 7 and Gilston Villages 1-6	E	Developer / HCC	Developer contributions (S278)	£10,350,000	£0	£10,350,000	£0	2022-2028	✓	✓						
TR25	Hertford Bypass	R	HCC		£175,000,000	£0	Unknown	Unknown	2024-2033								
TR26	Harlow Northern Bypass	Unknown ²¹	HCC / ECC	Developer contributions (S106)	Unknown	£0	Unknown	Unknown	2033+								
PAH Relocation-Related Highways																	
TR27	Hospital relocation to East Harlow strategic site - transport mitigation measures including M11 Junction 7A capacity works	Unknown	NHS Princess Alexandra Hospital Trust	Developer contributions (S106)/grant/NHS Princess Alexandra Hospital Trust	£25,000,000	£0	£0	£0	2023-2028								
Public and Active Transport																	
TR28	Sustainable Transport Corridors and Town Centre Transport Hub	E	ECC / HCC	HIF (grant and claw back to be recycled) / Developer contributions (S106)	£157,161,083	£0	£128,911,083	£28,250,000 ²²	2021-2033	✓	✓	✓	✓	✓	✓	✓	✓

²¹ Where the case for an intervention has not yet been demonstrated its priority has been recorded as ‘Unknown’.

²² The apportionment assumes that contributions from the wider regeneration of the town centre will be available to fund some of the Sustainable Transport Corridors and Town Centre Transport Hub town centre upgrades.

Ref	Intervention	Priority	Delivery Partners	Potential Funding Sources	Cost	Identified Funding	Apportioned Costs	Remaining Funding Gap (After Developer Contributions)	Delivery Phasing	Contributing Sites							
										Gilson 1-6	Gilston 7	E. Harlow (N)	E. Harlow (S)	Luton Priory	W. Summers	W. Katherine's	Other Sites
TR29	Enhanced bus services along Edinburgh Way via new EZ access	R	Operators / ECC	Operators / ECC	Unknown	£0	Unknown	Unknown	2018-2023								
TR30	Southern Way gap between Bishopsfield and Parnall Road	R	ECC / Developers	Developer contributions (S106) / Grant	Unknown	£0	Unknown	Unknown	2023-2028								
TR31	Off-road cycle and walking network from Gilston Village 7 to Roydon	R	Developers	Developers	£600,000	£0	£600,000	£0	2023-2033		✓						
TR32	Off-road cycle and walking network from Gilston Village 6 to Pinnacles	R	Developers	Developers	£600,000	£0	£600,000	£0	2023-2033	✓							
TR33	Public and active transport support, including; revenue funding for Garden Town Active Travel Plan coordinator(s); travel vouchers; and ongoing stewardship of active transport links	R	ECC / HCC	Developer contributions (S106)	£7,317,195	£0	£7,317,195	Unknown	2018 onwards	✓	✓	✓	✓	✓	✓	✓	✓
TR34	Pump-priming of new bus services in Gilston Area	R	Operators	Developer contributions (S106)	£18,900,000	£0	£18,900,000	£0	2018 onwards	✓	✓						
TR35	Travel Plan measures/monitoring	R	ECC / HCC / Operators	Developer contributions (S106)	Unknown	£0	Unknown	Unknown	2018 onwards								
TR36	Passenger transport infrastructure and services	R	ECC / HCC / Operators	Developer contributions (S106)	Unknown	£0	Unknown	Unknown	2018 onwards								
Total					£698,452,278	£61,450,000	£375,752,278	£61,250,000									

5.2.2 Education

Table 8 Summary of education interventions

Ref	Intervention	Priority	Delivery Partners	Potential Funding Sources	Cost	Identified Funding	Apportioned Costs	Remaining Funding Gap (After Developer Contributions)	Delivery Phasing	Contributing Sites								
										Gilson 1-6	Gilston 7	E. Harlow (N)	E. Harlow (S)	Latton Priory	W. Sunners	W. Katherine's	Other Sites	
Early Years																		
ED1	Approx. 64 early years places to meet the needs of new residents at East Harlow strategic site (Epping portion)	E	ECC / Operators / Developers	Developer contributions (S106) / DfE / Operators / ECC / (Working Parents Allowance)	£1,073,160	£0	£1,073,160	£0	2023-2033			✓						
ED2	Approx. 79 early years places to meet the needs of new residents at Latton Priory strategic site	E	ECC / Operators / Developers	Developer contributions (S106) / DfE / Operators / ECC / (Working Parents Allowance)	£1,324,682	£0	£1,324,682	£0	2021-2033					✓				
ED3	Approx. 158 early years places to meet the needs of new residents at Water Lane Area strategic site	E	ECC / Operators / Developers	Developer contributions (S106) / DfE / Operators / ECC / (Working Parents Allowance)	£2,649,364	£0	£2,649,364	£0	2021-2033						✓	✓		
ED4	Childcare facility (approx. 1650sqm) at Gilston Villages 1-6	E	HCC / Operators / Developers	On-site provision (developer to build and then lease)	£4,024,350	£0	£4,024,350	£0	2022 onwards	✓								
ED5	Childcare facility (approx. 275sqm) at Gilston Village 7	E	HCC / Operators / Developers	On-site provision (developer to build and then lease)	£670,725	£0	£670,725	£0	2022 onwards		✓							
ED6	Approx. 349 additional places in Old Harlow ward	E	ECC / Operators	Developer contributions (S106) / DfE / Operators / ECC / (Working Parents Allowance)	£5,616,937	£1,092,459	£4,524,478	£0	2018-2028				✓					✓
ED7	Approx. 50 additional places in Little Parndon and Hare Street ward	E	ECC / Operators	Developer contributions (S106) / DfE / Operators / ECC / (Working Parents Allowance)	£804,719	£0	£804,719	£0	2018-2023									✓

Ref	Intervention	Priority	Delivery Partners	Potential Funding Sources	Cost	Identified Funding	Apportioned Costs	Remaining Funding Gap (After Developer Contributions)	Delivery Phasing	Contributing Sites							
										Gilston 1-6	Gilston 7	E. Harlow (N)	E. Harlow (S)	Luton Priory	W. Sumners	W. Katherine's	Other Sites
ED8	Approx. 38 additional places in Todd Brook ward	E	ECC / Operators	Developer contributions (S106) / DfE / Operators / ECC / (Working Parents Allowance)	£611,586	£0	£37,232	£574,354	2018-2023								✓
ED9	Approx. 23 additional places in Bush Fair ward	E	ECC / Operators	Developer contributions (S106) / DfE / Operators / ECC / (Working Parents Allowance)	£370,171	£0	£105,968	£264,203	2018-2023								✓
ED10	Approx. 8 additional places in Sumners and Kingsmoor ward	E	ECC / Operators	Developer contributions (S106) / DfE / Operators / ECC / (Working Parents Allowance)	£128,755	£0	£83,056	£45,699	2018-2023								✓
ED11	Approx. 2 additional places in Church Langley ward	E	ECC / Operators	Developer contributions (S106) / DfE / Operators / ECC / (Working Parents Allowance)	£32,189	£0	£0	£32,189	2018-2028								
ED12	Approx. 1 additional place in Harlow Common ward	E	ECC / Operators	Developer contributions (S106) / DfE / Operators / ECC / (Working Parents Allowance)	£16,094	£0	£16,094	£0	2018-2028								✓
Primary																	
ED13	New 2FE ²³ (2.1ha site) primary school, including early years provision, at East Harlow (Epping portion)	E	ECC / Academy Trusts / Developers	Developer contributions (S106)	£7,481,000	£0	£7,151,387	£329,613	2023-2028			✓	✓				✓
ED14	New 2FE primary school at Newhall Phases 2/3 (2.25ha site requirement), including early years provision, to support a combination of growth at	R	ECC	Developer contributions (S106)	£7,481,000	Unknown	Unknown	Unknown	2018-2028								

²³ All references to numbers of forms of entry should be treated as provisional school size figures only, subject to confirmation at planning application stage.

Ref	Intervention	Priority	Delivery Partners	Potential Funding Sources	Cost	Identified Funding	Apportioned Costs	Remaining Funding Gap (After Developer Contributions)	Delivery Phasing	Contributing Sites							
										Gilston 1-6	Gilston 7	E. Harlow (N)	E. Harlow (S)	Latton Priory	W. Sunners	W. Katherine's	Other Sites
	Newhall 2/3 and wider Harlow growth																
ED15	New 3FE (3ha site) primary school, including early years provision, at East Harlow (Harlow portion)	E	ECC	Developer contributions (S106)	£11,400,000	£0	£10,727,080	£672,920	2023-2028				✓				
ED16	New 2FE (2.1ha site) primary school, including early years provision, at Latton Priory	E	ECC / Academy Trusts / Developers	Developer contributions (S106)	£7,481,000	£0	£6,681,893	£799,107	2023-2028					✓	✓		
ED17	New 3FE (2.5ha site) primary school, including early years provision, at Water Lane Area	E	ECC / Academy Trusts / Developers	Developer contributions (S106)	£11,400,000	£0	£10,022,840	£1,377,160	2023-2028						✓	✓	
ED18	Requirement of 17FE of primary education, with each school including early years provision	E	HCC / Academy Trusts / Developers	Developer contributions (S106)	£74,071,820	£0	£74,071,820	£0	2022 onwards	✓	✓						
ED19	Additional safeguarded provision at Gilston (additional 3FE across primary schools)	E	HCC / Academy Trusts / Developers	Developer contributions (S106)	£11,450,464	£0	£11,450,464	£0	2043 onwards	✓	✓						
ED20	6FE of expansions to existing primary schools within Harlow	E	ECC / Academy Trusts / Developers	Developer contributions (S106)	£7,689,000	£0	£3,897,050	£3,791,950	2018-2028								✓
Secondary																	
ED21	New 8FE (10ha site) secondary school at East Harlow	E	ECC / Academy Trusts / Developers	Developer contributions (S106)	£25,763,000	£0	£22,485,531	£3,277,469	2023-2033			✓	✓				✓
ED22	New 8FE (10ha site) secondary school at Latton Priory	E	ECC / Academy Trusts / Developers	Developer contributions (S106)	£25,763,000	£0	£23,458,954	£2,304,046	2023-2033					✓	✓	✓	✓
ED23	8FE secondary school at Gilston	E	HCC / Academy Trusts / Developers	Developer contributions (S106)	£38,303,512	£0	£38,303,512	£0	2022-2033	✓	✓						

Ref	Intervention	Priority	Delivery Partners	Potential Funding Sources	Cost	Identified Funding	Apportioned Costs	Remaining Funding Gap (After Developer Contributions)	Delivery Phasing	Contributing Sites							
										Gilston 1-6	Gilston 7	E. Harlow (N)	E. Harlow (S)	Luton Priory	W. Summers	W. Katherine's	Other Sites
ED24	9FE secondary school at Gilston	E	HCC / Academy Trusts / Developers	Developer contributions (S106)	£42,539,274	£0	£42,539,274	£0	2028-2038	✓	✓						
ED25	Additional safeguarded provision at Gilston (additional 3FE across the two secondary schools)	E	HCC / Academy Trusts / Developers	Developer contributions (S106)	£12,707,287	£0	£12,707,287	£0	2038 onwards	✓	✓						
Other																	
ED26	SEN provision	E	ECC / HCC / Academy Trusts / Developers	Developer contributions (S106) / DfE / ECC / HCC	£11,000,000	£0	£11,000,000	£0	2018 onwards	✓	✓	✓	✓	✓	✓	✓	✓
ED27	Post 16 education provision	E	ECC	ESFA, DfE	Unknown	Unknown	£0	Unknown	Unknown								
ED28	Contribution to employment and training to support Harlow Skills Strategy	R	HDC / EFDC / EHDC / ECC / HCC / Providers	Developer contributions (S106)	Unknown	Unknown	£0	Unknown	Unknown								
Total					£311,853,088	£1,092,459	£289,810,921	£13,468,708									

5.2.3 Health

Table 9 Summary of health interventions

Ref	Intervention	Priority	Delivery Partners	Potential Funding Sources	Cost	Identified Funding	Apportioned Costs	Remaining Funding Gap (After Developer Contributions)	Delivery Phasing	Contributing Sites							
										Gilston 1-6	Gilston 7	E. Harlow (N)	E. Harlow (S)	Latton Priory	W. Summers	W. Katherine's	Other Sites
HE1	Relocation or redevelopment of Princess Alexandra Hospital	E	NHS England / NHS PAH Trust	Department for Health and Social Care / NHS England / NHS Princess Alexandra Hospital Trust / NHS West Essex CCG / Private Financing	£500,000,000 ²⁴	£170,000,000	£0	£0 ²⁵	2025-2033								
HE2	New or extended dentists across the Garden Town	E	NHS England / Operators / Developers	NHS England / Operators / Developer Contributions (S106)	Privately delivered	£0	£0	N/A	2023 onwards								
HE3	Contribution to healthcare to serve new development, covering primary healthcare, mental healthcare, community healthcare and acute care	E	NHS England / Developers	Developer Contributions (S106)	£44,993,300	£0	£44,993,300	£0	To be considered further by CCGs	✓	✓	✓	✓	✓	✓	✓	✓
HE4	Two new pharmacies within Harlow	E		Private sector	Privately delivered	£0	£0	N/A	2018-2033								
HE5	Around 147 extra care beds across the whole Garden Town	E		ECC / NHS / Developers / Operators	£5,747,685	£0	£0	£5,747,685	2023 onwards								
HE6	Around 264 nursing care beds across the whole Garden Town	E		ECC / NHS / Developers / Operators	£11,894,164	£0	£0	£11,894,164	2023 onwards								
HE7	Around 382 residential care beds across the whole Garden Town	E		ECC / NHS / Developers / Operators	£14,936,162	£0	£0	£14,936,162	2023 onwards								
Total					£577,571,311	£170,000,000	£44,993,300	£32,578,011									

²⁴ Indicative figure only.

²⁵ Costs likely to be met through a mixture of central government funding (currently estimated to be around £170m although not confirmed), debt funded and capital receipts – developer contributions will also be sought but the level and geographical extent is not currently known (contribution to acute care forms part of HE3). Remaining funding gap is not shown as it is not considered to be for the Garden Town to meet.

5.2.4 Emergency Services

Table 10 Summary of emergency services interventions

Ref	Intervention	Priority	Delivery Partners	Potential Funding Sources	Cost	Identified Funding	Apportioned Costs	Remaining Funding Gap (After Developer Contributions)	Delivery Phasing	Contributing Sites							
										Gilston 1 - 6	Gilston 7	E. Harlow (N)	E. Harlow (S)	Luton Priory	W. Summers	W. Katherine's	Other Sites
ES1	Emergency services hub (approx. 0.7ha site), including Police, Fire and Rescue and Ambulance Services	E	Essex Police / Hertfordshire Constabulary / East of England Ambulance Service NHS Trust / Essex County Fire and Rescue Service / Hertfordshire Fire and Rescue Service	Essex Police / Hertfordshire Constabulary / East of England Ambulance Service NHS Trust / Essex County Fire and Rescue Service / Hertfordshire Fire and Rescue Service / Developers	£6,000,000	£0	£3,000,000	£3,000,000 ²⁶	2023-2028	✓	✓	✓	✓	✓	✓	✓	✓
ES2	Joint police custody facility (approx. 1.2ha site) to service Garden Town and development and adjoining area	E	Essex Police / Hertfordshire Constabulary	Essex Police / Hertfordshire Constabulary / Developers	£25,000,000	£0	£12,500,000	£12,500,000	2023-2028	✓	✓	✓	✓	✓	✓	✓	✓
Total					£31,000,000	£0	£15,500,000	£15,500,000									

²⁶ Engagement with providers has suggested that approximately half of the costs of providing additional emergency services facilities (ES1 and ES2) is expected from other sources, and so has been reflected in the IDP. As funding sources become more certain this position may be updated in future iterations of the IDP.

5.2.5 Community Facilities

Table 11 Summary of community facilities interventions

Ref	Intervention	Priority	Delivery Partners	Potential Funding Sources	Cost	Identified Funding	Apportioned Costs	Remaining Funding Gap (After Developer Contributions)	Delivery Phasing	Contributing Sites							
										Gilston 1 - 6	Gilston 7	E. Harlow (N)	E. Harlow (S)	Latton Priory	W. Summers	W. Katherine's	Other Sites
CF1	Approx. 1,675sqm of new / additional / improved (multi-purpose) community space (and facilities) to meet the needs of new residents in East Harlow strategic site (both portions), including provision for community halls, youth facilities, other public / community service space	R	EFDC / HDC / ECC / Developers	Developer contributions (S106) / Grant funding	£3,720,175	£0	£3,720,175	£0	2021-2033			✓	✓				
CF2	Approx. 500sqm of new / additional / improved (multi-purpose) community space (and facilities) to meet the needs of new residents in Latton Priory strategic site, including provision for community halls, youth facilities, other public / community service space	R	EFDC / ECC / Developers	Developer contributions (S106) / Grant funding	£1,110,500	£0	£1,110,500	£0	2021-2033					✓			
CF3	Approx. 1,000sqm of new / additional / improved (multi-purpose) community space (and facilities) to meet the needs of new residents in Water Lane Area strategic site, including provision for community halls, youth facilities, other public / community service space	R	EFDC / ECC / Developers	Developer contributions (S106) / Grant funding	£2,221,000	£0	£2,221,000	£0	2021-2033						✓	✓	
CF4	Approx. 230sqm of additional community space in Harlow (excluding East Harlow strategic site)	R	HDC / ECC / Developers	Developer contributions (S106) / Grant funding	£510,830	£0	£510,830	£0	2018-2033								✓
CF5	One youth facility	R	HDC / ECC / Developers	Developer contributions (S106) / Grant funding	£744,100	£0	£744,100	£0	2018-2028				✓				
CF6	Approx. 3,120sqm of community space to serve Gilston	R	EHDC / HCC / Developers	Developer contributions (S106)	£6,929,520	£0	£6,929,520	£0	2022 onwards	✓	✓						
CF7	Youth provision at Gilston, associated with community space	R	EHDC / HCC / Developers	Developer contributions (S106)	£490,455	£0	£490,455	£0	2022-2028	✓	✓						
CF8	Increased / improved capacity and library provision to serve Gilston area, provided within Harlow (by ECC), with a reserve	R	EHDC / HCC / HDC / ECC / Developers	Developer contributions (S106)	£2,250,876	£0	£2,250,876	£0	2022-2033	✓	✓						

Ref	Intervention	Priority	Delivery Partners	Potential Funding Sources	Cost	Identified Funding	Apportioned Costs	Remaining Funding Gap (After Developer Contributions)	Delivery Phasing	Contributing Sites							
										Gilston 1 - 6	Gilston 7	E. Harlow (N)	E. Harlow (S)	Latton Priory	W. Summers	W. Katherine's	Other Sites
	position of increased capacity and provision in Hertfordshire																
CF9	Increased / improved capacity and library provision to serve Garden Town growth within Harlow and Epping Forest districts, provided within Harlow (by ECC)	R	EHDC / HCC / HDC / ECC / Developers	Developer contributions (S106)	£3,500,000	£0	£3,500,000	£0	2022-2033			✓	✓	✓	✓	✓	✓
CF10	Contribution towards on-site or off-site public art	R	HDC / EFDC / EHDC / Developers	Developer contributions (S106)	£1,768,500	£0	£1,768,500	£0	Various - by phasing of sites	✓	✓	✓	✓	✓	✓	✓	✓
CF11	Upgrades to sculpture trail leading to Harlow Town Station	R	HDC	Developer contributions (S106)	£75,000	£0	£75,000	£0	Unknown	✓	✓	✓	✓	✓	✓	✓	✓
CF12	Playhouse Square development	R	HDC	Developer contributions (S106)	£500,000	£0	£500,000	£0	Unknown	✓	✓	✓	✓	✓	✓	✓	✓
CF13	Revenue costs for community facilities and services	R	HDC / EFDC / EHDC / ECC / HCC / Providers	Developer contributions (S106)	Unknown	£0	Unknown	Unknown	2018 onwards								
CF14	Delivery of Town Centre AAP, including town centre management	R	HDC	Developer contributions (S106)	Unknown	£0	Unknown	Unknown	Unknown								
Total					£23,820,956	£0	£23,820,956	£0									

5.2.6 Open Space

Table 12 Summary of open space interventions

Ref	Intervention	Priority	Delivery Partners	Potential Funding Sources	Cost	Identified Funding	Apportioned Costs	Remaining Funding Gap (After Developer Contributions)	Delivery Phasing	Contributing Sites								
										Gilston 1-6	Gilston 7	E. Harlow (N)	E. Harlow (S)	Latton Priory	W. Summers	W. Katherine's	Other Sites	
Amenity Greenspace																		
OS1	Approx. 1.05ha. amenity greenspace at East Harlow (Epping Forest portion)	R	EFDC / Developers	Developer contributions (S106)	£147,000	£0	£147,000	£0	2023-2033			✓						
OS2	Approx. 12.45ha. amenity greenspace at East Harlow (Harlow portion)	R	HDC / Developers	Developer contributions (S106)	£1,743,000	£0	£1,743,000	£0	2020-2033				✓					
OS3	Approx. 1.48ha. amenity greenspace at Latton Priory	R	EFDC / Developers	Developer contributions (S106)	£207,200	£0	£207,200	£0	2021-2033					✓				
OS4	Approx. 2.91ha. amenity greenspace at Water Lane Area	R	EFDC / Developers	Developer contributions (S106)	£407,400	£0	£407,400	£0	2021-2033						✓	✓		
OS5	Approx. 11.42ha. of amenity greenspace at Gilston Villages 1-6	R	EHDC / Developers	Developer contributions (S106)	£1,598,800	£0	£1,598,800	£0	2022 onwards	✓								
OS6	Approx. 2.02ha. of amenity greenspace at Gilston Village 7	R	EHDC / Developers	Developer contributions (S106)	£282,800	£0	£282,800	£0	2022 onwards		✓							
OS7	Approx 5.49ha. amenity greenspace across other sites (excluding East Harlow) within Harlow	R	HDC / Developers	Developer contributions (S106)	£768,600	£0	£768,600	£0	2018-2033								✓	
Public Parks and Gardens																		
OS8	Approx. 1.40ha. public parks and gardens at East Harlow strategic site (Epping Forest portion)	R	EFDC / Developers	Developer contributions (S106) / Grant funding	£420,000	£0	£420,000	£0	2023-2033			✓						
OS9	Approx. 14.00ha. public parks and gardens at East Harlow strategic site (Harlow portion)	R	HDC / Developers	Developer contributions (S106)	£4,200,000	£0	£4,200,000	£0	2020-2033				✓					
OS10	Approx. 1.97ha. public parks and gardens at Latton Priory strategic site	R	EFDC / Developers	Developer contributions (S106) / Grant funding	£591,000	£0	£591,000	£0	2021-2033					✓				

Ref	Intervention	Priority	Delivery Partners	Potential Funding Sources	Cost	Identified Funding	Apportioned Costs	Remaining Funding Gap (After Developer Contributions)	Delivery Phasing	Contributing Sites							
										Gilston 1-6	Gilston 7	E. Harlow (N)	E. Harlow (S)	Latton Priory	W. Sunners	W. Katherine's	Other Sites
OS11	Approx. 3.88ha. public parks and gardens at Water Lane Area strategic site	R	EFDC / Developers	Developer contributions (S106) / Grant funding	£1,164,000	£0	£1,164,000	£0	2021-2033						✓	✓	
OS12	Approx. 15.23ha. of amenity greenspace (including parks and gardens) at Gilston Villages 1-6	R	EHDC / Developers	Developer contributions (S106)	£4,569,000	£0	£4,569,000	£0	2022 onwards	✓							
OS13	Approx. 2.69ha of amenity greenspace (including parks and gardens) at Gilston Village 7	R	EHDC / Developers	Developer contributions (S106)	£807,000	£0	£807,000	£0	2022 onwards		✓						
OS14	Approx 6.18ha. public parks and gardens across other sites (excluding East Harlow strategic site) within Harlow	R	HDC / Developers	Developer contributions (S106)	£1,854,000	£0	£1,854,000	£0	2018-2033								✓
Natural and Semi-Natural Open Space																	
OS15	Approx. 3.15ha. of natural space at East Harlow strategic site (Epping Forest portion)	R	EFDC / Developers	Developer contributions (S106)	£157,500	£0	£157,500	£0	2023-2033			✓					
OS16	Approx. 15.56ha. of natural space at East Harlow strategic site (Harlow portion)	R	HDC / Developers	Developer contributions (S106)	£778,000	£0	£778,000	£0	2020-2033				✓				
OS17	Approx. 4.44ha. of natural space at Latton Priory strategic site	R	EFDC / Developers	Developer contributions (S106)	£222,000	£0	£222,000	£0	2021-2033					✓			
OS18	Approx. 8.74ha. of natural space at Water Lane Area strategic site	R	EFDC / Developers	Developer contributions (S106)	£437,000	£0	£437,000	£0	2021-2033						✓	✓	
OS19	Approx. 60.93ha. of natural and semi-natural greenspace at Gilston Villages 1-6	R	EHDC / Developers	Developer contributions (S106)	£3,046,500	£0	£3,046,500	£0	2022 onwards	✓							
OS20	Approx. 10.75ha. of natural and semi-natural greenspace at Gilston Village 7	R	EHDC / Developers	Developer contributions (S106)	£537,500	£0	£537,500	£0	2022 onwards		✓						
OS21	Approx 6.86ha. natural space across other sites (excluding East Harlow strategic site) within Harlow	R	HDC / Developers	Developer contributions (S106)	£343,000	£0	£343,000	£0	2018-2033								✓

Ref	Intervention	Priority	Delivery Partners	Potential Funding Sources	Cost	Identified Funding	Apportioned Costs	Remaining Funding Gap (After Developer Contributions)	Delivery Phasing	Contributing Sites								
										Gilston 1-6	Gilston 7	E. Harlow (N)	E. Harlow (S)	Latton Priory	W. Sunners	W. Katherine's	Other Sites	
Children's Play																		
OS22	Approx. 0.44ha. provision for children and young people at East Harlow strategic site (Epping Forest portion)	R	EFDC / Developers	Developer contributions (S106)	£582,120	£0	£582,120	£0	2023-2033			✓						
OS23	Approx. 1.87ha. Local Equipped Area for Play (LEAP) at East Harlow strategic site (Harlow portion)	R	HDC / Developers	Developer contributions (S106)	£1,374,450	£0	£1,374,450	£0	2020-2033				✓					
OS24	Approx 2.49ha. Neighbourhood Equipped Area for Play (NEAP) at East Harlow strategic site (Harlow portion)	R	HDC / Developers	Developer contributions (S106)	£3,294,270	£0	£3,294,270	£0	2020-2033				✓					
OS25	Approx. 0.62ha. provision for children and young people at Latton Priory strategic site	R	EFDC / Developers	Developer contributions (S106)	£820,260	£0	£820,260	£0	2021-2033					✓				
OS26	Approx. 1.21ha. provision for children and young people at Water Lane Area strategic site	R	EFDC / Developers	Developer contributions (S106)	£1,600,830	£0	£1,600,830	£0	2021-2033						✓	✓		
OS27	Approx. 4.76ha. of children's play facilities at Gilston Villages 1-6	R	EHDC / Developers	Developer contributions (S106)	£3,498,600	£0	£3,498,600	£0	2022 onwards	✓								
OS28	Approx. 0.84ha. of children's play facilities at Gilston Village 7	R	EHDC / Developers	Developer contributions (S106)	£617,400	£0	£617,400	£0	2022 onwards		✓							
OS29	Approx. 0.82ha. Local Equipped Area for Play (LEAP) across Harlow strategic site (excluding East Harlow)	R	HDC / Developers	Developer contributions (S106)	£602,700	£0	£602,700	£0	2018-2033								✓	
OS30	Approx. 1.10ha. Neighbourhood Equipped Area for Play (NEAP) across Harlow strategic site (excluding East Harlow)	R	HDC / Developers	Developer contributions (S106)	£1,455,300	£0	£1,455,300	£0	2018-2033								✓	
Allotments																		
OS31	Approx 0.35ha. allotments at East Harlow strategic site (Epping Forest portion)	R	EFDC / Developers	Developer contributions (S106)	£8,750	£0	£8,750	£0	2023-2033			✓						
OS32	Approx 1.56ha. allotments at East Harlow (Harlow portion)	R	HDC / Developers	Developer contributions (S106)	£39,000	£0	£39,000	£0	2020-2033				✓					

Ref	Intervention	Priority	Delivery Partners	Potential Funding Sources	Cost	Identified Funding	Apportioned Costs	Remaining Funding Gap (After Developer Contributions)	Delivery Phasing	Contributing Sites							
										Gilston 1-6	Gilston 7	E. Harlow (N)	E. Harlow (S)	Latton Priory	W. Sunners	W. Katherine's	Other Sites
OS33	Approx 0.49ha. allotments at Latton Priory strategic site	R	EFDC / Developers	Developer contributions (S106)	£12,250	£0	£12,250	£0	2021-2033					✓			
OS34	Approx 0.97ha. allotments at Water Lane Area strategic site	R	EFDC / Developers	Developer contributions (S106)	£24,250	£0	£24,250	£0	2021-2033						✓	✓	
OS35	Approx. 5.71ha. allotments at Gilston Villages 1-6	R	EHDC / Developers	Developer contributions (S106)	£142,750	£0	£142,750	£0	2022 onwards	✓							
OS36	Approx. 1.01ha. allotments at Gilston Village 7	R	EHDC / Developers	Developer contributions (S106)	£25,250	£0	£25,250	£0	2022 onwards		✓						
OS37	Approx 0.69ha. allotments across other sites (excluding East Harlow strategic site) within Harlow	R	HDC / Developers	Developer contributions (S106)	£17,250	£0	£17,250	£0	2018-2033								✓
Other																	
OS38	Upgrades at Harlow Town Park to reflect anticipated increased use	R	HDC	Developer contributions (S106)	Unknown	£0	Unknown	Unknown	2018 onwards								
OS39	Contribution towards Epping Forest Suitable Alternative Natural Green Space (SANGS)	E	EFDC / Developers	Developer contributions (S106)	£2,250,000	£0	£0 ²⁷	£2,250,000	2021-2033								
OS40	Air quality monitoring	E	EFDC / Developers	Developer contributions (S106)	£175,000	£0	£0	£175,000	2021-2033								
OS41	Off-site green infrastructure at Stort Valley	R	EHDC	Developer contributions (S106)	£5,000,000	£0	£5,000,000	£0	2022 onwards	✓	✓						
OS42	Ongoing stewardship and governance	R	TBC	TBC	Unknown	£0	Unknown	Unknown	2018 onwards								
Total					£45,821,730	£0	£43,396,730	£2,425,000									

²⁷ The number of SANGS required is not yet determined, and for this reason costs are not currently attributed to specific sites.

5.2.7 Sports and Leisure

Table 13 Summary of sports and leisure interventions

Ref	Intervention	Priority	Delivery Partners	Potential Funding Sources	Cost	Identified Funding	Apportioned Costs	Remaining Funding Gap (After Developer Contributions)	Delivery Phasing	Contributing Sites							
										Gilston 1 - 6	Gilston 7	E. Harlow (N)	E. Harlow (S)	Luton Priory	W. Summers	W. Katherine's	Other Sites
SF1	New affordable community leisure centre within Harlow, comprising: six-lane 25m pool plus teaching pool; four court sports hall; 100-150 station fitness suite; and two studios	R	HDC / EFDC / EHDC / ECC / HCC / Providers	Developer contributions (S106) / Grant funding	£10,016,000	£0	£10,016,000	£0	2018-2028			✓	✓	✓	✓	✓	✓
SF2	New affordable community leisure centre within Gilston, comprising: six-lane 25m pool plus teaching pool; four court sports hall; 170 station fitness suite; playing pitches; and two studios	R	EHDC / HCC / Providers	Developer contributions (S106) / Grant funding	£11,015,680	£0	£11,015,680	£0	2023-2033	✓	✓						
Total					£21,031,680	£0	£21,031,680	£0									

5.2.9 Utilities

Table 14 Summary of utilities interventions

Ref	Intervention	Priority	Delivery Partners	Potential Funding Sources	Cost	Identified Funding	Apportioned Costs	Remaining Funding Gap (After Developer Contributions)	Delivery Phasing	Contributing Sites								
										Gilston 1 - 6	Gilston 7	E. Harlow (N)	E. Harlow (S)	Latton Priory	W. Summers	W. Katherine's	Other Sites	
Water																		
UT1	Network reinforcement works to provide potable water	C	Affinity Water	Providers / Developers (Charge)	N/A (strategic upgrades met by providers; on site connections part of normal development costs)	£0	£0	N/A ²⁸	Various - by phasing of sites									
UT2	Early implementation of waste water network upgrades at Latton Priory strategic site	C	Thames Water	Providers / Developers (Charge)	N/A (strategic upgrades met by providers; on site connections part of normal development costs)	£0	£0	N/A	2018-2021									
Electricity																		
UT3	New Harlow 33/11kV Primary sub-station	C	UKPN / Developers	Providers / Developers (Charge)	£900,000	£0	£0	N/A	2018-2023									
UT4	South Harlow 33/11kV Primary sub-station and 11kV interconnection	C	UKPN / Developers	Providers / Developers (Charge)	£1,100,000	£0	£0	N/A	2018-2023									
UT5	Rye House/Harlow West 132kV Tower Line	C	UKPN / Developers	Providers / Developers (Charge)	£5,400,000	£0	£0	N/A	2018-2023									
UT6	Replacement of 33kV switchgear at Harlow West substation	C	UKPN / Developers	Providers / Developers (Charge)	£1,400,000	£0	£0	N/A	2018-2023									
UT7	33kV overhead lines may require diverting for masterplanning of Water Lane Area strategic site	R	UKPN / Developers	Providers / Developers (Charge)	Site dependent	£0	N/A	N/A	2023-2035 (sub-phasing dependent)						✓	✓		

²⁸ Most local utilities upgrades and connections expected to be funded as a combination of the provider and developers via a connection and infrastructure charge (part of ‘normal development cost’ – see Section 5.1); additional costs beyond this expected to be met by the provider.

Ref	Intervention	Priority	Delivery Partners	Potential Funding Sources	Cost	Identified Funding	Apportioned Costs	Remaining Funding Gap (After Developer Contributions)	Delivery Phasing	Contributing Sites							
										Gilston 1 - 6	Gilston 7	E. Harlow (N)	E. Harlow (S)	Latton Priory	W. Summers	W. Katherine's	Other Sites
UT8	New primary substation to serve Gilston	C	Utility Provider	Providers / Developer (Contribution / Charge)	£29,000,000	£0	£0 ²⁹	N/A	2022 onwards	(✓)	(✓)						
Gas																	
UT9	Gas infrastructure to enable growth	E	Providers / Developers	Providers / Developers (Charge)	N/A (strategic upgrades met by providers; on site connections part of normal development costs)	N/A	£0	N/A	Various - by phasing of sites								
UT10	Potential diversion of mains gas pipeline at East Harlow strategic site	R	Cadent Gas	UKPN / Developer agreement	Masterplan dependent	N/A	£0	N/A	2022-2030 (sub-phasing dependent)			✓	✓				
Telecommunications																	
UT11	Telecommunications infrastructure to enable growth	E	Providers / Developers	Providers / Developers (Charge)	N/A (strategic upgrades met by providers; on site connections part of normal development costs)	£0	£0	N/A	Various - by phasing of sites								
UT12	Measures to support implementation of the Garden Town Digital Strategy	R	Providers / Developers	Providers / Developers	Unknown	£0	Unknown	Unknown	2018 onwards								
UT13	Ongoing broadband and communication upgrades, as required by technological change	R	Providers	Providers	N/A (met by providers)	£0	£0	N/A	2018 onwards								
Waste																	
UT14	Household Waste Recycling Centre to serve Gilston	R	Developer / HCC	Developers / Grant	£6,700,000	£0	£1,662,067	£5,037,933	2023-2028	✓	✓						

²⁹ Substation is an abnormal cost to be reflected in the land value – refer to the Harlow and Gilston Garden Town Strategic Viability Assessment for further details on how it has been addressed.

Ref	Intervention	Priority	Delivery Partners	Potential Funding Sources	Cost	Identified Funding	Apportioned Costs	Remaining Funding Gap (After Developer Contributions)	Delivery Phasing	Contributing Sites							
										Gilston 1 - 6	Gilston 7	E. Harlow (N)	E. Harlow (S)	Latton Priory	W. Summers	W. Katherine's	Other Sites
UT15	Increased household waste and recycling capacity and / or facility upgrades in order to serve additional demand in Essex	R	Developer / ECC	Developers / Grant	£200,000	£0	£200,000	£0	2023-2028			✓	✓	✓	✓	✓	✓
Total					£44,700,000	£0	£1,862,067	£5,037,933									

5.2.10 Flood Protection

Table 15 Summary of flood protection interventions

Ref	Intervention	Priority	Delivery Partners	Potential Funding Sources	Cost	Identified Funding	Apportioned Costs	Remaining Funding Gap (After Developer Contributions)	Delivery Phasing	Contributing Sites							
										Gilston 1 - 6	Gilston 7	E. Harlow (N)	E. Harlow (S)	Lutton Priory	W. Summers	W. Katherine's	Other Sites
FL1	Measures to ensure the protection of the functional flood plain and restriction of surface water run-off into Pincey Brook to no more than existing rates	C	Environment Agency / EFDC / ECC / Developers	Developer Funded	Unknown	£0	£0	Unknown	2018-2023			✓					
FL2	Strategic surface water flood risk interventions (see Appendix A for further details)	C	Environment Agency / Developers	Environment Agency / Developer Contribution	£12,000,000	£341,482	£440,000	£11,218,518	2028-2033								✓
FL3	On-site SuDS delivered as part of developments	E	Developers	Developer Funded	N/A (part of normal development costs)	£0	£0	N/A	Various - by phasing of sites								
Total					£12,000,000	£341,482	£440,000	£11,218,518									

5.3 Infrastructure Requirements by Strategic Site

5.3.1 Gilston Villages 1-6

Table 16 Infrastructure requirements for Gilston Villages 1-6

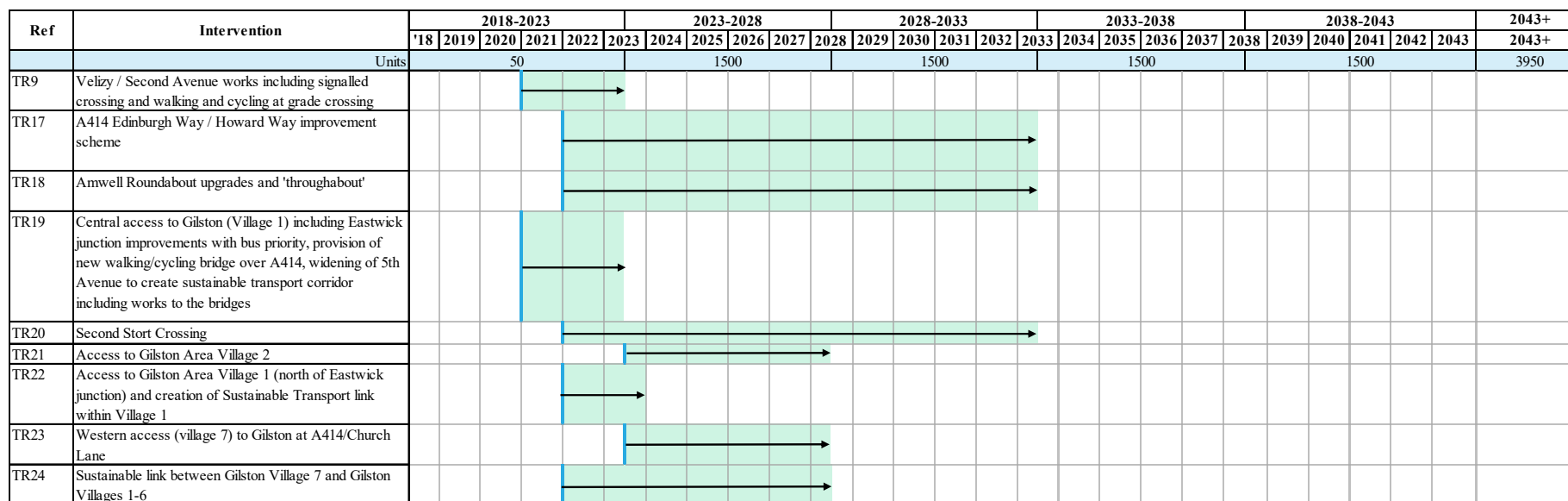
Ref	Infrastructure Type	Intervention	Cost Apportioned to Site	Proportion of Developer Contribution Element	Proportion of Total Cost
TR9	Transport	Velizy / Second Avenue works including signalled crossing and walking and cycling at grade crossing	£4,805,825	48.54%	48.06%
TR17	Transport	A414 Edinburgh Way / Howard Way improvement scheme	£5,950,000	85.00%	85.00%
TR18	Transport	Amwell Roundabout upgrades and 'throughabout'	£3,570,000	85.00%	85.00%
TR19	Transport	Central access to Gilston (Village 1) including Eastwick junction improvements with bus priority, provision of new walking/cycling bridge over A414, widening of 5th Avenue to create sustainable transport corridor including works to the bridges, and improved access to Harlow Town Station from the north	£30,770,000	85.00%	85.00%
TR20	Transport	Second Stort Crossing including realignment of the Eastwick Road and new junction allowing access to Terlings Park and Pye Corner, Pye Corner bypass including junction between north-south section and east-west section, the remainder of the Eastern Crossing including River Way Bridge, and severance mitigation measures at Terlings Park	£45,912,264	49.45%	49.45%
TR21	Transport	Access to Gilston Area Village 2	£2,159,000	100.00%	100.00%
TR22	Transport	Access to Gilston Area Village 1 (north of Eastwick junction) and creation of Sustainable Transport link within Village 1	£13,240,000	100.00%	100.00%

Ref	Infrastructure Type	Intervention	Cost Apportioned to Site	Proportion of Developer Contribution Element	Proportion of Total Cost
TR24	Transport	Sustainable link between Gilston Village 7 and Gilston Villages 1-6	£8,797,500	85.00%	85.00%
TR28	Transport	Sustainable Transport Corridors and Town Centre Transport Hub	£63,750,536	49.45%	40.56%
TR32	Transport	Off-road cycle and walking network from Village 6 to Pinnacles	£600,000	100.00%	100.00%
TR33	Transport	Public and active transport support, including; revenue funding for Garden Town Active Travel Plan coordinator(s); travel vouchers; and ongoing stewardship of active transport links	£3,527,602	48.21%	48.21%
TR34	Transport	Pump-priming of new bus services in Gilston Area	£16,065,000	85.00%	85.00%
ED4	Education	Childcare facility (approx. 1650sqm) at Gilston Villages 1-6	£4,024,350	100.00%	100.00%
ED18	Education	Requirement of 17FE of primary education, with each school including early years provision	£62,961,047	85.00%	85.00%
ED19	Education	Additional safeguarded provision at Gilston (additional 3FE across primary schools)	£9,732,895	85.00%	85.00%
ED23	Education	8FE secondary school at Gilston	£32,557,985	85.00%	85.00%
ED24	Education	9FE secondary school at Gilston	£36,158,383	85.00%	85.00%
ED25	Education	Additional safeguarded provision at Gilston (additional 3FE across the two secondary schools)	£10,801,194	85.00%	85.00%
ED26	Education	SEN provision	£5,286,966	48.06%	48.06%
HE3	Healthcare	Contribution to healthcare to serve new development, covering primary healthcare, mental healthcare, community healthcare and acute care	£21,625,278	48.06%	48.06%
ES1	Emergency Services	Emergency services hub (approx. 0.7ha site), including Police, Fire and Rescue and Ambulance Services	£1,483,593	49.45%	24.73%

Ref	Infrastructure Type	Intervention	Cost Apportioned to Site	Proportion of Developer Contribution Element	Proportion of Total Cost
ES2	Emergency Services	Joint police custody facility (approx. 1.2ha site) to service Garden Town and development and adjoining area	£6,181,638	49.45%	24.73%
CF6	Community Facilities	Approx. 3,120sqm of community space to serve Gilston	£5,890,092	85.00%	85.00%
CF7	Community Facilities	Youth provision at Gilston, associated with community space	£416,887	85.00%	85.00%
CF8	Community Facilities	Increased / improved capacity and library provision to serve Gilston area, provided within Harlow (by ECC), with a reserve position of increased capacity and provision in Hertfordshire	£1,913,244	85.00%	85.00%
CF10	Community Facilities	Contribution towards on site or off site public art	£850,000	48.06%	48.06%
CF11	Community Facilities	Upgrades to sculpture trail leading to Harlow Town Station	£36,047	48.06%	48.06%
CF12	Community Facilities	Playhouse Square development	£240,317	48.06%	48.06%
OS5	Open Space	Approx. 11.42ha. of amenity greenspace at Gilston Villages 1-6	£1,598,800	100.00%	100.00%
OS12	Open Space	Approx. 15.23ha. of amenity greenspace (including parks and gardens) at Gilston Villages 1-6	£4,569,000	100.00%	100.00%
OS19	Open Space	Approx. 60.93ha. of natural and semi-natural greenspace at Gilston Villages 1-6	£3,046,500	100.00%	100.00%
OS27	Open Space	Approx. 4.76ha. of children's play facilities at Gilston Villages 1-6	£3,498,600	100.00%	100.00%
OS35	Open Space	Approx. 5.71ha. allotments at Gilston Villages 1-6	£142,750	100.00%	100.00%

Ref	Infrastructure Type	Intervention	Cost Apportioned to Site	Proportion of Developer Contribution Element	Proportion of Total Cost
OS41	Open Space	Off-site green infrastructure at Stort Valley	£4,250,000	85.00%	85.00%
SF2	Sports and Leisure	New affordable community leisure centre within Gilston, comprising: six-lane 25m pool plus teaching pool; four court sports hall; 170 station fitness suite; playing pitches; and two studios	£9,363,328	85.00%	85.00%
UT14	Utilities	Household Waste Recycling Centre to serve Gilston	£1,412,757	85.00%	21.09%
Total			£427,189,378		

Figure 3 Indicative Phasing of key infrastructure at Gilston Villages 1-7³⁰



³⁰ Combined indicative phasing for Gilston 1-6 and Gilston 7. Early phasing of Gilston differs slightly between Figure 3 and the figures used in the Strategic Viability Assessment but the impact is considered to be minimal.

Ref	Intervention	2018-2023						2023-2028					2028-2033					2033-2038					2038-2043					2043+
		'18	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2043+
	Units	50						1500					1500					1500					1500					3950
TR28	Sustainable Transport Corridors and Town Centre Transport Hub																											
TR31	Off-road cycle and walking network from Village 7 to Roydon																											
TR32	Off-road cycle and walking network from Village 6 to Pinnacles																											
ED4	Childcare facility (approx. 1650sqm) at Gilston Villages 1-6																											
ED5	Childcare facility (approx. 275sqm) at Gilston Village 7																											
ED18	Requirement of 17FE of primary education, with each school including early years provision (markers show indicative phasing of each FE; this is indicative only as education provision expected to be provided in larger-than-1FE provisions)																											
ED19	Additional safeguarded provision at Gilston (additional 3FE across primary schools)																											
ED23 / ED24	Requirement of one 8FE secondary school and one 9FE secondary school at Gilston (markers show indicative phasing of each FE; this is indicative only as education provision expected to be provided in larger-than-1FE provisions)																											
ED25	Additional safeguarded provision at Gilston (additional 3FE across the two secondary schools)																											
ES1	Emergency services hub (approx. 0.7ha site), including Police, Fire and Rescue and Ambulance Services																											
ES2	Joint police custody facility (approx. 1.2ha site) to service Garden Town and development and adjoining area																											

Ref	Intervention	2018-2023					2023-2028					2028-2033					2033-2038					2038-2043					2043+	
		'18	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2043+
	Units	50					1500					1500					1500					1500					3950	
CF6	Approx. 3,120sqm of community space to serve Gilston																											
CF7	Youth provision at Gilston, associated with community space																											
CF8	Increased / improved capacity and library provision to serve Gilston area, provided within Harlow (by ECC)																											
SF2	New affordable community leisure centre within Gilston, comprising: six-lane 25m pool plus teaching pool; four court sports hall; 170 station fitness suite; playing pitches; and two studios																											
UT14	Household Waste Recycling Centre to serve Gilston																											

5.3.3 Gilston Village 7

Table 17 Infrastructure requirements for Gilston Village 7

Ref	Infrastructure Type	Intervention	Cost Apportioned to Site	Proportion of Developer Contribution Element	Proportion of Total Cost
TR9	Transport	Velizy / Second Avenue works including signalled crossing and walking and cycling at grade crossing	£848,087	8.57%	8.48%
TR17	Transport	A414 Edinburgh Way / Howard Way improvement scheme	£1,050,000	15.00%	15.00%
TR18	Transport	Amwell Roundabout upgrades and 'throughabout'	£630,000	15.00%	15.00%
TR19	Transport	Central access to Gilston (Village 1) including Eastwick junction improvements with bus priority, provision of new walking/cycling bridge over A414, widening of 5th Avenue to create sustainable transport corridor including works to the bridges, and improved access to Harlow Town Station from the north	£5,430,000	15.00%	15.00%
TR20	Transport	Second Stort Crossing including realignment of the Eastwick Road and new junction allowing access to Terlings Park and Pye Corner, Pye Corner bypass including junction between north-south section and east-west section, the remainder of the Eastern Crossing including River Way Bridge, and severance mitigation measures at Terlings Park	£8,102,164	8.73%	8.73%
TR23	Transport	Western access (village 7) to Gilston at A414/Church Lane	£1,535,000	100.00%	100.00%
TR24	Transport	Sustainable link between Gilston Village 7 and Gilston Villages 1-6	£1,552,500	15.00%	15.00%
TR28	Transport	Sustainable Transport Corridors and Town Centre Transport Hub	£11,250,095	8.73%	7.16%
TR31	Transport	Off-road cycle and walking network from Village 7 to Roydon	£600,000	100.00%	100.00%

Ref	Infrastructure Type	Intervention	Cost Apportioned to Site	Proportion of Developer Contribution Element	Proportion of Total Cost
TR33	Transport	Public and active transport support, including; revenue funding for Garden Town Active Travel Plan coordinator(s); travel vouchers; and ongoing stewardship of active transport links	£618,878	8.46%	8.46%
TR34	Transport	Pump-priming of new bus services in Gilston Area	£2,835,000	15.00%	15.00%
ED5	Education	Childcare facility (approx. 275sqm) at Gilston Village 7	£670,725	100.00%	100.00%
ED18	Education	Requirement of 17FE of primary education, with each school including early years provision	£11,110,773	15.00%	15.00%
ED19	Education	Additional safeguarded provision at Gilston (additional 3FE across primary schools)	£1,717,570	15.00%	15.00%
ED23	Education	8FE secondary school at Gilston	£5,745,527	15.00%	15.00%
ED24	Education	9FE secondary school at Gilston	£6,380,891	15.00%	15.00%
ED25	Education	Additional safeguarded provision at Gilston (additional 3FE across the two secondary schools)	£1,906,093	15.00%	15.00%
ED26	Education	SEN provision	£932,994	8.48%	8.48%
HE3	Healthcare	Contribution to healthcare to serve new development, covering primary healthcare, mental healthcare, community healthcare and acute care	£3,816,226	8.48%	8.48%
ES1	Emergency Services	Emergency services hub (approx. 0.7ha site), including Police, Fire and Rescue and Ambulance Services	£261,811	8.73%	4.36%
ES2	Emergency Services	Joint police custody facility (approx. 1.2ha site) to service Garden Town and development and adjoining area	£1,090,877	8.73%	4.36%
CF6	Community Facilities	Approx. 3,120sqm of community space to serve Gilston	£1,039,428	15.00%	15.00%

Ref	Infrastructure Type	Intervention	Cost Apportioned to Site	Proportion of Developer Contribution Element	Proportion of Total Cost
CF7	Community Facilities	Youth provision at Gilston, associated with community space	£73,568.30	15.00%	15.00%
CF8	Community Facilities	Increased / improved capacity and library provision to serve Gilston area, provided within Harlow (by ECC), with a reserve position of increased capacity and provision in Hertfordshire	£337,631	15.00%	15.00%
CF10	Community Facilities	Contribution towards on site or off site public art	£150,000	8.48%	8.48%
CF11	Community Facilities	Upgrades to sculpture trail leading to Harlow Town Station	£6,361	8.48%	8.48%
CF12	Community Facilities	Playhouse Square development	£42,409	8.48%	8.48%
OS6	Open Space	Approx. 2.02ha. of amenity greenspace at Gilston Village 7	£282,800	100.00%	100.00%
OS13	Open Space	Approx. 2.69ha of amenity greenspace (including parks and gardens) at Gilston Village 7	£807,000	100.00%	100.00%
OS20	Open Space	Approx. 10.75ha. of natural and semi-natural greenspace at Gilston Village 7	£537,500	100.00%	100.00%
OS28	Open Space	Approx. 0.84ha. of children's play facilities at Gilston Village 7	£617,400	100.00%	100.00%
OS36	Open Space	Approx. 1.01ha. allotments at Gilston Village 7	£25,250	100.00%	100.00%
OS41	Open Space	Off-site green infrastructure at Stort Valley	£750,000	15.00%	15.00%
SF2	Sports and Leisure	New affordable community leisure centre within Gilston, comprising: six-lane 25m pool plus teaching pool; four court sports hall; 170 station fitness suite; playing pitches; and two studios	£1,652,352	15.00%	15.00%

Ref	Infrastructure Type	Intervention	Cost Apportioned to Site	Proportion of Developer Contribution Element	Proportion of Total Cost
UT14	Utilities	Household Waste Recycling Centre to serve Gilston	£249,310	15.00%	3.72%
Total			£74,656,220		

Please refer to Figure 3 for information on the phasing of key infrastructure at Gilston.

5.3.4 East Harlow (Epping Forest District)

Table 18 Infrastructure requirements for East Harlow (Epping Forest District)

Ref	Infrastructure Type	Intervention	Cost Apportioned to Site	Proportion of Developer Contribution Element	Proportion of Total Cost
TR2	Transport	Mayfield Farm access to East Harlow, including a single junction upgrade and link-road to the site	£4,000,000	100.00%	100.00%
TR3	Transport	Sheering Way access to East Harlow, including a single junction upgrade and link-road to the site	£2,000,000	100.00%	100.00%
TR9	Transport	Velizy / Second Avenue works including signalled crossing and walking and cycling at grade crossing	£424,043	4.28%	4.24%
TR20	Transport	Second Stort Crossing including realignment of the Eastwick Road and new junction allowing access to Terlings Park and Pye Corner, Pye Corner bypass including junction between north-south section and east-west section, the remainder of the Eastern Crossing including River Way Bridge, and severance mitigation measures at Terlings Park	£4,051,082	4.36%	4.36%
TR28	Transport	Sustainable Transport Corridors and Town Centre Transport Hub	£5,625,047	4.36%	3.58%
TR33	Transport	Public and active transport support, including; revenue funding for Garden Town Active Travel Plan coordinator(s); travel vouchers; and ongoing stewardship of active transport links	£309,439	4.23%	4.23%
ED1	Education	Approx. 64 early years places to meet the needs of new residents at East Harlow (Epping portion)	£1,073,160	100.00%	100.00%
ED13	Education	New 2FE (2.1ha site) primary school, including early years provision, at East Harlow (Epping portion)	£3,929,909	54.95%	52.53%
ED21	Education	New 8FE (10ha site) secondary school at East Harlow	£4,033,520	17.94%	15.66%

Ref	Infrastructure Type	Intervention	Cost Apportioned to Site	Proportion of Developer Contribution Element	Proportion of Total Cost
ED26	Education	SEN provision	£466,497	4.24%	4.24%
HE3	Healthcare	Contribution to healthcare to serve new development, covering primary healthcare, mental healthcare, community healthcare and acute care	£1,908,112.81	4.24%	4.24%
ES1	Emergency Services	Emergency services hub (approx. 0.7ha site), including Police, Fire and Rescue and Ambulance Services	£130,905	4.36%	2.18%
ES2	Emergency Services	Joint police custody facility (approx. 1.2ha site) to service Garden Town and development and adjoining area	£545,439	4.36%	2.18%
CF1	Community Facilities	Approx. 1,675sqm of new / additional / improved (multi-purpose) community space (and facilities) to meet the needs of new residents in East Harlow (both portions), including provision for community halls, youth facilities, other public / community service space	£832,875	22.39%	22.39%
CF9	Community Facilities	Increased / improved capacity and library provision to serve Garden Town growth within Harlow and Epping Forest districts, provided within Harlow (by ECC)	£365,192	10.43%	10.43%
CF10	Community Facilities	Contribution towards on site or off site public art	£75,000	22.39%	22.39%
CF11	Community Facilities	Upgrades to sculpture trail leading to Harlow Town Station	£3,181	4.24%	4.24%
CF12	Community Facilities	Playhouse Square development	£21,204	4.24%	4.24%
OS1	Open Space	Approx. 1.05ha. amenity greenspace at East Harlow (Epping Forest portion)	£147,000	100.00%	100.00%

Ref	Infrastructure Type	Intervention	Cost Apportioned to Site	Proportion of Developer Contribution Element	Proportion of Total Cost
OS8	Open Space	Approx. 1.40ha. public parks and gardens at East Harlow (Epping Forest portion)	£420,000	100.00%	100.00%
OS15	Open Space	Approx. 3.15ha. of natural space at East Harlow (Epping Forest portion)	£157,500	100.00%	100.00%
OS22	Open Space	Approx. 0.44ha. provision for children and young people at East Harlow (Epping Forest portion)	£582,120	100.00%	100.00%
OS31	Open Space	Approx 0.35ha. allotments at East Harlow (Epping Forest portion)	£8,750	100.00%	100.00%
SF1	Sports and Leisure	New affordable community leisure centre within Harlow, comprising: six-lane 25m pool plus teaching pool; four court sports hall; 100-150 station fitness suite; and two studios	£1,045,075	10.43%	10.43%
UT10	Utilities	Potential diversion of mains gas at East Harlow	Unknown	Unknown	Unknown
UT15	Utilities	Increased household waste recycling capacity and / or facility upgrades in order to serve additional demand in Essex	£20,868	10.43%	10.43%
FL1	Flood Defence	Measures to ensure the protection of the functional flood plain and restriction of surface water run-off into Pincey Brook to no more than existing rates	Unknown	Unknown	Unknown
Total			£32,175,919		

Figure 4 Phasing of key infrastructure at East Harlow (Epping Forest District)

Ref	Intervention	2018-2023					2023-2028					2028-2033					
		'18	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	'33
	Units	0					250					500					
TR2	Mayfield Farm access to East Harlow, including a single junction upgrade and link-road to the site																
TR3	Sheering Way access to East Harlow, including a single junction upgrade and link-road to the site																
TR9	Velizy / Second Avenue works including signalled crossing and walking and cycling at grade crossing																
TR20	Second Stort Crossing																
TR28	Sustainable Transport Corridors and Town Centre Transport Hub																
ED1	Approx. 64 early years places to meet the needs of new residents at East Harlow (Epping portion)																
ED13	New 2FE (2.1ha site) primary school, including early years provision, at East Harlow (Epping portion)																
ED21	New 8FE (10ha site) secondary school at East Harlow																
ES1	Emergency services hub (approx. 0.7ha site), including Police, Fire and Rescue and Ambulance Services																
ES2	Joint police custody facility (approx. 1.2ha site) to service Garden Town and development and adjoining area																

Ref	Intervention	2018-2023						2023-2028					2028-2033				
		'18	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	'33
	Units	0						250					500				
CF1	Approx. 1,675sqm of new / additional / improved (multi-purpose) community space (& facilities) to meet the needs of new residents in East Harlow (both portions), including provision for community halls, youth facilities, other public / community service space																
CF9	Increased / improved capacity and library provision to serve Garden Town growth within Harlow and Epping Forest districts, provided within Harlow (by ECC)																
SF1	New affordable community leisure centre within Harlow, comprising: six-lane 25m pool plus teaching pool; four court sports hall; 100-150 station fitness suite; and two studios																
UT10	Potential diversion of mains gas at East Harlow																
UT15	Increased household waste recycling capacity and / or facility upgrades in order to serve additional demand in Essex																
FL1	Measures to ensure the protection of the functional flood plain and restriction of surface water run-off into Pincey Brook to no more than existing rates																

5.3.5 East Harlow (Harlow District)

Table 19 Infrastructure requirements for East Harlow (Harlow District)

Ref	Infrastructure Type	Intervention	Cost Apportioned to Site	Proportion of Developer Contribution Element	Proportion of Total Cost
TR4	Transport	Nursery site (east of Gilden Way) access to East Harlow, including a single junction upgrade and link-road to the site	£7,000,000	100.00%	100.00%
TR9	Transport	Velizy / Second Avenue works including signalled crossing and walking and cycling at grade crossing	£1,470,017	14.85%	14.70%
TR20	Transport	Second Stort Crossing including realignment of the Eastwick Road and new junction allowing access to Terlings Park and Pye Corner, Pye Corner bypass including junction between north-south section and east-west section, the remainder of the Eastern Crossing including River Way Bridge, and severance mitigation measures at Terlings Park	£14,043,751	15.13%	15.13%
TR28	Transport	Sustainable Transport Corridors and Town Centre Transport Hub	£19,500,164	15.13%	12.41%
TR33	Transport	Public and active transport support, including; revenue funding for Garden Town Active Travel Plan coordinator(s); travel vouchers; and ongoing stewardship of active transport links	£1,072,721	14.66%	14.66%
ED6	Education	Approx. 349 additional places in Old Harlow ward	£4,503,692	99.54%	80.18%
ED13	Education	New 2FE (2.1ha site) primary school, including early years provision, at East Harlow (Epping portion)	£2,896,605	40.50%	38.72%
ED15	Education	New 3FE (3ha site) primary school, including early years provision, at East Harlow (Harlow portion)	£10,727,080	100.00%	94.10%

Ref	Infrastructure Type	Intervention	Cost Apportioned to Site	Proportion of Developer Contribution Element	Proportion of Total Cost
ED21	Education	New 8FE (10ha site) secondary school at East Harlow	£13,982,870	62.19%	54.28%
ED26	Education	SEN provision	£1,617,190	14.70%	14.70%
HE3	Healthcare	Contribution to healthcare to serve new development, covering primary healthcare, mental healthcare, community healthcare and acute care	£6,614,791	14.70%	14.70%
ES1	Emergency Services	Emergency services hub (approx. 0.7ha site), including Police, Fire and Rescue and Ambulance Services	£453,805	15.13%	7.56%
ES2	Emergency Services	Joint police custody facility (approx. 1.2ha site) to service Garden Town and development and adjoining area	£1,890,854	15.13%	7.56%
CF1	Community Facilities	Approx. 1,675sqm of new / additional / improved (multi-purpose) community space (and facilities) to meet the needs of new residents in East Harlow (both portions), including provision for community halls, youth facilities, other public / community service space	£2,887,300	77.61%	77.61%
CF5	Community Facilities	One youth facility	£744,100	100.00%	100.00%
CF9	Community Facilities	Increased / improved capacity and library provision to serve Garden Town growth within Harlow and Epping Forest districts, provided within Harlow (by ECC)	£1,265,999	36.17%	36.17%
CF10	Community Facilities	Contribution towards on site or off site public art	£260,000	77.61%	77.61%
CF11	Community Facilities	Upgrades to sculpture trail leading to Harlow Town Station	£11,026	14.70%	14.70%
CF12	Community Facilities	Playhouse Square development	£73,509	14.70%	14.70%

Ref	Infrastructure Type	Intervention	Cost Apportioned to Site	Proportion of Developer Contribution Element	Proportion of Total Cost
OS2	Open Space	Approx. 12.45ha. amenity greenspace at East Harlow (Harlow portion)	£1,743,000	100.00%	100.00%
OS9	Open Space	Approx. 14.00ha. public parks and gardens at East Harlow (Harlow portion)	£4,200,000	100.00%	100.00%
OS16	Open Space	Approx. 15.56ha. of natural space at East Harlow (Harlow portion)	£778,000	100.00%	100.00%
OS23	Open Space	Approx. 1.87ha. Local Equipped Area for Play (LEAP) at East Harlow (Harlow portion)	£1,374,450	100.00%	100.00%
OS24	Open Space	Approx 2.49ha. Neighbourhood Equipped Area for Play (NEAP) at East Harlow (Harlow portion)	£3,294,270	100.00%	100.00%
OS32	Open Space	Approx 1.56ha. allotments at East Harlow (Harlow portion)	£39,000	100.00%	100.00%
SF1	Sports and leisure	New affordable community leisure centre within Harlow, comprising: six-lane 25m pool plus teaching pool; four court sports hall; 100-150 station fitness suite; and two studios	£3,622,927	36.17%	36.17%
UT10	Utilities	Potential diversion of mains gas at East Harlow	Unknown	Unknown	Unknown
UT15	Utilities	Increased household waste recycling capacity and / or facility upgrades in order to serve additional demand in Essex	£72,343	36.17%	36.17%
Total			£106,139,464		

Figure 5 Phasing of key infrastructure at East Harlow (Harlow District)

Ref	Intervention	2018-2023					2023-2028					2028-2033					
		'18	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	'33
	Units	750					1150					700					
TR4	Nursery site (east of Gilden Way) access to East Harlow, including a single junction upgrade and link-road to the site																
TR9	Velizy / Second Avenue works including signalled crossing and walking and cycling at grade crossing																
TR20	Second Stort Crossing																
TR28	Sustainable Transport Corridors and Town Centre Transport Hub																
ED6	Approx. 349 additional places in Old Harlow ward																
ED13	New 2FE (2.1ha site) primary school, including early years provision, at East Harlow (Epping portion)																
ED15	New 3FE (3ha site) primary school, including early years provision, at East Harlow (Harlow portion)																
ED21	New 8FE (10ha site) secondary school at East Harlow																
ES1	Emergency services hub (approx. 0.7ha site), including Police, Fire and Rescue and Ambulance Services																
ES2	Joint police custody facility (approx. 1.2ha site) to service Garden Town and development and adjoining area																

Ref	Intervention	2018-2023					2023-2028					2028-2033					
		'18	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	'33
	Units	750					1150					700					
CF1	Approx. 1,675sqm of new / additional / improved (multi-purpose) community space (& facilities) to meet the needs of new residents in East Harlow (both portions), including provision for community halls, youth facilities, other public / community service space																
CF5	One youth facility																
CF9	Increased / improved capacity and library provision to serve Garden Town growth within Harlow and Epping Forest districts, provided within Harlow (by ECC)																
SF1	New affordable community leisure centre within Harlow, comprising: six-lane 25m pool plus teaching pool; four court sports hall; 100-150 station fitness suite; and two studios																
UT10	Potential diversion of mains gas at East Harlow																
UT15	Increased household waste recycling capacity and / or facility upgrades in order to serve additional demand in Essex																

5.3.6 Latton Priory

Table 20 Infrastructure requirements for Latton Priory

Ref	Infrastructure Type	Intervention	Cost Apportioned to Site	Proportion of Developer Contribution Element	Proportion of Total Cost
TR5	Transport	Minor upgrades and improvements to M11 Junction 7 to provide access to Latton Priory and B1393	£3,500,000	70.00%	70.00%
TR6	Transport	Link road and B1393 junction from Latton Priory to M11 Junction 7	£5,000,000	100.00%	100.00%
TR9	Transport	Velizy / Second Avenue works including signalled crossing and walking and cycling at grade crossing	£593,661	6.00%	5.94%
TR20	Transport	Second Stort Crossing including realignment of the Eastwick Road and new junction allowing access to Terlings Park and Pye Corner, Pye Corner bypass including junction between north-south section and east-west section, the remainder of the Eastern Crossing including River Way Bridge, and severance mitigation measures at Terlings Park	£5,671,515	6.11%	6.11%
TR28	Transport	Sustainable Transport Corridors and Town Centre Transport Hub	£7,875,066	6.11%	5.01%
TR33	Transport	Public and active transport support, including; revenue funding for Garden Town Active Travel Plan coordinator(s); travel vouchers; and ongoing stewardship of active transport links	£433,214	5.92%	5.92%
ED2	Education	Approx. 79 early years places to meet the needs of new residents at Latton Priory	£1,324,682	100.00%	100.00%
ED16	Education	New 2FE (2.1ha site) primary school, including early years provision, at Latton Priory	£5,501,873	82.34%	73.54%
ED22	Education	New 8FE (10ha site) secondary school at Latton Priory	£5,646,928	24.07%	21.92%
ED26	Education	SEN provision	£653,096	5.94%	5.94%

Ref	Infrastructure Type	Intervention	Cost Apportioned to Site	Proportion of Developer Contribution Element	Proportion of Total Cost
HE3	Healthcare	Contribution to healthcare to serve new development, covering primary healthcare, mental healthcare, community healthcare and acute care	£2,671,358	5.94%	5.94%
ES1	Emergency Services	Emergency services hub (approx. 0.7ha site), including Police, Fire and Rescue and Ambulance Services	£183,267	6.11%	3.05%
ES2	Emergency Services	Joint police custody facility (approx. 1.2ha site) to service Garden Town and development and adjoining area	£763,614	6.11%	3.05%
CF2	Community Facilities	Approx. 500sqm of new / additional / improved (multi-purpose) community space (and facilities) to meet the needs of new residents in Latton Priory, including provision for community halls, youth facilities, other public / community service space	£1,110,500	100.00%	100.00%
CF9	Community Facilities	Increased / improved capacity and library provision to serve Garden Town growth within Harlow and Epping Forest districts, provided within Harlow (by ECC)	£511,269	14.61%	14.61%
CF10	Community Facilities	Contribution towards on site or off site public art	£105,000	5.94%	5.94%
CF11	Community Facilities	Upgrades to sculpture trail leading to Harlow Town Station	£4,453	5.94%	5.94%
CF12	Community Facilities	Playhouse Square development	£29,686	5.94%	5.94%
OS3	Open Space	Approx. 1.48ha. amenity greenspace at Latton Priory	£207,200	100.00%	100.00%
OS10	Open Space	Approx. 1.97ha. public parks and gardens at Latton Priory	£591,000	100.00%	100.00%
OS17	Open Space	Approx. 4.44ha. of natural space at Latton Priory	£222,000	100.00%	100.00%
OS25	Open Space	Approx. 0.62ha. provision for children and young people at Latton Priory	£820,260	100.00%	100.00%

Ref	Infrastructure Type	Intervention	Cost Apportioned to Site	Proportion of Developer Contribution Element	Proportion of Total Cost
OS33	Open Space	Approx. 0.49ha. allotments at Latton Priory	£12,250	100.00%	100.00%
SF1	Sports and Leisure	New affordable community leisure centre within Harlow, comprising: six-lane 25m pool plus teaching pool; four court sports hall; 100-150 station fitness suite; and two studios	£1,463,105	14.61%	14.61%
UT15	Utilities	Increased household waste recycling capacity and / or facility upgrades in order to serve additional demand in Essex	£29,215	14.61%	14.61%
Total			£44,924,212		

Figure 6 Phasing of key infrastructure at Latton Priory

Ref	Intervention	2018-2023							2023-2028					2028-2033				
		'18	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	'33	
	Units	50					500					500						
TR5	Minor upgrades and improvements to M11 Junction 7 to provide access to Latton Priory and B1393																	
TR6	Link road and B1393 junction from Latton Priory to M11 Junction 7																	
TR9	Velizy / Second Avenue works including signalled crossing and walking and cycling at grade crossing																	
TR20	Second Stort Crossing																	
TR28	Sustainable Transport Corridors and Town Centre Transport Hub																	
ED2	Approx. 79 early years places to meet the needs of new residents at Latton Priory																	
ED16	New 2FE (2.1ha site) primary school, including early years provision, at Latton Priory																	
ED22	New 8FE (10ha site) secondary school at Latton Priory																	
ES1	Emergency services hub (approx. 0.7ha site), including Police, Fire and Rescue and Ambulance Services																	
ES2	Joint police custody facility (approx. 1.2ha site) to service Garden Town and development and adjoining area																	

Ref	Intervention	2018-2023						2023-2028					2028-2033					
		'18	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	'33	
	Units	50						500					500					
CF2	Approx. 500sqm of new / additional / improved (multi-purpose) community space (& facilities) to meet the needs of new residents in Latton Priory, including provision for community halls, youth facilities, other public / community service space																	
CF9	Increased / improved capacity and library provision to serve Garden Town growth within Harlow and Epping Forest districts, provided within Harlow (by ECC)																	
SF1	New affordable community leisure centre within Harlow, comprising: six-lane 25m pool plus teaching pool; four court sports hall; 100-150 station fitness suite; and two studios																	
UT15	Increased household waste recycling capacity and / or facility upgrades in order to serve additional demand in Essex																	

5.3.7 West Sumners

Table 21 Infrastructure requirements for West Sumners

Ref	Infrastructure type	Intervention	Cost Apportioned to Site	Proportion of Developer Contribution Element	Proportion of Total Cost
TR5	Transport	Minor upgrades and improvements to M11 Junction 7 to provide access to Latton Priory and B1393	£377,456	7.55%	7.55%
TR8	Transport	Enhancements to Water Lane / A1169 roundabout; A1025 / Abercrombie Way signals; and traffic calming along the A1169	£4,529,467	37.75%	37.75%
TR9	Transport	Velizy / Second Avenue works including signalled crossing and walking and cycling at grade crossing	£456,271	4.61%	4.56%
TR16	Transport	Cycling and walking improvements to A1025 Second Avenue / Manston / Tripton junction; cycling and walking improvements to the A1025 Second Avenue / Howard Way improvements / pedestrian crossings; and public transport and general capacity improvements	£2,666,487	38.09%	38.09%
TR20	Transport	Second Stort Crossing including realignment of the Eastwick Road and new junction allowing access to Terlings Park and Pye Corner, Pye Corner bypass including junction between north-south section and east-west section, the remainder of the Eastern Crossing including River Way Bridge, and severance mitigation measures at Terlings Park	£4,358,964	4.70%	4.70%
TR28	Transport	Sustainable Transport Corridors and Town Centre Transport Hub	£6,052,551	4.70%	3.85%
TR33	Transport	Public and active transport support, including; revenue funding for Garden Town Active Travel Plan coordinator(s); travel vouchers; and ongoing stewardship of active transport links	£332,956	4.55%	4.55%
ED3	Education	Approx. 158 early years places to meet the needs of new residents at Water Lane Area	£1,000,017	37.75%	37.75%

Ref	Infrastructure type	Intervention	Cost Apportioned to Site	Proportion of Developer Contribution Element	Proportion of Total Cost
ED16	Education	New 2FE (2.1ha site) primary school, including early years provision, at Latton Priory	£1,180,021	17.66%	15.77%
ED17	Education	New 3FE (2.5ha site) primary school, including early years provision, at Water Lane Area	£3,048,562	30.42%	26.74%
ED22	Education	New 8FE (10ha site) secondary school at Latton Priory	£4,340,068	18.50%	16.85%
ED26	Education	SEN provision	£501,951	4.56%	4.56%
HE3	Healthcare	Contribution to healthcare to serve new development, covering primary healthcare, mental healthcare, community healthcare and acute care	£2,053,129	4.56%	4.56%
ES1	Emergency Services	Emergency services hub (approx. 0.7ha site), including Police, Fire and Rescue and Ambulance Services	£140,854	4.70%	2.35%
ES2	Emergency Services	Joint police custody facility (approx. 1.2ha site) to service Garden Town and development and adjoining area	£586,892	4.70%	2.35%
CF3	Community Facilities	Approx. 1,000sqm of new / additional / improved (multi-purpose) community space (and facilities) to meet the needs of new residents in Water Lane area, including provision for community halls, youth facilities, other public / community service space	£838,329	37.75%	37.75%
CF9	Community Facilities	Increased / improved capacity and library provision to serve Garden Town growth within Harlow and Epping Forest districts, provided within Harlow (by ECC)	£392,947	11.23%	11.23%
CF10	Community Facilities	Contribution towards on site or off site public art	£80,700	4.56%	4.56%
CF11	Community Facilities	Upgrades to sculpture trail leading to Harlow Town Station	£3,422	4.56%	4.56%

Ref	Infrastructure type	Intervention	Cost Apportioned to Site	Proportion of Developer Contribution Element	Proportion of Total Cost
CF12	Community Facilities	Playhouse Square development	£22,816	4.56%	4.56%
OS4	Open Space	Approx. 2.91ha. amenity greenspace at Water Lane Area	£153,775	37.75%	37.75%
OS11	Open Space	Approx. 3.88ha. public parks and gardens at Water Lane Area	£439,358	37.75%	37.75%
OS18	Open Space	Approx. 8.74ha. of natural space at Water Lane Area	£164,948	37.75%	37.75%
OS26	Open Space	Approx. 1.21ha. provision for children and young people at Water Lane Area	£604,242	37.75%	37.75%
OS34	Open Space	Approx 0.97ha. allotments at Water Lane Area	£9,153	37.75%	37.75%
SF1	Sports and Leisure	New affordable community leisure centre within Harlow, comprising: six-lane 25m pool plus teaching pool; four court sports hall; 100-150 station fitness suite; and two studios	£1,124,501	11.23%	11.23%
UT7	Utilities	33kV overhead lines may require diverting for masterplanning of Water Lane Area	Unknown	Unknown	Unknown
UT15	Utilities	Increased household waste recycling capacity and / or facility upgrades in order to serve additional demand in Essex	£22,454	11.23%	11.23%
Total			£35,482,291		

Figure 7 Phasing of key infrastructure at West Sumners

Ref	Intervention	2018-2023						2023-2028					2028-2033					
		'18	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	'33	
	Units (Water Lane Area sites assumed to be phased at same rate)	38						384					384					
TR5	Minor upgrades and improvements to M11 Junction 7 to provide access to Latton Priory and B1393																	
TR8	Enhancements to Water Lane / A1169 roundabout; A1025 / Abercrombie Way signals; and traffic calming along the A1169																	
TR9	Velizy / Second Avenue works including signalled crossing and walking and cycling at grade crossing																	
TR16	Cycling and walking improvements to A1025 Second Avenue / Manston / Tripton junction; cycling and walking improvements to the A1025 Second Avenue / Howard Way improvements / pedestrian crossings; and public transport and general capacity improvements																	
TR20	Second Stort Crossing																	
TR28	Sustainable Transport Corridors and Town Centre Transport Hub																	
ED3	Approx. 158 early years places to meet the needs of new residents at Water Lane Area																	
ED16	New 2FE (2.1ha site) primary school, including early years provision, at Latton Priory																	
ED17	New 3FE (2.5ha site) primary school, including early years provision, at Water Lane Area																	

Ref	Intervention	2018-2023					2023-2028					2028-2033					
		'18	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	'33
	Units (Water Lane Area sites assumed to be phased at same rate)	38					384					384					
ED22	New 8FE (10ha site) secondary school at Latton Priory																
ES1	Emergency services hub (approx. 0.7ha site), including Police, Fire and Rescue and Ambulance Services																
ES2	Joint police custody facility (approx. 1.2ha site) to service Garden Town and development and adjoining area																
CF3	Approx. 1,000sqm of new / additional / improved (multi-purpose) community space (& facilities) to meet the needs of new residents in Water Lane area, including provision for community halls, youth facilities, other public / community service space																
CF9	Increased / improved capacity and library provision to serve Garden Town growth within Harlow and Epping Forest districts, provided within Harlow (by ECC)																
SF1	New affordable community leisure centre within Harlow, comprising: six-lane 25m pool plus teaching pool; four court sports hall; 100-150 station fitness suite; and two studios																
UT7	33kV overhead lines may require diverting for masterplanning of Water Lane Area																
UT15	Increased household waste recycling capacity and / or facility upgrades in order to serve additional demand in Essex																

5.3.8 West of Katherine's

Table 22 Infrastructure requirements for West of Katherine's

Ref	Infrastructure Type	Intervention	Cost Apportioned to Site	Proportion of Developer Contribution Element	Proportion of Total Cost
TR5	Transport	Minor upgrades and improvements to M11 Junction 7 to provide access to Latton Priory and B1393	£622,544	12.45%	12.45%
TR8	Transport	Enhancements to Water Lane / A1169 roundabout; A1025 / Abercrombie Way signals; and traffic calming along the A1169	£7,470,533	62.25%	62.25%
TR9	Transport	Velizy / Second Avenue works including signalled crossing and walking and cycling at grade crossing	£752,536	7.60%	7.53%
TR16	Transport	Cycling and walking improvements to A1025 Second Avenue / Manston / Tripton junction; cycling and walking improvements to the A1025 Second Avenue / Howard Way improvements / pedestrian crossings; and public transport and general capacity improvements	£4,333,513	61.91%	61.91%
TR20	Transport	Second Stort Crossing including realignment of the Eastwick Road and new junction allowing access to Terlings Park and Pye Corner, Pye Corner bypass including junction between north-south section and east-west section, the remainder of the Eastern Crossing including River Way Bridge, and severance mitigation measures at Terlings Park	£7,189,320	7.74%	7.74%
TR28	Transport	Sustainable Transport Corridors and Town Centre Transport Hub	£9,982,584	7.74%	6.35%
TR33	Transport	Public and active transport support, including; revenue funding for Garden Town Active Travel Plan coordinator(s); travel vouchers; and ongoing stewardship of active transport links	£549,151	7.50%	7.50%
ED3	Education	Approx. 158 early years places to meet the needs of new residents at Water Lane Area	£1,649,347	62.25%	62.25%

Ref	Infrastructure Type	Intervention	Cost Apportioned to Site	Proportion of Developer Contribution Element	Proportion of Total Cost
ED17	Education	New 3FE (2.5ha site) primary school, including early years provision, at Water Lane Area	£6,974,279	69.58%	61.18%
ED22	Education	New 8FE (10ha site) secondary school at Latton Priory	£7,158,154	30.51%	27.78%
ED26	Education	SEN provision	£827,877	7.53%	7.53%
HE3	Healthcare	Contribution to healthcare to serve new development, covering primary healthcare, mental healthcare, community healthcare and acute care	£3,386,264	7.53%	7.53%
ES1	Emergency Services	Emergency services hub (approx. 0.7ha site), including Police, Fire and Rescue and Ambulance Services	£232,313	7.74%	3.87%
ES2	Emergency Services	Joint police custody facility (approx. 1.2ha site) to service Garden Town and development and adjoining area	£967,972	7.74%	3.87%
CF3	Community Facilities	Approx. 1,000sqm of new / additional / improved (multi-purpose) community space (and facilities) to meet the needs of new residents in Water Lane area, including provision for community halls, youth facilities, other public / community service space	£1,382,671	62.25%	62.25%
CF9	Community Facilities	Increased / improved capacity and library provision to serve Garden Town growth within Harlow and Epping Forest districts, provided within Harlow (by ECC)	£648,094	18.52%	18.52%
CF10	Community Facilities	Contribution towards on site or off site public art	£133,100	62.25%	62.25%
CF11	Community Facilities	Upgrades to sculpture trail leading to Harlow Town Station	£5,645	7.53%	7.53%
CF12	Community Facilities	Playhouse Square development	£37,631	7.53%	7.53%

Ref	Infrastructure Type	Intervention	Cost Apportioned to Site	Proportion of Developer Contribution Element	Proportion of Total Cost
OS4	Open Space	Approx. 2.91ha. amenity greenspace at Water Lane Area	£253,625	62.25%	62.25%
OS11	Open Space	Approx. 3.88ha. public parks and gardens at Water Lane Area	£724,642	62.25%	62.25%
OS18	Open Space	Approx. 8.74ha. of natural space at Water Lane Area	£272,052	62.25%	62.25%
OS26	Open Space	Approx. 1.21ha. provision for children and young people at Water Lane Area	£996,588	62.25%	62.25%
OS34	Open Space	Approx 0.97ha. allotments at Water Lane Area	£15,097	62.25%	62.25%
SF1	Sports and Leisure	New affordable community leisure centre within Harlow, comprising: six-lane 25m pool plus teaching pool; four court sports hall; 100-150 station fitness suite; and two studios	£1,854,660	18.52%	18.52%
UT7	Utilities	33kV overhead lines may require diverting for masterplanning of Water Lane Area	Unknown	Unknown	Unknown
UT15	Utilities	Increased household waste recycling capacity and / or facility upgrades in order to serve additional demand in Essex	£37,034	18.52%	18.52%
Total			£58,457,226		

Figure 8 Phasing of key infrastructure at West of Katherine's

Ref	Intervention	2018-2023						2023-2028						2028-2033					
		'18	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	'33		
	Units (Water Lane Area sites assumed to be phased at same rate)	63						634						634					
TR5	Minor upgrades and improvements to M11 Junction 7 to provide access to Latton Priory and B1393																		
TR8	Enhancements to Water Lane / A1169 roundabout; A1025 / Abercrombie Way signals; and traffic calming along the A1169																		
TR9	Velizy / Second Avenue works including signalled crossing and walking and cycling at grade crossing																		
TR16	Cycling and walking improvements to A1025 Second Avenue / Manston / Tripton junction; cycling and walking improvements to the A1025 Second Avenue / Howard Way improvements / pedestrian crossings; and public transport and general capacity improvements																		
TR20	Second Stort Crossing																		
TR28	Sustainable Transport Corridors and Town Centre Transport Hub																		
ED3	Approx. 158 early years places to meet the needs of new residents at Water Lane Area																		
ED17	New 3FE (2.5ha site) primary school, including early years provision, at Water Lane Area																		
ED22	New 8FE (10ha site) secondary school at Latton Priory																		

Ref	Intervention	2018-2023						2023-2028					2028-2033					
		'18	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	'33	
	Units (Water Lane Area sites assumed to be phased at same rate)	63						634					634					
ES1	Emergency services hub (approx. 0.7ha site), including Police, Fire and Rescue and Ambulance Services																	
ES2	Joint police custody facility (approx. 1.2ha site) to service Garden Town and development and adjoining area																	
CF3	Approx. 1,000sqm of new / additional / improved (multi-purpose) community space (& facilities) to meet the needs of new residents in Water Lane area, including provision for community halls, youth facilities, other public / community service space																	
CF9	Increased / improved capacity and library provision to serve Garden Town growth within Harlow and Epping Forest districts, provided within Harlow (by ECC)																	
SF1	New affordable community leisure centre within Harlow, comprising: six-lane 25m pool plus teaching pool; four court sports hall; 100-150 station fitness suite; and two studios																	
UT7	33kV overhead lines may require diverting for masterplanning of Water Lane Area																	
UT15	Increased household waste recycling capacity and / or facility upgrades in order to serve additional demand in Essex																	

5.4 Funding Gap

Table 23 Summary of funding gap

Topic	Cost	Identified Funding	Apportioned Costs	Remaining Funding Gap (After Developer Contributions)	Items Not Included in Funding Gap
Transport	£698,452,278	£61,450,000	£375,752,278	£61,250,000	- Hertford Bypass (TR25) (£175,000,000) – unclear to what extent developer contributions from Garden Town will be required; given contributions towards Amwell junction (TR18), likely to be zero. - Transport mitigation measures relating to Princess Alexandra Hospital relocation (TR27) (£25,000,000) – expected to form part of the overall cost package of the relocation.
Education	£311,853,088	£1,092,459	£289,810,921	£13,468,708	New 2FE primary school at Newhall Phases 2/3 (ED14) (£7,481,000) – no decision on the delivery of this school has been made.
Healthcare	£577,571,311	£170,000,000	£44,993,300	£32,578,011	Relocation of Princess Alexandra Hospital (HE1) – costs likely to be met through a variety of sources; remaining funding gap is not considered to be for the Garden Town to meet.
Emergency Services	£31,000,000	£0	£15,500,000	£15,500,000	
Community Facilities	£23,820,956	£0	£23,820,956	£0	
Open Space	£45,821,730	£0	£43,396,730	£2,425,000	
Sports and Leisure	£21,031,680	£0	£21,031,680	£0	

Topic	Cost	Identified Funding	Apportioned Costs	Remaining Funding Gap (After Developer Contributions)	Items Not Included in Funding Gap
Utilities	£44,700,000	£0	£1,862,067	£5,037,933	• New primary substation to serve Gilston (UT8) (£29,000,000) – abnormal cost to be reflected in land value. • Various electricity upgrades (UT3-UT6) (£8,800,000 total) – network reinforcements expected to be funded as a combination of the provider and developers via a connection and infrastructure charge (part of normal development cost); additional costs beyond this expected to be met by the provider.
Flood Defence	£12,000,000	£341,482	£440,000	£11,218,518	
Total	£1,766,251,043	£232,883,941	£816,607,932	£141,478,170	

Section 6

Alternative Collection Methods

6 Alternative Collection and Funding Methods

Section 4.8 of the IDP sets out the collection methods currently available to support infrastructure delivery. A number of alternative arrangements which could be available to support the delivery of the Garden Town have also been considered:

- CIL Charging Schedule(s)
- Strategic Infrastructure Tariff
- Other Tariff Mechanisms
- Framework Agreements
- Planning Freedoms
- Developer Forward Funding
- Tax Increment Financing

All these methods would require additional work to take them forward. They should continue to be considered by Harlow and Gilston Garden Town and progressed where appropriate, particularly in relation to any work on a joint Planning Obligations SPD (see Section 3.2).

6.1 CIL Charging Schedules

6.1.1 District-Level CIL

CIL is intended to provide infrastructure to support the development of an area, rather than making individual planning applications acceptable in planning terms. (Some site-specific infrastructure or impact mitigation may still be necessary for a development to be granted planning permission.)

Charging authorities must set out their CIL rates in a Charging Schedule, which must be evidenced (with guidance given in the PPG), consulted on and examined, before being adopted. Charging authorities should set a rate which does not threaten viability. They should draw on the infrastructure planning evidence that underpins their development strategy, striking an appropriate balance between funding necessary infrastructure and the potential impact on deliverability.

In accordance with Regulation 123 of the CIL Regulations 2010 (as amended), a Regulation 123 infrastructure list sets out a list of those projects or types of infrastructure that it intends to fund (or may fund) through CIL (and, by omission, what is expected through planning obligations). A Regulation 123 infrastructure list will be produced as part of any progression of a CIL Charging Schedule and will be updated periodically once CIL is in place locally.

The benefits of introducing CIL are that the current pooling restrictions on Section 106 Agreements do not apply, and that the Regulation 123 list can be changed by

the charging authority without the need for examination, and so can be reviewed as the infrastructure needs change. CIL can be used to fund a wide range of infrastructure, and is arguably more flexible than other forms of developer contributions. CIL is also not subject to the same time restrictions on when it must be spent. However, the process for producing, examining and adopting (and updating) a CIL Charging Schedule requires time and resources, and there is evidence that it can be difficult to recoup sufficient funds through this method.

CIL is intended to provide infrastructure to support the development of an area, rather than making individual planning applications acceptable in planning terms. If a CIL Charging Schedule was in place in one or more of the three Districts, Section 106 would still be required to fund infrastructure when it is specifically required to facilitate development of the site (e.g. works necessary for access and/or public transport on or adjacent to the site). It is important that the local use of CIL and planning obligations do not overlap. The CIL Regulations restrict the use of local planning obligations to ensure that individual developments are not charged for the same items twice. Currently, where a local planning authority has indicated that it intends to fund an item of infrastructure through CIL, it cannot also seek money through Section 106 for the same thing. However, in December 2018 the Government consulted on proposals which included allowing local authorities to use both CIL and Section 106 to fund the same item of infrastructure³¹.

6.1.2 Garden Town CIL

As there are three charging authorities (Harlow, East Hertfordshire and Epping Forest Districts) and three 'relevant Plans'³² (their respective Local Plans), each District would need to pursue its own Charging Schedule. However, it would be possible to develop an overarching evidence base and to ensure consistency of approach across the Garden Town. It may also be possible to hold a joint Independent Examination.

The Regulations allow for differential rates to be set by geography or scale of development, on the basis of viability (but not as a means to deliver policy objectives). This means that Epping Forest and East Hertfordshire Districts could have Charging Schedules which treat their Garden Town elements differently from growth across the rest of their Districts.

6.2 Strategic Infrastructure Tariff

Following the approach adopted for the Mayoral CIL used to fund Crossrail, the Government has proposed allowing Combined Authorities to introduce a Strategic Infrastructure Tariff to fund specific infrastructure projects. It would operate alongside local developer contributions (i.e. CIL and Section 106 Agreements),

³¹ Ministry of Housing, Communities and Local Government, *Reforming developer contributions: Technical consultation on draft regulations* (2018)

³² The PPG states that Charging Schedules must be consistent with and support the implementation of up-to-date relevant Plans, i.e. Local Plans (Paragraph: 011 Reference ID: 25-011-20140612).

and would aim to facilitate cross-border co-operation in the provision of major infrastructure.

The Government consulted on this proposal in March 2018³³, and responded to comments in October 2018³⁴. In response to suggestions that these powers should be made available to other charging authorities, the Government confirmed they will bring forward proposals for Combined Authorities and joint committees (where they have strategic planning powers) to charge the tariff, and will review options for giving other groups the power to levy a Tariff. At the time of writing, these powers are not yet in place.

As the Harlow and Gilston Garden Town does not currently have a joint planning committee, the option to progress a Strategic Infrastructure Tariff is not available. However, it might be something which could be progressed through a ‘planning freedom’ (see Section 6.5).

6.3 Other Tariff Mechanism

The Sustainable Transport Corridors (STC) network will result in benefits across the whole Garden Town including for unallocated development such as changes in use or intensification of development and development allocations that might yet be identified in future Plan reviews, these include non-residential development. At this stage however, the IDP has apportioned the delivery of the STC solely on the basis of the strategic scale growth consisting of the new neighbourhoods and village allocations and the proposed redevelopment of the Princess Alexandra Hospital site. In order to ensure the Sustainable Transport Corridors are delivered as soon as possible and that the network is designed to achieve maximum benefit to the sustainable growth of the Garden Town, it may also be appropriate to seek contributions from the other planned smaller scale developments, ‘windfall’ development and non-residential development, as well as future allocations. In order to do this, it is likely that a further mechanism will need to be established across the Garden Town for calculating and seeking contributions to support the implementation and potential future enhancements of the Sustainable Transport Corridors network. The authorities will consider incorporating this into a joint Planning Obligations SPD (see Section 3.2).

Current restrictions on planning obligations have limited the ability of authorities to take into account a financial contribution for the funding or provision of an infrastructure project where five or more separate planning obligations have already been sought for the funding or provision of that project from other sources. As set out in Section 2.1.3, the Government has indicated its intention to

³³ Ministry of Housing, Communities and Local Government, *Supporting housing delivery through developer contributions: Reforming developer contributions to affordable housing and infrastructure* (2018) (Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/691182/Developer_Contributions_Consultation.pdf)

³⁴ Ministry of Housing, Communities and Local Government, *Government response to supporting housing delivery through developer contributions: A summary of consultation responses and the Government’s view on the way forward* (2018) (Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/752183/Developer_Contributions_Government_Response.pdf)

end the restrictions on pooling and therefore the expectation is that this will not represent a barrier to collecting contributions in the future.

6.4 Framework Agreements

Framework Agreements represent an alternative way of entering into a single over-arching Section 106 Agreement to ensure funding for infrastructure needed to support development. Rather than individual and independent Section 106 Agreements that are negotiated over time, a Framework Agreement allows for a comprehensive funding and delivery strategy across multiple sites. The Agreement maximises funding for infrastructure and reduces the risk and uncertainty around the items included within the package.

The Framework Agreement relates to the use of land within the developable area, and is signed up to by land owners/developers. The purpose is to manage the payment of Section 106 contributions towards the delivery of infrastructure in a comprehensive and coordinated way. The Agreement is supported by an independently verified viability assessment.

The Framework Agreement does not require the payment of contributions or the delivery of infrastructure. Partners instead enter into ‘site-specific agreements’ if the Council resolve to grant planning permission for the proposed schemes. These site-specific agreements set out the obligations to contribute towards and/or deliver infrastructure of an agreed amount and at agreed times. The infrastructure needs will have been previously determined through evidence base documents (such as an IDP or a Framework Plan) which indicates what supporting infrastructure is required and where it is needed.

When planning permissions are granted on specific sites, the signed site-specific Section 106 Agreements will reiterate the cooperation agreements set out in the Framework Agreement and activate payment provision. The Framework Agreement therefore is a useful way of establishing a mechanism for the collection and management of contributions towards an agreed infrastructure package over a wider strategic development area.

An example of a Framework Agreement has been successfully implemented by South Gloucestershire Council. Developers have entered into a single overarching agreement for Cribbs/Patchway New Neighbourhood for the infrastructure required for the development to proceed across three individual planning applications. Framework Agreements require multiple landowners/developers to agree to the approach and provisions in a co-ordinated manner which will be difficult to achieve for the Garden Town where the respective Local Plans are at different stages of examination and adoption, and where different promoters/developers are working to different delivery trajectories.

6.5 Planning Freedoms

Section 154 of the Housing and Planning Act 2016 allows for ‘planning freedoms’: the right for local authorities to request alterations to the planning system to support housing delivery. If conditions are met, the Secretary of State

may allow a planning freedoms scheme that disapplies or modifies specified planning provisions to facilitate an increase in the amount of housing.

For the request to be considered, the Secretary of State must be satisfied that: there is a need for a significant increase in housing in the area; the modifications will contribute to such an increase; and adequate consultation has been carried out. It is up to the local authority or authorities to propose the type of planning autonomy they may require.

One freedom which may be of assistance to the delivery of the Garden Town in the future is to progress a Strategic Infrastructure Tariff without being a Combined Authority or having a joint planning committee (see Section 6.2).

6.6 Developer-Led or Authority-Led Forward Funding

In order to deliver infrastructure early, innovative approaches to delivery will be considered including for an authority or a single developer or consortium to take a lead in forward-funding the delivery of an item of strategic infrastructure. For example, in the absence of external funding, the Gilston Area applicants have publicly indicated the intention to seek to forward-fund elements of the River Stort Crossings if necessary.

Where such items of infrastructure are considered to be of a strategic nature which would require an apportionment of costs, it will be necessary to agree a mechanism to ensure that contributions are still recovered from all relevant and appropriate sources of contribution to ensure both that the infrastructure is delivered in its final intended form and that the delivery has been achieved through an equitable approach that does not unnecessarily undermine another development's viability, constrain the ability to deliver other infrastructure, unreasonably inflate landowner or developer profit or inadvertently represent state aid.

When negotiating planning obligations for specific development sites, if any developer-led forward-funding is deemed necessary and appropriate the approach will be to ensure that contributions from other developers to the relevant item of infrastructure are still received. The recovery of forward-funding by the developer, where feasible, will principally be expected to be through the off-setting of future contributions that would otherwise have been due at relevant stages of the development and at a point in time by which the funding recovered from other development sources could be reasonably anticipated. Developers may also, or instead, wish to agree landowner collaboration agreements with other contributing parties. Where necessary, the collecting authorities may wish to consider the use of other contribution mechanisms such as CIL (Section 6.1) or Strategic Infrastructure Tariffs (Section 6.2) as a means to help ensure certainty of future delivery from all contributing developments.

Similarly, the above mechanisms might be considered by the collecting authorities where an authority or statutory body considers it to be necessary or advantageous to forward-fund infrastructure themselves.

6.7 Tax Increment Financing

Tax Increment Financing (TIF) allows local authorities to borrow money for infrastructure projects against the anticipated increase in tax receipts resulting from the infrastructure. TIFs take the form of increasing the proportion of business rates that are retained by local authorities, which in turn expands the authorities' borrowing capacity. TIFs can be 'open' (which lets councils invest and take on the risks alone), or can have stronger Government controls that guarantees revenue.

Appendix A

Infrastructure Delivery Schedule

A1 Infrastructure Delivery Schedule

The full Infrastructure Delivery Schedule is provided in the following pages, broken down by topic:

- Transport
- Education
- Health and Social Care
- Emergency Services
- Community Facilities
- Open Space
- Sports and Leisure
- Utilities
- Flood Defence

Printing Notes

The Infrastructure Delivery Schedule has been formatted to extend over two pages. To best read the Schedule, Appendix A should be printed as A3 Landscape, with the flip on the short edge.

TRANSPORT

Ref	Intervention	Priority	Delivery Partners	Potential Funding Source	Cost	Cost source	Identified Funding	Funding Gap	Cost to be Apportioned	Rationale	Remaining Funding Gap
Highways											
TR1	M11 Junction 7A: widening of Gilden Way (B183) from London Road roundabout to Marsh Lane to create three lane road; new road to the east replacing part of the existing road, linking the improved Gilden Way (B183) to the M11 via a new Sheering road roundabout; new stretch of road from the roundabout northwards to reconnect to Sheering Road south of Pincey Brook; from the new Sheering Road roundabout, the link will continue in a north easterly direction to a second roundabout located south of Pincey Brook two new roundabouts on either side of the M11 and connected by a new bridge over the M11; slip roads on and off the M11 for both north-bound and South-bound traffic	N/A	Highways England / ECC	Highways England - RIS1	£50,000,000	Essex County Council	£50,000,000	£0	£0	Fully funded - no additional contributions required	£0
TR2	Mayfield Farm access to East Harlow, including a single junction upgrade and link-road to the site	Critical	Developers	Developer contributions (S278)	£4,000,000	Essex County Council	£0	£4,000,000	£4,000,000	Developers to meet full cost	£0
TR3	Sheering Way access to East Harlow, including a single junction upgrade and link-road to the site	Critical	Developers	Developer contributions (S278)	£2,000,000	Essex County Council	£0	£2,000,000	£2,000,000	Developers to meet full cost	£0
TR4	Nursery site (east of Gilden Way) access to East Harlow, including a single junction upgrade and link-road to the site	Critical	Developers	Developer contributions (S278)	£7,000,000	Essex County Council	£0	£7,000,000	£7,000,000	Developers to meet full cost	£0
TR5	Minor upgrades and improvements to M11 Junction 7 to provide access to Latton Priory and B1393	Critical	Developer / ECC	Developer contributions (S278 / S106)	£5,000,000	Essex County Council - of the cost, approximately £3m is related specifically to the delivery of Latton Priory and the remainder is related to the wider delivery of growth in the area (including Latton Priory)	£0	£5,000,000	£5,000,000	Assumes 100% of costs met through developer contributions - however, Essex County Council are also exploring opportunities for other sources of funding	£0
TR6	Link road and B1393 junction from Latton Priory to M11 Junction 7	Critical	Developer	Developer contributions (S278)	£5,000,000	Essex County Council (lower end estimate; costs may be higher following detailed design)	£0	£5,000,000	£5,000,000	Assumes 100% of costs met through developer contributions	£0
TR7	Improvements to M11 Junction 7	Essential	Highways England / ECC	Highways England - RIS	£29,000,000	Essex County Council	£0	£29,000,000	£0		£29,000,000
TR8	Enhancements to Water Lane / A1169 roundabout; A1025 / Abercrombie Way signals; and traffic calming along the A1169	Critical	Developers	Developer contributions (S278)	£12,000,000	Essex County Council	£0	£12,000,000	£12,000,000	Assumes 100% of costs met through developer contributions	£0
TR9	Velizy / Second Avenue works including signalled crossing and walking and cycling at grade crossing	Required	ECC	Developer contributions (S106)	£10,000,000	Essex County Council (costs updated to reflect likely Town Centre AAP interventions)	£100,000	£9,900,000	£9,900,000	Assumes 100% of remaining costs met through developer contributions	£0
TR10	Gilden Way / Harlowbury development primary site access	N/A	ECC	Developer contributions (S106)	£800,000	Harlow IDP (2018)	£800,000	£0	£0	Fully funded - no additional contributions required	£0
TR11	Gilden Way / Harlowbury development secondary site access	N/A	ECC	Developer contributions (S106)	£200,000	Harlow IDP (2018)	£200,000	£0	£0	Fully funded - no additional contributions required	£0
TR12	Gilden Way / (B183) Mulberry Green for Harlowbury	N/A	ECC	Developer contributions (S106)	£100,000	Harlow IDP (2018)	£100,000	£0	£0	Fully funded - no additional contributions required	£0
TR13	A414 / Edinburgh Way / Cambridge Road (A1184) / Station Road, including junction improvements and road dualling	N/A	ECC	Growing Places Fund	£10,000,000	Harlow IDP (2018)	£10,000,000	£0	£0	Fully funded - no additional contributions required	£0
TR14	Closure of Old Road through traffic at rail bridge adjust A1184 / Old Road signals	Essential	ECC	Developer contributions (S106)	£250,000	Harlow IDP (2018)	£250,000	£0	£0	Fully funded - no additional contributions required	£0
TR15	New Junction from River Way (Templefields (EZ)) onto Cambridge Road	Essential	ECC	Developer contributions (S106)	£4,000,000	Essex County Council	£0	£4,000,000	£0	Cost to be met by EZ	£4,000,000
TR16	Cycling and walking improvements to A1025 Second Avenue / Manston / Tripton junction; cycling and walking improvements to the A1025 Second Avenue / Howard Way improvements / pedestrian crossings; and public transport and general capacity improvements	Essential	ECC	Developer contributions (S106)	£7,000,000	Essex County Council	£0	£7,000,000	£7,000,000	Currently tests 100% of costs met through developer contributions. Funding may also be available through other sources e.g. Walking Infrastructure Programme bids	£0
TR17	A414 Edinburgh Way / Howard Way improvement scheme	Essential	ECC	Developer contributions (S106)	£7,000,000	Essex County Council	£0	£7,000,000	£7,000,000		£0
TR18	Amwell Roundabout upgrades and 'throughabout'	Critical	HCC	Developer contributions (S106) / Grant	£4,200,000	East Herts IDP (2017)	£0	£4,200,000	£4,200,000	Assumes 100% of costs met through developer contributions - however, contributions from other sites and other sources of funding may be available	£0

TRANSPORT

Ref	Intervention	2018 - 2023	2023 - 2028	2028 - 2033	2033 - 2038	2038 - 2043	2043 +	Notes	East of Harlow (North)	East of Harlow (South)	Latton Priory	Water Lane Area (Sumners)	Water Lane Area (Katherine's)	Gilston (Villages 1-6)	Gilston (Village 7)	Non-Strategic Sites (Total)
Highways																
TR1	M11 Junction 7A: widening of Gilden Way (B183) from London Road roundabout to Marsh Lane to create three lane road; new road to the east replacing part of the existing road, linking the improved Gilden Way (B183) to the M11 via a new Sheering road roundabout; new stretch of road from the roundabout northwards to reconnect to Sheering Road south of Pincey Brook; from the new Sheering Road roundabout, the link will continue in a north easterly direction to a second roundabout located south of Pincey Brook two new roundabouts on either side of the M11 and connected by a new bridge over the M11; slip roads on and off the M11 for both north-bound and South-bound traffic							The project is scoped and fully costed, and a planning application has been approved.								
TR2	Mayfield Farm access to East Harlow, including a single junction upgrade and link-road to the site								£4,000,000							
TR3	Sheering Way access to East Harlow, including a single junction upgrade and link-road to the site								£2,000,000							
TR4	Nursery site (east of Gilden Way) access to East Harlow, including a single junction upgrade and link-road to the site									£7,000,000						
TR5	Minor upgrades and improvements to M11 Junction 7 to provide access to Latton Priory and B1393							ECC are currently exploring additional funding sources to contribute to infrastructure delivery.			£3,500,000	£377,456	£622,544			£500,000
TR6	Link road and B1393 junction from Latton Priory to M11 Junction 7										£5,000,000					
TR7	Improvements to M11 Junction 7							Project scoped and fully costed. If funding is not available from Road Investment Strategy 2 the cost will need to be borne by developers.								
TR8	Enhancements to Water Lane / A1169 roundabout; A1025 / Abercrombie Way signals; and traffic calming along the A1169											£4,529,467	£7,470,533			
TR9	Velizy / Second Avenue works including signalled crossing and walking and cycling at grade crossing								£424,043	£1,470,017	£593,661	£456,271	£752,536	£4,805,825	£848,087	£549,560
TR10	Gilden Way / Harlowbury development primary site access															
TR11	Gilden Way / Harlowbury development secondary site access															
TR12	Gilden Way / (B183) Mulberry Green for Harlowbury															
TR13	A414 / Edinburgh Way / Cambridge Road (A1184) / Station Road, including junction improvements and road dualling															
TR14	Closure of Old Road through traffic at rail bridge adjust A1184 / Old Road signals															
TR15	New Junction from River Way (Templefields (EZ)) onto Cambridge Road							Scheme is not ECC programme but is considered key to the deveopment of the EZ on Templefields.								
TR16	Cycling and walking improvements to A1025 Second Avenue / Manston / Tripton junction; cycling and walking improvements to the A1025 Second Avenue / Howard Way improvements / pedestrian crossings; and public transport and general capacity improvements											£2,666,487	£4,333,513			
TR17	A414 Edinburgh Way / Howard Way improvement scheme							Contributions may also be sort from sites in the vicinity.						£5,950,000	£1,050,000	
TR18	Amwell Roundabout upgrades and 'throughabout'							There is the potential to make this junction a 'throughabout' with priority given to traffic using the A414, but this is subject to further transport modelling. This scheme is related to Hertford bypass proposals which would reroute the A414 and connect with the A10 east of the town.						£3,570,000	£630,000	

TRANSPORT

Ref	Intervention	Priority	Delivery Partners	Potential Funding Source	Cost	Cost source	Identified Funding	Funding Gap	Cost to be Apportioned	Rationale	Remaining Funding Gap
TR19	Central access to Gilston (Village 1) including Eastwick junction improvements with bus priority, provision of new walking/cycling bridge over A414, widening of 5th Avenue to create sustainable transport corridor including works to the bridges, and improved access to Harlow Town Station from the north	Critical	Developer / HCC	HIF (claw back to be recycled) / Developer contributions (S106 or S278)	£36,200,000	Hertfordshire County Council	£0	£36,200,000	£36,200,000	Developers to meet full cost (additional funding from Network Rail may be available for upgrades to the station building and new entrance)	£0
TR20	Second Stort Crossing including realignment of the Eastwick Road and new junction allowing access to Terlings Park and Pye Corner, Pye Corner bypass including junction between north-south section and east-west section, the remainder of the Eastern Crossing including River Way Bridge, and severence mitigation measures at Terlings Park	Critical	Developer / HCC	Developer contributions (S278)	£92,840,000	Hertfordshire County Council	£0	£92,840,000	£92,840,000	Developers to meet full cost	£0
TR21	Access to Gilston Area Village 2	Critical			£2,159,000	Hertfordshire County Council	£0	£2,159,000	£2,159,000	Developers to meet full cost	£0
TR22	Access to Gilston Area Village 1 (north of Eastwick junction) and creation of Sustainable Transport link within Village 1	Critical			£13,240,000	Hertfordshire County Council	£0	£13,240,000	£13,240,000	Developers to meet full cost	£0
TR23	Western access (village 7) to Gilston at A414/Church Lane	Critical	Developer / HCC	Developer contributions (S278)	£1,535,000	Hertfordshire County Council	£0	£1,535,000	£1,535,000	Developers to meet full cost	£0
TR24	Sustainable link between Gilston Village 7 and Gilston Villages 1-6	Essential	Developer / HCC	Developer contributions (S278)	£10,350,000	Hertfordshire County Council	£0	£10,350,000	£10,350,000	Developers to meet full cost	£0
TR25	Hertford Bypass	Required	HCC		£175,000,000	Hertfordshire County Council (upper end estimate)	£0	£175,000,000	Unknown	Unclear to what extent developer contributions from Garden Town will be required	Unknown
TR26	Harlow Northern Bypass	Unknown	HCC / ECC	Developer contributions (S106)	Unknown		£0	Unknown	Unknown	Unclear to what extent developer contributions from Garden Town will be required	Unknown
PAH Relocation-Related Highways											
TR27	Hospital relocation to East Harlow - transport mitigation measures including M11 Junction 7A capacity works	TBC	NHS Princess Alexandra Hospital Trust	Developer contributions (S106)/grant/NHS Princess Alexandra Hospital Trust	£25,000,000	Essex County Council estimate the cost to be £25,000,000 - £50,000,000 - note, this is a high level allowance only	£0	£25,000,000	£0	PAH relocation-related costs have not been apportioned and would instead form part of the overall cost package for the relocation	£0

TRANSPORT

Ref	Intervention	2018 - 2023	2023 - 2028	2028 - 2033	2033 - 2038	2038 - 2043	2043 +	Notes	East of Harlow (North)	East of Harlow (South)	Latton Priory	Water Lane Area (Summers)	Water Lane Area (Katherine's)	Gilston (Villages 1-6)	Gilston (Village 7)	Non-Strategic Sites (Total)
TR19	Central access to Gilston (Village 1) including Eastwick junction improvements with bus priority, provision of new walking/cycling bridge over A414, widening of 5th Avenue to create sustainable transport corridor including works to the bridges, and improved access to Harlow Town Station from the north							Works to the Central Stort Crossing required as part of the access strategy for Gilston. Access to station likely to require Network Rail negotiation. It has been identified that the existing Railway Bridge of the Fifth Avenue River Stort Crossing will require replacement at some point in the future, the replacement of this structure is not required in order to deliver the access to the Gilston Area but due to the age, condition and design of that structure it would therefore be considered a strategic intervention. The cost does not include this intervention.						£30,770,000	£5,430,000	
TR20	Second Stort Crossing including realignment of the Eastwick Road and new junction allowing access to Terlings Park and Pye Corner, Pye Corner bypass including junction between north-south section and east-west section, the remainder of the Eastern Crossing including River Way Bridge, and severence mitigation measures at Terlings Park								£4,051,082	£14,043,751	£5,671,515	£4,358,964	£7,189,320	£45,912,264	£8,102,164	£3,510,938
TR21	Access to Gilston Area Village 2													£2,159,000		
TR22	Access to Gilston Area Village 1 (north of Eastwick junction) and creation of Sustainable Transport link within Village 1													£13,240,000		
TR23	Western access (village 7) to Gilston at A414/Church Lane														£1,535,000	
TR24	Sustainable link between Gilston Village 7 and Gilston Villages 1-6							Sustainable transport measures that include walking and cycling and enhanced passenger transport services. To be considered at the detailed design stage through a site masterplan.						£8,797,500	£1,552,500	
TR25	Hertford Bypass							A414 can support planned growth identified within the first seven years up to 2024. Beyond that date a strategic solution, potentially in the form of a Hertford bypass will be required to deliver future growth in the Hertford and Ware area. The County Council is currently preparing a 2050 Transport Vision which will inform the Local Transport Plan 4. A strategic scheme in Hertford will be identified as part of this work.								
TR26	Harlow Northern Bypass							Potential northern bypass linking the A414 to the north of the River Stort to help ease congestion, and improve connectivity. A northern bypass is not currently required to enable growth and delivery, but in the longer term may be required to improve connectivity and reduce congestion north of Harlow.								
PAH Relocation-Related Highways																
TR27	Hospital relocation to East Harlow - transport mitigation measures including M11 Junction 7A capacity works															

TRANSPORT

Ref	Intervention	Priority	Delivery Partners	Potential Funding Source	Cost	Cost source	Identified Funding	Funding Gap	Cost to be Apportioned	Rationale	Remaining Funding Gap
Public and Active Transport											
TR28	Sustainable Transport Corridors and Town Centre Transport Hub	Essential	ECC / HCC	HIF (grant and claw back to be recycled) / Developer contributions (S106)	£157,161,083	Sustainable Transport Corridors Study. The costs are reflective of the stage of the works, and will be further refined as more detail on the Sustainable Transport Corridors becomes available. Cost excludes bus road across Central Stort Crossing, to avoid double counting with TR19 and TR24.	£0	£157,161,083	£128,911,083	Assumes 100% of costs (excluding some of the costs relating to town centre) met through developer contributions - however, contributions from other sites and other sources of funding (including HIF) may be available. Contributions from wider regeneration of town centre expected to some town centre upgrades.	£28,250,000
TR29	Enhanced bus services along Edinburgh Way via new EZ access	Required	Operators / ECC	Operators / ECC	Unknown		£0	Unknown	Unknown		Unknown
TR30	Southern Way gap between Bishopsfield and Parnall Road	Required	ECC / Developers	Developer contributions (S106) / Grant	Unknown		£0	Unknown	Unknown		Unknown
TR31	Off-road cycle and walking network from Village 7 to Roydon	Required	Developers	Developers	£600,000	East Herts IDP (2017) - assumes equal split between Roydon and Pinnacles links	£0	£600,000	£600,000	Assumes 100% of costs met through developer contributions	£0
TR32	Off-road cycle and walking network from Village 6 to Pinnacles	Required	Developers	Developers	£600,000	East Herts IDP (2017) - assumes equal split between Roydon and Pinnacles links	£0	£600,000	£600,000	Assumes 100% of costs met through developer contributions	£0
TR33	Public and active transport support, including; revenue funding for Garden Town Active Travel Plan coordinator(s); travel vouchers; and ongoing stewardship of active transport links	Required	ECC / HCC	Developer contributions (S106)	£7,317,195	Essex County Council	£0	£7,317,195	£7,317,195	Assumes 100% of costs met through developer contributions	Unknown
TR34	Pump-priming of new bus services in Gilston Area	Required	Operators	Developer contributions (S106)	£18,900,000	Hertfordshire County Council	£0	£18,900,000	£18,900,000	Developers to meet full cost	£0
TR35	Travel Plan measures/monitoring	Required	ECC / HCC / Operators	Developer contributions (S106)	Unknown		£0	Unknown	Unknown		Unknown
TR36	Passenger transport infrastructure and services	Required	ECC / HCC / Operators	Developer contributions (S106)	Unknown		£0	Unknown	Unknown		Unknown

TRANSPORT

Ref	Intervention	2018 - 2023	2023 - 2028	2028 - 2033	2033 - 2038	2038 - 2043	2043 +	Notes	East of Harlow (North)	East of Harlow (South)	Latton Priory	Water Lane Area (Sumners)	Water Lane Area (Katherine's)	Gilston (Villages 1- 6)	Gilston (Village 7)	Non-Strategic Sites (Total)
Public and Active Transport																
TR28	Sustainable Transport Corridors and Town Centre Transport Hub							Costs included in Sustainable Transport Corridors Study makes an allowance for revenue support (pump priming).	£5,625,047	£19,500,164	£7,875,066	£6,052,551	£9,982,584	£63,750,536	£11,250,095	£4,875,041
TR29	Enhanced bus services along Edinburgh Way via new EZ access															
TR30	Southern Way gap between Bishopsfield and Parnall Road															
TR31	Off-road cycle and walking network from Village 7 to Roydon														£600,000	
TR32	Off-road cycle and walking network from Village 6 to Pinnacles													£600,000		
TR33	Public and active transport support, including; revenue funding for Garden Town Active Travel Plan coordinator(s); travel vouchers; and ongoing stewardship of active transport links								£309,439	£1,072,721	£433,214	£332,956	£549,151	£3,527,602	£618,878	£473,235
TR34	Pump-priming of new bus services in Gilston Area													£16,065,000	£2,835,000	
TR35	Travel Plan measures/monitoring															
TR36	Passenger transport infrastructure and services															

EDUCATION

Ref	Intervention	Priority	Delivery Partners	Potential Funding Source	Cost	Cost source	Identified Funding	Funding Gap	Cost to be Apportioned	Rationale	Remaining Funding Gap
Early Years											
ED1	Approx. 64 early years places to meet the needs of new residents at East Harlow (Epping portion)	Essential	ECC / Operators / Developers	Developer contributions (S106) / DfE / Operators / ECC / (Working Parents Allowance)	£1,073,160	Reviewed by Arup	£0	£1,073,160	£1,073,160	Assumed that developer contributions will meet full costs	£0
ED2	Approx. 79 early years places to meet the needs of new residents at Latton Priory	Essential	ECC / Operators / Developers	Developer contributions (S106) / DfE / Operators / ECC / (Working Parents Allowance)	£1,324,682	Reviewed by Arup	£0	£1,324,682	£1,324,682	Assumed that developer contributions will meet full costs	£0
ED3	Approx. 158 early years places to meet the needs of new residents at Water Lane Area	Essential	ECC / Operators / Developers	Developer contributions (S106) / DfE / Operators / ECC / (Working Parents Allowance)	£2,649,364	Reviewed by Arup	£0	£2,649,364	£2,649,364	Assumed that developer contributions will meet full costs	£0
ED4	Childcare facility (approx. 1650sqm) at Gilston Villages 1-6	Essential	HCC / Operators / Developers	On-site provision (developer to build and then lease)	£4,024,350	Reviewed by Arup - based on baseline of 7sqm per place	£0	£4,024,350	£4,024,350	Assumed that developer contributions will meet full costs	£0
ED5	Childcare facility (approx. 275sqm) at Gilston Village 7	Essential	HCC / Operators / Developers	On-site provision (developer to build and then lease)	£670,725	Reviewed by Arup - based on baseline of 7sqm per place	£0	£670,725	£670,725	Assumed that developer contributions will meet full costs	£0
ED6	Approx. 349 additional places in Old Harlow ward	Essential	ECC / Operators	Developer contributions (S106) / DfE / Operators / ECC / (Working Parents Allowance)	£5,616,937	Reviewed by Arup	£1,092,459	£4,524,478	£4,524,478	Assumed that developer contributions will meet full costs	£0
ED7	Approx. 50 additional places in Little Parndon and Hare Street ward	Essential	ECC / Operators	Developer contributions (S106) / DfE / Operators / ECC / (Working Parents Allowance)	£804,719	Reviewed by Arup	£0	£804,719	£804,719	Assumed that developer contributions will meet full costs	£0
ED8	Approx. 38 additional places in Todd Brook ward	Essential	ECC / Operators	Developer contributions (S106) / DfE / Operators / ECC / (Working Parents Allowance)	£611,586	Reviewed by Arup	£0	£611,586	£37,232	Estimated contribution based on Essex County Council's Guide to Infrastructure Contributions	£574,354
ED9	Approx. 23 additional places in Bush Fair ward	Essential	ECC / Operators	Developer contributions (S106) / DfE / Operators / ECC / (Working Parents Allowance)	£370,171	Reviewed by Arup	£0	£370,171	£105,968	Estimated contribution based on Essex County Council's Guide to Infrastructure Contributions	£264,203
ED10	Approx. 8 additional places in Sumners and Kingsmoor ward	Essential	ECC / Operators	Developer contributions (S106) / DfE / Operators / ECC / (Working Parents Allowance)	£128,755	Reviewed by Arup	£0	£128,755	£83,056	Estimated contribution based on Essex County Council's Guide to Infrastructure Contributions	£45,699
ED11	Approx. 2 additional places in Church Langley ward	Essential	ECC / Operators	Developer contributions (S106) / DfE / Operators / ECC / (Working Parents Allowance)	£32,189	Reviewed by Arup	£0	£32,189	£0	No proposed allocations fall within this ward	£32,189
ED12	Approx. 1 additional place in Harlow Common ward	Essential	ECC / Operators	Developer contributions (S106) / DfE / Operators / ECC / (Working Parents Allowance)	£16,094	Reviewed by Arup	£0	£16,094	£16,094	Assumed that developer contributions will meet full costs	£0

EDUCATION

Ref	Intervention	2018 - 2023	2023 - 2028	2028 - 2033	2033 - 2038	2038 - 2043	2043 +	Notes	East of Harlow (North)	East of Harlow (South)	Latton Priory	Water Lane Area (Sumners)	Water Lane Area (Katherine's)	Gilston (Villages 1- 6)	Gilston (Village 7)	Non-Strategic Sites (Total)
Early Years																
ED1	Approx. 64 early years places to meet the needs of new residents at East Harlow (Epping portion)								£1,073,160							
ED2	Approx. 79 early years places to meet the needs of new residents at Latton Priory										£1,324,682					
ED3	Approx. 158 early years places to meet the needs of new residents at Water Lane Area											£1,000,017	£1,649,347			
ED4	Childcare facility (approx. 1650sqm) at Gilston Villages 1-6													£4,024,350		
ED5	Childcare facility (approx. 275sqm) at Gilston Village 7														£670,725	
ED6	Approx. 349 additional places in Old Harlow ward									£4,503,692						£20,786
ED7	Approx. 50 additional places in Little Parndon and Hare Street ward															£804,719
ED8	Approx. 38 additional places in Todd Brook ward															£37,232
ED9	Approx. 23 additional places in Bush Fair ward															£105,968
ED10	Approx. 8 additional places in Sumners and Kingsmoor ward															£83,056
ED11	Approx. 2 additional places in Church Langley ward							No proposed allocations fall within this ward.								
ED12	Approx. 1 additional place in Harlow Common ward															£16,094

EDUCATION

Ref	Intervention	Priority	Delivery Partners	Potential Funding Source	Cost	Cost source	Identified Funding	Funding Gap	Cost to be Apportioned	Rationale	Remaining Funding Gap
Primary											
ED13	New 2FE (2.1ha site) primary school, including early years provision, at East Harlow (Epping portion)	Essential	ECC / Academy Trusts / Developers	Developer contributions (S106)	£7,481,000	Essex County Council (revised 2018 costs)	£0	£7,481,000	£7,151,387	Estimated contribution based on Essex County Council's Guide to Infrastructure Contributions - note, pupil yield dependent on housing mix etc.	£329,613
ED14	New 2FE primary school at Newhall Phases 2/3 (2.25ha site requirement), including early years provision, to support a combination of growth at Newhall 2/3 and wider Harlow growth	Required	ECC	Developer contributions (S106)	£7,481,000	Essex County Council (revised 2018 costs)	Unknown	Unknown	Unknown	See notes	Unknown
ED15	New 3FE (3ha site) primary school, including early years provision, at East Harlow (Harlow portion)	Essential	ECC	Developer contributions (S106)	£11,400,000	Essex County Council (revised 2018 costs)	£0	£11,400,000	£10,727,080	Estimated contribution based on Essex County Council's Guide to Infrastructure Contributions - note, pupil yield dependent on housing mix etc.	£672,920
ED16	New 2FE (2.1ha site) primary school, including early years provision, at Latton Priory	Essential	ECC / Academy Trusts / Developers	Developer contributions (S106)	£7,481,000	Essex County Council (revised 2018 costs)	£0	£7,481,000	£6,681,893	Estimated contribution based on Essex County Council's Guide to Infrastructure Contributions - note, pupil yield dependent on housing mix etc.	£799,107
ED17	New 3FE (2.5ha site) primary school, including early years provision, at Water Lane Area	Essential	ECC / Academy Trusts / Developers	Developer contributions (S106)	£11,400,000	Essex County Council (revised 2018 costs)	£0	£11,400,000	£10,022,840	Estimated contribution based on Essex County Council's Guide to Infrastructure Contributions - note, pupil yield dependent on housing mix etc.	£1,377,160
ED18	Requirement of 17FE of primary education, with each school including early years provision	Essential	HCC / Academy Trusts / Developers	Developer contributions (S106)	£74,071,820	Hertfordshire County Council (revised 2018 costs - see notes)	£0	£74,071,820	£74,071,820	Assumed that developer contributions will meet full costs	£0
ED19	Additional safeguarded provision at Gilston (additional 3FE across primary schools)	Essential	HCC / Academy Trusts / Developers	Developer contributions (S106)	£11,450,464	Hertfordshire County Council (revised 2018 costs - see notes)	£0	£11,450,464	£11,450,464	Assumed that developer contributions will meet full costs	£0
ED20	6FE of expansions to existing primary schools within Harlow	Essential	ECC / Academy Trusts / Developers	Developer contributions (S106)	£7,689,000	Harlow IDP (2018); uprated to 2018 costs using information from Essex County Council	£0	£7,689,000	£3,897,050	Estimated contribution based on Essex County Council's Guide to Infrastructure Contributions - note, pupil yield dependent on housing mix etc.	£3,791,950
Secondary											
ED21	New 8FE (10ha site) secondary school at East Harlow	Essential	ECC / Academy Trusts / Developers	Developer contributions (S106)	£25,763,000	Essex County Council (revised 2018 costs)	£0	£25,763,000	£22,485,531	Estimated contribution based on Essex County Council's Guide to Infrastructure Contributions - note, pupil yield dependent on housing mix etc.	£3,277,469
ED22	New 8FE (10ha site) secondary school at Latton Priory	Essential	ECC / Academy Trusts / Developers	Developer contributions (S106)	£25,763,000	Essex County Council (revised 2018 costs)	£0	£25,763,000	£23,458,954	Estimated contribution based on Essex County Council's Guide to Infrastructure Contributions - note, pupil yield dependent on housing mix etc.	£2,304,046
ED23	8FE secondary school at Gilston	Essential	HCC / Academy Trusts / Developers	Developer contributions (S106)	£38,303,512	Hertfordshire County Council (revised 2018 costs - see notes)	£0	£38,303,512	£38,303,512	Assumed that developer contributions will meet full costs	£0
ED24	9FE secondary school at Gilston	Essential	HCC / Academy Trusts / Developers	Developer contributions (S106)	£42,539,274	Hertfordshire County Council (revised 2018 costs - see notes)	£0	£42,539,274	£42,539,274	Assumed that developer contributions will meet full costs	£0
ED25	Additional safeguarded provision at Gilston (additional 3FE across the two secondary schools)	Essential	HCC / Academy Trusts / Developers	Developer contributions (S106)	£12,707,287	Hertfordshire County Council (revised 2018 costs - see notes)	£0	£12,707,287	£12,707,287	Assumed that developer contributions will meet full costs	£0

EDUCATION

Ref	Intervention	2018 - 2023	2023 - 2028	2028 - 2033	2033 - 2038	2038 - 2043	2043 +	Notes	East of Harlow (North)	East of Harlow (South)	Latton Priory	Water Lane Area (Sumners)	Water Lane Area (Katherine's)	Gilston (Villages 1- 6)	Gilston (Village 7)	Non-Strategic Sites (Total)
Primary																
ED13	New 2FE (2.1ha site) primary school, including early years provision, at East Harlow (Epping portion)							Cost provided by ECC. Phasing estimated based on expected delivery of housing and may be further refined. Land will also be required; overall costs (including land) to be shared equitably and proportionally across relevant sites. Assumption that school may be delivered in phases.	£3,929,909	£2,896,605						£324,872
ED14	New 2FE primary school at Newhall Phases 2/3 (2.25ha site requirement), including early years provision, to support a combination of growth at Newhall 2/3 and wider Harlow growth							There is a possibility that there may be a need for further contributions from other allocations. No decision has been made on the delivery of this school as the trigger has not been reached.								
ED15	New 3FE (3ha site) primary school, including early years provision, at East Harlow (Harlow portion)							Cost provided by ECC. Phasing estimated based on expected delivery of housing and may be further refined. Land will also be required; overall costs (including land) to be shared equitably and proportionally across relevant sites. Assumption that school may be delivered in phases. Some expected contributions from Gilden Way development.		£10,727,080						
ED16	New 2FE (2.1ha site) primary school, including early years provision, at Latton Priory							Cost provided by ECC. Phasing estimated based on expected delivery of housing and may be further refined. Land will also be required; overall costs (including land) to be shared equitably and proportionally across relevant sites. Assumption that school may be delivered in phases.			£5,501,873	£1,180,021				
ED17	New 3FE (2.5ha site) primary school, including early years provision, at Water Lane Area							Cost provided by ECC. Phasing estimated based on expected delivery of housing and may be further refined. Land will also be required; overall costs (including land) to be shared equitably and proportionally across relevant sites. Assumption that school may be delivered in phases.				£3,048,562	£6,974,279			
ED18	Requirement of 17FE of primary education, with each school including early years provision							Hertfordshire County Council costs provided as Q3 2017 (£70,537,291.20) - indexed using BCIS. 3FE schools have a 2.95ha site size requirement and 2FE schools have a 2.25ha site size requirement.						£62,961,047	£11,110,773	
ED19	Additional safeguarded provision at Gilston (additional 3FE across primary schools)							Given the size and length of build-out of Gilston there is a need to safeguard provision for up to 20FE of primary education. Cost is the difference between the indexed costs provided by Hertfordshire County Council.						£9,732,895	£1,717,570	
ED20	6FE of expansions to existing primary schools within Harlow							Hertfordshire County Council costs provided as Q3 2017 (£83,355,053) - indexed using BCIS.								£3,897,050
Secondary																
ED21	New 8FE (10ha site) secondary school at East Harlow							Cost provided by ECC. Phasing estimated based on expected delivery of housing and may be further refined. Land will also be required; overall costs (including land) to be shared equitably and proportionally across relevant sites. Assumption that school may be delivered in phases. Some expected contributions from Gilden Way development.	£4,033,520	£13,982,870						£4,469,141
ED22	New 8FE (10ha site) secondary school at Latton Priory							Cost provided by ECC. Phasing estimated based on expected delivery of housing and may be further refined. Land will also be required; overall costs (including land) to be shared equitably and proportionally across relevant sites. Assumption that school may be delivered in phases.			£5,646,928	£4,340,068	£7,158,154			£6,313,804
ED23	8FE secondary school at Gilston							Hertfordshire County Council costs provided as Q3 2017 (£37,332,857.28) - indexed using BCIS.						£32,557,985	£5,745,527	
ED24	9FE secondary school at Gilston							Hertfordshire County Council costs provided as Q3 2017 (£41,461,280.64) - indexed using BCIS.						£36,158,383	£6,380,891	
ED25	Additional safeguarded provision at Gilston (additional 3FE across the two secondary schools)							Given the size and length of build-out of Gilston there is a need to safeguard provision for up to 20FE of secondary education. Cost is the difference between the indexed costs provided by Hertfordshire County Council.						£10,801,194	£1,906,093	

EDUCATION

Ref	Intervention	Priority	Delivery Partners	Potential Funding Source	Cost	Cost source	Identified Funding	Funding Gap	Cost to be Apportioned	Rationale	Remaining Funding Gap
Other											
ED26	SEN provision	Essential	ECC / HCC / Academy Trusts / Developers	Developer contributions (S106) / DfE / Basic Needs Allowance / ECC / HCC	£11,000,000	Essex County Council		£11,000,000	£11,000,000	Assumed that developer contributions will meet full costs	£0
ED27	Post 16 education provision (details to be confirmed)	Essential	ECC	ESFA, DfE	Unknown		Unknown	Unknown	£0		Unknown
ED28	Contribution to employment and training to support Harlow Skills Strategy	Required	HDC / EFDC / EHDC / ECC / HCC / Providers	Developer contributions (S106)	Unknown		Unknown	Unknown	£0		Unknown

EDUCATION

Ref	Intervention	2018 - 2023	2023 - 2028	2028 - 2033	2033 - 2038	2038 - 2043	2043 +	Notes	East of Harlow (North)	East of Harlow (South)	Latton Priory	Water Lane Area (Sumners)	Water Lane Area (Katherine's)	Gilston (Villages 1- 6)	Gilston (Village 7)	Non-Strategic Sites (Total)
Other																
ED26	SEN provision							Requirements likely to be: expansion of existing special school by 24 places; development of 75 place special school (via free school application); and development of 8 place provision for children with social, emotional and mental health needs in a mainstream primary school. Not all of these places may be additional to the mainstream requirements; however, given the small impact no adjustment has been made to the mainstream requirements.	£466,497	£1,617,190	£653,096	£501,951	£827,877	£5,286,966	£932,994	£713,429
ED27	Post 16 education provision (details to be confirmed)															
ED28	Contribution to employment and training to support Harlow Skills Strategy															

Ref	Intervention	Priority	Delivery Partners	Potential Funding Source	Cost	Cost source	Identified Funding	Funding Gap	Cost to be Apportioned	Rationale	Remaining Funding Gap
HE1	Relocation of Princess Alexandra Hospital	Essential	NHS England / NHS PAH Trust	Department for Health and Social Care / NHS England / NHS Princess Alexandra Hospital Trust / NHS West Essex CCG / Private Financing	£500,000,000	NHS PAH Trust Estimate - indicative figure only	£170,000,000	£330,000,000	£0	Contribution to acute care forms part of HE3.	£0
HE2	New or extended dentists across the Garden Town	Essential	NHS England / Operators / Developers	NHS England / Operators / Developer Contributions (S106)	Privately delivered		£0	N/A	£0		N/A
HE3	Contribution to healthcare to serve new development, covering primary healthcare, mental healthcare, community healthcare and acute care	Essential	NHS England / Developers	Developer Contributions (S106)	£44,993,300	NHS Strategic Estates Planning Service	£0	£44,993,300	£44,993,300		£0
HE4	Two new pharmacies within Harlow	Essential		Private sector	Privately delivered		£0	N/A	£0		N/A
HE5	Around 147 extra care beds across the whole Garden Town	Essential		ECC / NHS / Developers / Operators	£5,747,685	Reviewed by Arup	£0	£5,747,685	£0	Adult social care services are mostly funded privately, although the counties may subsidise a number of bed spaces. It is not clear if contributions would be required from developers.	£5,747,685
HE6	Around 264 nursing care beds across the whole Garden Town	Essential		ECC / NHS / Developers / Operators	£11,894,164	Reviewed by Arup	£0	£11,894,164	£0	Adult social care services are mostly funded privately, although the counties may subsidise a number of bed spaces. It is not clear if contributions would be required from developers.	£11,894,164
HE7	Around 382 residential care beds across the whole Garden Town	Essential		ECC / NHS / Developers / Operators	£14,936,162	Reviewed by Arup	£0	£14,936,162	£0	Adult social care services are mostly funded privately, although the counties may subsidise a number of bed spaces. It is not clear if contributions would be required from developers.	£14,936,162

HEALTH

Ref	Intervention	2018 - 2023	2023 - 2028	2028 - 2033	2033 - 2038	2038 - 2043	2043 +	Notes	East of Harlow (North)	East of Harlow (South)	Latton Priory	Water Lane Area (Summers)	Water Lane Area (Katherine's)	Gilston (Villages 1-6)	Gilston (Village 7)	Non-Strategic Sites (Total)
HE1	Relocation of Princess Alexandra Hospital							Costs likely to be met through a mixture of central government funding (currently estimated to be around £170m although not confirmed), debt funded and capital receipts - developer contributions will also be sought but the level and geographical extent is not currently known. Contribution to acute care forms part of HE3.								
HE2	New or extended dentists across the Garden Town							This might involve co-location with other health provision e.g. GPs and pharmacies or provision by private organisations. Dentists commonly operate as private businesses and so the nature and location of new provision is market driven.								
HE3	Contribution to healthcare to serve new development, covering primary healthcare, mental healthcare, community healthcare and acute care								£1,908,113	£6,614,791	£2,671,358	£2,053,129	£3,386,264	£21,625,278	£3,816,226	£2,918,141
HE4	Two new pharmacies within Harlow															
HE5	Around 147 extra care beds across the whole Garden Town							This has been calculated through the benchmark of 25 extra care beds per 1,000 people 75+. Extra care housing: schemes/ properties are included where care (registered personal care is available on site 24/7.								
HE6	Around 264 nursing care beds across the whole Garden Town							This has been calculated through the benchmark of 45 nursing care beds per 1,000 people 75+. Nursing care: Where a care home is registered to provide nursing care, all beds are allocated to nursing care, although in practice not all residents may be in need of or receiving nursing care.								
HE7	Around 382 residential care beds across the whole Garden Town							This has been calculated through the benchmark of 65 residential care beds per 1,000 people 75+. Residential care: Where a care home is registered to provide residential (personal) care only, all beds are allocated to residential care.								

EMERGENCY SERVICES

Ref	Intervention	Priority	Delivery Partners	Potential Funding Source	Cost	Cost source	Identified Funding	Funding Gap	Cost to be Apportioned	Rationale	Remaining Funding Gap
ES1	Emergency services hub (approx. 0.7ha site), including Police, Fire and Rescue and Ambulance Services	Essential	Essex Police / Hertfordshire Constabulary / East of England Ambulance Service NHS Trust / Essex County Fire and Rescue Service / Hertfordshire Fire and Rescue Service	Essex Police / Hertfordshire Constabulary / East of England Ambulance Service NHS Trust / Essex County Fire and Rescue Service / Hertfordshire Fire and Rescue Service / Developers	£6,000,000	Hertfordshire Constabulary / Hertfordshire Fire and Rescue Service	£0	£6,000,000	£3,000,000	Assumed that 50% of costs to be met through other sources	£3,000,000
ES2	Joint police custody facility (approx. 1.2ha site) to service Garden Town and development and adjoining area	Essential	Essex Police / Hertfordshire Constabulary	Essex Police / Hertfordshire Constabulary / Developers	£25,000,000	Hertfordshire Constabulary	£0	£25,000,000	£12,500,000	Assumed that 50% of costs to be met through other sources	£12,500,000

EMERGENCY SERVICES

Ref	Intervention	2018 - 2023	2023 - 2028	2028 - 2033	2033 - 2038	2038 - 2043	2043 +	Notes	East of Harlow (North)	East of Harlow (South)	Latton Priory	Water Lane Area (Sumners)	Water Lane Area (Katherine's)	Gilston (Villages 1- 6)	Gilston (Village 7)	Non-Strategic Sites (Total)
ES1	Emergency services hub (approx. 0.7ha site), including Police, Fire and Rescue and Ambulance Services							As part of developing/reviewing the accommodation requirements of the respective organisations, there is an aspiration to reduce the combined site/accommodation requirements through efficiencies that would be gained by working collaboratively, e.g. through shared messing, locker rooms, toilet facilities etc. Note, the location of the new facility is not yet known and so land costs are not included in the cost estimate.	£130,905	£453,805	£183,267	£140,854	£232,313	£1,483,593	£261,811	£113,451
ES2	Joint police custody facility (approx. 1.2ha site) to service Garden Town and development and adjoining area							Due to the nature of custody this facility does not need to be co-located with the police station and therefore is probably better suited to an industrial estate location, assuming that there are good transport links/access roads. Note, the location of the new facility is not yet known and so land costs are not included in the cost estimate.	£545,439	£1,890,854	£763,614	£586,892	£967,972	£6,181,638	£1,090,877	£472,714

COMMUNITY FACILITIES

Ref	Intervention	Priority	Delivery Partners	Potential Funding Source	Cost	Cost source	Identified Funding	Funding Gap	Cost to be Apportioned	Rationale	Remaining Funding Gap
CF1	Approx. 1,675sqm of new / additional / improved (multi-purpose) community space (& facilities) to meet the needs of new residents in East Harlow (both portions), including provision for community halls, youth facilities, other public / community service space	Required	EFDC / HDC / ECC / Developers	Developer contributions (S106) / Grant funding	£3,720,175	Essex County Council	£0	£3,720,175	£3,720,175	Tests 100% of costs met through developer contributions - there may also be opportunities for other sources of funding	£0
CF2	Approx. 500sqm of new / additional / improved (multi-purpose) community space (& facilities) to meet the needs of new residents in Latton Priory, including provision for community halls, youth facilities, other public / community service space	Required	EFDC / ECC / Developers	Developer contributions (S106) / Grant funding	£1,110,500	Essex County Council	£0	£1,110,500	£1,110,500	Tests 100% of costs met through developer contributions - there may also be opportunities for other sources of funding	£0
CF3	Approx. 1,000sqm of new / additional / improved (multi-purpose) community space (& facilities) to meet the needs of new residents in Water Lane area, including provision for community halls, youth facilities, other public / community service space	Required	EFDC / ECC / Developers	Developer contributions (S106) / Grant funding	£2,221,000	Essex County Council	£0	£2,221,000	£2,221,000	Tests 100% of costs met through developer contributions - there may also be opportunities for other sources of funding	£0
CF4	Approx. 230sqm of additional community space in Harlow (excluding East Harlow)	Required	HDC / ECC / Developers	Developer contributions (S106) / Grant funding	£510,830	Reviewed by Arup	£0	£510,830	£510,830	Tests 100% of costs met through developer contributions - there may also be opportunities for other sources of funding	£0
CF5	One youth facility	Required	HDC / ECC / Developers	Developer contributions (S106) / Grant funding	£744,100	Reviewed by Arup - costs based on 350sqm assumption	£0	£744,100	£744,100	Tests 100% of costs met through developer contributions - there may also be opportunities for other sources of funding	£0
CF6	Approx. 3,120sqm of community space to serve Gilston	Required	EHDC / HCC / Developers	Developer contributions (S106)	£6,929,520	Reviewed by Arup	£0	£6,929,520	£6,929,520	Tests 100% of costs met through developer contributions - there may also be opportunities for other sources of funding	£0
CF7	Youth provision at Gilston, associated with community space	Required	EHDC / HCC / Developers	Developer contributions (S106)	£490,455	Hertfordshire County Council (revised 2018 costs)	£0	£490,455	£490,455	Tests 100% of costs met through developer contributions	£0
CF8	Increased / improved capacity and library provision to serve Gilston area, provided within Harlow (by ECC), , with a reserve position of increased capacity and provision in Hertfordshire	Required	EHDC / HCC / HDC / ECC / Developers	Developer contributions (S106)	£2,250,876	Hertfordshire County Council and Essex County Council (revised 2018 costs)	£0	£2,250,876	£2,250,876	Tests 100% of costs met through developer contributions	£0
CF9	Increased / improved capacity and library provision to serve Garden Town growth within Harlow and Epping Forest districts, provided within Harlow (by ECC)	Required	EHDC / HCC / HDC / ECC / Developers	Developer contributions (S106)	£3,500,000	Essex County Council (revised 2018 costs)	£0	£3,500,000	£3,500,000	Tests 100% of costs met through developer contributions	£0
CF10	Contribution towards on site or off site public art	Required	HDC / EFDC / EHDC / Developers	Developer contributions (S106)	£1,768,500	Harlow and Gilston Garden Town	£0	£1,768,500	£1,768,500	Tests 100% of costs met through developer contributions	£0
CF11	Upgrades to sculpture trail leading to Harlow Town Station	Required	HDC	Developer contributions (S106)	£75,000	Harlow and Gilston Garden Town	£0	£75,000	£75,000	Tests 100% of costs met through developer contributions	£0
CF12	Playhouse Square development	Required	HDC	Developer contributions (S106)	£500,000	Harlow and Gilston Garden Town	£0	£500,000	£500,000	Tests 100% of costs met through developer contributions	£0
CF13	Revenue costs for community facilities and services	Required	HDC / EFDC / EHDC / ECC / HCC / Providers	Developer contributions (S106)	Unknown		£0	Unknown	Unknown		Unknown

COMMUNITY FACILITIES

Ref	Intervention	2018 - 2023	2023 - 2028	2028 - 2033	2033 - 2038	2038 - 2043	2043 +	Notes	East of Harlow (North)	East of Harlow (South)	Latton Priory	Water Lane Area (Summers)	Water Lane Area (Katherine's)	Gilston (Villages 1- 6)	Gilston (Village 7)	Non-Strategic Sites (Total)
CF1	Approx. 1,675sqm of new / additional / improved (multi-purpose) community space (& facilities) to meet the needs of new residents in East Harlow (both portions), including provision for community halls, youth facilities, other public / community service space							Modelled community facility space (combined flexible youth services and community hall requirement), required to support the demand created from the strategic site. Site(s) location not yet identified - to be identified as part of single, combined masterplanning. Newly arising need only, on both portions of the site, with provision approached in a single, consistent way. Land will also be required; overall costs (including land) to be shared equitably and proportionally across relevant sites.	£832,875	£2,887,300						
CF2	Approx. 500sqm of new / additional / improved (multi-purpose) community space (& facilities) to meet the needs of new residents in Latton Priory, including provision for community halls, youth facilities, other public / community service space							Modelled community facility space (combined flexible youth services and community hall requirement), required to support the demand created from the strategic site. Site(s) location not yet identified - to be identified as part of masterplanning. Land will also be required; overall costs (including land) to be shared equitably and proportionally across relevant sites.			£1,110,500					
CF3	Approx. 1,000sqm of new / additional / improved (multi-purpose) community space (& facilities) to meet the needs of new residents in Water Lane area, including provision for community halls, youth facilities, other public / community service space							Modelled community facility space (combined flexible youth services and community hall requirement), required to support the demand created from the strategic site. Site(s) location not yet identified - to be identified as part of masterplanning. Land will also be required; overall costs (including land) to be shared equitably and proportionally across relevant sites.				£838,329	£1,382,671			
CF4	Approx. 230sqm of additional community space in Harlow (excluding East Harlow)							Harlow IDP (2018) reports total requirement - for the purposes of the Garden Town IDP this total requirement has been broken down proportionately by number of units.								£510,830
CF5	One youth facility									£744,100						
CF6	Approx. 3,120sqm of community space to serve Gilston													£5,890,092	£1,039,428	
CF7	Youth provision at Gilston, associated with community space							Hertfordshire County Council costs indexed using PUBSEC 175 indices provided by the County.						£416,887.06	£73,568.30	
CF8	Increased / improved capacity and library provision to serve Gilston area, provided within Harlow (by ECC)							Essex County Council and Hertfordshire County Council preference (in principle) is for library provision to serve the Gilston area by increasing capacity / provision at existing library service provided within Harlow Library / libraries. Hertfordshire County Council costs indexed using PUBSEC indexes provided by the County. Figures allow for possibility that combined provision not delivered within Harlow and instead by HCC within Herts. Allowance may be necessary for external building / space related town centre improvements. Specific proposals will be developed.						£1,913,244	£337,631	
CF9	Increased / improved capacity and library provision to serve Garden Town growth within Harlow and Epping Forest districts, provided within Harlow (by ECC)							Essex County Council overall library service currently under review and public consultation. Details of likely form of future provision (for Harlow area) will need to be defined further in mid 2019 but for present time it is anticipated that reconfigured / upgraded provision / capacity at existing library service within Harlow Library area service will be required. Allowance may be necessary for external building / space related town centre improvements may be necessary for external building / space related town centre improvements.	£365,192	£1,265,999	£511,269	£392,947	£648,094			£316,500
CF10	Contribution towards on site or off site public art								£75,000	£260,000	£105,000	£80,700	£133,100	£850,000	£150,000	£114,700
CF11	Upgrades to sculpture trail leading to Harlow Town Station								£3,181	£11,026	£4,453	£3,422	£5,645	£36,047	£6,361	£4,864
CF12	Playhouse Square development							Proposal to develop Playhouse Square as an arts destination, increasing pedestrian traffic from the Water Gardens and into the Harvey Centre, moving some of the Museum collection to be on show in this destination, providing a creative hub, and increasing signage to the Gibbered Gallery.	£21,204	£73,509	£29,686	£22,816	£37,631	£240,317	£42,409	£32,429
CF13	Revenue costs for community facilities and services															

COMMUNITY FACILITIES

Ref	Intervention	Priority	Delivery Partners	Potential Funding Source	Cost	Cost source	Identified Funding	Funding Gap	Cost to be Apportioned	Rationale	Remaining Funding Gap
CF14	Delivery of Town Centre AAP, including town centre management	Required	HDC	Developer contributions (S106)	Unknown		£0	Unknown	Unknown		Unknown

COMMUNITY FACILITIES

Ref	Intervention	2018 - 2023	2023 - 2028	2028 - 2033	2033 - 2038	2038 - 2043	2043 +	Notes	East of Harlow (North)	East of Harlow (South)	Latton Priory	Water Lane Area (Summers)	Water Lane Area (Katherine's)	Gilston (Villages 1- 6)	Gilston (Village 7)	Non-Strategic Sites (Total)
CF14	Delivery of Town Centre AAP, including town centre management							Harlow District Council are producing an Area Action Plan to cover Harlow Town Centre, which will include improvement projects. It is likely that developer contributions towards transport and public realm improvement will be sought - however, the level of contributions required is not yet known. Topics likely to include: movement and connectivity; infrastructure and digital connectivity; high quality public realm; enhancing cultural and community offer; town centre management; and parking schemes.								

OPEN SPACE

Ref	Intervention	Priority	Delivery Partners	Potential Funding Source	Cost	Cost source	Identified Funding	Funding Gap	Cost to be Apportioned	Rationale	Remaining Funding Gap
Amenity Greenspace											
OS1	Approx. 1.05ha. amenity greenspace at East Harlow (Epping Forest portion)	Required	EFDC / Developers	Developer contributions (S106)	£147,000	Reviewed by Arup	£0	£147,000	£147,000	Assumes 100% of costs met through developers	£0
OS2	Approx. 12.45ha. amenity greenspace at East Harlow (Harlow portion)	Required	HDC / Developers	Developer contributions (S106)	£1,743,000	Reviewed by Arup	£0	£1,743,000	£1,743,000	Assumes 100% of costs met through developers	£0
OS3	Approx. 1.48ha. amenity greenspace at Latton Priory	Required	EFDC / Developers	Developer contributions (S106)	£207,200	Reviewed by Arup	£0	£207,200	£207,200	Assumes 100% of costs met through developers	£0
OS4	Approx. 2.91ha. amenity greenspace at Water Lane Area	Required	EFDC / Developers	Developer contributions (S106)	£407,400	Reviewed by Arup	£0	£407,400	£407,400	Assumes 100% of costs met through developers	£0
OS5	Approx. 11.42ha. of amenity greenspace at Gilston Villages 1-6	Required	EHDC / Developers	Developer contributions (S106)	£1,598,800	Reviewed by Arup	£0	£1,598,800	£1,598,800	Assumes 100% of costs met through developers	£0
OS6	Approx. 2.02ha. of amenity greenspace at Gilston Village 7	Required	EHDC / Developers	Developer contributions (S106)	£282,800	Reviewed by Arup	£0	£282,800	£282,800	Assumes 100% of costs met through developers	£0
OS7	Approx 5.49ha. amenity greenspace across other sites (excluding East Harlow) within Harlow	Required	HDC / Developers	Developer contributions (S106)	£768,600	Reviewed by Arup	£0	£768,600	£768,600	Assumes 100% of costs met through developers	£0
Public Parks and Gardens											
OS8	Approx. 1.40ha. public parks and gardens at East Harlow (Epping Forest portion)	Required	EFDC / Developers	Developer contributions (S106) / Grant funding	£420,000	Reviewed by Arup	£0	£420,000	£420,000	Assumes 100% of costs met through developers	£0
OS9	Approx. 14.00ha. public parks and gardens at East Harlow (Harlow portion)	Required	HDC / Developers	Developer contributions (S106)	£4,200,000	Reviewed by Arup	£0	£4,200,000	£4,200,000	Assumes 100% of costs met through developers	£0
OS10	Approx. 1.97ha. public parks and gardens at Latton Priory	Required	EFDC / Developers	Developer contributions (S106) / Grant funding	£591,000	Reviewed by Arup	£0	£591,000	£591,000	Assumes 100% of costs met through developers	£0
OS11	Approx. 3.88ha. public parks and gardens at Water Lane Area	Required	EFDC / Developers	Developer contributions (S106) / Grant funding	£1,164,000	Reviewed by Arup	£0	£1,164,000	£1,164,000	Assumes 100% of costs met through developers	£0
OS12	Approx. 15.23ha. of amenity greenspace (including parks and gardens) at Gilston Villages 1-6	Required	EHDC / Developers	Developer contributions (S106)	£4,569,000	Reviewed by Arup	£0	£4,569,000	£4,569,000	Assumes 100% of costs met through developers	£0
OS13	Approx. 2.69ha of amenity greenspace (including parks and gardens) at Gilston Village 7	Required	EHDC / Developers	Developer contributions (S106)	£807,000	Reviewed by Arup	£0	£807,000	£807,000	Assumes 100% of costs met through developers	£0
OS14	Approx 6.18ha. public parks and gardens across other sites (excluding East Harlow) within Harlow	Required	HDC / Developers	Developer contributions (S106)	£1,854,000	Reviewed by Arup	£0	£1,854,000	£1,854,000	Assumes 100% of costs met through developers	£0
Natural and Semi-Natural Open Space											
OS15	Approx. 3.15ha. of natural space at East Harlow (Epping Forest portion)	Required	EFDC / Developers	Developer contributions (S106)	£157,500	Reviewed by Arup	£0	£157,500	£157,500	Assumes 100% of costs met through developers	£0
OS16	Approx. 15.56ha. of natural space at East Harlow (Harlow portion)	Required	HDC / Developers	Developer contributions (S106)	£778,000	Reviewed by Arup	£0	£778,000	£778,000	Assumes 100% of costs met through developers	£0
OS17	Approx. 4.44ha. of natural space at Latton Priory	Required	EFDC / Developers	Developer contributions (S106)	£222,000	Reviewed by Arup	£0	£222,000	£222,000	Assumes 100% of costs met through developers	£0
OS18	Approx. 8.74ha. of natural space at Water Lane Area	Required	EFDC / Developers	Developer contributions (S106)	£437,000	Reviewed by Arup	£0	£437,000	£437,000	Assumes 100% of costs met through developers	£0
OS19	Approx. 60.93ha. of natural and semi-natural greenspace at Gilston Villages 1-6	Required	EHDC / Developers	Developer contributions (S106)	£3,046,500	Reviewed by Arup	£0	£3,046,500	£3,046,500	Assumes 100% of costs met through developers	£0
OS20	Approx. 10.75ha. of natural and semi-natural greenspace at Gilston Village 7	Required	EHDC / Developers	Developer contributions (S106)	£537,500	Reviewed by Arup	£0	£537,500	£537,500	Assumes 100% of costs met through developers	£0
OS21	Approx 6.86ha. natural space across other sites (excluding East Harlow) within Harlow	Required	HDC / Developers	Developer contributions (S106)	£343,000	Reviewed by Arup	£0	£343,000	£343,000	Assumes 100% of costs met through developers	£0

OPEN SPACE

Ref	Intervention	2018 - 2023	2023 - 2028	2028 - 2033	2033 - 2038	2038 - 2043	2043 +	Notes	East of Harlow (North)	East of Harlow (South)	Latton Priory	Water Lane Area (Sumners)	Water Lane Area (Katherine's)	Gilston (Villages 1-6)	Gilston (Village 7)	Non-Strategic Sites (Total)
Amenity Greenspace																
OS1	Approx. 1.05ha. amenity greenspace at East Harlow (Epping Forest portion)								£147,000							
OS2	Approx. 12.45ha. amenity greenspace at East Harlow (Harlow portion)							Harlow IDP (2018) reports total requirement - for the purposes of the Garden Town IDP this total requirement has been broken down proportionately by number of units. Open space at East Harlow to include delivery in the form of a green wedge.		£1,743,000						
OS3	Approx. 1.48ha. amenity greenspace at Latton Priory										£207,200					
OS4	Approx. 2.91ha. amenity greenspace at Water Lane Area											£153,775	£253,625			
OS5	Approx. 11.42ha. of amenity greenspace at Gilston Villages 1-6							Emerging masterplan for Gilston includes open space beyond the East Herts standards. For the purposes of the IDP the East Herts standards have been applied.						£1,598,800		
OS6	Approx. 2.02ha. of amenity greenspace at Gilston Village 7							Emerging masterplan for Gilston includes open space beyond the East Herts standards. For the purposes of the IDP the East Herts standards have been applied.							£282,800	
OS7	Approx 5.49ha. amenity greenspace across other sites (excluding East Harlow) within Harlow							Harlow IDP (2018) reports total requirement - for the purposes of the Garden Town IDP this total requirement has been broken down proportionately by number of units.								£768,600
Public Parks and Gardens																
OS8	Approx. 1.40ha. public parks and gardens at East Harlow (Epping Forest portion)								£420,000							
OS9	Approx. 14.00ha. public parks and gardens at East Harlow (Harlow portion)							Harlow IDP (2018) reports total requirement - for the purposes of the Garden Town IDP this total requirement has been broken down proportionately by number of units. Open space at East Harlow to include delivery in the form of a green wedge.		£4,200,000						
OS10	Approx. 1.97ha. public parks and gardens at Latton Priory										£591,000					
OS11	Approx. 3.88ha. public parks and gardens at Water Lane Area											£439,358	£724,642			
OS12	Approx. 15.23ha. of amenity greenspace (including parks and gardens) at Gilston Villages 1-6							Emerging masterplan for Gilston includes open space beyond the East Herts standards. For the purposes of the IDP the East Herts standards have been applied.						£4,569,000		
OS13	Approx. 2.69ha of amenity greenspace (including parks and gardens) at Gilston Village 7							Emerging masterplan for Gilston includes open space beyond the East Herts standards. For the purposes of the IDP the East Herts standards have been applied.							£807,000	
OS14	Approx 6.18ha. public parks and gardens across other sites (excluding East Harlow) within Harlow							Harlow IDP (2018) reports total requirement - for the purposes of the Garden Town IDP this total requirement has been broken down proportionately by number of units.								£1,854,000
Natural and Semi-Natural Open Space																
OS15	Approx. 3.15ha. of natural space at East Harlow (Epping Forest portion)								£157,500							
OS16	Approx. 15.56ha. of natural space at East Harlow (Harlow portion)							Harlow IDP (2018) reports total requirement - for the purposes of the Garden Town IDP this total requirement has been broken down proportionately by number of units. Open space at East Harlow to include delivery in the form of a green wedge.		£778,000						
OS17	Approx. 4.44ha. of natural space at Latton Priory										£222,000					
OS18	Approx. 8.74ha. of natural space at Water Lane Area											£164,948	£272,052			
OS19	Approx. 60.93ha. of natural and semi-natural greenspace at Gilston Villages 1-6							Emerging masterplan for Gilston includes open space beyond the East Herts standards. For the purposes of the IDP the East Herts standards have been applied.						£3,046,500		
OS20	Approx. 10.75ha. of natural and semi-natural greenspace at Gilston Village 7							Emerging masterplan for Gilston includes open space beyond the East Herts standards. For the purposes of the IDP the East Herts standards have been applied.							£537,500	
OS21	Approx 6.86ha. natural space across other sites (excluding East Harlow) within Harlow							Harlow IDP (2018) reports total requirement - for the purposes of the Garden Town IDP this total requirement has been broken down proportionately by number of units.								£343,000

OPEN SPACE

Ref	Intervention	Priority	Delivery Partners	Potential Funding Source	Cost	Cost source	Identified Funding	Funding Gap	Cost to be Apportioned	Rationale	Remaining Funding Gap
Children's Play											
OS22	Approx. 0.44ha. provision for children and young people at East Harlow (Epping Forest portion)	Required	EFDC / Developers	Developer contributions (S106)	£582,120	Reviewed by Arup	£0	£582,120	£582,120	Assumes 100% of costs met through developers	£0
OS23	Approx. 1.87ha. Local Equipped Area for Play (LEAP) at East Harlow (Harlow portion)	Required	HDC / Developers	Developer contributions (S106)	£1,374,450	Reviewed by Arup	£0	£1,374,450	£1,374,450	Assumes 100% of costs met through developers	£0
OS24	Approx 2.49ha. Neighbourhood Equipped Area for Play (NEAP) at East Harlow (Harlow portion)	Required	HDC / Developers	Developer contributions (S106)	£3,294,270	Reviewed by Arup	£0	£3,294,270	£3,294,270	Assumes 100% of costs met through developers	£0
OS25	Approx. 0.62ha. provision for children and young people at Latton Priory	Required	EFDC / Developers	Developer contributions (S106)	£820,260	Reviewed by Arup	£0	£820,260	£820,260	Assumes 100% of costs met through developers	£0
OS26	Approx. 1.21ha. provision for children and young people at Water Lane Area	Required	EFDC / Developers	Developer contributions (S106)	£1,600,830	Reviewed by Arup	£0	£1,600,830	£1,600,830	Assumes 100% of costs met through developers	£0
OS27	Approx. 4.76ha. of children's play facilities at Gilston Villages 1-6	Required	EHDC / Developers	Developer contributions (S106)	£3,498,600	Reviewed by Arup	£0	£3,498,600	£3,498,600	Assumes 100% of costs met through developers	£0
OS28	Approx. 0.84ha. of children's play facilities at Gilston Village 7	Required	EHDC / Developers	Developer contributions (S106)	£617,400	Reviewed by Arup	£0	£617,400	£617,400	Assumes 100% of costs met through developers	£0
OS29	Approx. 0.82ha. Local Equipped Area for Play (LEAP) across Harlow (excluding East Harlow)	Required	HDC / Developers	Developer contributions (S106)	£602,700	Reviewed by Arup	£0	£602,700	£602,700	Assumes 100% of costs met through developers	£0
OS30	Approx. 1.10ha. Neighbourhood Equipped Area for Play (NEAP) across Harlow (excluding East Harlow)	Required	HDC / Developers	Developer contributions (S106)	£1,455,300	Reviewed by Arup	£0	£1,455,300	£1,455,300	Assumes 100% of costs met through developers	£0
Allotments											
OS31	Approx 0.35ha. allotments at East Harlow (Epping Forest portion)	Required	EFDC / Developers	Developer contributions (S106)	£8,750	Reviewed by Arup	£0	£8,750	£8,750	Assumes 100% of costs met through developers	£0
OS32	Approx 1.56ha. allotments at East Harlow (Harlow portion)	Required	HDC / Developers	Developer contributions (S106)	£39,000	Reviewed by Arup	£0	£39,000	£39,000	Assumes 100% of costs met through developers	£0
OS33	Approx 0.49ha. allotments at Latton Priory	Required	EFDC / Developers	Developer contributions (S106)	£12,250	Reviewed by Arup	£0	£12,250	£12,250	Assumes 100% of costs met through developers	£0
OS34	Approx 0.97ha. allotments at Water Lane Area	Required	EFDC / Developers	Developer contributions (S106)	£24,250	Reviewed by Arup	£0	£24,250	£24,250	Assumes 100% of costs met through developers	£0
OS35	Approx. 5.71ha. allotments at Gilston Villages 1-6	Required	EHDC / Developers	Developer contributions (S106)	£142,750	Reviewed by Arup	£0	£142,750	£142,750	Assumes 100% of costs met through developers	£0
OS36	Approx. 1.01ha. allotments at Gilston Village 7	Required	EHDC / Developers	Developer contributions (S106)	£25,250	Reviewed by Arup	£0	£25,250	£25,250	Assumes 100% of costs met through developers	£0
OS37	Approx 0.69ha. allotments across other sites (excluding East Harlow) within Harlow	Required	HDC / Developers	Developer contributions (S106)	£17,250	Reviewed by Arup	£0	£17,250	£17,250	Assumes 100% of costs met through developers	£0

OPEN SPACE

Ref	Intervention	2018 - 2023	2023 - 2028	2028 - 2033	2033 - 2038	2038 - 2043	2043 +	Notes	East of Harlow (North)	East of Harlow (South)	Latton Priory	Water Lane Area (Summers)	Water Lane Area (Katherine's)	Gilston (Villages 1- 6)	Gilston (Village 7)	Non-Strategic Sites (Total)
Children's Play																
OS22	Approx. 0.44ha. provision for children and young people at East Harlow (Epping Forest portion)								£582,120							
OS23	Approx. 1.87ha. Local Equipped Area for Play (LEAP) at East Harlow (Harlow portion)							Harlow IDP (2018) reports total requirement - for the purposes of the Garden Town IDP this total requirement has been broken down proportionately by number of units.		£1,374,450						
OS24	Approx 2.49ha. Neighbourhood Equipped Area for Play (NEAP) at East Harlow (Harlow portion)							Harlow IDP (2018) reports total requirement - for the purposes of the Garden Town IDP this total requirement has been broken down proportionately by number of units.		£3,294,270						
OS25	Approx. 0.62ha. provision for children and young people at Latton Priory										£820,260					
OS26	Approx. 1.21ha. provision for children and young people at Water Lane Area											£604,242	£996,588			
OS27	Approx. 4.76ha. of children's play facilities at Gilston Villages 1-6							This includes provision for open space for teenagers, as from the East Herts Open Space Assessment						£3,498,600		
OS28	Approx. 0.84ha. of children's play facilities at Gilston Village 7							This includes provision for open space for teenagers, as from the East Herts Open Space Assessment							£617,400	
OS29	Approx. 0.82ha. Local Equipped Area for Play (LEAP) across Harlow (excluding East Harlow)							Harlow IDP (2018) reports total requirement - for the purposes of the Garden Town IDP this total requirement has been broken down proportionately by number of units.								£602,700
OS30	Approx. 1.10ha. Neighbourhood Equipped Area for Play (NEAP) across Harlow (excluding East Harlow)							Harlow IDP (2018) reports total requirement - for the purposes of the Garden Town IDP this total requirement has been broken down proportionately by number of units.								£1,455,300
Allotments																
OS31	Approx 0.35ha. allotments at East Harlow (Epping Forest portion)								£8,750							
OS32	Approx 1.56ha. allotments at East Harlow (Harlow portion)							Harlow IDP (2018) reports total requirement - for the purposes of the Garden Town IDP this total requirement has been broken down proportionately by number of units.		£39,000						
OS33	Approx 0.49ha. allotments at Latton Priory										£12,250					
OS34	Approx 0.97ha. allotments at Water Lane Area											£9,153	£15,097			
OS35	Approx. 5.71ha. allotments at Gilston Villages 1-6													£142,750		
OS36	Approx. 1.01ha. allotments at Gilston Village 7														£25,250	
OS37	Approx 0.69ha. allotments across other sites (excluding East Harlow) within Harlow							Harlow IDP (2018) reports total requirement - for the purposes of the Garden Town IDP this total requirement has been broken down proportionately by number of units.								£17,250

OPEN SPACE

Ref	Intervention	Priority	Delivery Partners	Potential Funding Source	Cost	Cost source	Identified Funding	Funding Gap	Cost to be Apportioned	Rationale	Remaining Funding Gap
Other											
OS38	Upgrades at Harlow Town Park to reflect anticipated increased use	Required	HDC	Developer contributions (S106)	Unknown		£0	Unknown	Unknown		Unknown
OS39	Contribution towards Epping Forest Suitable Alternative Natural Green Space (SANGS)	Essential	EFDC / Developers	Developer contributions (S106)	£2,250,000	Reviewed by Arup - based on an assumed 30ha. SANGS (see notes), with an enhanced natural and semi-natural open space specification	£0	£2,250,000	£0	See notes	£2,250,000
OS40	Air quality monitoring	Essential	EFDC / Developers	Developer contributions (S106)	£175,000	Epping Forest District Council (indicative costs to 2033 only)	£0	£175,000	£0	See notes	£175,000
OS41	Off-site green infrastructure at Stort Valley	Required	EHDC	Developer contributions (S106)	£5,000,000	East Herts IDP	£0	£5,000,000	£5,000,000		£0
OS42	Ongoing stewardship and governance	Required	TBC	TBC	Unknown		£0	Unknown	Unknown		Unknown

OPEN SPACE

Ref	Intervention	2018 - 2023	2023 - 2028	2028 - 2033	2033 - 2038	2038 - 2043	2043 +	Notes	East of Harlow (North)	East of Harlow (South)	Latton Priory	Water Lane Area (Sumners)	Water Lane Area (Katherine's)	Gilston (Villages 1-6)	Gilston (Village 7)	Non-Strategic Sites (Total)
Other																
OS38	Upgrades at Harlow Town Park to reflect anticipated increased use															
OS39	Contribution towards Epping Forest Suitable Alternative Natural Green Space (SANGS)							The current Zone of Influence for the Epping Forest Special Area of Conservation (SAC) extends to 6.2km from its boundary. However, this will be subject to review from time to time. It is therefore necessary to 'future-proof' the Garden Town communities which lie partially within or within close proximity to, the current Zone of Influence. In order to achieve this an appropriate level of SANGS should be provided on the relevant sites. A strategic approach will need to be taken to maximise the opportunities that exist to provide sufficient space to accommodate the necessary attributes to attract new residents, and some existing residents, to use that space. In particular there is a need to provide a level and form of SANGS that will be used by dog-walkers who make up nearly 50% of the visitors to Epping Forest. The minimum size of SANGS which is considered to be workable in terms of providing some opportunity to attract visitors, as advised by Natural England, is 8ha. However, the size of site required to accommodate regular dog walkers is 30ha. This is necessary to provide sufficient size to accommodate a circular walking route of some 2.2km. The number of SANGS required is not yet determined. Costs are not currently attributed to specific sites. Given the current uncertainties in relation to the scale of SANGS to be provided on individual sites within the Garden Town, there is a need to develop a strategic approach which both maximises the opportunities which are available and ensures an equitable approach.								
OS40	Air quality monitoring							Costs are not currently attributed to specific sites - to be updated once mitigation strategy has been finalised.								
OS41	Off-site green infrastructure at Stort Valley													£4,250,000	£750,000	
OS42	Ongoing stewardship and governance															

SPORTS AND LEISURE

Ref	Intervention	Priority	Delivery Partners	Potential Funding Source	Cost	Cost Source	Identified Funding	Funding Gap	Cost to be Apportioned	Rationale	Remaining Funding Gap
SF1	New affordable community leisure centre within Harlow, comprising: six-lane 25m pool plus teaching pool; four court sports hall; 100-150 station fitness suite; and two studios	Required	HDC / EFDC / EHDC / ECC / HCC / Providers	Developer contributions (S106) / Grant funding	£10,016,000	Reviewed by Arup	£0	£10,016,000	£10,016,000	Tests 100% of costs met through developer contributions - there may also be opportunities for other sources of funding	£0
SF2	New affordable community leisure centre within Gilston, comprising: six-lane 25m pool plus teaching pool; four court sports hall; 170 station fitness suite; playing pitches; and two studios	Required	EHDC / HCC / Providers	Developer contributions (S106) / Grant funding	£11,015,680	Reviewed by Arup	£0	£11,015,680	£11,015,680	Tests 100% of costs met through developer contributions - there may also be opportunities for other sources of funding	£0

SPORTS AND LEISURE

Ref	Intervention	2018 - 2023	2023 - 2028	2028 - 2033	2033 - 2038	2038 - 2043	2043 +	Notes	East of Harlow (North)	East of Harlow (South)	Latton Priory	Water Lane Area (Sumners)	Water Lane Area (Katherine's)	Gilston (Villages 1- 6)	Gilston (Village 7)	Non-Strategic Sites (Total)
SF1	New affordable community leisure centre within Harlow, comprising: six-lane 25m pool plus teaching pool; four court sports hall; 100-150 station fitness suite; and two studios							Site to be determined. Costs are based on Sports England standard costs; actual costs will be site-specific and may be higher.	£1,045,075	£3,622,927	£1,463,105	£1,124,501	£1,854,660			£905,732
SF2	New affordable community leisure centre within Gilston, comprising: six-lane 25m pool plus teaching pool; four court sports hall; 170 station fitness suite; playing pitches; and two studios							To be delivered alongside a secondary school within Gilston. Costs are based on Sports England standard costs; actual costs will be site-specific and may be higher.						£9,363,328	£1,652,352	

UTILITIES

Ref	Intervention	Priority	Delivery Partners	Potential Funding Source	Cost	Cost source	Identified Funding	Funding Gap	Cost to be Apportioned	Rationale	Remaining Funding Gap
Water											
UT1	Network reinforcement works to provide potable water	Critical	Affinity Water	Providers / Developers (Charge)	Unknown		£0	Unknown	£0		£0
UT2	Early implementation of waste water network upgrades at Latton Priory	Critical	Thames Water	Providers / Developers (Charge)	Unknown		£0	Unknown	£0		£0
Electricity											
UT3	New Harlow 33/11kV Primary sub-station	Critical	UKPN / Developers	Providers / Developers (Charge)	£900,000	Harlow IDP	£0	£900,000	£0		£0
UT4	South Harlow 33/11kV Primary sub-station & 11kV interconnection	Critical	UKPN / Developers	Providers / Developers (Charge)	£1,100,000	Harlow IDP	£0	£1,100,000	£0		£0
UT5	Rye House/Harlow West 132kV Tower Line	Critical	UKPN / Developers	Providers / Developers (Charge)	£5,400,000	Harlow IDP	£0	£5,400,000	£0		£0
UT6	Replacement of 33kV switchgear at Harlow West substation	Critical	UKPN / Developers	Providers / Developers (Charge)	£1,400,000	Harlow IDP	£0	£1,400,000	£0		£0
UT7	33kV overhead lines may require diverting for masterplanning of Water Lane Area	Required	UKPN / Developers	Providers / Developers (Charge)	Site dependent		£0	N/A	N/A		N/A
UT8	New primary substation to serve Gilston	Critical	Utility Provider	Providers / Developer (Contribution / Charge)	£29,000,000	East Herts IDP	£0	£0	£0	Abnormal cost reflected in land value - refer to Harlow and Gilston Garden Town Strategic Viability Assessment	£0
Gas											
UT9	Gas infrastructure to enable growth	Essential	Providers / Developers	Providers / Developers (Charge)	N/A (strategic upgrades met by providers; on site connections part of normal development costs)		£0	N/A	£0		£0
UT10	Potential diversion of mains gas at East Harlow	Required	Cadent Gas	UKPN / Developer agreement	Masterplan dependent		£0	N/A	£0		£0
Telecommunications											
UT11	Telecommunications infrastructure to enable growth	Essential	Providers / Developers	Providers / Developers (Charge)	N/A (strategic upgrades met by providers; on site connections part of normal development costs)		£0	N/A	£0		£0
UT12	Measures to support implementation of the Garden Town Digital Strategy	Required	Providers / Developers	Providers / Developers	Unknown		£0	Unknown	Unknown		Unknown
UT13	Ongoing broadband and communication upgrades, as required by technological change	Required	Providers	Providers	N/A (met by providers)		£0	N/A	£0		£0

UTILITIES

Ref	Intervention	2018 - 2023	2023 - 2028	2028 - 2033	2033 - 2038	2038 - 2043	2043 +	Notes	East of Harlow (North)	East of Harlow (South)	Latton Priory	Water Lane Area (Summers)	Water Lane Area (Katherine's)	Gilston (Villages 1-6)	Gilston (Village 7)	Non-Strategic Sites (Total)
Water																
UT1	Network reinforcement works to provide potable water							Network reinforcements expected to be funded as a combination of the provider and developers via a connection and infrastructure charge (part of normal development cost). Additional contributions beyond this are not envisioned and so have not been apportioned.								
UT2	Early implementation of waste water network upgrades at Latton Priory							Network reinforcements expected to be funded as a combination of the provider and developers via a connection and infrastructure charge (part of normal development cost). Additional contributions beyond this are not envisioned and so have not been apportioned.								
Electricity																
UT3	New Harlow 33/11kV Primary sub-station							Network reinforcements expected to be funded as a combination of the provider and developers via a connection and infrastructure charge (part of normal development cost). Additional contributions beyond this are not envisioned and so have not been apportioned.								
UT4	South Harlow 33/11kV Primary sub-station & 11kV interconnection							Network reinforcements expected to be funded as a combination of the provider and developers via a connection and infrastructure charge (part of normal development cost). Additional contributions beyond this are not envisioned and so have not been apportioned.								
UT5	Rye House/Harlow West 132kV Tower Line							Network reinforcements expected to be funded as a combination of the provider and developers via a connection and infrastructure charge (part of normal development cost). Additional contributions beyond this are not envisioned and so have not been apportioned.								
UT6	Replacement of 33kV switchgear at Harlow West substation							Network reinforcements expected to be funded as a combination of the provider and developers via a connection and infrastructure charge (part of normal development cost). Additional contributions beyond this are not envisioned and so have not been apportioned.								
UT7	33kV overhead lines may require diverting for masterplanning of Water Lane Area							Overhead lines will require an easement along them, which may affect the masterplanning of the site. Potential to divert these to optimise the site.				Unknown	Unknown			
UT8	New primary substation to serve Gilston							Expectation that development will meet the full cost of new substation at Gilston.								
Gas																
UT9	Gas infrastructure to enable growth															
UT10	Potential diversion of mains gas at East Harlow							Potential diversion of gas mains. Alternative is to retain in position and design the site around an easement along the pipes. The potential easement / diversion will be dependent on the type of main the options for these sites should be considered on a site-by site basis, in consultation with Cadent Gas.	Unknown	Unknown						
Telecommunications																
UT11	Telecommunications infrastructure to enable growth							The additional demand of these developments would require some reinforcement of the water supply network, although no significant constraints to the provision of this infrastructure have been identified.								
UT12	Measures to support implementation of the Garden Town Digital Strategy							A wider Garden Town Digital Strategy is being prepared; exact interventions still to be confirmed.								
UT13	Ongoing broadband and communication upgrades, as required by technological change															

UTILITIES

Ref	Intervention	Priority	Delivery Partners	Potential Funding Source	Cost	Cost source	Identified Funding	Funding Gap	Cost to be Apportioned	Rationale	Remaining Funding Gap
Waste											
UT14	Household Waste Recycling Centre to serve Gilston	Required	Developer / HCC	Developers / Grant	£6,700,000	Hertfordshire County Council	£0	£6,700,000	£1,662,067	Hertfordshire County Council - based on anticipated Gilston use	£5,037,933
UT15	Increased household waste recycling capacity and / or facility upgrades in order to serve additional demand in Essex	Required	Developer / ECC	Developers / Grant	£200,000	Essex County Council	£0	£200,000	£200,000	Essex County Council	£0

UTILITIES

Ref	Intervention	2018 - 2023	2023 - 2028	2028 - 2033	2033 - 2038	2038 - 2043	2043 +	Notes	East of Harlow (North)	East of Harlow (South)	Latton Priory	Water Lane Area (Summers)	Water Lane Area (Katherine's)	Gilston (Villages 1- 6)	Gilston (Village 7)	Non-Strategic Sites (Total)
Waste																
UT14	Household Waste Recycling Centre to serve Gilston							HCC's current position - specific proposals will be developed. Costs indexed by Hertfordshire County Council using September 2018 RPI.						£1,412,757	£249,310	
UT15	Increased household waste recycling capacity and / or facility upgrades in order to serve additional demand in Essex							Housing growth is anticipated to generate additional waste into the Harlow Recycling Centre for Household Waste (RCHW) of c.3500-4000 tpa; an uplift on the current throughput of between 26%-30%. To accommodate waste input increases of this nature it will be necessary to redesign the existing site to provide greater waste handling capacity, improved traffic flows, more on site queuing and to provide a service operation which reduces onsite unloading time thereby improving capacity. Based on similar site redesign and upgrades within Essex it would be anticipated that the capital cost of delivering such an upgrade at the Harlow RCHW would be in the region of £160-200k.	£20,868	£72,343	£29,215	£22,454	£37,034			£18,086

FLOOD DEFENCE

Ref	Intervention	Priority	Delivery Partners	Potential Funding Source	Cost	Cost source	Identified Funding	Funding Gap	Cost to be Apportioned	Rationale	Remaining Funding Gap
FL1	Measures to ensure the protection of the functional flood plain and restriction of surface water run-off into Pincey Brook to no more than existing rates	Critical	Environment Agency / EFDC / ECC / Developers	Developer Funded	Unknown		£0	Unknown	£0		Unknown
FL2	Strategic surface water flood risk interventions: West Passmores swale and upstream attenuation and flood resilience; Harlow Brays Grove sustainable drainage; Harlow Kingsmoor sustainable drainage; and Summers Area river flood alleviation scheme	Critical	Environment Agency / Developers	Environment Agency / Developer Contribution	£12,000,000	Harlow DC IDP (2018)	£341,482	£11,658,518	£440,000	Essex LLFA Floods Team has confirmed that only one scheme (Harlow Kingsmoor) is directly related to a development. The remainder of the funding is expected to be available from other sources e.g. Environment Agency. Tests 100% of Harlow Kingsmoor met through developer contributions - in reality this may not be the case	£11,218,518
FL3	On-site SuDS delivered as part of developments	Essential	Developers	Developer Funded	N/A (part of normal development costs)		£0	N/A	£0		N/A

FLOOD DEFENCE

Ref	Intervention	2018 - 2023	2023 - 2028	2028 - 2033	2033 - 2038	2038 - 2043	2043 +	Notes	East of Harlow (North)	East of Harlow (South)	Latton Priory	Water Lane Area (Sumners)	Water Lane Area (Katherine's)	Gilston (Villages 1- 6)	Gilston (Village 7)	Non-Strategic Sites (Total)
FL1	Measures to ensure the protection of the functional flood plain and restriction of surface water run-off into Pincey Brook to no more than existing rates							Flood protection should be considered as part of strategic masterplanning to ensure development is directed towards flood zone 1, and any necessary mitigation measures are incorporated into the design of the scheme. Further consultation will be required with the Environment Agency and EFDC Drainage Team.	Unknown							
FL2	Strategic surface water flood risk interventions: West Passmores swale and upstream attenuation and flood resilience; Harlow Brays Grove sustainable drainage; Harlow Kingsmoor sustainable drainage; and Sumners Area river flood alleviation scheme															£440,000
FL3	On-site SuDS delivered as part of developments															

Appendix B

Harlow and Gilston Garden Town Delivery Trajectory

B1 Harlow and Gilston Garden Town Delivery Trajectory

For the purposes of the IDP, the delivery trajectory from each of the District's Local Plans (at the time of production of the IDP) has been reflected – as set out in Table B1. It is acknowledged that this delivery trajectory may be amended as the Garden Town comes forward and opportunities to accelerate delivery are explored.

Table B1 Harlow and Gilston Garden Town delivery trajectory

Site	Trajectory Source	2018 - 2023	2023 - 2028	2028 - 2033	2033 - 2038	2038 - 2043	2043 +	Total
Gilston (Villages 1-6 and Village 7) ³⁵	East Herts Authority Monitoring Report 2017-2018 (2018)	50	1,500	1,500	1,500	1,500	3,950	10,000
East Harlow (North)	Epping Forest District Housing Implementation Strategy Update (2019)	0	250	500	0	0	0	750
East Harlow (South)	Pre-Submission Publication Harlow Local Development Plan (2018)	750	1,150	700	0	0	0	2,600
Latton Priory	Epping Forest District Housing Implementation Strategy Update (2019)	50	500	500	0	0	0	1,050
Water Lane Area (West Sumners and West of Katherine's) ³⁶	Epping Forest District Housing Implementation Strategy Update (2019)	100	1,000	1,000	0	0	0	2,100³⁷

³⁵ Early phasing of Gilston differs slightly between Figure B1 and the figures used in the Strategic Viability Assessment but the impact is considered to be minimal. For the purposes of the IDP it has been assumed that Gilston Villages 1-6 and Gilston Village 7 deliver at the same speed until Village 7 is built out. The sub-phasing of Gilston will be agreed in due course.

³⁶ For the purposes of the IDP it has been assumed that West Sumners and West of Katherine's will deliver proportionately to their respective allocations. The sub-phasing of Water Lane Area will be agreed in due course.

³⁷ The Water Lane Area allocation is stated to be 2,100 homes in the Submission Version Epping Forest District Local Plan. West Sumners is taken to be sites SR-0068-N (indicative capacity 691 homes) and SR-0107 (indicative capacity 116 homes). West of Katherine's is taken to be sites SR-0964-Z (indicative capacity 1,149 homes), SR-

Site	Trajectory Source	2018 - 2023	2023 - 2028	2028 - 2033	2033 - 2038	2038 - 2043	2043 +	Total
Other	Pre-Submission Publication Harlow Local Development Plan (2018)	206	121	820	0	0	0	1,147
	Total	1,323	4,354	5,020	1,500	1,500	3,950	17,647³⁸

0424 (indicative capacity 118 homes), SR-0039 (indicative capacity 43 homes) and SR-0038 (indicative capacity 21 homes). These total 2,138 which is slightly higher than the 2,100 stated. This explains the difference in units between Table B1 and Table 1 in Section 4.1.

³⁸ See above comment.

Appendix C

Risk Allowance

C1 Risk Allowance

C1.1 Transport

Table C1 Risk allowance – transport

	East of Harlow (North)	East of Harlow (South)	Latton Priory	West Sumners	West of Katherine's	Gilston Villages 1-6	Gilston Village 7
Total	£16,409,612	£43,086,653	£23,073,456	£18,774,151	£30,900,181	£199,147,727	£34,451,723
Risk Allowance	£2,471,706	£5,808,580	£3,480,388	£2,883,037	£4,742,172	£19,653,793	£3,566,412
	15.06%	13.48%	15.08%	15.36%	15.35%	9.87%	10.35%
Revised Total	£18,881,318	£48,895,234	£26,553,844	£21,657,189	£35,642,353	£218,801,519	£38,018,135

- Costs received from Hertfordshire County Council in respect of some highways interventions (included in HIF bid submission) include an element of contingency and so an additional risk allowance has not been applied.
- 20% risk allowance applied to all other items.

C1.2 Education

Table C2 Risk allowance – education

	East of Harlow (North)	East of Harlow (South)	Latton Priory	West Sumners	West of Katherine's	Gilston Villages 1-6	Gilston Village 7
Total	£9,503,086	£33,727,437	£13,126,579	£10,070,618	£16,609,656	£161,522,820	£28,464,573
Risk Allowance	£214,632	£900,738	£264,936	£200,003	£329,869	£804,870	£134,145
	2.26%	2.67%	2.02%	1.99%	1.99%	0.50%	0.47%
Revised Total	£9,717,718	£34,628,175	£13,391,515	£10,270,621	£16,939,526	£162,327,690	£28,598,718

- Costs received from Essex County Council and Hertfordshire County Council in respect of mainstream and SEND school places include an element of contingency and so an additional risk allowance has not been applied.
- 20% risk allowance applied to all other items.

C1.3 Health

Table C3 Risk allowance – health

	East of Harlow (North)	East of Harlow (South)	Latton Priory	West Sumners	West of Katherine's	Gilston Villages 1-6	Gilston Village 7
Total	£1,908,113	£6,614,791	£2,671,358	£2,053,129	£3,386,264	£21,625,278	£3,816,226
Risk Allowance	£381,623	£1,322,958	£534,272	£410,626	£677,253	£4,325,056	£763,245
	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Revised Total	£2,289,735	£7,937,749	£3,205,630	£2,463,755	£4,063,517	£25,950,334	£4,579,471

- 20% risk allowance applied to all items.

C1.4 Emergency Services

Table C4 Risk allowance – emergency services

	East of Harlow (North)	East of Harlow (South)	Latton Priory	West Sumners	West of Katherine's	Gilston Villages 1-6	Gilston Village 7
Total	£676,344	£2,344,659	£946,882	£727,746	£1,200,285	£7,665,232	£1,352,688
Risk Allowance	£135,269	£468,932	£189,376	£145,549	£240,057	£1,533,046	£270,538
	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Revised Total	£811,613	£2,813,591	£1,136,258	£873,295	£1,440,342	£9,198,278	£1,623,226

- 20% risk allowance applied to all items.

C1.5 Community Facilities

Table C5 Risk allowance – community facilities

	East of Harlow (North)	East of Harlow (South)	Latton Priory	West Sumners	West of Katherine's	Gilston Villages 1-6	Gilston Village 7
Total	£1,297,452	£5,241,934	£1,760,908	£1,338,214	£2,207,141	£9,346,587	£1,649,398
Risk Allowance	£259,490	£1,048,387	£352,182	£267,643	£441,428	£1,869,317	£329,880
	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Revised Total	£1,556,942	£6,290,321	£2,113,089	£1,605,856	£2,648,569	£11,215,905	£1,979,277

- 20% risk allowance applied to all items.

C1.6 Open Space

Table C6 Risk allowance – open space

	East of Harlow (North)	East of Harlow (South)	Latton Priory	West Sumners	West of Katherine's	Gilston Villages 1-6	Gilston Village 7
Total	£1,315,370	£11,428,720	£1,852,710	£1,371,477	£2,262,003	£17,105,650	£3,019,950
Risk Allowance	£263,074	£2,285,744	£370,542	£274,295	£452,401	£3,421,130	£603,990
	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Revised Total	£1,578,444	£13,714,464	£2,223,252	£1,645,773	£2,714,403	£20,526,780	£3,623,940

- 20% risk allowance applied to all items.

C1.7 Sports and Leisure

Table C7 Risk allowance – sports and leisure

	East of Harlow (North)	East of Harlow (South)	Latton Priory	West Sumners	West of Katherine's	Gilston Villages 1-6	Gilston Village 7
Total	£1,045,075	£3,622,927	£1,463,105	£1,124,501	£1,854,660	£9,363,328	£1,652,352
Risk Allowance	£209,015	£724,585	£292,621	£224,900	£370,932	£1,872,666	£330,470
	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Revised Total	£1,254,090	£4,347,513	£1,755,726	£1,349,401	£2,225,592	£11,235,994	£1,982,822

- 20% risk allowance applied to all items.

C1.8 Utilities

Table C8 Risk allowance – utilities

	East of Harlow (North)	East of Harlow (South)	Latton Priory	West Sumners	West of Katherine's	Gilston Villages 1-6	Gilston Village 7
Total	£20,868	£72,343	£29,215	£22,454	£37,034	£1,412,757	£249,310
Risk Allowance	£4,174	£14,469	£5,843	£4,491	£7,407	£282,551	£49,862
	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Revised Total	£25,042	£86,811	£35,058	£26,945	£44,441	£1,695,308	£299,172

- 20% risk allowance applied to all items.

C1.9 Flood Protection

Table C9 Risk allowance – flood protection

	East of Harlow (North)	East of Harlow (South)	Latton Priory	West Summers	West of Katherine's	Gilston Villages 1-6	Gilston Village 7
Total	£0	£0	£0	£0	£0	£0	£0
Risk Allowance	£0	£0	£0	£0	£0	£0	£0
	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>
Revised Total	£0	£0	£0	£0	£0	£0	£0

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Harlow and Gilston Garden Town

Strategic Viability Assessment

April 2019

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1. Introduction

Scope

- 1.1 Harlow Council (HC), East Hertfordshire District Council (EHDC), Epping Forest District Council (EFDC), Hertfordshire County Council (HCC) and Essex County Council (ECC) ('the Councils') are working together, to bring forward the Harlow and Gilston Garden Town. The Councils are delivering this growth in partnership with other stakeholders including the Hertfordshire LEP (HLEP), South East LEP and site promoters.
- 1.2 This Viability Assessment was been commissioned to assess the deliverability of the key sites that make up Harlow and Gilston Garden Town, in the summer of 2018 in parallel to the updating of the Garden Town Infrastructure Delivery Plan (IDP). The Garden Town forms part of the London – Stansted – Cambridge Corridor (LSCC), which is one of the fastest growing economic regions in England.
- 1.3 Approximately 16,000 new homes are planned for the Garden Town within the Local Plan period 2011-2033 with over 7,000 beyond the plan-period. The sites include both the Harlow urban area and four new Garden Communities:
 - a. **East of Harlow** located in Harlow and Epping Forest. Total estimated number of dwellings – 3,350.
 - b. **Latton Priory** located in Epping Forest. Total estimated number of dwellings – 1,050.
 - c. **Water Lane Area** located in Epping Forest. Total estimated number of dwellings – 2,500.
 - d. **Gilston Area** located in East Hertfordshire. Total estimated number of dwellings – 10,000 (of which at least 7,050 will be delivered in the plan-period).
- 1.4 HDH Planning & Development Ltd and Arup have been appointed to provide a high-level viability assessment for each of the four new Garden Communities in order to determine the level of developer contributions that may be sought, whilst allowing delivery of the sites to remain viable.
- 1.5 This assessment sets out the methodology and the key assumptions adopted. This will allow the Councils to continue to engage with stakeholders, to ensure that the Garden Town is deliverable.
- 1.6 This Viability Assessment has been informed by a consultation process with landowners, agents, and developers. A series of consultation meetings were held during August and September 2018 with representatives of the main developers, development site landowners, their agents and housing providers. The meetings were used to set out the methodology, to test the assumptions, and to clarify the contextual background. A further round of consultation meetings were held in mid-February 2019. Whilst the purpose of these was principally to



discuss the strategic infrastructure and mitigation costs (as established by ARUP), further comments were made with regard to viability.

- 1.7 Over several years before the preparation of this report, various Government announcements were made about changes to the planning processes. The initial iteration of this report was prepared after the Ministry of Housing Communities and Local Government (MHCLG) updated the National Planning Policy Framework, (2018 NPPF), and published new Planning Practice Guidance (PPG) in July 2018. In February 2019 the NPPF was further updated (2019 NPPF). This early opportunity is taken to note that the methodology used in this report is consistent with the 2019 NPPF and the updated PPG.
- 1.8 An important element of this assessment is to test the ability of the Garden Town sites to bear the costs of the strategic infrastructure and mitigation. Outside this report, the Councils (assisted by ARUP) are updating the Infrastructure Delivery Plan(s) (IDP). The information from the IDP updates is used in this assessment.

Report Structure

- 1.9 This report follows the following format:

Chapter 2	The reasons for, and approach to viability testing, including a short review of the requirements of the CIL Regulations, NPPF and PPG.
Chapter 3	The methodology used.
Chapter 4	An assessment of the housing market, including market and affordable housing with the purpose of establishing the worth of different types of housing (size and tenure) in different areas.
Chapter 5	An assessment of the non-residential markets with the purpose of establishing the worth of different types of commercial uses.
Chapter 6	An assessment of the costs of land to be used when assessing viability.
Chapter 7	The cost and general development assumptions to be used in the development appraisals.
Chapter 8	A summary of the various policy requirements and constraints that influence the type of development that come forward.
Chapter 9	A summary of the range of modelled sites used for the financial development appraisals.
Chapter 10	The results of the appraisals and consideration of residential development.
Chapter 11	The appraisals and consideration of non-residential development.
Chapter 12	This chapter is written as a non-technical summary that brings the report together and also sets out the conclusions in relation to the deliverability of development.

Project Team

- 1.10 This project is led by HDH Planning & Development Ltd, with Arup acting as the principal sub-contractor providing cost consultancy expertise.

HDH Planning and Development Ltd (HDH)

- 1.11 HDH is a specialist planning consultancy providing evidence to support planning and housing authorities. The firm's main areas of expertise are:
- a. District wide and site-specific viability analysis.
 - b. Community Infrastructure Levy testing.
 - c. Strategic Housing Market Assessments.

Arup

- 1.12 Arup is an independent firm of designers, planners, engineers, consultants and technical specialists offering a broad range of professional services across the UK and internationally.

General Caveat

- 1.13 Some of the conclusions and recommendations contained in this report are based upon information provided by others (including the Councils and consultees) and upon the assumption that all relevant information has been provided by those parties from whom it has been requested. Information obtained from third parties has not been independently verified by HDH Planning & Development Ltd or Arup, unless otherwise stated in the report. The conclusions and recommendations contained in this report are concerned with policy requirement, guidance and regulations which may be subject to change. They reflect a Chartered Surveyor's perspective and do not reflect or constitute legal advice.
- 1.14 No part of this report constitutes a valuation and the report should not be relied on in that regard.

Metric or imperial

- 1.15 The property industry uses both imperial and metric data – often working out costings in metric (£/m²) and values in imperial (£/acre and £/sqft). This is confusing so metric measurements are used throughout this report. The following conversion rates may assist readers.

1m	=	3.28ft (3' and 3.37")	1ft	=	0.30m
1m ²	=	10.76 sqft	1sqft	=	0.0929m ²
1ha	=	2.471acres	1acre	=	0.405ha.

- 1.16 A useful broad rule of thumb to convert m² to sqft is simply to add a final zero.

Compliance

1.17 HDH Planning & Development Ltd is a firm regulated by the Royal Institution of Chartered Surveyors. As a firm regulated by the RICS it is necessary to have regard to RICS Professional Standards and Guidance. For the purpose of this assessment there are two principle pieces of relevant guidance being the *Draft Financial viability in planning: conduct and reporting RICS professional statement, England (October 2018)* and *Financial Viability in planning (1st edition), RICS guidance note 2012*.

1.18 Reference is made to *Financial Viability in planning (1st edition), RICS guidance note 2012*, although it is important to note that this Guidance is subject to a full review to reflect the changes in the 2019 NPPF and the updated PPG (July 2018) so relatively little weight is given to this¹. *Draft Financial viability in planning: conduct and reporting RICS professional statement, England (October 2018)* is in draft form at the time of this report however this opportunity is taken (in the spirit of the draft) to confirm as follows:

Objectivity, impartiality, and reasonableness statement

1.19 HDH confirms that in preparing this report the firm has acted with objectivity, impartially and without interference. It is important to note that HDH is appointed by the Councils and followed a collaborative approach involving the Councils, developers, landowners and other interested parties. There has not been agreement on all points by all parties, it has therefore been necessary to make a judgment where making assumptions.

Instructions, absence of conflicts of interest, basis of fees

1.20 The scope under which this project is undertaken is included in **Appendix 1** of this report.

1.21 HDH confirms it has no conflicts of interest (or perceived conflicts of interest) in undertaking this project. HDH confirms that in preparing this report, no performance-related or contingent fees have been agreed.

Transparency of information

1.22 The presumption is that a viability assessment should be published in full. HDH confirms that this report has been prepared on this basis.

Non-technical summaries

1.23 HDH confirms that a non-technical summary (being Chapter 12 of this report) has been provided.

¹ As set out at 1.1 in the *Draft Financial viability in planning: conduct and reporting, RICS professional statement, England*.

Value Engineering

- 1.24 The draft Professional Statement includes the following text:

*Members **must** also consider if the advice they are giving represents the most effective and efficient way to deliver optimum development performance of the scheme being tested. This is sometimes referred to as 'value engineering' and will involve quantity surveyors, agents and other professionals. LPAs and their advisers need to be confident that the FVA fully reflects the way the development would actually be carried out. If this is not the case, then it should be stated and explained.*

*It follows that members **must** include a statement that these matters have been given full consideration in the FVA. Corresponding statements **must**, where appropriate, be included in other professional and specialist inputs to the FVA.*

- 1.25 The draft RICS Guidance is not consistent with the PPG in this regard. The PPG sets out that:

In plan making and decision making viability helps to strike a balance between the aspirations of developers and landowners, in terms of returns against risk, and the aims of the planning system to secure maximum benefits in the public interest through the granting of planning permission.

PPG 10-010-20180724

- 1.26 This is a high-level viability assessment considering the delivery of the Harlow Garden Town. HDH's instructions specifically do NOT include a review of the proposals, rather the instructions are to provide viability advice for others to consider.

2. Viability Testing

- 2.1 Viability testing is an important part of the planning process. The requirement to assess viability forms part of the National Planning Policy Framework (NPPF), and is a requirement of the CIL Regulations. In each case the requirement is slightly different, but they have much in common.
- 2.2 Over several years, in the run up to this report, various national consultations have been carried out with regard to different aspects of the plan-making process. These have included references to, and sections on, viability. The NPPF and the viability sections of the Planning Practice Guidance (PPG) were updated in July 2018 replacing the earlier documents. The NPPF was further updated in February 2019, although the changes in this iteration do not directly impact on the requirements to consider viability.

National Planning Policy Framework (February 2019)

- 2.3 As in the 2012 NPPF, viability remains a core area of the plan-making process. The 2019 NPPF does not include detail on the viability process, rather stresses the importance of viability.
- 2.4 The main change is a shift of viability testing from the development management stage to the plan-making stage.

Where up-to-date policies have set out the contributions expected from development, planning applications that comply with them should be assumed to be viable. It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage. The weight to be given to a viability assessment is a matter for the decision maker, having regard to all the circumstances in the case, including whether the plan and the viability evidence underpinning it is up to date, and any change in site circumstances since the plan was brought into force. All viability assessments, including any undertaken at the plan-making stage, should reflect the recommended approach in national planning guidance, including standardised inputs, and should be made publicly available.

2019 NPPF, Paragraph 57

- 2.5 Careful consideration has been made to the updated PPG in this assessment (see below).
- 2.6 The effectiveness of plans was important under the 2012 NPPF, but a greater emphasis is put on deliverability in the 2019 NPPF. The following, updated, definition is provided:

Deliverable: *To be considered deliverable, sites for housing should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years. In particular:*

- a) *sites which do not involve major development and have planning permission, and all sites with detailed planning permission, should be considered deliverable until permission expires, unless there is clear evidence that homes will not be delivered within five years (for example because they are no longer viable, there is no longer a demand for the type of units or sites have long term phasing plans).*
- b) *where a site has outline planning permission for major development, has been allocated in a development plan, has a grant of permission in principle, or is identified on a brownfield*

register, it should only be considered deliverable where there is clear evidence that housing completions will begin on site within five years.

2019 NPPF Glossary

- 2.7 Under the heading *Identifying land for homes*, the importance of viability is highlighted:

Strategic policy-making authorities should have a clear understanding of the land available in their area through the preparation of a strategic housing land availability assessment. From this, planning policies should identify a sufficient supply and mix of sites, taking into account their availability, suitability and likely economic viability. Planning policies should identify a supply of:

- a) specific, deliverable sites for years one to five of the plan period³²; and*
- b) specific, developable sites or broad locations for growth, for years 6-10 and, where possible, for years 11-15 of the plan.*

2019 NPPF, Paragraph 67

- 2.8 Under the heading *Making effective use of land*, viability forms part of ensuring land is suitable for development:

Local planning authorities, and other plan-making bodies, should take a proactive role in identifying and helping to bring forward land that may be suitable for meeting development needs, including suitable sites on brownfield registers or held in public ownership, using the full range of powers available to them. This should include identifying opportunities to facilitate land assembly, supported where necessary by compulsory purchase powers, where this can help to bring more land forward for meeting development needs and/or secure better development outcomes.

2019 NPPF, Paragraph 119

- 2.9 The 2019 NPPF does not include technical guidance on undertaking viability work. This is included within the PPG that was also updated in July 2018.

Planning Practice Guidance (July 2018)

- 2.10 The viability sections of the PPG (section 10) have been completely rewritten, although the changes provide clarity and confirm best practice, rather than prescribe a new approach or methodology. The updated PPG includes 4 main sections:

1 - Viability and plan making

- 2.11 The overall requirement is that:

...policy requirements should be informed by evidence of infrastructure and affordable housing need, and a proportionate assessment of viability that takes into account all relevant policies, and local and national standards, including the cost implications of the Community Infrastructure Levy (CIL) and section 106...

PPG 10-001-20180724

- 2.12 This assessment takes a proportionate approach, building on the Councils' existing evidence², and considers all the local and national policies³ that will apply to new development.

It is the responsibility of plan makers in collaboration with the local community, developers and other stakeholders, to create realistic, deliverable policies. Drafting of plan policies should be iterative and informed by engagement with developers, landowners, and infrastructure and affordable housing providers.

PPG 10-002-20180724

- 2.13 Consultation forms an important part of this assessment. A series of meetings were held with the site promoters in August and September 2018 and a further round of meetings was held in mid-February 2019.

Policy requirements, particularly for affordable housing, should be set at a level that takes account of affordable housing and infrastructure needs and allows for the planned types of sites and development to be deliverable, without the need for further viability assessment at the decision making stage.

PPG 10-002-20180724

- 2.14 The delivery of affordable housing has been tested against a range of levels of developer contributions as assessed under the Councils' Infrastructure Delivery Plan (IDP).

It is the responsibility of site promoters to engage in plan making, take into account any costs including their own profit expectations and risks, and ensure that proposals for development are policy compliant.

PPG 10-002-20180724

- 2.15 In this assessment the Councils have specifically engaged with the promoters of the key sites.

Assessing the viability of plans does not require individual testing of every site or assurance that individual sites are viable. Plan makers can use site typologies to determine viability at the plan making stage. Assessment of samples of sites may be helpful to support evidence. In some circumstances more detailed assessment may be necessary for particular areas or key sites on which the delivery of the plan relies.

PPG 10-003-20180724

- 2.16 This assessment is looking at the key Garden Town sites so is based on these, rather than on typologies⁴.

Average costs and values can be used to make assumptions about how the viability of each type of site would be affected by all relevant policies. Comparing data from existing case study

² As set out in Chapter 3.

³ As set out in Chapter 7.

⁴ The PPG provides further detail at 10-004:

A typology approach is where sites are grouped by shared characteristics such as location, whether brownfield or greenfield, size of site and current and proposed use or type of development. The characteristics used to group sites should reflect the nature of sites and type of development proposed for allocation in the plan.

sites will help ensure assumptions of costs and values are realistic and broadly accurate. In using market evidence it is important to disregard outliers.

PPG 10-004-20180724

- 2.17 This assessment draws on a wide range of data sources. Outliers have been disregarded.

It is important to consider the specific circumstances of strategic sites. Plan makers can undertake site specific viability assessment for sites that are critical to delivering the strategic priorities of the plan. This could include, for example, large sites, sites that provide a significant proportion of planned supply, sites that enable or unlock other development sites or sites within priority regeneration areas. Information from other evidence informing the plan (such as Strategic Housing Land Availability Assessments) can help inform viability assessment for strategic sites.

PPG 10-005-20180724

- 2.18 The key Garden Town sites are considered individually against the best estimate of their strategic infrastructure and mitigation requirements.

Plan makers should engage with landowners, developers, and infrastructure and affordable housing providers to secure evidence on costs and values to inform viability assessment at the plan making stage.

It is the responsibility of site promoters to engage in plan making, take into account any costs including their own profit expectations and risks, and ensure that proposals for development are policy compliant. It is important for developers and other parties buying (or interested in buying) land to have regard to the total cumulative cost of all relevant policies when agreeing a price for the land. Under no circumstances will the price paid for land be a relevant justification for failing to accord with relevant policies in the plan.

PPG 10-006-20180724

- 2.19 As set out above and through this report, consultation has formed part of the preparation of this assessment. This assessment specifically considers the total cumulative cost of all relevant policies.

2 - Viability and decision taking

- 2.20 It is beyond the scope of this assessment to consider viability in decision making. It is however important to note that this assessment will form the starting point for future development management consideration of viability across the Garden Town.

3 - Standardised inputs to viability assessment

- 2.21 The general principles of viability testing are set out under paragraph PPG 10-010-20180724.

Viability assessment is a process of assessing whether a site is financially viable, by looking at whether the value generated by a development is more than the cost of developing it. This includes looking at the key elements of gross development value, costs, land value, landowner premium, and developer return.

This National Planning Guidance sets out the government's recommended approach to viability assessment for planning. The approach supports accountability for communities by enabling them to understand the key inputs to and outcomes of viability assessment.

Any viability assessment should be supported by appropriate available evidence informed by engagement with developers, landowners, and infrastructure and affordable housing providers.

Any viability assessment should follow the government's recommended approach to assessing viability as set out in this National Planning Guidance and be proportionate, simple, transparent and publicly available. Improving transparency of data associated with viability assessment will, over time, improve the data available for future assessment as well as provide more accountability regarding how viability informs decision making.

In plan making and decision making viability helps to strike a balance between the aspirations of developers and landowners, in terms of returns against risk, and the aims of the planning system to secure maximum benefits in the public interest through the granting of planning permission.

PPG 10-010-20180724

- 2.22 This assessment sets out the approach, methodology and assumptions used. These have been subject to consultation and have drawn on a range of data sources. Ultimately, the Councils will use this report to inform the discussions (in terms of amount and timing) they have with the site promoters concerning the delivery of the strategic infrastructure and mitigation measures required.

Gross development value is an assessment of the value of development. For residential development, this may be total sales and/or capitalised net rental income from developments. Grant and other external sources of funding should be considered. For commercial development broad assessment of value in line with industry practice may be necessary.

For broad area-wide or site typology assessment at the plan making stage, average figures can be used, with adjustment to take into account land use, form, scale, location, rents and yields, disregarding outliers in the data. For housing, historic information about delivery rates can be informative.

PPG 10-011-20180724

- 2.23 The residential values have been established through data from the Land Registry and other sources. These have been averaged as suggested. Non-residential values have been derived through consideration of capitalised rents as well as sales.

- 2.24 Paragraph 10-012-20180724 lists a range of costs to be taken into account.

- *build costs based on appropriate data, for example that of the Building Cost Information Service*
- *abnormal costs, including those associated with treatment for contaminated sites or listed buildings, or costs associated with brownfield, phased or complex sites. These costs should be taken into account when defining benchmark land value*
- *site-specific infrastructure costs, which might include access roads, sustainable drainage systems, green infrastructure, connection to utilities and decentralised energy. These costs should be taken into account when defining benchmark land value*
- *the total cost of all relevant policy requirements including contributions towards affordable housing and infrastructure, Community Infrastructure Levy charges, and any other relevant policies or standards. These costs should be taken into account when defining benchmark land value*
- *general finance costs including those incurred through loans*
- *professional, project management, sales, marketing and legal costs incorporating organisational overheads associated with the site. Any professional site fees should also be taken into account when defining benchmark land value*
- *explicit reference to project contingency costs should be included in circumstances where scheme specific assessment is deemed necessary, with a justification for contingency relative to project risk and developers return*

2.25 All these costs are taken into account.

2.26 The PPG then sets out how land values should be considered, confirming the use of the Existing Use Value Plus (EUV+) approach.

To define land value for any viability assessment, a benchmark land value should be established on the basis of the existing use value (EUV) of the land, plus a premium for the landowner. The premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The premium should provide a reasonable incentive, in comparison with other options available, for the landowner to sell land for development while allowing a sufficient contribution to comply with policy requirements. This approach is often called 'existing use value plus' (EUV+).

PPG 10-013-20180724

2.27 Paragraph 10-014-20180724 of the PPG goes on to set out:

Benchmark land value should:

- be based upon existing use value*
- allow for a premium to landowners (including equity resulting from those building their own homes)*
- reflect the implications of abnormal costs; site-specific infrastructure costs; and professional site fees and*
- be informed by market evidence including current uses, costs and values wherever possible. Where recent market evidence is used to inform assessment of benchmark land value this evidence should be based on developments which are compliant with policies, including for affordable housing. Where this evidence is not available plan makers and applicants should identify and evidence any adjustments to reflect the cost of policy compliance. This is so that historic benchmark land values of non-policy compliant developments are not used to inflate values over time.*

In plan making, the landowner premium should be tested and balanced against emerging policies. In decision making, the cost implications of all relevant policy requirements, including planning obligations and, where relevant, any Community Infrastructure Levy (CIL) charge should be taken into account.

2.28 The approach adopted in this assessment is to start with the EUV. The 'plus' element is informed by the price paid for policy compliant schemes to ensure an appropriate landowners' premium.

Existing use value (EUV) is the first component of calculating benchmark land value. EUV is the value of the land in its existing use together with the right to implement any development for which there are policy compliant extant planning consents, including realistic deemed consents, but without regard to alternative uses. Existing use value is not the price paid and should disregard hope value. Existing use values will vary depending on the type of site and development types. EUV can be established in collaboration between plan makers, developers and landowners by assessing the value of the specific site or type of site using published sources of information such as agricultural or industrial land values, or if appropriate capitalised rental levels at an appropriate yield. Sources of data can include (but are not limited to): land registry records of transactions; real estate licensed software packages; real estate market reports; real estate research; estate agent websites; property auction results; valuation office agency data; public sector estate/property teams' locally held evidence.

PPG 10-016-20180724

2.29 The EUV has been established in this way.

- 2.30 Finally, for the purpose of this assessment, the PPG sets out an approach to the developers' return

Potential risk is accounted for in the assumed return for developers at the plan making stage. It is the role of developers, not plan makers or decision makers, to mitigate these risks. The cost of complying with policy requirements should be accounted for in benchmark land value. Under no circumstances will the price paid for land be relevant justification for failing to accord with relevant policies in the plan.

For the purpose of plan making an assumption of 15-20% of gross development value (GDV) may be considered a suitable return to developers in order to establish the viability of plan policies. Plan makers may choose to apply alternative figures where there is evidence to support this according to the type, scale and risk profile of planned development. A lower figure may be more appropriate in consideration of delivery of affordable housing in circumstances where this guarantees an end sale at a known value and reduces risk. Alternative figures may also be appropriate for different development types.

PPG 10-018-20180724

- 2.31 As set out in Chapter 7 below, this approach is followed.

4 - Accountability

- 2.32 This is a new section in the PPG. It sets out new requirements on reporting. These set out how the Councils must report on and monitor developer contributions. It will be necessary for the Councils to do this.
- 2.33 In line with paragraph 10-020-20180724 of the PPG that says that '*practitioners should ensure that the findings of a viability assessment are presented clearly. An executive summary should be used to set out key findings of a viability assessment in a clear way*', Chapter 12 of this report is written as a standalone non-technical summary that brings the evidence together.

Community Infrastructure Levy Regulations and Guidance

- 2.34 The CIL Regulations are broad, so it is necessary to have regard to them and the CIL Guidance (which is contained within the PPG⁵) when considering the delivery of the development at the plan-making stage, well as when specifically considering CIL. In November 2015, the Government launched the CIL Review. This was a complete review of the Levy, the results of which⁶ were published with the Housing White Paper in February 2017. A range of recommendations were made, some of which are to be subject to further consultation.
- 2.35 More recently *Government response to supporting housing delivery through developer contributions, A summary of consultation responses and the Government's view on the way*

⁵ See section 25 of the PPG at <https://www.gov.uk/guidance/community-infrastructure-levy>

⁶ A Report by the CIL Review Team – A New Approach to Developer Contributions (October 2016) and The value, impact and delivery of the Community Infrastructure Levy, DCLG (February 2017).

forward, MHCLG (October 2018) was published⁷. This clarifies the direction of travel but does not include a timetable for changes. It will be necessary for the Councils to continue to monitor changes in this regard.

- 2.36 The CIL Regulations came into effect in April 2010 and have been subject to several subsequent amendments⁸. CIL Regulation 14 (as amended) sets out the core principle for setting CIL. At the time of this report the Government is consulting on further changes to the CIL Regulations. If implemented, these changes would not have a material impact on this assessment. It is necessary to consider these as they do impact on the wider development plan-making process, as well as the direct CIL setting process:

Setting rates

- (1) *In setting rates (including differential rates) in a charging schedule, a charging authority must strike an appropriate balance between—*
- (a) *the desirability of funding from CIL (in whole or in part) the actual and expected estimated total cost of infrastructure required to support the development of its area, taking into account other actual and expected sources of funding; and*
 - (b) *the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area.*
- (2) *In setting rates ...*

- 2.37 Viability testing in the context of CIL is to assess the 'effects' on development. Ultimately the test that will be applied to CIL is as set out in the examination section of the PPG:

documents containing appropriate available evidence ... evidence has been provided that shows the proposed rate or rates would not threaten delivery of the relevant Plan as a whole ...

PPG 25-038-20140612

- 2.38 The financial impact of introducing CIL is an important factor, but the provision of infrastructure (or lack of it) will also have an impact on the ability of the Councils to meet their objectives through development and deliver their Development Plans.
- 2.39 The test that will be considered when setting CIL is set out in the CIL sections (Chapter 25) of the PPG:

⁷ <https://www.gov.uk/government/consultations/supporting-housing-delivery-through-developer-contributions>

⁸ **SI 2010 No. 948.** The Community Infrastructure Levy Regulations 2010 *Made 23rd March 2010, Coming into force 6th April 2010.* **SI 2011 No. 987.** The Community Infrastructure Levy (Amendment) Regulations 2011 *Made 28th March 2011, Coming into force 6th April 2011.* **SI 2011 No. 2918.** The Local Authorities (Contracting Out of Community Infrastructure Levy Functions) Order 2011. *Made 6th December 2011, Coming into force 7th December 2011.* **SI 2012 No. 2975.** The Community Infrastructure Levy (Amendment) Regulations 2012. *Made 28th November 2012, Coming into force 29th November 2012.* **SI 2013 No. 982.** The Community Infrastructure Levy (Amendment) Regulations 2013. *Made 24th April 2013, Coming into force 25th April 2013.* **SI 2014 No. 385.** The Community Infrastructure Levy (Amendment) Regulations 2013. *Made 24th February 2014, Coming into force 24th February 2014.* **SI 2015 No. 836.** COMMUNITY INFRASTRUCTURE LEVY, ENGLAND AND WALES, The Community Infrastructure Levy (Amendment) Regulations 2015. *Made 20th March 2015.*

As set out in the National Planning Policy Framework in England (paragraphs 173 – 177), the sites and the scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened. The same principle applies in Wales.

PPG 25-009-20140612

- 2.40 The test is whether the sites and the scale of development identified in the Plans are subject to such a scale of obligations and policy burdens (when considered together) that their ability to be developed viably is threatened by CIL. This is somewhat more cautious than the approach set out in earlier guidance. In the March 2010 CIL Guidance, the test was whether the Plan was put at '*serious risk*', and in the December 2012 / April 2013 CIL Guidance, the test was whether CIL '*threatened the development plan as a whole*' – although it is important to note that the CIL Regulation 14 is clear that the purpose of the viability testing is to establish '*the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area*' rather than specific sites.
- 2.41 From April 2015, councils have been restricted in relation to pooling S106 contributions from more than five developments⁹ (where the obligation in the s106 agreement / undertaking is a reason for granting consent). This restriction encourages councils to adopt CIL. The Councils can still raise additional s106 funds for infrastructure, provided this infrastructure can be directly linked to the site-specific needs associated with the scheme in question, and that it is not for infrastructure specifically identified to be funded by CIL, through the Regulation 123 List¹⁰. Payments requested under the s106 regime must be (as set out in CIL Regulation 122):
- a. necessary to make the development acceptable in planning terms;
 - b. directly related to the development; and
 - c. fairly and reasonably related in scale and kind to the development.
- 2.42 The Government recently consulted on lifting the pooling restrictions and abolishing 123 lists¹¹.
- 2.43 It is important to note that the counting of the 'five or more sites' relates to the '*provision of that project, or type of infrastructure*' and is from the date of the CIL Regulations, being April 2010. The Councils will need to consider whether the threshold has already been exceeded for some items of infrastructure. In this regard *Government response to supporting housing delivery through developer contributions, A summary of consultation responses and the Government's view on the way forward, MHCLG (October 2018)* suggests that the pooling restrictions will be lifted.

⁹ CIL Regulations 123(3)

¹⁰ This is the list of the items on which the Council will spend CIL.

¹¹

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/767292/CIL_Amendment_Regulations_Consultation_Paper.pdf

Viability Guidance

- 2.44 There is no specific technical guidance on how to test the viability in the 2019 NPPF or the updated PPG, although the updated PPG includes a guidance in a number of specific areas and sets out the general principles. There are several sources of guidance and appeal decisions¹² that support the methodology HDH has developed and is used here. This assessment follows the *Viability Testing in Local Plans – Advice for planning practitioners* (LGA/HBF – Sir John Harman) June 2012¹³ (known as the **Harman Guidance**). This contains the following definition:

An individual development can be said to be viable if, after taking account of all costs, including central and local government policy and regulatory costs and the cost and availability of development finance, the scheme provides a competitive return to the developer to ensure that development takes place and generates a land value sufficient to persuade the land owner to sell the land for the development proposed. If these conditions are not met, a scheme will not be delivered.

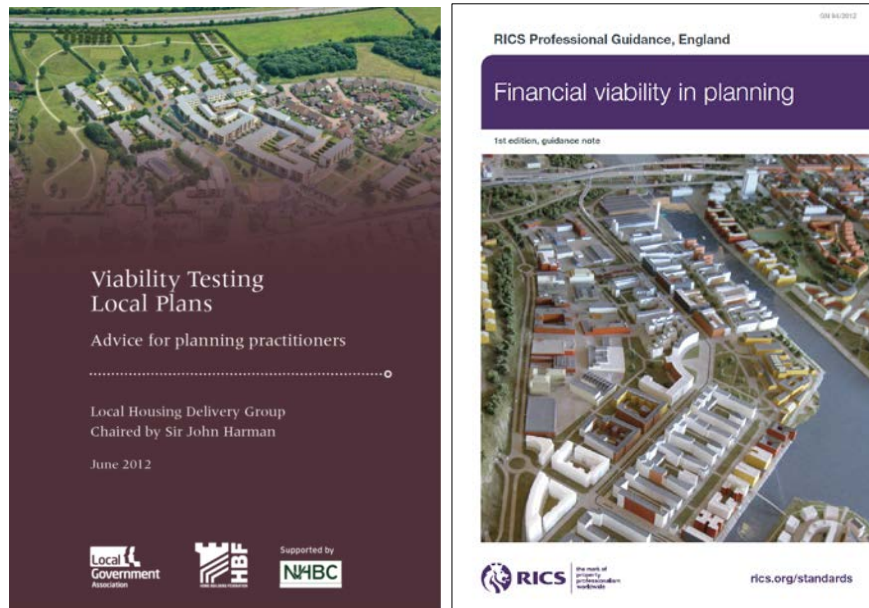
- 2.45 The planning appeal decisions, and the HCA good practice publication¹⁴ suggest that the most appropriate test of viability for planning policy purposes is to consider the Residual Value of schemes compared with the EUV, plus a premium. The premium over and above the EUV being set at a level to provide the landowner with the inducement to sell. The Harman Guidance and *Financial viability in planning, RICS guidance note, 1st edition* (GN 94/2012) which was published during August 2012 (known as the **RICS Guidance**) set out the principles of viability testing. Additionally, the Planning Advisory Service (PAS)¹⁵ provides viability guidance and manuals for local authorities.

¹² Barnet: APP/Q5300/ A/07/2043798/NWF, Bristol: APP/P0119/ A/08/2069226, Beckenham: APP/G5180/ A/08/2084559, Bishops Cleeve: APP/G1630/A/11/2146206 Burgess Farm: APP/U4230/A/11/2157433, CLAY FARM: APP/Q0505/A/09/2103599/NWF, Woodstock: APP/D3125/ A/09/2104658, Shinfield APP/X0360/ A/12/2179141, Oxenholme Road, APP/M0933/A/13/2193338, Former Territorial Army Centre, Parkhurst Road, Islington APP/V5570/W/16/3151698, Vannes: Court of Appeal 22 April 2010, [2010] EWHC 1092 (Admin) 2010 WL 1608437

¹³ Viability Testing in Local Plans has been endorsed by the Local Government Association and forms the basis of advice given by the, CLG funded, Planning Advisory Service (PAS).

¹⁴ Good Practice Guide. Homes and Communities Agency (July 2009).

¹⁵ PAS is funded directly by DCLG to provide consultancy and peer support, learning events and online resources to help local authorities understand and respond to planning reform. (Note: Much of the most recent advice has been co-authored by HDH).



- 2.46 There is considerable common ground between the 2012 RICS Guidance and the Harman Guidance, but they are not consistent. The RICS Guidance recommends against the 'current/EUV plus a margin' – which is the methodology recommended in the Harman Guidance.

One approach has been to exclusively adopt current use value (CUV) plus a margin or a variant of this, i.e. existing use value (EUV) plus a premium. The problem with this singular approach is that it does not reflect the workings of the market as land is not released at CUV or CUV plus a margin (EUV plus).....

Financial viability in planning, RICS guidance note, 1st edition (GN 94/2012)

- 2.47 The Harman Guidance advocates an approach based on Threshold Land Value (Threshold Land Value is equivalent to Benchmark Land Value as referred to in the updated PPG):

*Consideration of an appropriate **Threshold Land Value** needs to take account of the fact that future plan policy requirements will have an impact on land values and landowner expectations. Therefore, using a market value approach as the starting point carries the risk of building-in assumptions of current policy costs rather than helping to inform the potential for future policy. Reference to market values can still provide a useful 'sense check' on the threshold values that are being used in the model (making use of cost-effective sources of local information), but it is not recommended that these are used as the basis for the input to a model.*

We recommend that the Threshold Land Value is based on a premium over current use values and credible alternative use values (noting the exceptions below).

Viability Testing in Local Plans – Advice for planning practitioners. (June 2012)

- 2.48 As set out above, the PPG requires the use of the Existing Use Value Plus (EUV+) approach.

To define land value for any viability assessment, a benchmark land value should be established on the basis of the existing use value (EUV) of the land, plus a premium for the landowner. The premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The premium should provide a reasonable incentive, in comparison with other options available, for the landowner to sell land for development while allowing a sufficient contribution to comply with policy requirements. This approach is often called 'existing use value plus' (EUV+).

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2.49 The RICS Guidance dismisses a Threshold Land Value approach as follows:

Threshold land value. A term developed by the Homes and Communities Agency (HCA) being essentially a land value at or above that which it is assumed a landowner would be prepared to sell. It is not a recognised valuation definition or approach.

2.50 As set out at paragraph 1.1 of the *Draft Financial viability in planning: conduct and reporting, RICS professional statement, England* the RICS recognises that the RICS Guidance does not fit with 2019 NPPF and updated PPG so is subject to a full review to reflect the changes in the 2019 NPPF and the updated PPG (July 2018). Relatively little weight is given to the RICS Guidance in this regard at this stage.

2.51 In line with the updated PPG this assessment follows the EUV Plus (EUV+) methodology. The methodology is to compare the Residual Value generated by the viability appraisals, with the EUV plus an appropriate uplift to incentivise a landowner to sell. The amount of the uplift over and above the EUV is central to the assessment of viability. It must be set at a level to provide a return to the landowner. To inform the judgement as to whether the uplift is set at the appropriate level reference is made to the value of the land both with and without the benefit of planning.

2.52 This approach is in line with that recommended in the Harman Guidance (as endorsed by LGA, PAS) – and also broadly in line with the thrust of the RICS Guidance of having reference to market value.

3. Methodology

Viability Testing – Outline Methodology

- 3.1 This report follows the Harman Guidance, the 2019 NPPF and updated PPG. The promoters of the Garden Town sites have been consulted.
- 3.2 The availability and cost of land are matters at the core of viability for any property development. The format of the typical valuation is:

Gross Development Value
(The combined value of the complete development)

LESS

Cost of creating the asset, including a profit margin
(Construction + fees + finance charges)

=

RESIDUAL VALUE

- 3.3 The result of the calculation indicates a land value, the Residual Value. The Residual Value is the top limit of what a developer could offer for a site and still make a satisfactory return (i.e. profit).
- 3.4 It is well recognised in viability testing that the developer should be rewarded for taking the risks of development. The essential balance in viability testing is around the land value and whether or not land will come forward for development. The more policy requirements and developer contributions the planning authority asks for, the less the developer can afford to pay for the land. The purpose of this assessment is to quantify the costs of the Councils' various policies, including the strategic infrastructure and mitigation costs, on development and to assess their effect, and then to make a judgement as to whether or not land prices are squeezed to such an extent that, in the context of the 2019 NPPF, the development is threatened to such an extent that it is not delivered.
- 3.5 The land value is a difficult topic since a landowner is unlikely to be entirely frank about the price that would be acceptable, always seeking a higher one. This is one of the areas where an informed assumption has to be made about the 'premium': the margin above the EUV which would induce the landowner sell. Both the RICS Guidance and the PPG make it clear that, when considering land value, this must be done in the context of current and emerging policies.
- 3.6 It is important to note that this assessment is not trying to mirror any particular developer's business model – rather it is making a broad assessment of viability in the context of plan-making and the requirements of the 2019 NPPF (and updated PPG).

The meaning of Landowner Premium

- 3.7 The phrase 'landowner premium' is new in the updated PPG (July 2018). Under the 2012 NPPF and the superseded PPG the phrase 'competitive return' was used. The 2012 RICS Guidance includes the following definition:

Competitive returns - A term used in paragraph 173 of the NPPF and applied to 'a willing land owner and willing developer to enable development to be deliverable'. A 'Competitive Return' in the context of land and/or premises equates to the Site Value as defined by this guidance, i.e. the Market Value subject to the following assumption: that the value has regard to development plan policies and all other material planning considerations and disregards that which is contrary to the development plan. A 'Competitive Return' in the context of a developer bringing forward development should be in accordance with a 'market risk adjusted return' to the developer, as defined in this guidance, in viably delivering a project.

- 3.8 Whilst this is useful, it does not provide guidance as to the size of that return. The updated PPG says:

Benchmark land value should:

- be based upon existing use value
- allow for a premium to landowners (including equity resulting from those building their own homes)
- reflect the implications of abnormal costs; site-specific infrastructure costs; and professional site fees and
- be informed by market evidence including current uses, costs and values wherever possible. Where recent market evidence is used to inform assessment of benchmark land value this evidence should be based on developments which are compliant with policies, including for affordable housing. Where this evidence is not available plan makers and applicants should identify and evidence any adjustments to reflect the cost of policy compliance. This is so that historic benchmark land values of non-policy compliant developments are not used to inflate values over time.

In plan making, the landowner premium should be tested and balanced against emerging policies. In decision making, the cost implications of all relevant policy requirements, including planning obligations and, where relevant, any Community Infrastructure Levy (CIL) charge should be taken into account.

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- 3.9 There has been much discussion within the industry as to what may and may not be a landowner premium, as yet the term has not been given a firm definition through the appeal, planning examination or legal processes. 'Competitive return' was considered at the Shinfield Appeal (January 2013)¹⁶ and clarification was added in the Oxenholme Road Appeal (October 2013)¹⁷ where the inspector confirmed that the methodology set out in Shinfield was site specific and should only be given limited weight. More recently further clarification has been

¹⁶ APP/X0360/A/12/2179141 (Land at The Manor, Shinfield, Reading RG2 9BX)

¹⁷ APP/M0933/ A/13/ 2193338 (Land to the west of Oxenholme Road, Kendal, Cumbria)

provided in the Territorial Army Centre, Parkhurst Road, Islington Appeal¹⁸ (June 2017), which has subsequently been confirmed by the High Court¹⁹. This notes the importance of comparable data, but stresses the importance of the quality of the comparable. The level of return to the landowner is discussed and the approach taken in this assessment is set out in the later parts of Chapter 6 below.

Existing Available Evidence

- 3.10 The 2019 NPPF, the updated PPG, the CIL Regulations and CIL Guidance are clear that the assessment of the potential impact of CIL should, wherever possible, be based on existing available evidence rather than new evidence. The evidence that is available from the Councils has been reviewed:
- 3.11 Primarily, this is what has been prepared for the Councils to inform their separate Plans:
- a. *EHDC Plan Viability, Affordable Housing and CIL Study*. PBA, 1st October 2015.
 - b. *EFDC Stage 2: Update Assessment of the Viability of Affordable Housing, CIL and the Local Plan*. Dixon Searle, November 2017.
 - c. *Local Plan Viability Assessment, Affordable Housing and CIL Review*. BNP Paribas, March 2018.
- 3.12 These three studies have been prepared by different consultancies, however all are broadly consistent in their approach and assumptions. These have been used as the starting point for this assessment.
- 3.13 The Councils also hold evidence of what is being collected from developers under the s106 regime. This is being collected outside this assessment but will be drawn on by the Councils when considering the results.

Stakeholder Engagement

- 3.14 The PPG and the Harman Guidance require stakeholder engagement – particularly with members of the development industry. A series of informal consultation events were held in the autumn of 2018, and in February 2019, with the promoters of the four new Garden Communities.

¹⁸ APP/V5570/W/16/3151698 (Former Territorial Army Centre, Parkhurst Road, Islington, London, N7 0LP)

¹⁹ Parkhurst Road Limited v Secretary of State for Communities and Local Government and The Council of the London Borough of Islington [2018] EWHC 991 (Admin)

Table 3.1 Stakeholder Meetings (Viability)		
Workshop	Date	Purpose
Developer Forum	10 September 2018	Early engagement with developer to introduce them to the commission.
Face-to-face developer meetings	04 December 2018	To present the draft list of infrastructure requirements and seek feedback on apportionment methodology.
Face-to-face developer meetings	04 and 05 March 2019	To seek feedback on apportionment and viability.

Source: HDH 2019

3.15 In addition, Arup held a further meeting on 26th September to specifically discuss the Infrastructure requirements.

3.16 The initial consultation meetings were structured into three parts:

- a) A recap of viability testing in the context of the NPPF and the delivery of the Harlow and Gilston Garden Town sites.
- b) The main assumptions for the viability assessments were set out including development values, development costs, land prices, developers' and landowners' returns.
- c) The consultants and consultees talked through the main points.

3.17 A wide range of comments were made, some of which were more concerned with the process and wider evidence base (for example the IDPs). This assessment is only concerned with viability, the main viability points are summarised below:

- a. Generally, the methodology and approach is appropriate. Having said this one consultee²⁰ did set out some concerns around high level testing and suggested that there may be a need to undertake more detailed site-specific work later in the plan-making process. Such an approach would be normal and fully in accordance with the PPG²¹.

²⁰ Latton Priory

²¹ Paragraph 10-006-20180724 of the PPG says (selective quotation):

Plan makers should engage with landowners, developers, and infrastructure and affordable housing providers to secure evidence on costs and values to inform viability assessment at the plan making stage.

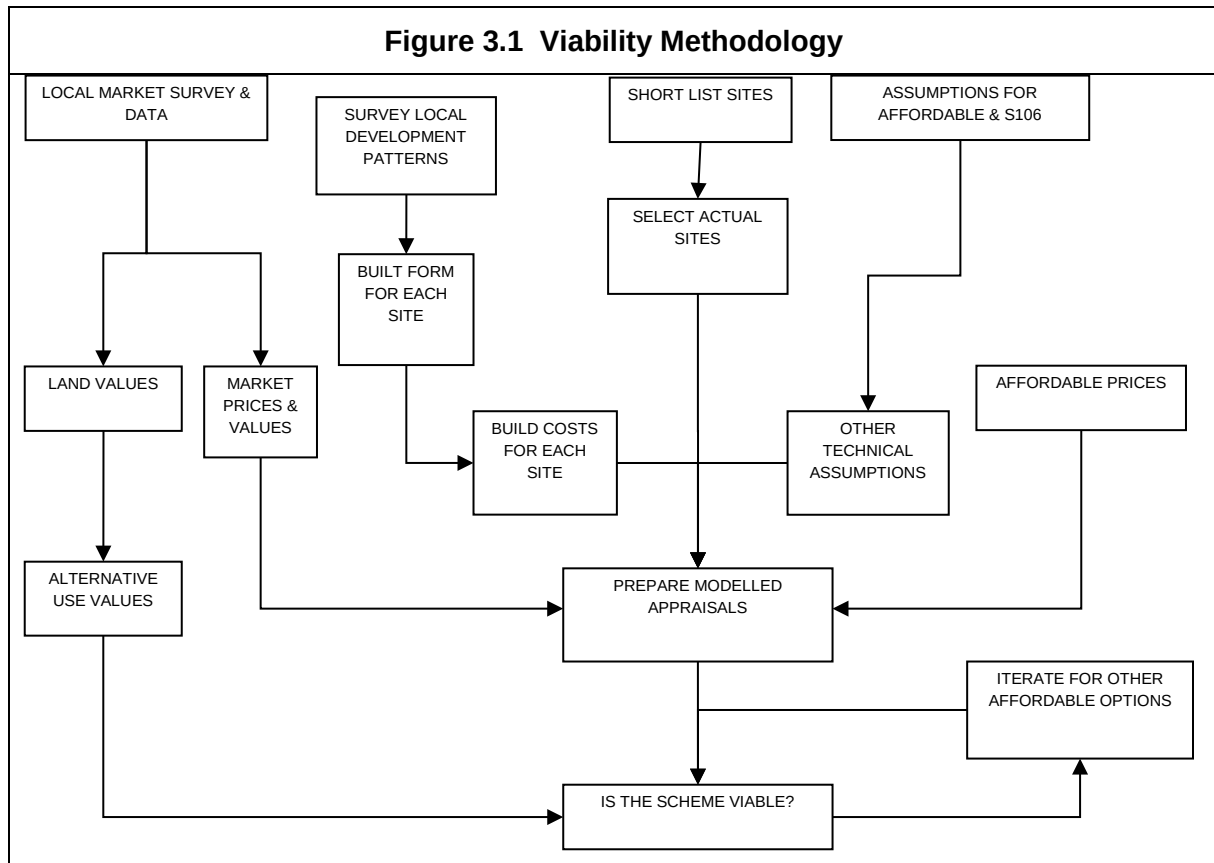
It is the responsibility of site promoters to engage in plan making, take into account any costs including their own profit expectations and risks, and ensure that proposals for development are policy compliant. It is important for developers and other parties buying (or interested in buying) land to have regard to the total cumulative cost of all relevant policies when agreeing a price for the land. Under no circumstances will the price paid for land be a relevant justification for failing to accord with relevant policies in the plan.

- b. There were concerns about the housing mix being based on the mix of housing recommended under the SHMA²².
 - c. There were concerns that the construction costs may be understated being based on BCIS Lower Quartile costs.
- 3.18 The second round of consultation meetings were primarily to discuss the detail of the emerging Garden Town IDP, but the developers were also provided with a draft copy of this report.
- 3.19 The comments of the consultees (from both rounds of consultation) are reflected through this report and the assumptions adjusted where appropriate. There was not agreement on all points although there was a broad consensus on most matters. Where there was disagreement, a judgement has been made and an explanation as to why the assumption used is set out.

Viability Process

- 3.20 The assessment of viability as required under the 2019 NPPF is not done using a set formula or calculation. It is a quantitative and qualitative process. The updated PPG requires that (at PPG 10-001-20180724) *'...policy requirements should be informed by evidence of infrastructure and affordable housing need, and a proportionate assessment of viability that takes into account all relevant policies, and local and national standards, including the cost implications of the Community Infrastructure Levy (CIL) and section 106'*.
- 3.21 The basic viability methodology is summarised in the figure below. It involves preparing financial development appraisals for the Garden Town sites, and using these to assess whether the sites are viable. The sites were modelled based on discussions with Councils' officers and the developers, the existing available evidence supplied to us by the Councils, and on our own experience of development. Details of the site modelling are set out in Chapter 9 below.

²² West Essex and East Hertfordshire Strategic Housing Market Assessment (ORS, September 2015)



3.22 The sites include a range of uses, the main use being residential. The residential elements are as follows.

Table 3.2 Summary of Main Harlow and Gilston Garden Town Sites	
	Units
East of Harlow (North)	750
East of Harlow (South)	2,600
Latton Priory	1,050
Water Lane Area (Sumners)	807
Water Lane Area (Katherines)	1,331
Gilston (Villages 1-6)	8,500
Gilston (Village 7)	1,500

Source: HC, EHDC, EFDC (November 2018) – In some cases minimum numbers are specified.

3.23 The eventual planning applications may well be different. In this assessment it is necessary to test the sites in the context of the planning policies and wider evidence base.

3.24 The local housing and commercial markets were surveyed, in order to obtain sales values. Land values were assessed to calibrate the appraisals and to assess EUVs. Alongside this local development patterns were considered, in order to arrive at appropriate built form

assumptions. These in turn informed the appropriate build cost figures. A number of other technical assumptions²³ were required before appraisals could be produced.

- 3.25 The appraisal results are in the form of £/ha 'residual' land values, showing the maximum value a developer could pay for the site and still make an appropriate return. The Residual Value was compared to the EUV for each site. Only if the Residual Value exceeded the EUV, by a satisfactory margin (or premium), can the scheme be judged to be viable. The amount of margin is discussed in the later parts of Chapter 6 below.
- 3.26 The appraisals are based on the policies as summarised in Chapter 8 below, as they stood in October 2018. The policies, and ultimately the unadopted Local Plans may be subject to further changes. For appropriate sensitivity testing a range of options including different levels of affordable housing provision and different levels of developer contributions are tested.
- 3.27 A bespoke viability testing model designed and developed by HDH Planning & Development Ltd specifically for area wide viability testing as required by the NPPF and CIL Regulations²⁴ is used. The purpose of the viability model and testing is not to exactly mirror any particular business model used by those companies, organisations or people involved in property development. The purpose is to capture the generality and to provide high level advice to assist the Councils in assessing the deliverability of the Local Plans (and to set CIL).
- 3.28 Following the February 2019 round of consultation, a site promoter²⁵ commented that the *'Residual Land Value should be responsive to changes in values and costs, and it is therefore difficult to establish whether this has been calculated accurately'*. The implication of this is that the Residual Value is a figure that is an adjustable input. This is not the case, the Residual Value is the output of the model. The Residual Value will change as the inputs are altered so this opportunity is taken to confirm that it is responsive to changing inputs.
- 3.29 Comments were also made around the sensitivity of appraisals to changes in the assumptions (including cashflow assumptions). This is accepted, however in this assessment it is necessary to take a series of assumptions that are based on the available evidence and that are generally cautious, and use them to inform the plan-making process. In due course, more detailed information (for example on house types) may become available. The weight given to new information will depend on whether it is a requirement of policy compliance and/or simply a choice of the developer.

²³ As set out in Chapter 7 below.

²⁴ This Viability Model is used as the basis for the Planning Advisory Service (PAS) Viability Workshops. It is made available to Local Authorities, free of charge, by PAS and has been widely used by Councils across England (and, to a lesser extent, Wales).

²⁵ Gilston – Village 7.

4. Residential Market

- 4.1 This chapter sets out an assessment of the housing market, providing the basis for the assumptions on house prices to be used in the financial appraisals for the sites tested in the assessment. The assessment is concerned not just with the prices, but the differences across Harlow Garden Town area.
- 4.2 Although development schemes do have similarities, every scheme is unique, even schemes on neighbouring sites. Market conditions will broadly reflect a combination of national economic circumstances, and local supply and demand factors, however, even within a town there will be particular localities, and ultimately site-specific factors, that generate different values and costs.
- 4.3 The starting point for this part of this assessment is the Councils' existing available evidence. The following assumptions were used:

Table 4.1 Residential Values from Existing Viability Studies £/m²		
	Houses	Flats
East Hertfordshire - 2015		
Southern zone consisting of Ware, Hertford and western rural villages	£3,700	£3,864
Epping Forest - 2017		
Strategic sites East of Harlow generally	£4,000	
Harlow - 2018		
CM18, CM19, CM20 (WEST)	£3,750	
CM17 (East)	£4,000	

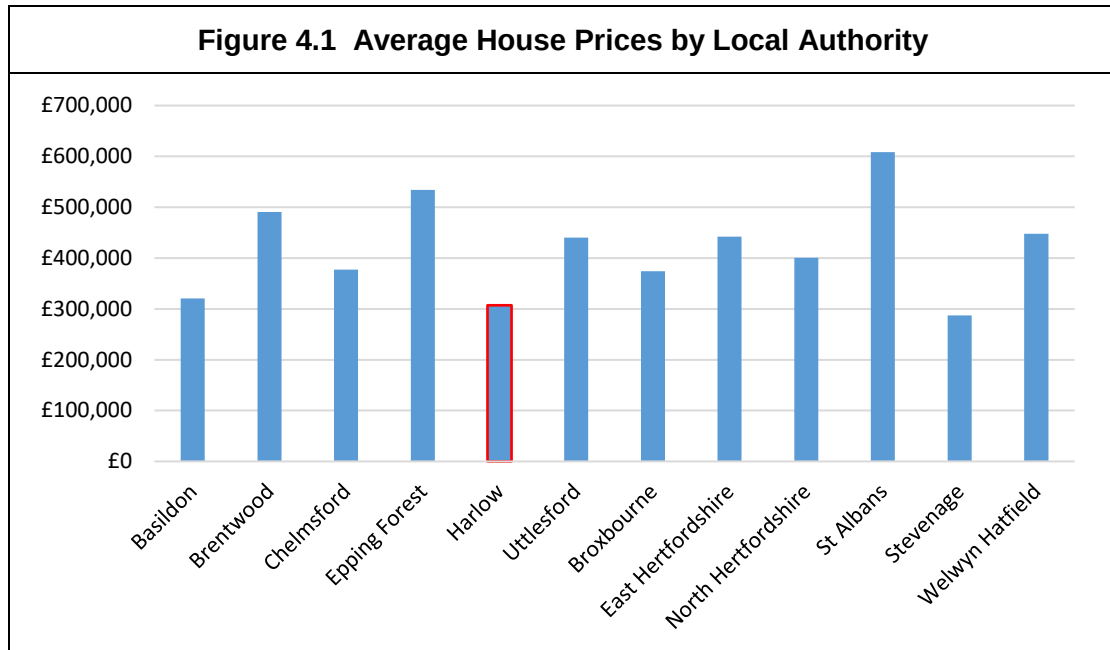
Source: EHDC Plan Viability, Affordable Housing and CIL Study. PBA, 1st October 2015. EFDC Stage 2: Update Assessment of the Viability of Affordable Housing, CIL and the Local Plan. Dixon Searle, November 2017. Local Plan Viability Assessment, Affordable Housing and CIL Review. BNP Paribas, March 2018.

- 4.4 These assumptions are reviewed. Generally, when reference is made to Harlow, reference is being made to the Harlow town housing market rather than the administrative area of Harlow Council.

Harlow and Gilston Garden Town Residential Market

- 4.5 Harlow is one of the original New Towns and is about 25 miles north of central-London. As a Local Authority area, Harlow has tightly drawn boundaries, hence the cross-boundary co-operation behind the Harlow and Gilston Garden Town.
- a. The location is highly desirable, being just half an hour by train from Liverpool Street and less than 15 miles from Stanstead Airport. As well as being an attractive commuting area for London it also lies within the Cambridge Travel to Work Area.

- b. Of the adjacent and nearby local authority areas, Harlow has the second lowest (after Stevenage) average house prices:



Source: HPSSA 12²⁶ – Data Release 20th June 2018

It is notable that both Harlow and Stevenage have lower values than the majority of the wider area, and a similar distance (in travelling time) from Central London. Both Harlow and Stevenage are first generation New Towns, being developed at the same time and to similar designs. As a town, Harlow's house prices have not risen in the same way as those in the older Garden Cities of Welwyn and Letchworth, or the market towns of Bishops Stortford, Chelmsford or the county town of Hertford.

These lower prices may be due to the housing choice and the current housing offer. Much of the town has been developed since the 1950s, and the range of house styles and types of development is typical of the second half of the 20th Century and is rather homogenous. To some extent the lower prices are a factor of the type, style and age of the houses in the town, rather than their location.

Whilst this will have an influence on wider prices, there is no reason to suggest that should well designed and modern homes, with a greater appeal, be developed in the town, that they should not achieve prices that are somewhat higher. This can be seen at Barratt Homes' new Gilden Park scheme to the northeast of the town.

26

<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/meanhousepriceforationalandsubnationalgeographiesquarterlyrollingyearhpssadataset12>

Of the adjacent and nearby Local Authority areas, Harlow has seen the largest increase in prices since the bottom of the market in 2019.

Table 4.2 Change in Average House Prices				
	April 2009	May 2018	Change	
Harlow	£144,496	£280,567	£136,071	94%
Basildon	£171,298	£305,099	£133,801	78%
Brentwood	£237,352	£413,792	£176,440	74%
Broxbourne	£203,897	£350,331	£146,434	72%
Chelmsford	£188,870	£335,754	£146,884	78%
East Herts	£228,593	£383,086	£154,493	68%
Epping Forest	£254,630	£464,020	£209,390	82%
St Albans	£277,074	£526,375	£249,301	90%
Stevenage	£162,181	£285,916	£123,735	76%
Uttlesford	£250,687	£383,134	£132,447	53%
Welwyn Hatfield	£217,392	£390,288	£172,896	80%

Source: Land Registry (July 2018)

It is not possible to attribute this change in values to a particular factor, but it is, at least in part, due to the regeneration of the town centre, the Enterprise Zone and the improved housing offer through new housing schemes.

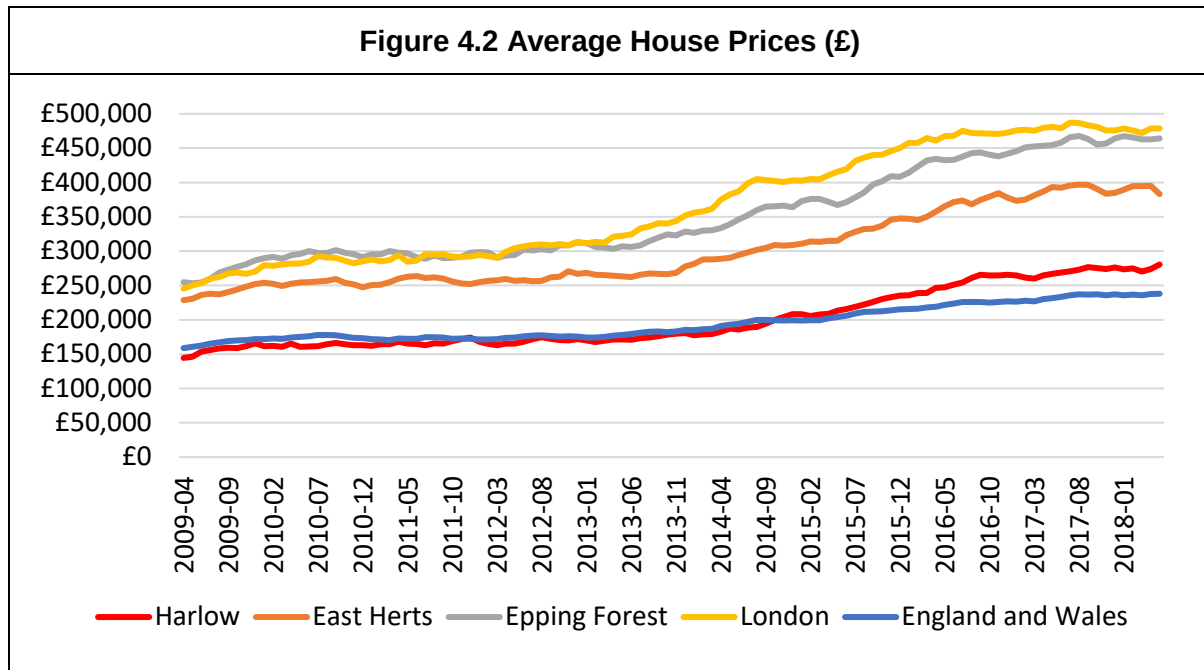
- c. The M11 motorway runs up the eastern side of Harlow, providing excellent links to Cambridge and the North, with the M25 linking to the wider Southeast. There is a good internal road network through the town.
- d. Harlow is becoming a centre for Life Science, MedTech and digital industries. Raytheon, GlaxoSmithKline and Nortel all have sites, and Public Health England recently acquired a significant site.
- e. The area is highly desirable with generally strong house prices and a vibrant property market.

- 4.6 Overall, the market is perceived to be strong and certainly desirable and aspirational to households seeking to move from London. Through conversations with local agents, the area is perceived to be an attractive place to develop, particularly with higher quality modern homes that are different to the existing stock.

National Trends and Harlow's relationship with the wider area

- 4.7 The housing market peaked late in 2007 and then fell considerably in the 2007/2008 recession that became known as the 'Credit Crunch'. Average house prices across England and Wales have recovered to their pre-recession peak; however, this is strongly influenced by London. Prices in London are now well in excess of the 2007/2008 peak. The same applies to prices in Harlow, which have also have increased more than in England and Wales.



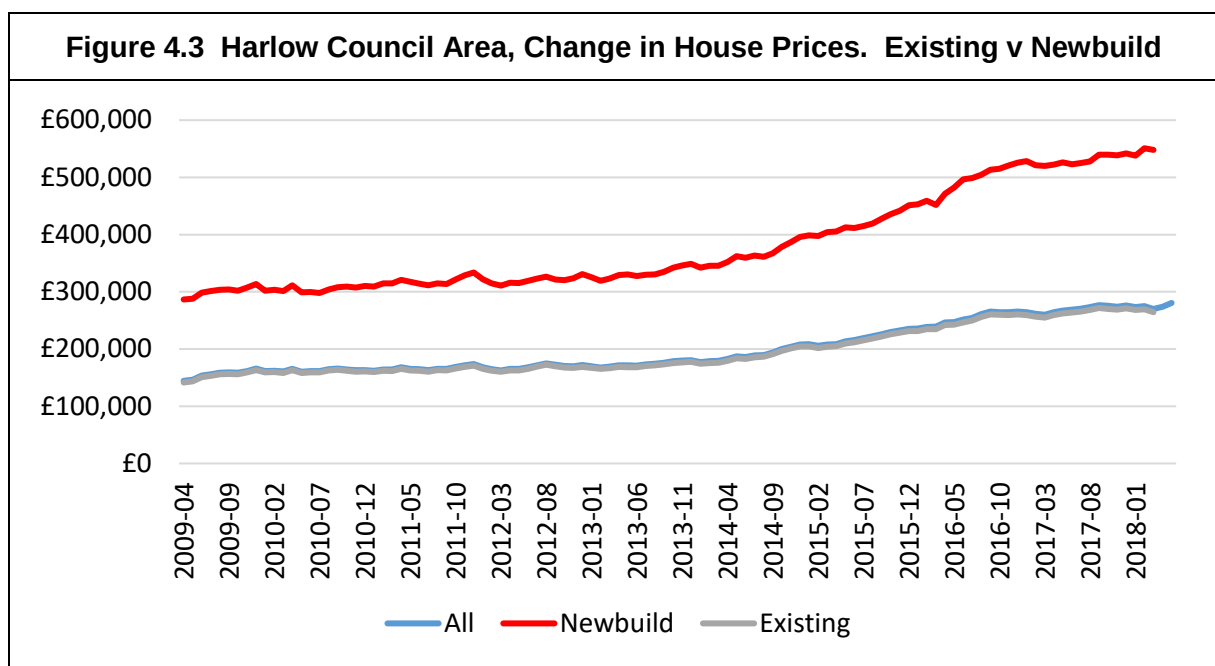


- 4.8 Up to the pre-recession peak of the market, the long-term rise in house prices had, at least in part, been enabled by the ready availability of credit to home buyers. Prior to the increase in prices, mortgages were largely funded by the banks and building societies through deposits taken from savers. During a process that became common in the 1990s, but took off in the early part of the 21st Century, many financial institutions changed their business model whereby, rather than lending money to mortgagees that they had collected through deposits, they entered into complex financial instruments and engineering through which, amongst other things, they borrowed money in the international money markets, to then lend on at a margin or profit. They also 'sold' portfolios of mortgages that they had granted. These portfolios also became the basis of complex financial instruments (mortgage backed securities and derivatives etc.).
- 4.9 During 2007 and 2008, it became clear that some financial institutions were unsustainable, as the flow of money for them to borrow was not certain. As a result, several failed and had to be rescued. This was an international problem that affected countries across the world – but most particularly in North America and Europe. In the United Kingdom, the high-profile institutions that were rescued included Royal Bank of Scotland, HBoS and Northern Rock. The ramifications of the recession were an immediate and significant fall in house prices, and a complete reassessment of mortgage lending with financial organisations becoming averse to taking risks, lending only to borrowers who had the least risk of default and those with large deposits.
- 4.10 It is important to note that, at the time of this report, the housing market is still actively supported by the Government through products and initiatives such as Help-to-Buy.

- 4.11 There is a degree of uncertainty in the housing market as reported by the RICS. This is, at least in part due to the uncertainties around the referendum to leave the European Union. The November 2018 RICS UK Residential Market Survey said:

The November 2018 RICS UK Residential Market Survey results are consistent with a weaker trend in sales market activity with headline indicators on both demand and supply edging further into negative territory. Furthermore, forward looking metrics suggest that momentum is likely to continue slipping in the coming three months, although a somewhat stable trend is expected to emerge further out.

- 4.12 When ranked across England and Wales, the average house price for the Harlow Council Area is 127th (out of 348) at just over £307,151²⁷. To set this in context, the Council at the middle of the rank (174 - Ryedale), has an average price of £258,761. It is relevant to note that Harlow's median price is lower than the mean at £280,000²⁸.
- 4.13 The figure above shows that prices have seen a significant recovery since the bottom of the market in mid-2009. A notable characteristic of the data is that the values of newbuild homes have increased substantially faster than that for existing homes:



Source: Land Registry (July 2018)

- 4.14 The Land Registry shows that the average price paid for newbuild homes (at £547,945) is more than double than the average price paid for existing homes (at £264,474). One consultee²⁹ suggested that this data is not helpful as it is not based on dwelling size. A second

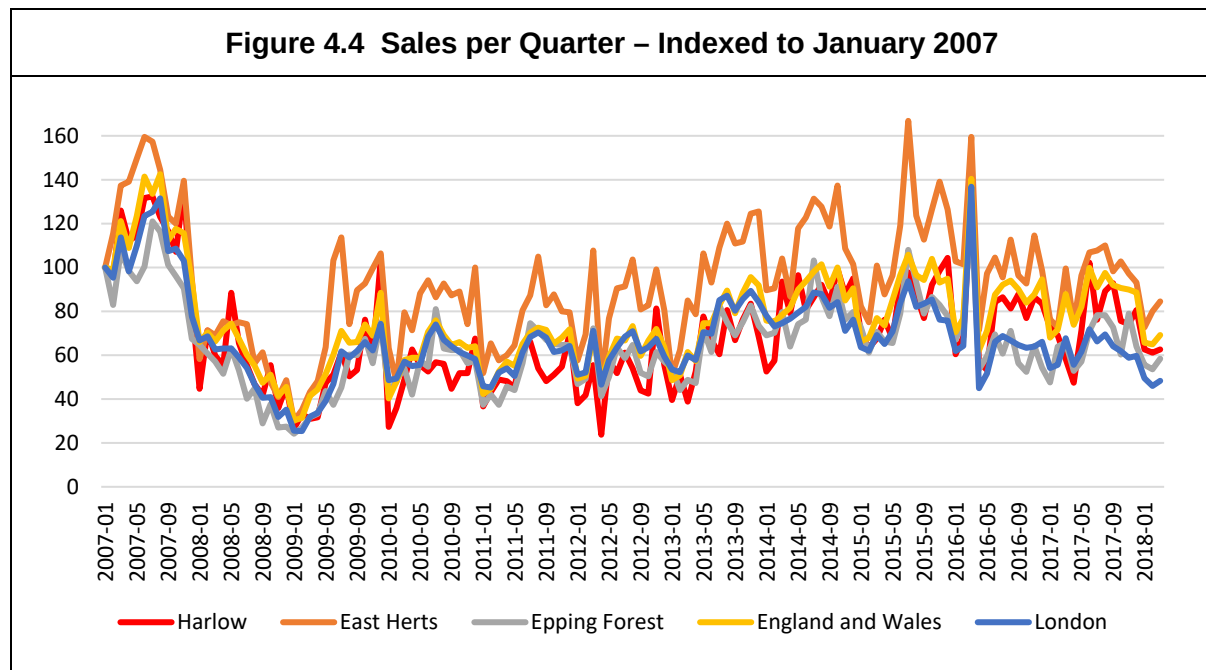
²⁷ HPSSA Dataset 12. Mean price paid for national and subnational geographies, quarterly rolling year.

²⁸ HPSSA Dataset 9. Median price paid for national and subnational geographies, quarterly rolling year.

²⁹ Water Lane, West Katherines

site promoter³⁰ suggested that as factors such as bedroom number, overall size, type, location, orientation, and other property specific characteristics were not explicit, this data was hard to understand. This is average price data for the Harlow Council administrative area as published by the Land Registry. It is useful as it shows the newbuild market is distinctly different to the market for existing homes. This data is not further disaggregated by the Land Registry so further detail cannot be extrapolated.

- 4.15 The rate of sales (i.e. sales per month) in the area is a little greater than the wider country, underlining the fact that the local market is an active market.



- 4.16 This report is being completed as the United Kingdom prepares to leave the European Union. It is not yet possible to predict the impact of leaving the EU, beyond the fact that the UK and the UK economy is in a period of uncertainty. Negotiations around the details of the exit are underway but not concluded.
- 4.17 A range of views as to the impact on house prices have been expressed that cover nearly the whole spectrum of possibilities. There is clearly uncertainty in the market, and it is not for this assessment to try to predict how the market may change in the coming years, and whether or not there will be a further increase in house prices. Property agents Savills are predicting a 0% increase in the current year, 1% increase next year and a 15.3% increase over the next 5 years in the prime Outer Commute residential markets, with a 0.5% increase this year, 2.5%

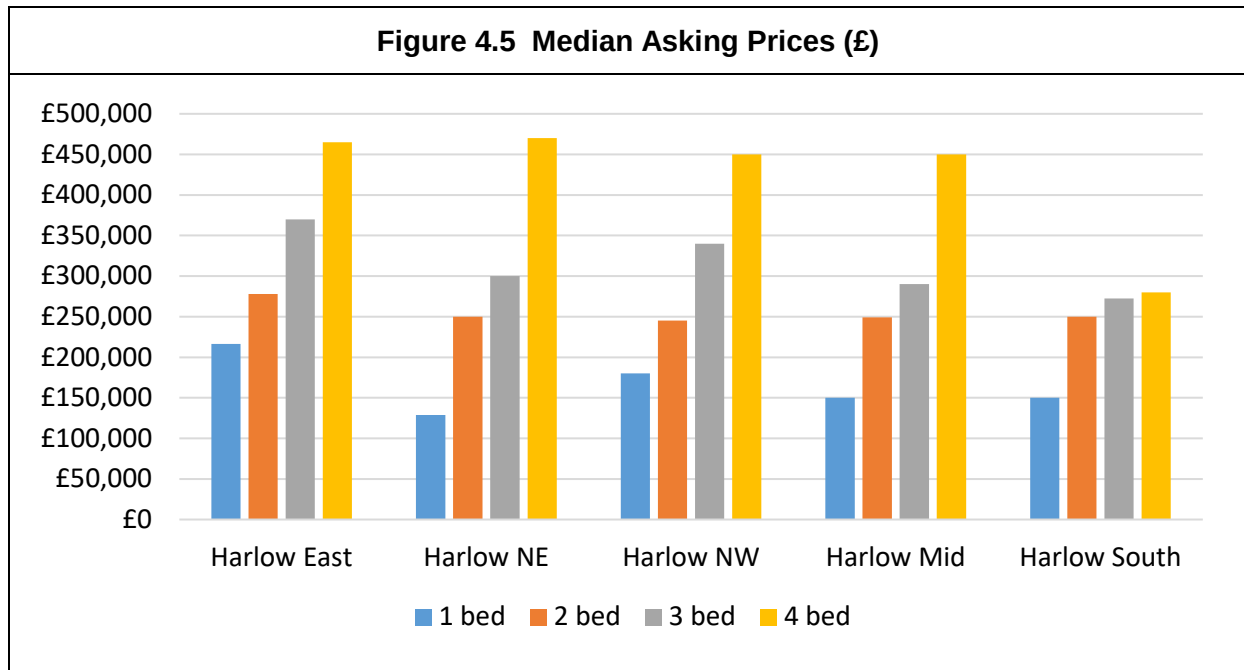
³⁰ Latton Priory

next year and 11.5% over the next 5 years in the mainstream South East residential markets³¹. These predictions are somewhat less than were being predicted before the Brexit referendum.

The Local Market

- 4.18 A survey of asking prices across the Harlow town area was carried out in July 2018. Through using online tools such as rightmove.co.uk and zoopla.co.uk, median asking prices were estimated.
- 4.19 Through the consultation process the derivation of price areas was questioned (on the grounds it was not fully explained rather than because it may have been wrong). As set out below, data has been collected based on postcode, based on administrative wards, and through looking at the wider area and nearby towns. Both prices paid and asking prices for new developments are considered.
- 4.20 For this report the data was initially collected based on the following geographical areas. These areas are separated by physical boundaries, (unlike wards) and are of different characters – for example they are made up of different types and age of housing development. There is no right or wrong way to approach the data collection, it is useful to consider a range of approaches.
- a. **Harlow East** – the area to the east of the A414
 - b. **Harlow North East** – the area to the north of the A1025, west of the A414 and east of the A1019.
 - c. **Harlow North West** – the area to the west of the A1019 and to the north of the A1025.
 - d. **Harlow Central** – the area to the south of the A1025, to the north of the A1169 and the west of the A414.
 - e. **Harlow South** – the area to the south of the A1169.

³¹ Residential Property Forecasts. Savills. Autumn 2018.



- 4.21 As mentioned above, the derivation of these areas was questioned. These are based on the physical divisions (main roads) and nature of the housing estates and are a starting point for the assessment – rather than a conclusion of price areas. No alternative (or ‘better’) sub-areas were proposed.
- 4.22 The geographical differences in prices are illustrated in the following maps showing the median price by ward, the first being for all properties and the second just for newbuild.

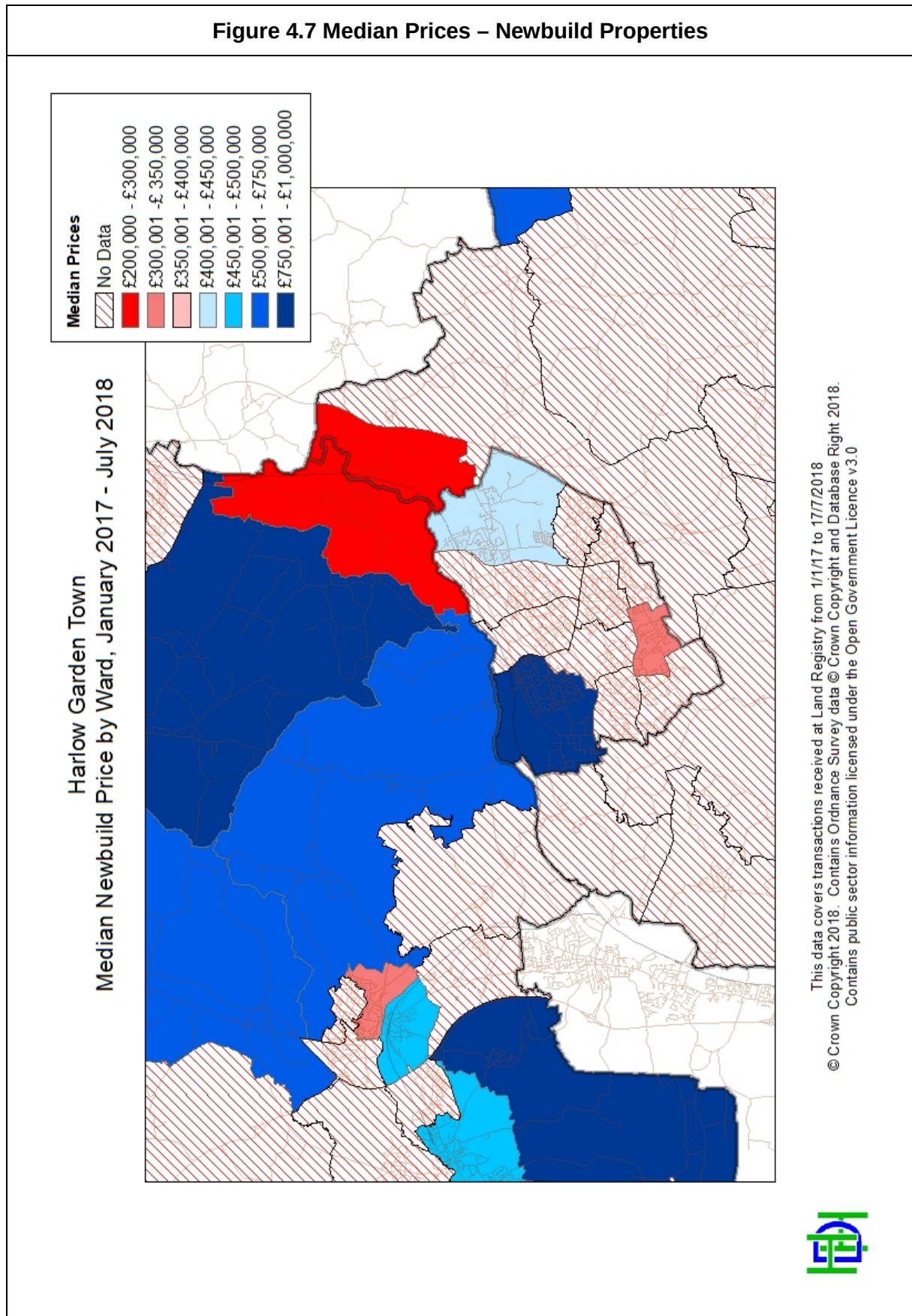
Harlow Garden Town
Median Price by Ward, January 2017 - July 2018



This data covers transactions received at Land Registry from 1/1/17 to 17/7/2018
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Contains public sector information licensed under the Open Government Licence v3.0

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Figure 4.7 Median Prices – Newbuild Properties



Source: HDH based on Land Registry Price Paid Data

- 4.23 The pattern of prices is influenced by the size of the units, with larger detached units prevailing in the more rural areas, and smaller terraces and flats in the urban areas. Further maps are included within **Appendix 2** that show the median prices by ward by house type (detached, semi-detached, terraced, flats).

Newbuild Sales Prices

- 4.24 This assessment is concerned with the viability of newbuild property so the key input for the appraisals are the prices of units on new developments. Recent newbuild sales prices from the Land Registry have been reviewed and a survey of new homes for sale during July 2018 carried out.
- 4.25 The Land Registry publishes data of all homes sold. Across the three Councils' areas, just over 1,350 newbuild houses are recorded as having been sold since the start of 2016³². Of these about 850 do not relate to very small sites, and are in the area outside of the M25 and relatively close to Harlow. One consultee³³ questioned why these settlements were chosen. In order to ensure that the assessment is well founded, and because there are relatively few newbuild sales in Harlow town itself, it is necessary to look more widely. It is acknowledged that this data does need to be treated with caution as it is presented by post town (as this is the basis on which it is available from the Land Registry). By looking more widely, a better understanding of Harlow's property market can be made.
- 4.26 Further the consultee questioned why the database includes dwellings in areas that are indicated on the map to have insufficient data. This is because data needs to be brought together through a range of sources, one of the steps is to 'geocode' the postcodes. When a new home is built it is ascribed a new postcode. It takes some time for these to be 'mapped' by the Ordnance Survey. This is inconvenient but is a factor of the data. This 'problem' related to 62 dwellings³⁴. This highlights the reasons for considering a range of data sources. No single data source is perfect, so it is necessary to bring together a range of data before making a judgement as to value.
- 4.27 These transactions (as recorded by the Land Registry) are summarised below and are detailed in **Appendix 3**.

³² The Land Registry makes all transactions available as and when they are registered via the 'beta' format tool at <https://www.gov.uk/government/statistical-data-sets/price-paid-data-downloads>. It does take some time for transactions to be registered – we estimate this to be about 4 to 6 months.

³³ Latton Priory

³⁴ The main gaps are mostly in CM16 4 (4) and CM17 0 (6) CM17 9 (15) and CM23 3 (12) SG13 (7) SG9 9 (28)

Table 4.3 Distribution of Newbuild Sales from January 2016

	Detached	Flats	Semi-detached	Terraced	All
BALLS PARK	5	0	3	15	23
BISHOP'S STORTFORD	1	68	4	7	80
EPPING	0	17	0	0	17
GILSTON	51	14	13	14	92
HARLOW	13	2	12	15	42
HASTINGWOOD	0	0	0	7	7
HERTFORD	0	170	6	1	177
HERTFORD HEATH	3	0	2	0	5
HIGH CROSS	29	0	1	0	30
MUCH HADHAM	0	0	1	2	3
NEWHALL	107	19	57	62	245
ROYDON	11	0	0	0	11
SAWBRIDGEWORTH	0	21	3	0	24
WALTHAM ABBEY	8	17	14	7	46
WARE	1	25	10	25	61
WIDFORD	1	0	0	0	1
TOTAL	230	353	126	155	864

Source: Land Registry and EPC Register (July 2018)

- 4.28 Each new dwelling sold requires an Energy Performance Certificate (EPC). This is a public document that can be viewed on the EPC Register³⁵. The EPC contains the floor area (the Gross Internal Area – GIA) as well as a wide range of other information about the construction and energy performance of the building. This information is also included in **Appendix 3**. The price paid data from the Land Registry has been married with the homes' floor area from the EPC Register:

³⁵ <https://www.epcregister.com/>

Table 4.4 Average Newbuild Sales from January 2016 by Type and Location (£)					
Jan 2016 to July 2018	Detached	Flats	Semi-detached	Terraced	All
BALLS PARK	£739,000		£681,633	£639,307	£666,500
BISHOP'S STORTFORD	£1,450,000	£324,480	£445,995	£466,284	£357,033
EPPING		£433,235			£433,235
GILSTON	£633,396	£353,786	£459,142	£431,321	£535,473
HARLOW	£409,223	£299,995	£451,868	£359,063	£398,291
HASTINGWOOD				£416,071	£416,071
HERTFORD		£287,131	£524,958	£332,995	£295,452
HERTFORD HEATH	£786,333		£395,000		£629,800
HIGH CROSS	£655,990		£499,950		£646,237
MUCH HADHAM			£895,000	£815,000	£841,667
NEWHALL	£458,218	£276,314	£385,727	£378,417	£407,051
ROYDON	£992,909				£992,909
SAWBRIDGEWORTH		£271,029	£376,667		£284,233
WALTHAM ABBEY	£590,499	£329,156	£441,944	£336,424	£410,040
WARE	£500,000	£296,079	£518,397	£478,100	£410,466
WIDFORD	£773,000				£773,000
ALL	£566,039	£305,196	£437,342	£431,760	£416,806

Source: Land Registry and EPC Register (July 2018)

Table 4.5 Average Newbuild Sales from January 2016 by Type and Location (£/m²)					
Jan 2016 to July 2018	Detached	Flats	Semi-detached	Terraced	All
BALLS PARK	£5,948		£5,927	£6,077	£6,029
BISHOP'S STORTFORD	£4,899	£5,283	£3,718	£3,415	£5,036
EPPING		£5,664			£5,664
GILSTON	£4,286	£4,062	£3,536	£3,438	£4,017
HARLOW	£3,629	£4,260	£4,314	£4,591	£4,198
HASTINGWOOD				£4,419	£4,419
HERTFORD		£4,611	£4,605	£5,550	£4,616
HERTFORD HEATH	£6,238		£5,197		£5,822
HIGH CROSS	£4,310		£4,166		£4,305
MUCH HADHAM			£5,265	£4,690	£4,881
NEWHALL	£3,815	£3,962	£3,863	£3,653	£3,796
ROYDON	£3,973				£3,973
SAWBRIDGEWORTH		£3,252	£3,600		£3,295
WALTHAM ABBEY	£5,423	£5,423	£4,798	£4,500	£5,092
WARE	£3,788	£4,676	£4,706	£4,523	£4,603
WIDFORD	£3,827				£3,827
ALL	£4,117	£4,695	£4,151	£4,187	£4,371

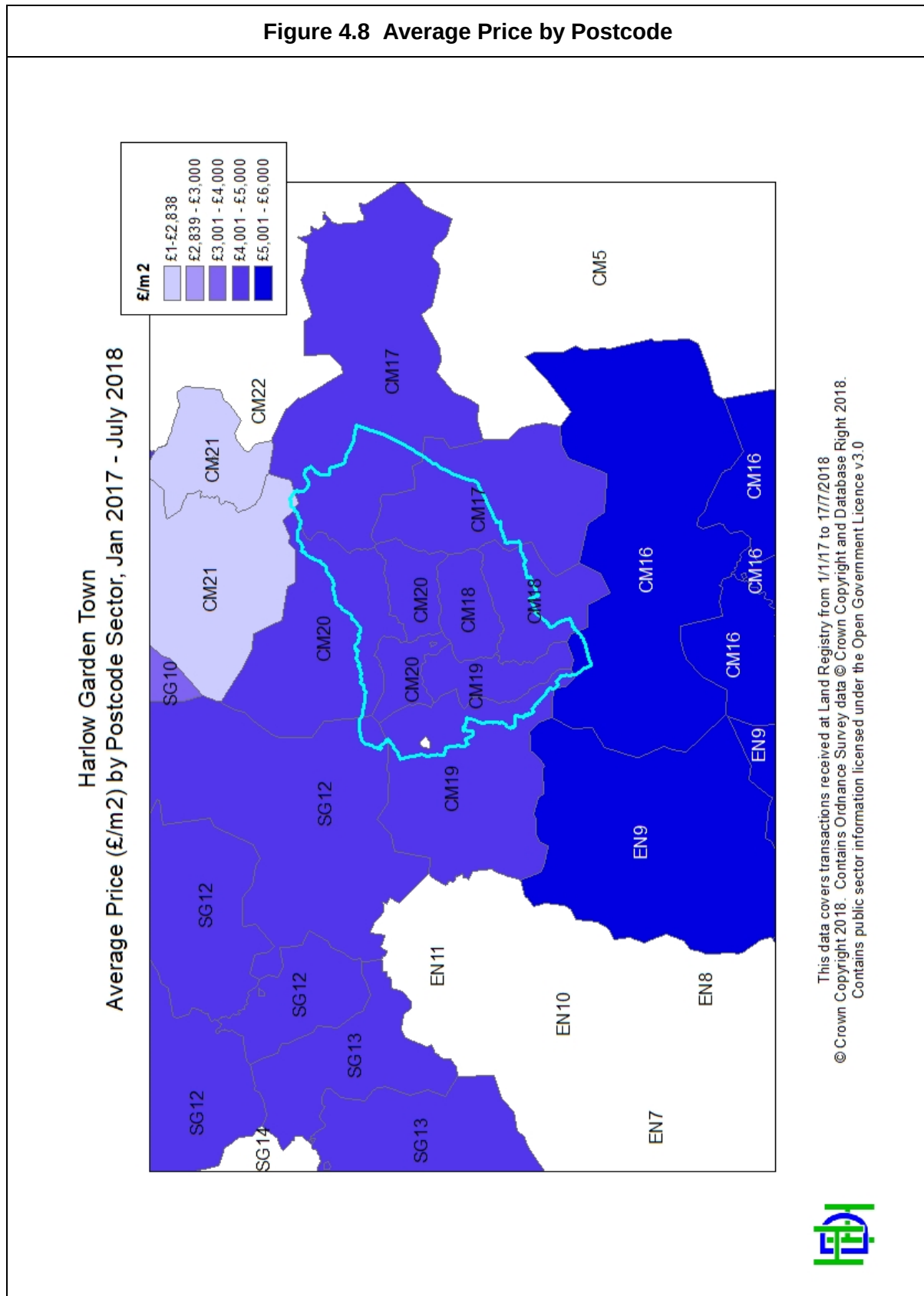
Source: Land Registry and EPC Register (July 2018)

- 4.29 This data is disaggregated by year in **Appendix 4**. This data can also be considered by the smaller geography of the Harlow town postcodes:

Table 4.6 Average Newbuild Sales from January 2016 by Type and Harlow Postcode Sector

(All)		Detached	Flats	Semi-detached	Terraced	All
CM17	Count	115	21	66	70	272
	Average £	£456,211	£278,570	£399,793	£383,848	£410,184
	Average £/m ²	£3,795	£3,990	£3,904	£3,737	£3,822
CM18	Count	5	0	3	14	22
	Average £	£376,987		£340,828	£349,353	£354,471
	Average £/m ²	£3,779		£4,765	£4,620	£4,448
CM19	Count	11	0	0	0	11
	Average £	£992,909				£992,909
	Average £/m ²	£3,973				£3,973
CM20	Count	51	14	13	14	92
	Average £	£633,396	£353,786	£459,142	£431,321	£535,473
	Average £/m ²	£4,286	£4,062	£3,536	£3,438	£4,017
ALL	Count	182	35	82	98	397
	Average £	£536,123	£308,656	£407,045	£385,702	£452,277
	Average £/m ²	£3,943	£4,019	£3,877	£3,821	£3,906

Source: Land Registry and EPC Register (July 2018)



Source: Land Registry and EPC Register (July 2018)

4.30 This data is also disaggregated by year in **Appendix 4**.

- 4.31 Across these settlements, from the start of 2016 the average price paid is about £3,900/m², rising by 2018 to an average of over £4,350/m². The figures for Gilston have increased a little from just under £4,000/m² in 2016 to just over £4,000/m² in 2018, and the figures for Harlow have increased very much more, from just under £3,330/m² in 2016 to just under £4,400/m² in 2018 in 2018.
- 4.32 Whilst there is a price variation based on geography, it is modest, the principle driver of the differences is the situation rather than the location of a site. That is to say, the value will be more strongly influenced by the specific site characteristics, the immediate neighbours and environment, rather than in which particular ward or postcode sector the scheme is located.

Newbuild Asking Prices

- 4.33 At the time of this assessment (July 2018) there were about 60 new houses and flats being advertised for sale in and around Harlow (although on some of these, construction had yet to start). The analysis of these shows that asking prices for newbuild homes vary, very considerably, starting at £195,000 and going up to just under £700,000. The average is just over £400,000. These are summarised in the following table and set out in detail in **Appendix 5**.

Table 4.7 Newbuild Asking Prices. Average by Scheme (£/m²)				
			Flats	Houses
Harlow East				
Bellway	Fusion	Spring St		£3,401
Lanes	Chantry Gardens	Churchgate Old St		£3,888
Purple bricks		Blackcap Drive		£4,009
Barratts	Gilden Park	Gilden Way		£4,183
Taylor Wimpey	Gilden Park	Gilden Way		£3,923
Persimmon	Gilden Park	Gilden Way		£5,034
Harlow North East				
Lanes New Homes	Edinburgh House	Edinburgh Way	£4,744	
Harlow North West				
Kier Homes	Ram Gorse Park	Elizabeth Way		£4,584
Harlow Central				
Harlow South				
Countryside	Atelier	Keaton Way		£4,322

Source: Market Survey (July 2018)

- 4.34 During the course of the research, sales offices and agents were contacted to enquire about the price achieved relative to the asking prices, and the incentives available to buyers. In most

cases the feedback was that the units were ‘realistically priced’ or that as the market is improving, demand is strong so that significant discounts are no longer offered. When pressed, it appeared that the discounts and incentives offered equate to about 2.5% of the asking prices. It would be prudent to assume that prices achieved, net of incentives offered to buyers, are 2.5% less than the above asking prices.

- 4.35 Through the consultation further information was submitted³⁶ that highlighted some inconsistencies in the above data and provided further evidence that is summarised as follows:

Table 4.8 Average Asking Prices and Discounted Prices by Scheme (£/m²)		
	Median	Average
Persimmon Homes, Gilden Park		
Asking Price	£4,446	£4,247
Less Discounts	£4,335	£4,140
Edinburgh House, Edinburgh Way		
Asking Price	£4,809	£4,879
Less Discounts	£4,688	£4,757
Countryside - Atelier		
Asking Price	£3,843	£4,171
Less Discounts	£3,747	£4,067
Barratt Homes - Gilden Park		
Asking Price	£3,928	£4,183
Less Discounts	£3,830	£4,078
Kier Homes - Rams Gorse Park		
Asking Price	£4,094	£4,163
Less Discounts	£3,991	£4,059
Taylor Wimpey - Gilden Park		
Asking Price	£3,869	£4,115
Less Discounts	£3,772	£4,013
Bellway - Fusion, Newhall		
Asking Price	£3,408	£3,374
Less Discounts	£3,495	£3,460

Source: Consultation Response (October 2018)

³⁶ Water Lane – West Katherines

- 4.36 These figures are different, but support the general pattern of prices researched.
- 4.37 It was also suggested³⁷ that the requirement for Nationally Described Space Standards may have an impact on reducing these values. It is notable that most units are in fact larger than NDSS so this is unlikely to be the case.
- 4.38 A consultee³⁸ suggested that reference should be made to the *West Essex and East Hertfordshire SHMA* (ORS, July 2017) to ensure consistency. This document does not include an analysis of newbuild sales prices.

Price Assumptions for Financial Appraisals

- 4.39 It is necessary to form a view about the appropriate prices. The preceding analysis does not reveal simple clear patterns with sharp boundaries. As mentioned previously, the principal drivers of price are the specifics of the scheme and its situation rather than the location. The four new Garden Communities are in different areas, and whilst these are different, at the time of this assessment, across the Garden Town there is relatively little variance between the different types of new housing. The above data does show some variance but there is not a consistent pattern across the different data sources analysed.
- 4.40 Based on the asking prices from active developments, and informed by the general pattern of all house prices across the assessment area, the prices put to the consultation were as follows. It is important to note that this is a broad brush, high level assessment to test the deliverability of the key Garden Town sites as required by the NPPF. The values between new developments and within new developments may vary considerably.

Table 4.9 Pre-consultation Residential Price Assumptions (£/m²)		
Typology	Houses	Flats
East of Harlow	£3,800	£4,000
Latton Priory	£4,500	£4,200
Water Lane	£3,900	£3,900
Gilston Area	£4,285	£4,020

Source: HDH (August 2018)

- 4.41 Consultees made the following points:
- a. In relation to Water Lane – West Katherines the following comment was made:
- The Consortium however agree that a blended value in the region of £360psf (£3,875/m²) market revenues*

³⁷ Water Lane – West Katherines

³⁸ Gilston – Village 7

This comment was linked to an uplifted build cost to allow for abnormal foundations and an allowance for strategic infrastructure – although for the purpose of this assessment these are not connected.

- b. The promoter of Gilston - Villages 1-6 confirmed that ‘the general inputs and assumptions are broadly in line with our own modelling’.
- c. The promoter of Latton Priory suggested greater weight should be given to the sales prices of existing properties when considering the values in this site. As set out in Figure 4.3 above, the newbuild market is distinctly different to the market for existing houses with the average price for newbuild homes being about double that for existing homes. It is believed that this produced well founded assumptions in this regard.

It was suggested that the values used are overstated by between £500/m² and £800/m². This would suggest the analysis should be based on a value of about £3,900/m² for housing and £3,600/m² for flats. Whilst a range of comments were made about the presentation of the data that was put to the consultation, this promoter did not provide additional transactional (or any) evidence to support this suggestion.

4.42 Following the consultation the values have been updated.

Table 4.10 Updated Residential Price Assumptions (£/m²)		
Typology	Houses	Flats
East of Harlow	£3,800	£4,000
Latton Priory	£4,000	£3,700
Water Lane	£3,900	£3,900
Gilston Area	£4,285	£4,020

Source: HDH (December 2018)

- 4.43 It is necessary to consider whether the presence of affordable housing would have a discernible impact on sales prices. Affordable housing will be present on many of the sites whose selling prices have informed our analysis. Our view is that any impact can and should be minimised through an appropriate quality design solution.

Ground Rents

- 4.44 Over the last 10 or so years many new homes have been sold subject to a ground rent. Such ground rents have recently become a controversial and political topic. In this assessment, no allowance is made for residential ground rents.

Affordable Housing

- 4.45 The Councils have policies for the provision of affordable housing. In this assessment, it is assumed that such housing is constructed by the site developer and then sold to a Registered Provider (RP).

- 4.46 There are three main types of affordable housing: Social Rent, Affordable Rent and Intermediate Housing products for sale. The policy requirements tested in this assessment are:

East Herts District Plan - Pre-submission Consultation 2016

Policy HOU3 Affordable Housing

Affordable housing provision will be expected on all development sites that propose development that falls within Class C3 (Dwelling Houses) as follows:

- (a) up to 35% on sites proposing 10 or fewer gross additional dwellings, and where the dwellings would have a combined gross floor space greater than 1,000 square metres;*
- (b) up to 35% on sites proposing 11 to 14 gross additional dwellings;*
- (c) up to 40% on sites proposing 15 or more gross additional dwellings.*

Epping Forest Local Plan – Submission Version 2017

Policy H 2 Affordable Housing

On development sites which provide for 11 or more homes, or residential floorspace of more than 1,000 sq m (combined gross internal area), the Council will require 40% of those homes to be for affordable housing provided on site. The mix of affordable homes will be required to reflect the latest available housing need.

Harlow Local Development Plan, Pre-Submission Publication May 2018

H8 Affordable Housing

Major residential development must provide at least 30% affordable housing. Reduction of this percentage will require an independent viability assessment.

- 4.47 The following tenure mixes form the base appraisals.

Table 4.11 Preferred Affordable Housing Tenure Mix			
	Social Rent	Affordable Rent	Intermediate Housing
East Herts	-	84%	16%
Epping Forest ^b	-	81%	19%
Harlow ^c	-	85%	15%

Source: a – Affordable Housing & Lifetimes Homes SPD 2008, b – paragraph 3.16 Epping Forest Local Plan – Submission Version 2017, c – paragraph 14.37 Harlow Local Development Plan, Pre-Submission Publication May 2018

Affordable Housing Values

- 4.48 Prior to the 2015 Summer Budget, rents of affordable housing (both Affordable Rents and Social Rents) were generally increased by inflation (CPI) plus up to 1% each year. These provisions were to prevail until 2023. The result was that Housing Associations knew their rents would go up and those people and organisations who invest in such properties (directly or indirectly) knew that the rents were going up year on year. This made them a particularly attractive and secure form of investment or security for a loan.

- 4.49 In the 2015 Summer Budget it was announced that Social and Affordable Rents would be reduced by 1% per year for 4 years³⁹. The effect of this is to reduce the value of affordable housing to rent. In October 2017 the Government announced that rents will rise by CPI +1% for five years from 2020, reversing this alteration.
- 4.50 It is necessary to consider the value of affordable housing in this context. From a valuation perspective, the value of affordable housing has been reconsidered from first principles.

Social Rent

- 4.51 The value of a rented property is a factor of the passing rent – although the condition and demand for the units also have a strong impact. Social Rents are set through a national formula that smooths the differences between individual properties and ensures properties of a similar type pay a similar rent:

Table 4.12 Social Rent				
	1 Bedroom	2 Bedrooms	3 Bedrooms	4 Bedrooms
Per Week	£86	£104	£119	£129
Per Month	£373	£451	£515	£558
Per Year	£4,481	£5,410	£6,182	£6,701

Source: HCA Statistical Return (2017)

- 4.52 This assessment concerns only the value of newly built homes. There seems to be relatively little difference in the amounts paid by RPs for such units across the assessment area – and there is little such housing being developed. The value of Social Rents is assessed assuming 10% management costs, 4% voids and bad debts and 6% repairs. These are capitalised at 5%.

Table 4.13 Capitalisation of Social Rents			
	1 Bedroom	2 Bedrooms	3+ Bedrooms
Gross Rent	£4,481	£5,410	£6,182
Net Rent	£3,585	£4,328	£4,945
Value	£71,690	£86,552	£98,908
m ²	50	70	84
£/m ²	£1,434	£1,236	£1,177

Source: HDH (July 2018)

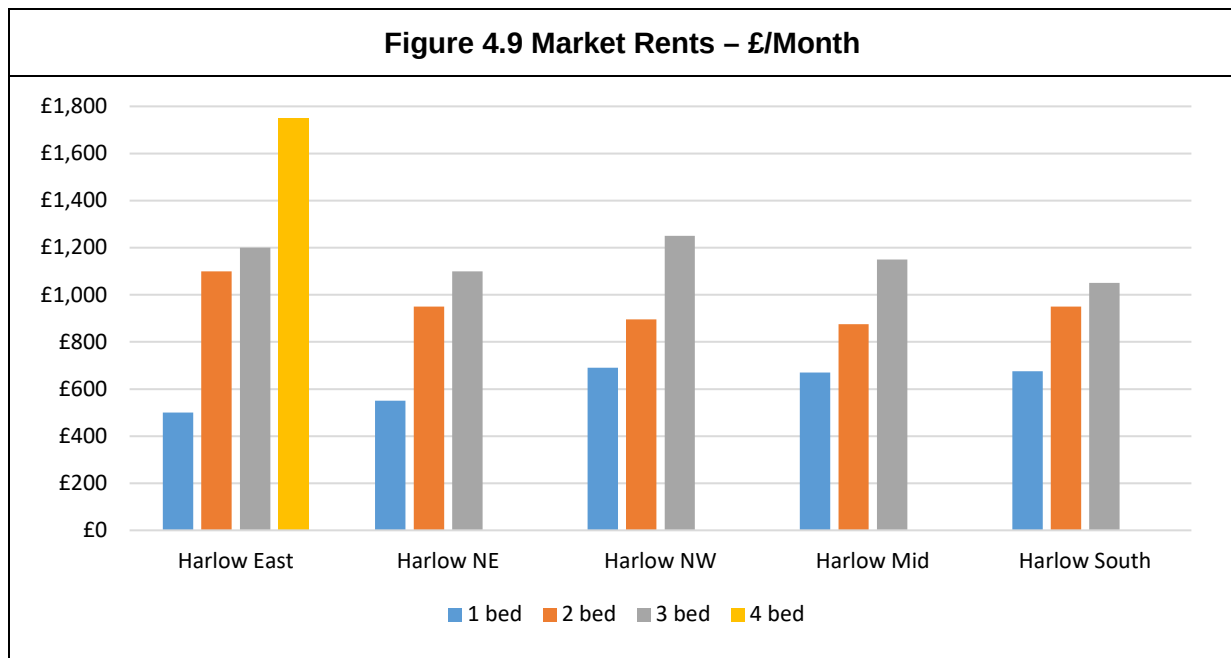
³⁹ We understand that the objective is to reduce the overall costs of Housing Benefit / Local Housing Allowance / Universal Credit to the Exchequer.

4.53 On this basis, a value of £1,285/m² across the assessment area would be assumed.

Affordable Rent

4.54 Under Affordable Rent, a maximum rent of no more than 80% of the open market rent, for that unit, can be charged. In the development of affordable housing for rent, the value of the units is, in large part, the worth of the income that the completed let unit will produce. This will depend on the amount of the rent and the cost of managing the property (letting, voids, rent collection, repairs etc.).

4.55 As a typical Affordable Rent unit will be new, it will command a premium rent that is a little higher than equivalent older private sector accommodation. In estimating the likely level of Affordable Rent, a survey of market rents across the area has been undertaken. There is relatively little variation in rents, except for the larger units.



Source: Market Survey (July 2018)

4.56 As part of the reforms to the social security system, housing benefit /local housing allowance is capped at the 3rd decile of open market rents for that property type, so in practice Affordable Rents are unlikely to be set above these levels. The cap is set by the Valuation Office Agency by Broad Rental Market Area (BRMA). The whole of the Harlow and Gilston Garden Town lies within the Harlow and Stortford BRMA.

Table 4.14 BRMA Caps			
	£/week	£/month	£/year
Shared	£72.22	£312.95	£3,755.44
1 Bed	£137.32	£595.05	£7,140.64
2 Bed	£169.73	£735.50	£8,825.96
3 Bed	£204.05	£884.22	£10,610.60
4 Bed	£288.08	£1,248.35	£14,980.16

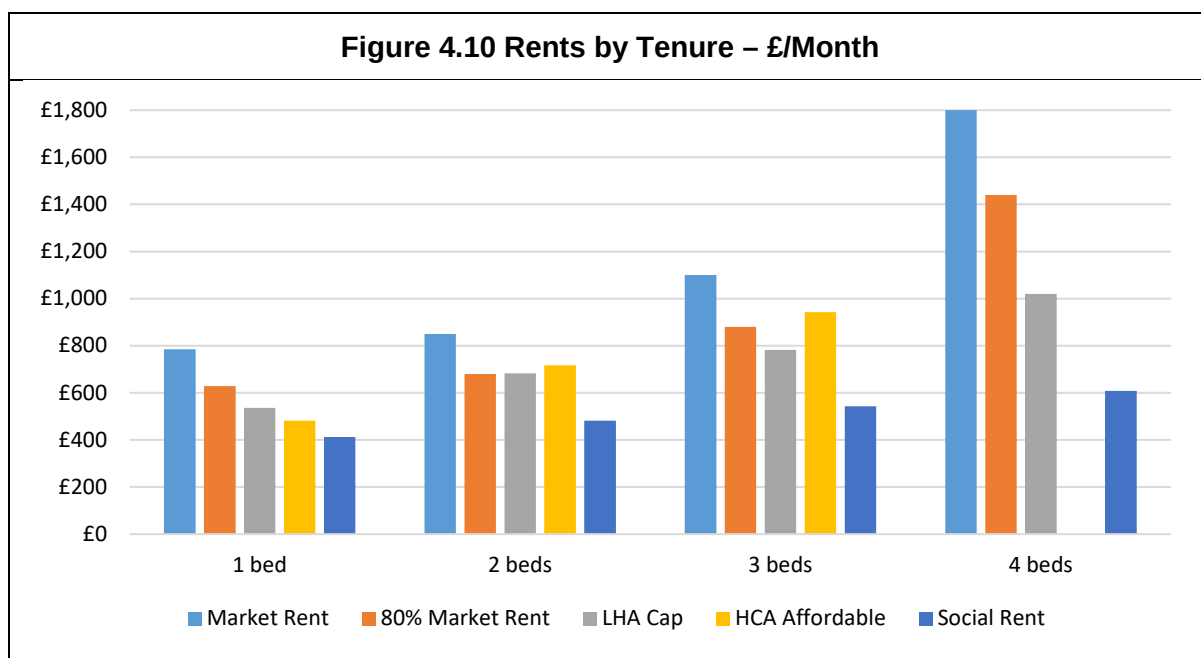
Source: VOA (July 2018)

- 4.57 These caps are a little different to the Affordable Rents being charged as reported in the most recent HCA data release.

Table 4.15 Affordable Rent			
	1 Bedroom	2 Bedrooms	3 Bedrooms
Per Week	£108	£142	£180
Per Month	£468	£616	£780
Per Year	£5,615	£7,397	£9,360

Source: HCA Statistical Return (2017)

- 4.58 In all cases the LHA cap is less than 80% of market rent, except in the case of two bedroom units where the cost is similar. The differences can be summarised as follows.



Source: Market Survey, HCA Statistical Return and VOA (February 2018)

- 4.59 Following discussion with the Councils it is assumed that Affordable Rent will be no more than the LHA cap. In calculating the value of Affordable Rents, an allowance for 10% management

costs, 4% voids and bad debts and 6% repairs is made, and the net rent capitalised the income at 5.5%. On this basis affordable rented property has the following worth.

Table 4.16 Capitalisation of Affordable Rents			
	1 Bedroom	2 Bedrooms	3+ Bedrooms
Gross Rent	£7,141	£8,826	£10,611
Net Rent	£5,712.51	£7,060.77	£8,488.48
Value	£103,864	£128,378	£154,336
m ²	50	70	84
£/m ²	£2,077	£1,834	£1,837

Source: HDH (July 2018)

4.60 Using this method to assess the value of affordable housing, under the Affordable Rent tenure, a value of £1,915/m² is derived. This is in the range of 45% to 50% of the value of market housing.

4.61 In relation to Water Lane – West Katherines the following comment was made:

The Consortium however agree ... affordable revenues at 49%.

4.62 A developer⁴⁰ suggested that a figure of 35% of market value should be used. This would give a value of about £1,330/m², so close to the value of Social Rented housing. The reason given to justify this was that this would reflect a rent for the Affordable Rent units of no more than 80% of market rent. As set out above, it has been assumed that Affordable Rent will be no more than the LHA cap – which is less than 80% of market rent, consequently no further adjustment is made.

Intermediate Products for Sale

4.63 Intermediate products for sale include shared ownership and shared equity products⁴¹. The market for these is very difficult at present and we have found little evidence of the availability of such products in the assessment area. We have assumed a value of 65% of open market value for these units.

4.64 These values were based on purchasers buying an initial 50% share of a property with a 2.75%⁴² per annum rent payable on the equity retained. The rental income is capitalised at 5.5% having made a 10% management allowance.

⁴⁰ West Sumners

⁴¹ For the purpose of this assessment it is assumed that the 'affordable home ownership' products, as referred to in paragraph 64 of the 2019 NPPF fall into this definition,

⁴² A rent of up to 3% may be charged – although we understand that in this area 2.75% is more normal.

- 4.65 The following table shows 'typical' values (for illustrative purposes) for shared ownership housing at a range of proportions sold:

Table 4.17 Value of Shared Ownership Housing (3 bedroom) at 30% to 80% of Proportion Sold										
Market Value			% Sold		Rent			Value		
m ²	£/m ²	£	%	£	%	£/year	£	£	£/m ²	% OMV
84	4,000	336,000	30%	100,800	2.75%	6,468	116,424	217,224	2,586	64.65%
84	4,000	336,000	40%	134,400	2.75%	5,544	99,792	234,192	2,788	69.70%
84	4,000	336,000	50%	168,000	2.75%	4,620	83,160	251,160	2,990	74.75%
84	4,000	336,000	60%	201,600	2.75%	3,696	66,528	268,128	3,192	79.80%
84	4,000	336,000	70%	235,200	2.75%	2,772	49,896	285,096	3,394	84.85%
84	4,000	336,000	80%	268,800	2.75%	1,848	33,264	302,064	3,596	89.90%

Source: HDH (July 2018)

- 4.66 It can be seen that the assumption is cautious and takes into account that the portions sold may be less than 50%.
- 4.67 The 2019 NPPF sets out a requirement for low-cost home ownership as part of the affordable housing mix. This is assumed to apply. Bearing in mind the Starter Home cap of £250,000 outside London, no change is made in this regard.
- 4.68 One consultee⁴³ suggested that an assumption of 55% to 60% of market value may be more appropriate in the current market although no reason was given. No change has been made in this regard as the assumption is considered cautious.

Grant Funding

- 4.69 It is assumed that grant is not available.

Older People's Housing

- 4.70 There is an established need for both market and affordable older people's housing. The Councils have therefore asked that this assessment should test the viability of providing affordable housing within the sites. Housing for older people is generally a growing sector due to the demographic changes and the ageing population. The sector brings forward two main types of product.

⁴³ Water Lane – West Katherines

- 4.71 Sheltered or retirement housing is self-contained housing, normally developed as flats and other relatively small units. Where these schemes are brought forward by the private sector there are normally warden services and occasionally non-care support services (laundry, cleaning etc.) but not care services.
- 4.72 Extracare housing is sometimes referred to as very sheltered housing or housing with care. It is self-contained housing that has been specifically designed to suit people with long-term conditions or disabilities that make living in their own home difficult, but who do not want to move into a care home. Schemes can be brought forward in the open market or in the social sector (normally with the help of subsidy). Most residents are older people, but this type of housing is becoming popular with people with disabilities regardless of their age as it is seen as a long-term housing solution. Extracare housing residents still have access to means-tested local authority services.
- 4.73 The Retirement Housing Group (RHG) is a trade group representing private sector developers and operators of retirement, care and extracare homes. They have set out a case that sheltered housing and extracare housing should be tested separately. In line with the RHG representations it is assumed the price of a 1 bed sheltered property is about 75% of the price of existing 3 bed semi-detached houses and a 2 bed sheltered property is about equal to the price of an existing 3 bed semi-detached house. In addition, it is assumed extracare housing is 25% more expensive than sheltered.
- 4.74 A typical price of a 3 bed semi-detached home of £360,000 has been assumed. On this basis it is assumed retirement and extracare housing has the following worth:

Table 4.18 Worth of Retirement and Extracare			
	Area (m ²)	£	£/m ²
3 bed Semi-detached		360,000	
1 bed Sheltered	50	270,000	5,400
2 bed Sheltered	75	360,000	4,800
1 bed Extracare	65	337,500	5,192
2 bed Extracare	80	450,000	5,625

Source: HDH (July 2018)

- 4.75 There are few retirement schemes being marketed or recently sold in Harlow at the time of this assessment. In the wider locality, the Miami House scheme developed by McCarthy & Stone in Chelmsford is now marketing 1 bedroom units from £350,000 and 2 bedroom units from £450,000. Their Pegs Lane scheme in Hertford is marketing 1 bedroom units from £335,000 and 2 bedroom units from £460,000. The Churchill Living scheme, in Waltham Abbey, is marketing 2 bedroom units from £385,950, with 1 bedroom units in Chelmsford for £298,950, suggesting the values in the table above may be rather low.
- 4.76 Taking into account the above, the following values are used in the appraisals:

Table 4.19 Worth of Retirement and Extracare	
All Areas	£/m ²
Sheltered	5,500
Extracare	5,500

Source: HDH (July 2018)

- 4.77 One consultee⁴⁴ suggested that more detailed local analysis should be made into local schemes. All the local schemes on which there is publicly available information have been researched as set out above.
- 4.78 In addition to the above, an allowance of £3,850/unit could be made for ground rent.
- 4.79 The units where provided as affordable housing have also been considered. It has not been possible to find any direct comparable where housing associations have purchased social units in a market led extracare scheme. Private sector developers have been consulted. They have indicated that whilst they have never disposed of any units in this way, they would expect the value to be in line with other affordable housing – however they stressed that the buyer (be that the local authority or housing association) would need to undertake to meet the full service and care charges.

⁴⁴ Latton Priory

5. Non-Residential Market

- 5.1 This chapter sets out an assessment of the markets for non-residential property, providing a basis for the assumptions of prices to be used in financial appraisals for the sites tested in the assessment.
- 5.2 The starting point for this part of this assessment is the Councils' existing evidence. The following assumptions were used:

Table 5.1 Unadjusted Non-residential Values			
	Rent	Yield	£/m ²
East Hertfordshire - 2015			
Business Park	£205	7.00%	£2,929
Warehousing	£75	5.25%	£1,429
Town centre comparison retail	£210	6.50%	£3,231
Out of town comparison retail	£210	7.00%	£3,000
Retail convenience	£210	5.00%	£4,200
Epping Forest - 2017			
Shops / premises	£180	6.25%	£2,880
Retail warehousing	£170	6.25%	£2,720
Supermarkets	£200	6.25%	£3,200
Industrial Warehousing	£70	6.25%	£1,120
Offices	£175	6.25%	£2,800
Harlow - 2018			
Offices	£172	6.80%	£2,533
Industrial Warehousing	£108	6.80%	£1,583
Large retail	£194	6.80%	£2,849

Source: EHDC Plan Viability, Affordable Housing and CIL Study. PBA, 1st October 2015. EFDC Stage 2: Update Assessment of the Viability of Affordable Housing, CIL and the Local Plan. Dixon Searle, November 2017. Local Plan Viability Assessment, Affordable Housing and CIL Review. BNP Paribas, March 2018.

- 5.3 There is no need to consider all types of development in all situations – and certainly no point in testing the types of scheme that are unlikely to come forward as part of the Garden Town proposals. In this assessment we have considered the larger format office and industrial uses. Whilst the proposals do include elements of retail, these are small scale so are not examined specifically.
- 5.4 In Harlow, market conditions will broadly reflect a combination of national economic circumstances and local supply and demand factors. However even within a town there will be particular localities, and ultimately site-specific factors, that generate different values and costs.

National Overview

- 5.5 The various non-residential markets in Harlow reflect national trends. An improved sentiment has been reported in the press:

The Q2 2018 RICS UK Commercial Property Market survey results show the downturn across the retail sector intensifying, with stores in secondary locations displaying particularly negative rental and capital value projections. This remains in contrast with the performance of the industrial sector, which continues to attract solid demand from both occupiers and investors.

Focussing first on the occupier market, tenant demand declined marginally at a headline level during Q2, with a net balance reading of -8% the weakest since 2012. That said, the retail sector was the only area of the market to post an outright decline, as 53% more respondents noted a fall in demand over the period. For offices, demand held broadly steady following a slight increase in Q1. Meanwhile, tenant enquiries continued to rise in the industrial sector, and have now increased in twenty three successive reports.

Set against the steep decline in demand, availability of retail space rose sharply over the quarter. In fact, 46% more respondents noted an increase, representing the broadest pick-up reported going back to 2009. Given this, the value of inducement packages on offer to prospective tenants was also pushed higher. By way of contrast, availability of leasable space in the industrial sector fell once again, prompting landlords to further trim incentive packages. Availability in the office sector was more or less unchanged for the seventh quarter in a row, albeit inducement packages have picked-up consistently over this period.

In terms of the all-property average, near term rental expectations eased, posting a net balance of -2% (+3% previously) and pointing to virtually no change in headline rents over the coming months. Again, this average reading is being depressed by negativity in the retail sector, where the net balance came in at -52%. Rental growth projections remain elevated for industrial space (net balance +35%), but rather flat for offices (net balance +5%)...

... Views have become increasingly mixed regarding the current stage of the property cycle. Indeed, 26% of respondents across the UK (ex London) now sense the market may be in the early stages of a downturn, up from 14% in Q1. Although 39% believe the market is still in some stage of the growth phase, this has come down 52% last quarter. In London, a clear majority of 71% of contributors now believe the market is in a downturn (up from 52% previously). Having said that, the outlook is not negative for all sectors across the capital. Prices are still expected to rise for prime and secondary industrial assets, and for prime offices.

RICS – Q2 2018: UK Commercial Property Market Survey

- 5.6 This chapter sets out a brief assessment of the markets for non-residential property, providing a basis for the assumptions of prices to be used in financial appraisals.

Harlow and Gilston Garden Towns Non-Residential Market

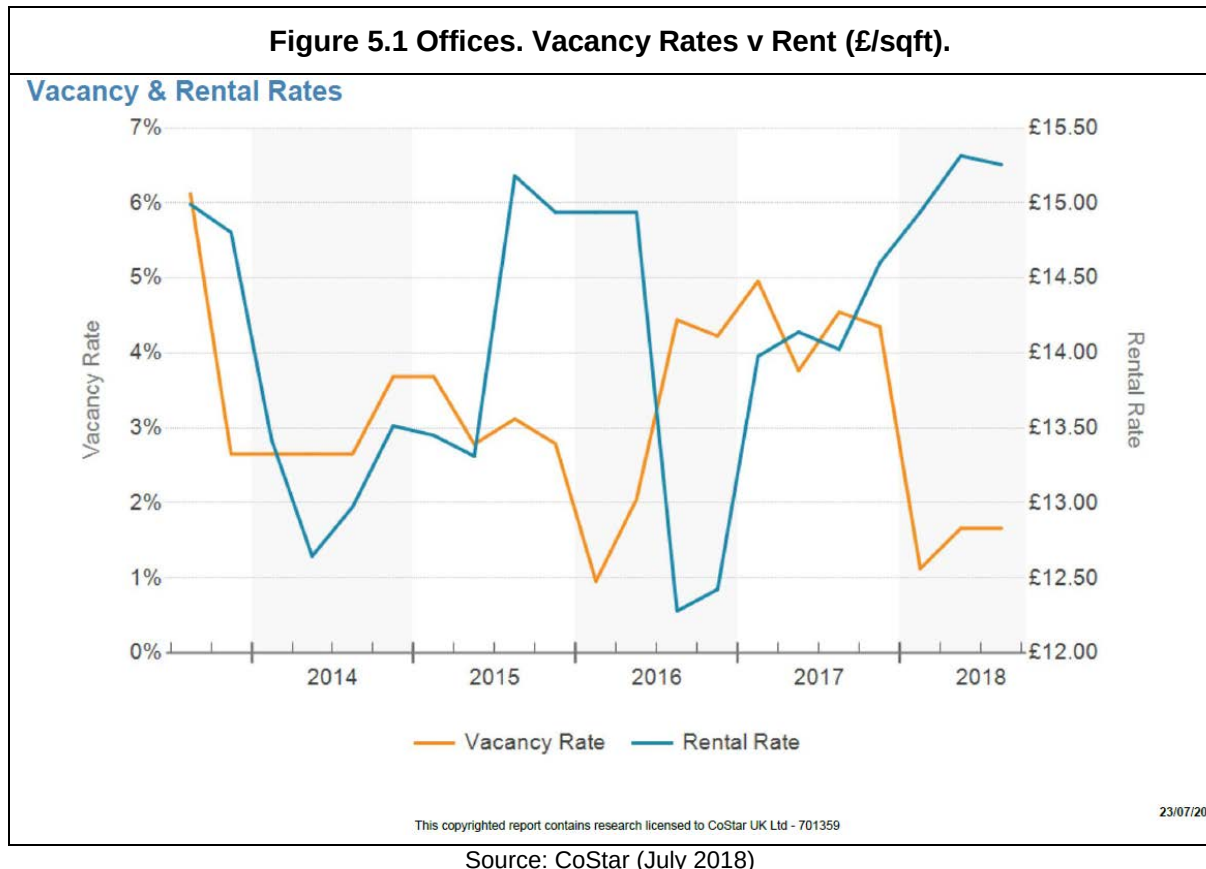
- 5.7 The main employment areas within Harlow are the Pinnacles Estate to the east and the Templefields estate to the north west. In addition to these, the London Road Enterprise Zone is expanding. There are several smaller employment areas throughout the town, but these are less important for this assessment. An important aspect of the employment space in Harlow is that that is in and around the town centre, these are not considered in this assessment. Harlow is becoming a centre for Life Science, MedTech and digital industries. Raytheon, GlaxoSmithKline and Nortel all have sites, and Public Health England recently acquired a significant site.

- 5.8 The local markets are driven by local factors – however the influence of the wider southeast and London underpins the market. Harlow is not a large regional centre but it is the principal town and is a significant local centre. In recent years the majority of new development has been user led, however there is a modest increase in that being brought forward by speculative developers.
- 5.9 The market is described in some detail in the Harlow Employment Land Review⁴⁵ (ELR) so that will not be repeated in detail here.
- 5.10 This assessment is concerned with new property that is likely to be purpose built. There is little evidence of a significant variance in price for newer premises more suited to modern business across the town, although very local factors (such as the access to transport network) is reported to be important.
- 5.11 Various sources of market information have been analysed, the principal sources being the local agents, research published by national agents, and through the Estates Gazette's Property Link website (a commercial equivalent to Rightmove.co.uk). In addition, information from CoStar (a property industry intelligence subscription service) has been used. Clearly much of this commercial space is 'second-hand' and not of the configuration, type and condition of new space that may come forward in the future, so is likely to command a lower rent than new property in a convenient, well accessed location with car parking and that is well suited to the modern business environment.
- 5.12 Data from across East Hertfordshire, Epping Forest and Harlow has been looked at as has data from Broxbourne and Stevenage as these are broadly similar market areas. **Appendix 6** includes market data from CoStar.

Offices

- 5.13 CoStar data shows a decline in vacancy rates and an increase in rents in the office sector over the last five years:

⁴⁵ Harlow Employment Land Review Final Report, PBA January 2013

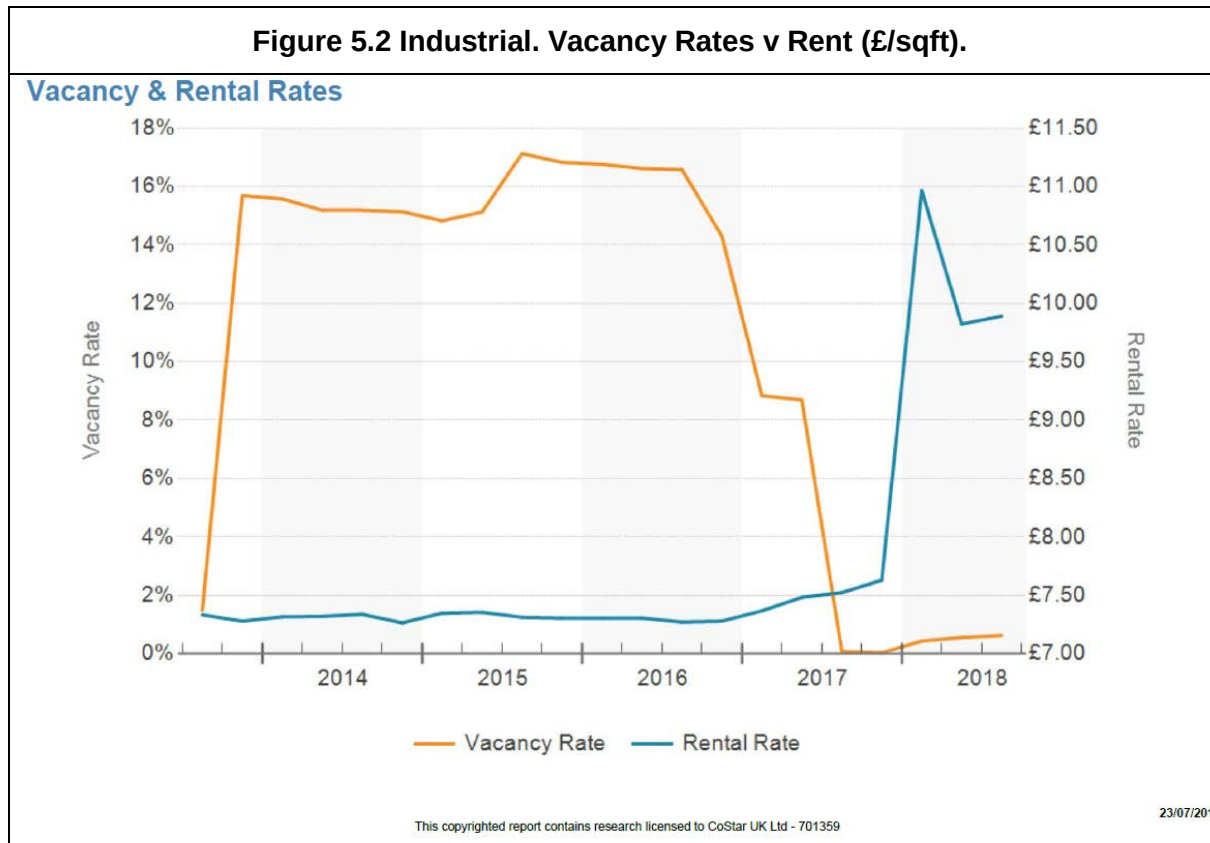


- 5.14 There is a wide range of offices being marketed in the area and nearby at the time of this assessment, although much of this is very different to the type that is likely to come forward in the future. Of the new space, the highest rents are around £320/m²/year (£29.67/sqft/year), although good quality new offices would generally be in the region of £155/m²/year (£14.5/sqft/year). CoStar reports Net Effective Rents of a similar amount and yields of around 5.5%.
- 5.15 On this basis new office development were initially assumed to have a value of £2,800/m².
- 5.16 One of the consultees⁴⁶ suggested that a yield of 6.8% would be more appropriate and a value of £2,500/m² more appropriate, although no supporting evidence was provided.

Industrial and Distribution

- 5.17 CoStar data also shows a decline in vacancy rates and an increase in rents over the last five years in the industrial sector:

⁴⁶ Water Lane – West Katherines



Source: CoStar (July 2018)

- 5.18 The highest rents are around £170/m²/year (£15.85/sqft/year), although figures around £107/m² (£10/sqft) are more typical. Those units closer to the highways network have the best rents. CoStar reports yields of around 6.5% or so.
- 5.19 On this basis new industrial and distribution units were initially assumed to have a value of £1,650/m².
- 5.20 One of the consultees⁴⁷ suggested that a yield of 6.8% would be more appropriate and a value of £1,583/m² more appropriate, although no supporting evidence was provided.

⁴⁷ Water Lane – West Katherines

6. Land Values

- 6.1 Chapters 2 and 3 set out the methodology used in this assessment to assess viability. An important element of the assessment is the value of the land. The worth of the land before consideration of any increase in value, from a use that may be permitted through a planning consent, is the Existing Use Value (EUV). This is the starting point for the assessment.
- 6.2 In this chapter, the values of different types of land are considered. The value of land relates closely to the use to which it can be put and will range considerably from site to site. As this is a high-level assessment, the three main uses, being agricultural, residential and industrial have been researched. The amount of uplift that may be required to ensure that land will come forward and be released for development has then been considered.
- 6.3 In this context it important to note that the PPG says (at 10-016-20180724) that the *'Benchmark land value should: be based upon existing use value, allow for a premium to landowners ... be informed by market evidence including current uses, costs and values wherever possible....'*. It is therefore necessary to consider the Existing Use Value (EUV) as set out in Chapters 2 and 3 above as a starting point.

Existing Use Values

- 6.4 To assess development viability, it is necessary to analyse Existing and Alternative Use Values. EUV refers to the value of the land in its current use before planning consent is granted, for example, as agricultural land. AUV refers to any other potential use for the site. For example, a brownfield site may have an alternative use as industrial land.
- 6.5 It is important to fully appreciate that land value should reflect the current and emerging policy requirements and planning obligations.
- 6.6 The Residual Value for a particular scheme needs to be compared with the EUV. If the Residual Value does not exceed the EUV, then the development is not viable; if there is a surplus (i.e. profit) over and above the 'normal' developer's profit having paid for the land, then there is scope to make developer contributions.
- 6.7 The 'model' approach is outlined below:
- i. For sites previously in agricultural use, then agricultural land represents the EUV. This is assumed to apply on sites 0.5ha or more.
 - ii. For paddock and garden land on the edge of or in a smaller settlement a 'paddock' value is adopted. This is assumed to apply on sites of less than 0.5ha.
 - iii. Where the development is on brownfield land, an industrial value is assumed.

Residential Land

- 6.8 In May 2018, DCLG published *Land value estimates for policy appraisal*⁴⁸. This sets out land values as at May 2017 and was prepared by the Valuation Office Agency (VOA)
- | | |
|-----------------------|---------------|
| a. East Hertfordshire | £7,715,000/ha |
| b. Harlow | £4,010,000 |
| c. Epping Forest | £7,565,000. |
- 6.9 These figures assume nil affordable housing. As stressed in the paper this is a hypothetical situation and *'the figures on this basis, therefore, may be significantly higher than could be reasonably obtained in the actual market'*.
- 6.10 The VOA assumed that each site is 1 hectare in area, of regular shape, with services provided up to the boundary, without contamination or abnormal development costs, not in an underground mining area, with road frontage, without risk of flooding, with planning permission granted and that no grant funding is available; the site will have a net developable area equal to 80% of the gross area. For those local authorities outside London, the hypothetical scheme is for a development of 35 two storeys, 2/3/4 bed dwellings with a total floor area of 3,150 square metres.
- 6.11 Recent transactions based on planning consents over the last few years and price paid information from the Land Registry have been researched and are set out in **Appendix 7** and summarised in the following table.

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https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/710539/Land_Values_2017.pdf

Table 6.1 Recent Sales of Development Land					
Scheme	Area (ha)	Units	Aff %	Price Paid /ha	Price Paid / Unit
Harlow					
Edinburgh Gate Car Park, Edinburgh Gate	2.3	376	?	£9,239,130	£56,516
Service Industry Bays, The Stow	0.5	98	14%	£2,600,000	£13,265
Parcel 1A, Phase 2a, Newhall	4.03	170	15%	£4,681,867	£110,988
1 to 7 Burnt Mill	0.91	142	8%	£4,615,385	£29,577
Swallow Churchgate Hotel, Churchgate Street	1.19	26	35%	£1,974,790	£90,385
YWCA Hostel - The Angle, Fourth Avenue	0.36	69	9%	£208,333	£1,087
Harlow Rugby Football Club, Elizabeth Way	3.6	125	32%	£3,111,111	£89,600
Epping Forest					
Chimes Garden Centre, Old Nazeing Road, Nazeing	1.0	17	0%	£700,000	£41,176
Brent House Farm, Harlow Common, North Weald	1.34	19	11%	£1,619,403	£114,211
Norton Heath Riding Centre, Fingrith Hall Lane, High Ongar, Ongar	2.2	30	50%	£1,681,818	£123,333
Allotments rear of 8 To 22 Institute Road, Coopersale, Epping	0.56	18	33%	£4,598,214	£143,056
Stoneshot Farm, Hoe Lane, Nazeing	1.3	17	59%	£380,769	£29,118
Tottenham Hotspur Training Ground, Luxborough Lane Chigwell	10.0	60	0%	£490,000	£81,667
Chigwell County Primary School, High Road, Chigwell	4.76	59	0%	£25,210	£2,034
Chigwell Grange, High Road, Chigwell	2.98	43	0%	£6,302,013	£436,744
Netherhouse Farm, Sewardstone Road, Waltham Abbey	1.1	16	50%	£4,545,455	£312,500
Land at Barnfield, Epping Road, Roydon	4.05	23	48%	£802,469	£141,304
Fyfield Business and Research Park, Fyfield Road, Chipping Ongar	9.25	105	42%	£992,973	£87,476
East Hertfordshire					
356 – 364 Ware Road, Hertford	0.4	34	0%	£2,700,000	£31,765
Rye Street/Farnham Road, Bishops Stortford	1.45	32	0%	£1,310,345	£59,375

Source: Land Registry and the Councils (September 2018)

6.12 These values are on a whole site (gross area) basis and range considerably.

Table 6.2 Recent Sales of Development Land – Summary		
ALL SITES		
	£/ha	£/unit
Minimum	£25,210	£1,087
Average	£2,609,675	£99,759
Median	£1,974,790	£84,571
Maximum	£9,239,130	£436,744

Source: Land Registry and the Councils

- 6.13 Having disregarded non-policy compliant schemes (as per PPG paragraph 10-015-20180724) the data can be summarised as follows.

Table 6.3 Recent Sales of Development Land – Summary		
POLICY COMPLIANT SITES ONLY		
	£/ha	£/unit
Minimum	£380,769	£29,118
Average	£1,729,712	£130,686
Median	£1,337,396	£106,859
Maximum	£4,545,455	£312,500

Source: Land Registry and the Councils

- 6.14 In this regard, we have a caveat and that is in relation to large sites. Large sites have their own characteristics and are often subject to significant infrastructure costs and amounts of open space which result in lower values.
- 6.15 It is necessary to make an assumption about the value of residential land. A value of £1,300,000/ha is taken as an average value for residential land. This is around the median value having discounted the outliers values as per paragraph 10-011-20180724 of the updated PPG. This figure would not apply to very large-scale sites which are not represented in the above data.
- 6.16 A consultee⁴⁹ suggested that £1,300,000 was understated – but no indication was given as to by how much or based on what evidence. It was suggested that some of the transactions referred to were historic. That is accepted, although the nature of the exercise and the relative scarcity of data makes this inevitable.

⁴⁹ Water Lane – West Katherines

Industrial Land

- 6.17 *Land value estimates for policy appraisal* does not provide a specific figure for Harlow, rather provides the following figures for places in the general locality:

Table 6.4 Industrial Land Values (£/ha)	
Hemel Hempstead	£1,800,000
Ipswich	£605,000
Redbridge	£3,000,000

Source: Land value estimates for policy appraisal, MHCLG (May 2018)

- 6.18 We have sought further evidence as to industrial values in the area and there is very little available.
- 6.19 CoStar (a property market data service) includes details of industrial land. These are summarised in **Appendix 8**. The average is £1,329,000/ha (£537,000/acre) and the median is £914,000/ha (£370,000/acre).
- 6.20 In this assessment, a value of £1,000,000/ha is assumed.

Agricultural and Paddocks

- 6.21 *Land value estimates for policy appraisal* provides a figure of £23,500/ha for Hertfordshire and £22,500/ha for the wider South East. The *RICS/RAU Rural Land Market Survey* reports agricultural land values. The most recent report⁵⁰ suggests values of £23,500/ha (£9,500/acre) for arable land and £17,300/ha (£7,000/acre) for pasture.
- 6.22 A figure of £20,000/ha was suggested during the consultation process, but this has been revised up to £22,500/ha which is assumed to apply here.
- 6.23 In this regard a consultee⁵¹ said:
- The indicated value of £20,000 / ha for agricultural land appears low. We would expect a value of c.£29,600/ha (£12,000/acre). We would also note that Gilston includes a number of residential and commercial assets which command greater value and as such will tend to mean that the overall average land value is towards the upper end of the range.*
- 6.24 Whilst we agree that other uses will tend to lift the base agricultural uses, the assumption for agricultural land is supported by the wider evidence.

⁵⁰ <http://www.rics.org/Global/RICS%20RAU%20Rural%20Land%20Market%20Survey%20H2%202015.pdf>

⁵¹ Gilston - Villages 1-6

- 6.25 It was highlighted⁵² that parts (about 19ha) of the Water Lane – West Katherines site is currently in a glasshouse use. It was suggested that £1,700,000/ha was an appropriate EUV. The value of glasshouse sites depends very much on the specific circumstances of the buildings. A modern, relatively new set-up with automation, will command a price that is very much higher than an older facility that is not suited to modern production methods.
- 6.26 A typical glasshouse of more than 2 ha for food production would cost around £500,000/ha; whilst a similar area for young plant production may cost over £1,000,000/ha to build. Most agricultural business would write the value down over time – although the costs can vary widely depending on the specifics. No evidence was provided to support a figure of £1,700,000. In this assessment glasshouses have been treated as having the same value as Industrial Land.

Benchmark Land Values

- 6.27 The Residual Value from the appraisals are compared with the EUV set out above in order to form a view about each of the sites' viability. It does not automatically follow that, if the Residual Value produces a surplus over the EUV benchmark, the site is viable. In considering the BLV, regard has been had to the PPG:

What factors should be considered to establish benchmark land value?

Benchmark land value should:

- *be based upon existing use value*
- *allow for a premium to landowners (including equity resulting from those building their own homes)*
- *reflect the implications of abnormal costs; site-specific infrastructure costs; and professional site fees and*
- *be informed by market evidence including current uses, costs and values wherever possible. Where recent market evidence is used to inform assessment of benchmark land value this evidence should be based on developments which are compliant with policies, including for affordable housing. Where this evidence is not available plan makers and applicants should identify and evidence any adjustments to reflect the cost of policy compliance. This is so that historic benchmark land values of non-policy compliant developments are not used to inflate values over time.*

In plan making, the landowner premium should be tested and balanced against emerging policies. In decision making, the cost implications of all relevant policy requirements, including planning obligations and, where relevant, any Community Infrastructure Levy (CIL) charge should be taken into account.

Where viability assessment is used to inform decision making under no circumstances will the price paid for land be a relevant justification for failing to accord with relevant policies in the

⁵² Water Lane, West Katherines

plan. Local authorities can request data on the price paid for land (or the price expected to be paid through an option agreement).

PPG 10-014-20180724

- 6.28 In line with the above the starting point is the EUV. In this case the majority of the sites are in agricultural use so agricultural use is taken as the EUV. The exception is the case of Water Lane – West Katherines. Part of Water Lane – West Katherines is under glasshouses (19ha / 30%) and the remainder (that will be subject to development) is in agricultural uses (44ha / 70%). An industrial use value is attributed to the areas under glasshouses.
- 6.29 It is necessary to consider the value of policy compliant land transactions. As set out above, the average value in the general area is about £1,300,000/ha. The transactions that inform this average are not representative of the sites that are under consideration in this assessment. The Garden Town sites range from 750 units to 8,500 units and from 72ha to about 1,000ha. The largest site for which price paid data was available was about 10ha, so of a completely different scale. No additional or alternative evidence was presented in this regard through the consultation with the site promoters.

How should the premium to the landowner be defined for viability assessment?

The premium (or the 'plus' in EUV+) is the second component of benchmark land value. It is the amount above existing use value (EUV) that goes to the landowner. The premium should provide a reasonable incentive for a land owner to bring forward land for development while allowing a sufficient contribution to comply with policy requirements.

Plan makers should establish a reasonable premium to the landowner for the purpose of assessing the viability of their plan. This will be an iterative process informed by professional judgement and must be based upon the best available evidence informed by cross sector collaboration. For any viability assessment data sources to inform the establishment the landowner premium should include market evidence and can include benchmark land values from other viability assessments. Any data used should reasonably identify any adjustments necessary to reflect the cost of policy compliance (including for affordable housing), or differences in the quality of land, site scale, market performance of different building use types and reasonable expectations of local landowners. Local authorities can request data on the price paid for land (or the price expected to be paid through an option agreement).

PPG 10-016-20180724

- 6.30 The question for this assessment is what is a reasonable premium? In the Councils' published viability studies the following approaches were taken:
- a. *EHDC Plan Viability, Affordable Housing and CIL Study (PBA, 1st October 2015)* is the oldest of the three studies and a Threshold Land Value (being equivalent to BLV) of £2,250,000/ha is used for housing in the southern area of the district.
 - b. *EFDC Stage 2: Update Assessment of the Viability of Affordable Housing, CIL and the Local Plan (Dixon Searle, November 2017)* takes various approaches, however for large greenfield sites, the assumption of £250,000/ha is used.
 - c. *Harlow's Local Plan Viability Assessment, Affordable Housing and CIL Review (BNP Paribas, March 2018)* uses two thresholds of £250,000/ha and £370,000/ha, although the geographical area of this is not mapped.

- 6.31 The Epping Forest and Harlow studies clearly follow the EUV Plus approach, so the methodologies used are most closely aligned with the updated PPG. The East Hertfordshire assessment does not follow the EUV plus approach, so it is given less weight. In this assessment, to consider the deliverability of the very large sites that make up the Harlow and Gilston Garden Town, it is necessary to make an assumption as to the Landowner's Premium. The following approach is taken.
- a. On brownfield and non-agricultural land an assumption of EUV plus 20%. This only relates to the part of Water Lane – West Katherines⁵³ that is under glasshouse use.
 - b. On the agricultural land an assumption of EUV (£22,500/ha) plus £300,000/ha is used. This provides a very substantial uplift for a landowner selling a greenfield site with consent for development. In the event of the grant of planning consent they would receive over ten times the value compared with before consent was granted. This approach is the one suggested in the Harman Guidance (see Chapter 2 above) and by the Planning Advisory Service (PAS).
- 6.32 It is accepted that this is a simplification of the market, however in a high-level assessment of this type that is based on modelled sites, simplifications and general assumptions need to be made.
- 6.33 One of the site promoters⁵⁴ felt that the BLV value remained too low and they suggested figure of £432,000/ha (based on £175,000/acre). This difference is acknowledged. Bearing in mind the importance of this assumption in reaching a conclusion about the deliverability of sites, this is discussed with the results in Chapter 10 below.
- 6.34 It is useful to consider the assumptions used in other studies in other parts of England. We have reviewed viability thresholds used by other councils in England in development plans. These are set out in the table below.

⁵³ The BLV for West Katherines is taken to be £585,553/ha.

	ha	EUV		Uplift		Plus %	Add Plus
Glasshouses	19	1,000,000	19,000,000	20.00%		3,800,000	0
Agricultural	44.38	22,500	998,571		300,000	0	13,314,286
	63.38		19,998,571				17,114,286
			315,530				270,023

⁵⁴ Latton Priory

Table 6.5 Viability Thresholds Used Elsewhere	
Local Authority	Threshold Land Value
Babergh	£370,000/ha
Cannock Chase	£100,000-£400,000/ha
Christchurch & East Dorset	£308,000/ha (un-serviced)
	£1,235,000/ha (serviced)
East Hampshire	£450,000/ha
Erewash	£300,000/ha
Fenland	£1-2m/ha (serviced)
GNDP	£370,000-£430,000/ha
Reigate & Banstead	£500,000/ha
Stafford	£250,000/ha
Staffordshire Moorlands	£1.26-£1.41m/ha (serviced)
Warrington	£100,000-£300,000/ha

Source: Planning Advisory Service (collated by URS)

- 6.35 Care has to be taken drawing on such general figures without understanding the wider context and other assumptions in the studies, but generally the assumptions used in this work are within the range.

7. Development Costs

- 7.1 This chapter considers the costs and other assumptions required to produce the financial appraisals.

Development Costs

Construction costs: baseline costs

- 7.2 The cost assumptions are derived from the Building Cost Information Service (BCIS)⁵⁵ data, using the figures re-based for Harlow.

Table 7.1 BCIS Costs- £/m ² gross internal floor area			
	Lower Quartile	Median	Average
Epping Forest	£1,107	£1,253	£1,292
Harlow	£1,097	£1,242	£1,280
East Hertfordshire	£1,097	£1,242	£1,280

Source: BCIS (July 2018)

- 7.3 The cost figure for Harlow for 'Estate Housing – Generally' is £1,242/m² at the time of this assessment⁵⁶. Initially it was suggested that the Lower Quartile costs for the different construction forms and types (detached, flats, office etc) is applied to the appraisals. Through the consultation one site promoter⁵⁷ put forward a figure of £115/sqft base build (£1,238/m²) plus uplifts 'to allow for abnormal foundations, demolition and site remediation'. This is similar to the median cost.
- 7.4 Several consultees⁵⁸ expressed a concern around basing the costs on a lower quartile costs in a situation where the Councils have an aspiration for the highest quality designs and Garden Town Principles. The actual construction cost (of the dwellings) is not impacted on by Garden Town Principles as such, although site costs can be.

⁵⁵ BCIS is the Building Cost Information Service of the Royal Institution of Chartered Surveyors.

⁵⁶ BCIS Rebased to Harlow – 7th July 2018.

⁵⁷ Water Lane – West Katherines

⁵⁸ Gilston Village 1-6, Gilston – Village 7, Water Lane – West Sumners, and Latton Priory

- 7.5 One consultee⁵⁹ suggested that given the relatively small sample size, an Essex wide figure should be used. Relative to the UK-wide figure, Harlow is indexed⁶⁰ to 109, but the Essex figure is slightly lower at 107. The approach taken is cautious and appropriate.
- 7.6 A consultee⁶¹ suggested that upper quartile should be used or alternatively, individual costs plans be prepared for the different house types and that these be used. This has not been done, paragraph 10-012-20180724 of the PPG particularly recommends the use of the BCIS. Such an approach of designing specific units and costing them would not be proportionate. Specifically it is not accepted that it is necessary (and is certainly not proportionate) to prepare a detailed cost plan for the final scheme. The PPG is quite clear that the BCIS is an appropriate data source and the modelling is based on a policy compliant scheme.
- 7.7 Having considered the representations, the appraisals are based on BCIS median costs.
- 7.8 The base assumption in this report is that homes are built to the basic Building Regulation Part L 2010 Standards but not to higher environmental standards. This is in line with the Government announcement, made at the time of the Summer 2015 Budget in the *Fixing the foundations productivity report*⁶², of its intention not to proceed with the zero carbon buildings policy.
- ... repeat its successful target from the previous Parliament to reduce net regulation on housebuilders. The government does not intend to proceed with the zero carbon Allowable Solutions carbon offsetting scheme, or the proposed 2016 increase in on-site energy efficiency standards, but will keep energy efficiency standards under review, recognising that existing measures to increase energy efficiency of new buildings should be allowed time to become established*
- 7.9 As a result, there was no uplift to Part L of the Building Regulations during 2016, and both the 2016 zero carbon homes target and the 2019 target for non-domestic zero carbon buildings will be dropped, including the Allowable Solutions programme. Having said this, environmental standards are increasing. In 2014 DCLG published *Housing Standards Review – Cost Impacts (EC Harris, September 2014)* that considered the more recent changes in building regulations and the optional additional standards. Based on the best currently available information, the costs of building to the now clarified, enhanced building standards is in line with the BCIS costs. In this viability assessment, the median BCIS costs are used.

⁵⁹ Latton Priory

⁶⁰ As at November 2018

⁶¹ Gilston – Village 7

⁶² <https://www.gov.uk/government/publications/fixing-the-foundations-creating-a-more-prosperous-nation>

- 7.10 It is assumed that all new non-residential development is built to the BREEAM Very Good standard. The additional cost of this is negligible as outlined in research⁶³ by BRE.

Construction costs: affordable dwellings

- 7.11 The procurement route for affordable housing is assumed to be through construction by the developer and then disposal to a housing association on completion. In the past, when considering the build cost of affordable housing provided through this route, we took the view that it should be possible to make a saving on the market housing cost figure, on the basis that one might expect the affordable housing to be built to a slightly different specification than market housing. However, the pressures of increasingly demanding standards for housing association properties have meant that, for conventional schemes of houses at least, it is no longer appropriate to use a reduced build cost; the assumption is of parity.

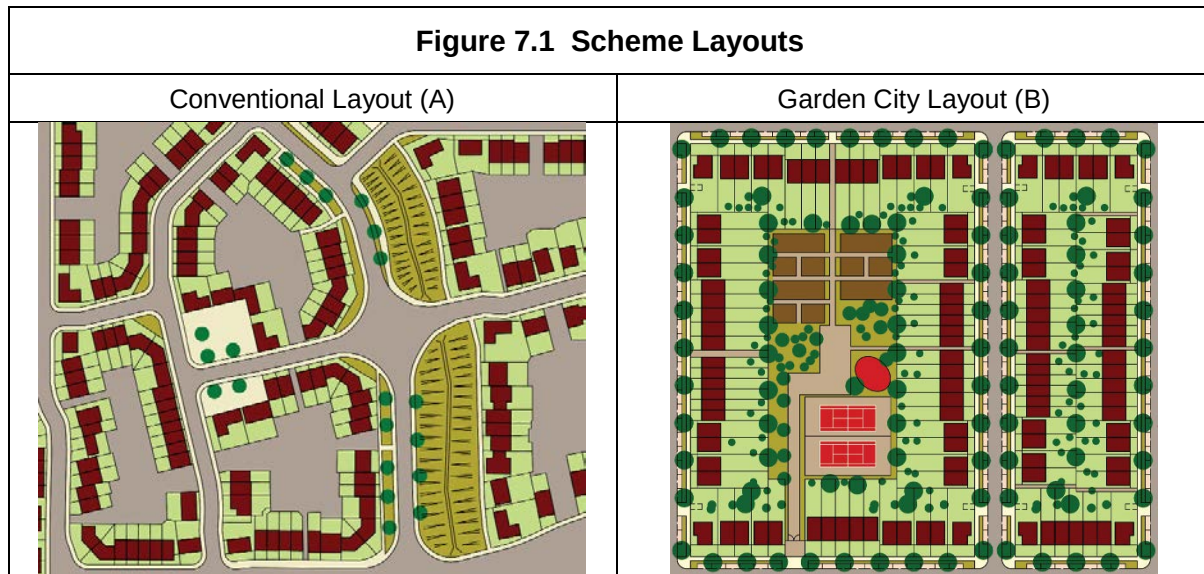
Site Costs

- 7.12 The difference between the Garden Town and the conventional approach is in two main parts. The first being the total land requirement and the second being the layout.
- 7.13 In this assessment the construction costs are based on the BCIS costs. The BCIS costs include the costs of the building but not the costs of services and external works. For this assessment we have had regard to the work carried out by URS (now AECOM) to support the TCPA's *Nothing gained by overcrowding!* paper⁶⁴. In that paper, two 4ha schemes were modelled as per the layouts below (at 2012 prices) to ascertain the estimated site costs. It found that the site costs on the Garden Town scheme, on a per unit basis, are about 65% of the costs on the conventional scheme.

⁶³ Delivering sustainable buildings: Savings and payback. Yetunde Abdul, BRE and Richard Quartermaine, Sweett Group. Published by IHS BRE Press, 7 August 2014

⁶⁴ See footnote 1.





Source: Nothing gained by overcrowding! TCPA 2012

- 7.14 The reason for this is set out in the report as follows (where Scheme A is the Conventional scheme and Scheme B adopts the Garden City principles):

... the real difference between the two approaches becomes apparent when we then take into account the substantially larger plot size of homes in Scheme B. It can be seen that the cost per square metre is more than 40% less for homes in Scheme B, and more than 50% less if one includes a share of the communal open space area. Aside from the adoption of the highway and footways, no additional cost has been included for the long-term management and maintenance of communal areas in either scheme. However, there are significant differences between the two approaches. In Scheme A only 31% of the total area is looked after by the individual property owners or tenants, leaving almost 70% of the area to be maintained by the highway authority or management company. In contrast, in Scheme B the area to be maintained communally is just 39%, and would be reduced to just 24% if the communal gardens were managed directly by the residents.

- 7.15 Under a conventional scheme it is generally assumed that the site costs would be in the range of 15% to 20% of the construction (i.e. BCIS based) costs. In the pre-consultation notes site costs were assumed to be 13% of the BCIS based construction cost. A site promoter⁶⁵ suggested that Garden Town Principles (in this situation) were less about the layout of the net developable area and more about the undeveloped land and the net / gross area.
- 7.16 One consultee suggested⁶⁶ that this adjustment for Garden Town Principles should not be made and 'the conventional 20% of build costs' should be used. Part of the justification for this was that they would not be following the layout aspects of the Garden Town Principles. In an assessment of this type it is necessary to follow the policy requirements. Through the February 2019 consultation this developer suggested that the approach set out in *Nothing*

⁶⁵ Gilston – Villages 1-6

⁶⁶ Latton Priory

gained by overcrowding! (TCPA 2012) was too simplistic. It is accepted that the paper is a high-level assessment, but in the absence of any alternate evidence that considers the costs behind the Garden City principles the approach taken is appropriate.

- 7.17 Other consultees⁶⁷ commented differently agreeing the 13% assumption was too low – but suggesting ‘an allowance of 15% of basic build costs’. It was also suggested that⁶⁸ if the upper quartile BCIS costs were used, then the 13% assumption would be appropriate – otherwise a 15% to 20% assumption should be used.
- 7.18 Following the February 2019 consultation, a developer⁶⁹ suggested that the 15% appeared low, citing the anticipated level of quality but not providing any actual supporting evidence. Bearing in mind the wider comments no further change is made and in this iteration a 15% assumption is used.
- 7.19 Another developer⁷⁰ suggested that an additional allowance needed to be made for internal roads and the like. These costs are included in the 15% allowance used.

Abnormal costs

- 7.20 With regard to abnormals, paragraph 10-012-20180724 of the PPG says:

abnormal costs, including those associated with treatment for contaminated sites or listed buildings, or costs associated with brownfield, phased or complex sites. These costs should be taken into account when defining benchmark land value

- 7.21 This needs to be read with paragraph 10-014-20180724 of the PPG that says that:

Benchmark land value should: ... reflect the implications of abnormal costs; site-specific infrastructure costs; and professional site fees and ...

- 7.22 The consequence of this, when considering viability in the planning system, is that abnormal costs should be added to the cost side of the viability assessment, but also reflected in (i.e. deducted from) the BLV. This has the result of balancing the abnormal costs on both elements of the appraisal.
- 7.23 This approach is consistent with the treatment of abnormals that was considered at Gedling Council's Examination in Public. There is an argument, as set out in Gedling⁷¹, that it may not be appropriate for abnormals to be built into appraisals in a high-level assessment of this type. Councils should not plan for the worst-case option – rather for the norm. For example, if two

⁶⁷ Gilston – Village 7, Water Lane – West Sumners

⁶⁸ Gilston – Village 7

⁶⁹ Gilston – Village 7

⁷⁰ Water Lane – St Katherine's

⁷¹ REPORT TO GEDLING BOROUGH COUNCIL, THE PLANNING INSPECTORATE REF PINS/N3020/429/4, MAY 2015

similar sites were offered to the market and one was previously in industrial use with significant contamination, and one was 'clean' then the landowner of the contaminated site would have to take a lower land receipt for the same form of development due to the condition of the land. The Inspector said:

... demolition, abnormal costs and off site works are excluded from the VA, as the threshold land values assume sites are ready to develop, with no significant off site secondary infrastructure required. While there may be some sites where there are significant abnormal construction costs, these are unlikely to be typical and this would, in any case, be reflected in a lower threshold land value for a specific site. In addition such costs could, at least to some degree, be covered by the sum allowed for contingencies.

- 7.24 In some cases, where the site involves redevelopment of land which was previously developed, there is the potential for abnormal costs to be incurred. Abnormal development costs might include demolition of substantial existing structures; flood prevention measures at waterside locations; remediation of any land contamination; remodelling of land levels; and so on. An additional allowance is made for abnormal costs associated with brownfield sites of 5% of the BCIS costs (the 19ha of glasshouses at Water Lane, West Katherine is treated as brownfield land).
- 7.25 By way of example, there are several very significant specific abnormal costs. To deliver the Gilston sites a new electricity substation is needed. The estimated cost is over £25,000,000 (this is to be confirmed). This has not been included in the appraisals. Whilst it is a cost, that cost would be offset by an equal reduction in the BLV. The acoustic wall that is required on the M11 boundary of Harlow East has been treated in the same way.
- 7.26 In summary, abnormal costs will be reflected in land value. Those sites that are less expensive to develop will command a premium price over and above those that have exceptional or abnormal costs. It is not the purpose of an assessment of this type to standardise land prices across an area.

Fees

- 7.27 For residential and non-residential development professional fees are assumed to amount to 8% of build costs. Additional allowance is made for planning application fees, acquisition costs, sales (disposal) fees and fees in relation to finance.

Contingencies

- 7.28 For previously undeveloped and otherwise straightforward sites, a contingency of 2.5% has been allowed for, with a higher figure of 5% on more risky types of development, such as previously developed land.

- 7.29 One consultee⁷² suggested 5% should be used on residential development and 10% on infrastructure elements. A second consultee⁷³ suggested a 5% assumption as a buffer to cover abnormal costs, they also suggested it was illogical to make a differential in this regard. A third consultee⁷⁴ suggested 5%.
- 7.30 The strategic infrastructure and mitigation costs, set out later in this chapter, include appropriate contingencies, so an additional contingency cost is not added. It is necessary to reflect the 'unknowns' that are more likely to arise in brownfield sites and as these are likely to be greater than on greenfield sites, no change is made in this regard.
- 7.31 The subject of contingency was discussed further at the February 2019 consultation meeting and raised⁷⁵ subsequently. It was confirmed that the strategic infrastructure and mitigation costs include a separate 20% contingency, that 2.5% has been applied to greenfield sites and 5% to brownfield sites. It was again suggested that 5% should be used in all cases. This is not accepted; this assumption is to reflect risk and should be considered with the developer's return. The differentiation between greenfield and brownfield sites is, in part, through this assumption.

S106 Contributions and the costs of infrastructure

- 7.32 For many years, the Councils have sought payments from developers to mitigate the impact of the development through improvements to the local infrastructure. At the time of the initial consultation on the early draft of this document, no cost data in this regard was presented to the consultees (ARUP were undertaking a simultaneous consultation on the site specific and wider requirements with infrastructure providers and site promoters). Unsurprisingly most consultees highlighted the importance of this part of the assessment.
- 7.33 The Councils have recently reviewed the Infrastructure Delivery Plans specifically in relation to the Garden Town development. This work includes a disaggregation of the cost by site:

⁷² Latton Priory

⁷³ Gilston – Village 7

⁷⁴ Water Lane – West Sumners

⁷⁵ Gilston – Village 7 and West Sumners



Table 7.2 Strategic Infrastructure and Mitigation Costs			
	Units	Total	Cost/unit
East of Harlow (North)	750	£36,114,903	£48,153
East of Harlow (South)	2,600	£118,713,857	£45,659
Latton Priory	1,050	£50,414,373	£48,014
Water Lane Area (Sumners)	807	£39,892,836	£49,434
Water Lane Area (Katherines)	1,331	£65,718,743	£49,375
Gilston (Villages 1-6)	8,500	£460,951,808	£54,230
Gilston (Village 7)	1,500	£80,704,761	£53,803

Source: Arup, (March 2019)

- 7.34 All the above costs are somewhat higher than those used in the earlier (February 2019) draft iteration of this report. It is important to note that the above costs include allowances for open space. The majority of these costs are normal site costs and covered within the normal landscaping and site preparation assumptions. The exceptions are the £5,000,000 costs that relate to the River Stort green infrastructure (Gilston 1-6 - £4,250,00, Gilston 7 - £750,000). Further, some of the above costs include an allowance for land cost. It is normal for land to be provided for infrastructure at no cost, so this element is also deducted. The following costs are in the appraisals.

Table 7.3 Refined Strategic Infrastructure and Mitigation Costs			
	Units	Total	Cost/unit
East of Harlow (North)	750	£34,536,459	£46,049
East of Harlow (South)	2,600	£104,999,393	£40,384
Latton Priory	1,050	£48,191,121	£45,896
Water Lane Area (Sumners)	807	£38,247,063	£47,394
Water Lane Area (Katherines)	1,331	£63,004,339	£47,336
Gilston (Villages 1-6)	8,500	£445,525,028	£52,415
Gilston (Village 7)	1,500	£77,980,821	£51,987

Source: Arup, (March 2019)

- 7.35 These costs are disaggregated by type of contribution in **Appendix 9** and are tested within this assessment. The above figures do not include the potential SANG costs in relation to Epping Forest, which are expected to be in the region of £2,500,000.
- 7.36 The timing of these payments is also important and summarised below, further disaggregation is included in **Appendix 9**.

Table 7.4 Phasing of Strategic Infrastructure and Mitigation Costs

	2018 - 2023	2023 - 2028	2028 - 2033	2033 - 2038	2038 - 2043	2043 +
East of Harlow (North)						
Units	0	250	500	0	0	0
S106 £	£5,003,426	£18,713,880	£9,451,552	£295,166	£295,166	£777,269
s106 %	14.49%	54.19%	27.37%	0.85%	0.85%	2.25%
East of Harlow (South)						
Units	750	1,150	700	0	0	0
S106 £	£18,912,495	£51,556,734	£29,789,150	£1,023,241	£1,023,241	£2,694,533
s106 %	18.01%	49.10%	28.37%	0.97%	0.97%	2.57%
Latton Priory						
Units	50	500	500	0	0	0
S106 £	£6,830,689	£30,072,170	£9,373,621	£413,232	£413,232	£1,088,177
s106 %						
Water Lane Area (Sumners)						
Units	38	384	384	0	0	0
S106 £	£5,247,972	£25,729,792	£5,797,762	£317,598	£317,598	£836,342
s106 %	13.72%	67.27%	15.16%	0.83%	0.83%	2.19%
Water Lane Area (Katherines)						
Units	63	634	634	0	0	0
S106 £	£8,655,577	£42,359,372	£9,562,356	£523,820	£523,820	£1,379,394
s106 %	13.74%	67.23%	15.18%	0.83%	0.83%	2.19%
Gilston (Villages 1-6)						
Units	217	833	1,000	1,000	1,500	3,950
S106 £	£125,285,303	£105,060,160	£103,991,799	£41,914,009	£27,171,859	£42,101,898
s106 %	28.12%	23.58%	23.34%	9.41%	6.10%	9.45%
Gilston (Village 7)						
Units	0	500	500	500	0	0
S106 £	£19,369,648	£20,851,622	£18,518,411	£7,564,222	£4,644,246	£7,032,671
s106 %	24.84%	26.74%	23.75%	9.70%	5.96%	9.02%

Source: Arup, (March 2019)Note:

- 7.37 In the above some of the payments continue beyond the completion of the last unit. Where this is the case, in the modelling, it is assumed any payments that are scheduled for after the completion of the last unit are made in the year of the last unit. Equally, some of the payments are well before the start of the project, where this is the case, in the modelling it is assumed that the payment is made in the first year of the project. The above trajectory for the early phases of Gilston Villages 1-6 is slightly different to that in the IDP. The impact is considered to be minimal.
- 7.38 The trajectory of payments has changed between the previous iteration and this iteration (March 2019) of the assessment. This generally has an adverse impact on the appraisal results.

- 7.39 Whilst it is beyond the scope of this assessment to delve into the make up of the strategic infrastructure and mitigation costs, it is noted that some of the costs include doctors' surgeries. Such facilities have a value and are not necessarily a cost of development.
- 7.40 To enable sensitivity testing in this regard, a range of infrastructure costs ranging from £0 to £70,000 per unit has been tested.
- 7.41 Through the consultation process it was suggested⁷⁶ that a figure of £23,800 to £32,200 per plot be used, being based on a (indexed) figure from the Harman Guidance. Whilst the Harman Guidance is useful, in this instance it is necessary to use the actual estimate of the infrastructure requirements (which are substantially greater than those suggested in the Harman Guidance).
- 7.42 The above costs are estimates and they may be subject to change. Further, no allowance is made for any external funding. The Councils have a good track record in securing external funding for the Department of Transport (for M11 junction works) and others. By way of example, there are current HIF bids being prepared at the time of this report.

Financial and Other Appraisal Assumptions

CIL

- 7.43 None of the Councils have adopted CIL. No allowance is made for this tax.
- 7.44 One site promoter did suggest that an assumption be made as to the level of CIL and this be incorporated into the appraisals – based on nearby authorities. This has not been followed – if CIL is taken forward by any of the Authorities, the site promoters will be able to comment at that time (there is scope, within the CIL Regulations for strategic sites to be treated as separate CIL Zones).

VAT

- 7.45 It has been assumed throughout, that either VAT does not arise, or that it can be recovered in full⁷⁷.
- 7.46 Through the consultation⁷⁸ it was noted that VAT on the SDLT element of land purchases is not recoverable. This is the case where VAT is charged, however (based on information from the Land Registry) VAT only related to three of the sales set out in **Appendix 7** of this document. No change has been made in this regard.

⁷⁶ Water Lane, West Katherines

⁷⁷ Residential Development is zero rated so VAT on development can be recovered. Where an election is made to charge VAT in relation to non-residential development the VAT can be recovered.

⁷⁸ Water Lane, West Katherines

Interest rates

- 7.47 The appraisals assume 6% pa for total debit balances. No allowance is made for any equity provided by the developer. This does not reflect the current working of the market nor the actual business models used by developers. In most cases the smaller (non-plc) developers are required to provide between 30% and 40% of the funds themselves, from their own resources, so as to reduce the risk to which the lender is exposed. The larger plc developers tend to be funded through longer term rolling arrangements across multiple sites.
- 7.48 The 6% assumption may seem high given the very low base rate figure (0.75% March 2019). Developers that have a strong balance sheet, and good track record, can undoubtedly borrow less expensively than this, but this reflects banks' view of risk for housing developers in the present situation. In the residential appraisals, a simple cashflow is used to calculate interest.
- 7.49 The relatively high assumption of the 6% interest rate (relative to base rates), and the assumption that interest is chargeable on all the funds employed, has the effect of overstating the total cost of interest as most developers are required to put some equity into most projects.
- 7.50 A consultee⁷⁹ said:

Funding of development is a complex area which typically involves a number of different parties (including the developer) committing funds to support the development. The cost of these funds will not consistently lie at or below the 6% allowance identified in the draft HGVA and the interest costs for many scenarios will be above this allowance. This is particularly pertinent when considering complex phased long timescale schemes.

- 7.51 This is agreed, but it is necessary to make an appropriate assumption in an assessment of this type.
- 7.52 An arrangement fee of 1% of the peak borrowing requirement is also allowed for⁸⁰.

Developers' return

- 7.53 An allowance needs to be made for developers' return and to reflect the risk of development. Neither the NPPF, nor the CIL Regulations, nor the CIL Guidance provide useful guidance in this regard so, in reaching this decision, the RICS's '*Financial Viability in Planning*' (August 2012), the Harman Guidance *Viability Testing Local Plans, Advice for planning practitioners* (June 2012), and the HCA's Economic Appraisal Tool have been referred to. None of these documents are prescriptive, but they do set out some different approaches.
- 7.54 RICS's '*Financial Viability in Planning*' (August 2012) says:

⁷⁹ Latton Priory

⁸⁰ The peak borrowing requirement (assuming no developer's equity) is taken from the cashflow.

3.3.2 The benchmark return, which is reflected in a developer's profit allowance, should be at a level reflective of the market at the time of the assessment being undertaken. It will include the risks attached to the specific scheme. This will include both property-specific risk, i.e. the direct development risks within the scheme being considered, and also broader market risk issues, such as the strength of the economy and occupational demand, the level of rents and capital values, the level of interest rates and availability of finance. The level of profit required will vary from scheme to scheme, given different risk profiles as well as the stage in the economic cycle. For example, a small scheme constructed over a shorter timeframe may be considered relatively less risky and therefore attract a lower profit margin, given the exit position is more certain, than a large redevelopment spanning a number of years where the outturn is considerably more uncertain.

7.55 The Harman Guidance says:

Return on development and overhead

The viability assessment will require assumptions to be made about the average level of developer overhead and profit (before interest and tax).

The level of overhead will differ according to the size of developer and the nature and scale of the development. A 'normal' level of developer's profit margin, adjusted for development risk, can be determined from market evidence and having regard to the profit requirements of the providers of development finance. The return on capital employed (ROCE) is a measure of the level of profit relative to level of capital required to deliver a project, including build costs, land purchase, infrastructure, etc.

As with other elements of the assessment, the figures used for developer return should also be considered in light of the type of sites likely to come forward within the plan period. This is because the required developer return varies with the risk associated with a given development and the level of capital employed.

Smaller scale, urban infill sites will generally be regarded as lower risk investments when compared with complex urban regeneration schemes or large scale urban extensions.

Appraisal methodologies frequently apply a standard assumed developer margin based upon either a percentage of Gross Development Value (GDV) or a percentage of development cost. The great majority of housing developers base their business models on a return expressed as a percentage of anticipated gross development value, together with an assessment of anticipated return on capital employed. Schemes with high upfront capital costs generally require a higher gross margin in order to improve the return on capital employed. Conversely, small scale schemes with low infrastructure and servicing costs provide a better return on capital employed and are generally lower risk investments. Accordingly, lower gross margins may be acceptable.

This sort of modelling – with residential developer margin expressed as a percentage of GDV – should be the default methodology, with alternative modelling techniques used as the exception. Such an exception might be, for example, a complex mixed use development with only small scale specialist housing such as affordable rent, sheltered housing or student accommodation.

7.56 The HCA's Economic Appraisal Tool – the accompanying guidance for the tool kit says:

Developer's Return for Risk and Profit (including developer's overheads)

Open Market Housing

The developer 'profit' (before taxation) on the open market housing as a percentage of the value of the open market housing. A typical figure currently may be in the region of 17.5-20% and overheads being deducted, but this is only a guide as it will depend on the state of the market and the size and complexity of the scheme. Flatted schemes may carry a higher risk due to the high capital employed before income is received.

Affordable Housing

The developer 'profit' (before taxation) on the affordable housing as a percentage of the value of the affordable housing (excluding SHG). A typical figure may be in the region of 6% (the profit is less than that for the open market element of the scheme, as risks are reduced), but this is only a guide.

7.57 Paragraph 10-018-20180724 of the updated PPG says:

How should a return to developers be defined for the purpose of viability assessment?

Potential risk is accounted for in the assumed return for developers at the plan making stage. It is the role of developers, not plan makers or decision makers, to mitigate these risks. The cost of complying with policy requirements should be accounted for in benchmark land value. Under no circumstances will the price paid for land be relevant justification for failing to accord with relevant policies in the plan.

For the purpose of plan making an assumption of 15-20% of gross development value (GDV) may be considered a suitable return to developers in order to establish the viability of plan policies. Plan makers may choose to apply alternative figures where there is evidence to support this according to the type, scale and risk profile of planned development. A lower figure may be more appropriate in consideration of delivery of affordable housing in circumstances where this guarantees an end sale at a known value and reduces risk. Alternative figures may also be appropriate for different development types.

7.58 The above are not consistent, but it is clear that the purpose of including a developers' profit figure is not to mirror a particular business model, but to reflect the risk a developer is taking in buying a piece of land, and then expending the costs of construction before selling the property. The use of developers' profit in the context of area wide viability testing of the type required by the NPPF and CIL Regulation 14, is to reflect that level of risk.

7.59 Linking the developer's profit to GDV is not reflective of risk, as the risk relates to the cost of a scheme – the cost being the money put at risk as the scheme is developed. As an example (albeit an extreme one to illustrate the point) two schemes can be compared, A and B, each with a GDV £1,000,000, but scheme A has a development cost of £750,000 and scheme B a lesser cost of £500,000. All other things being equal, in A the developer stands to lose £750,000 (and make a profit of £250,000), but in B 'only' £500,000 (and make a profit of £500,000). Scheme A is therefore riskier, and it therefore follows that the developer will wish (and need) a higher return. By calculating profit on costs, the developer's return in scheme A would be £150,000 and in scheme B would be £100,000 and so reflect the risk – whereas if calculated on GDV the profits would be £200,000 in both.

7.60 Broadly there are four different approaches that could be taken:

- a. To set a different rate of return on each site to reflect the risk associated with the development of that site. This would result in a lower rate on the smaller and simpler sites – such as the greenfield sites, and a higher rate on the brownfield sites.
- b. To set a rate for the different types of unit produced – say 20% for market housing and 6% for affordable housing, as suggested by the HCA.
- c. To set the rate relative to costs – and thus reflect the risks of development.
- d. To set the rate relative to the gross development value.

- 7.61 In deciding which option to adopt, it is important to note that the intention is not to re-create any particular developer's business model. Different developers will always adopt different models and have different approaches to risk.
- 7.62 The argument is sometimes made that financial institutions require a 20% return on development value and if that is not shown they will not provide development funding. In the pre-Credit Crunch era there were some lenders who did take a relatively simplistic view to risk analysis but that is no longer the case. Most financial institutions now base their decisions behind providing development finance on sophisticated financial modelling that it is not possible to replicate in an assessment of this type. They require the developer to demonstrate a sufficient margin, to protect them in the case of changes in prices or development costs, but they will also consider a wide range of other factors, including the amount of equity the developer is contributing – both on a loan to value and loan to cost basis, the nature of development and the development risks that may arise due to demolition works or similar, the warranties offered by the professional team, whether or not the directors will provide personal guarantees, and the number of pre-sold units.
- 7.63 This is a high-level assessment where it is necessary and proportionate to take a relatively simplistic approach, so, rather than apply a differential return (either site by site or split between market and affordable housing), it is appropriate to make some broad assumptions.
- 7.64 In the initial iteration of this assessment the developers' return was assumed to be 17.5% of the value of market housing (being the midpoint in the range suggested by the PPG) and 6% of the value of affordable housing. This is in line with the updated PPG. In relation to non-residential development, an assumption of 15% is used. These assumptions should be considered with the assumption about interest rates in the previous section, where a cautious approach was taken with a relatively high interest rate, and the assumption that interest is charged on the whole of the development cost. Further consideration should also be given to the contingency sum in the appraisals which is also reflective of the risks.
- 7.65 In this regard one consultee⁸¹ commented:

For long term projects it is unrealistic in modelling terms to assume that the developer will defer all profit to the end of the scheme. In the case of strategic opportunities this suggests a 'nil return' development for 15+ years; a proposition which would generally not be funded.

This 'single phase' appraisal approach typically run by HDH on long projects should be modified to reflect the commercial reality that profit will need to be recovered from the scheme as it progresses rather than deferred entirely to the end of the scheme.

- 7.66 It is important to make a distinction between developers' return as used (in line with the PPG⁸²) and 'profit'. Viability in the planning system is not trying to imitate any particular developer's

⁸¹ Latton Priory

⁸² PPG 10-018-20180724 says:

or land promoter's business model, rather it is making an assessment of the deliverability of development sites in the way that is set out in the PPG. Under the Residual Valuation method adopted (as per the PPG and the Harman Guidance) the approach taken is appropriate. It is not appropriate to subdivide the site as implied, it is necessary to consider the deliverability of the whole site.

- 7.67 Another consultee⁸³ suggested that 20%, and another⁸⁴ 20% to 25%, be applied and this should be regarded as a minimum. As set out above, paragraph 10-018-20180724 of the updated PPG says that '*... for the purpose of plan making an assumption of 15-20% of gross development value (GDV) may be considered a suitable return to developers in order to establish the viability of plan policies ...*'.
- 7.68 In this iteration of this assessment the developers' return is assumed to be 20% of the value of market housing (being the top end of the range suggested by the PPG) and 6% of the value of affordable housing. The 20% / 6% assumption is broadly equivalent to 17.5% of total GDV. This may be seen as an overly cautious approach, bearing in mind the suggested range in the PPG, however, does reflect the comments of consultees.

Voids

- 7.69 On a scheme comprising mainly individual houses, one would normally assume only a nominal void period as the housing would not be progressed if there was no demand. In the case of apartments in blocks this flexibility is reduced. Whilst these may provide scope for early marketing, the ability to tailor construction pace to market demand is more limited.
- 7.70 For the purpose of the present assessment, a three-month void period is assumed for residential developments.

Phasing and timetable

- 7.71 A pre-construction period of six months is assumed for all of the sites. Each dwelling is assumed to be built over a nine-month period. The phasing programme for an individual site will reflect market take-up and would, in practice, be carefully estimated taking into account the site characteristics and, in particular, the size and the expected level of market demand. The rate of delivery will be an important factor when the Councils are considering the release of sites so as to manage the delivery of housing and infrastructure. Two aspects are relevant,

For the purpose of plan making an assumption of 15-20% of gross development value (GDV) may be considered a suitable return to developers in order to establish the viability of plan policies. Plan makers may choose to apply alternative figures where there is evidence to support this according to the type, scale and risk profile of planned development. A lower figure may be more appropriate in consideration of delivery of affordable housing in circumstances where this guarantees an end sale at a known value and reduces risk. Alternative figures may also be appropriate for different development types.

⁸³ Gilston – Village 7

⁸⁴ Water Lane – West Sumners

firstly the number of outlets that a development site may have, and secondly the number of units that an outlet may deliver.

7.72 We have followed the trajectory provided by the Councils that we understand has been developed with the various site promoters and taking account of recent delivery rates in the area. These assumptions are conservative and do, properly, reflect current practice. This is the appropriate assumption to make to be in line with the PPG and Harman Guidance.

7.73 The phasing is taken from the overall Garden Town trajectory:

Table 7.5 Harlow Garden Town Trajectory							
	2018 - 2023	2023 - 2028	2028 - 2033	2033 - 2038	2038 - 2043	2043+	Total
East of Harlow (North)	0	250	500	0	0	0	750
	0.00%	33.33%	66.67%	0.00%	0.00%	0.00%	
East of Harlow (South)	750	1,150	700	0	0	0	2,600
	28.85%	44.23%	26.92%	0.00%	0.00%	0.00%	
Latton Priory	50	500	500	0	0	0	1,050
	4.76%	47.62%	47.62%	0.00%	0.00%	0.00%	
Water Lane Area (Sumners)	38	384	384	0	0	0	806
	4.71%	47.64%	47.64%	0.00%	0.00%	0.00%	100.00%
Water Lane Area (Katherines)	63	634	634	0	0	0	1,331
	4.73%	47.63%	47.63%	0.00%	0.00%	0.00%	
Gilston (Villages 1-6)	217	833	1,000	1,000	1,500	3,950	8,500
	2.55%	9.80%	11.76%	11.76%	17.65%	46.47%	
Gilston (Village 7)	0	500	500	500	0	0	1,500
	0.00%	33.33%	33.33%	33.33%	0.00%	0.00%	

Source: Arup (March 2019)

7.74 It is important to note that the above is taken from the wider trajectory and is in 5-year blocks. Within each 5-year block it is assumed that the delivery is equal in each year.

Site Acquisition and Disposal Costs

Site holding costs and receipts

7.75 Each site is assumed to proceed immediately (following a 6-month mobilisation period) and so, other than interest on the site cost during construction, there is no allowance for holding costs, or indeed income, arising from ownership of the site.

Acquisition costs

7.76 An allowance 1.5% for acquisition agents' and legal fees is made. Stamp duty is calculated at the prevailing rates.

Disposal costs

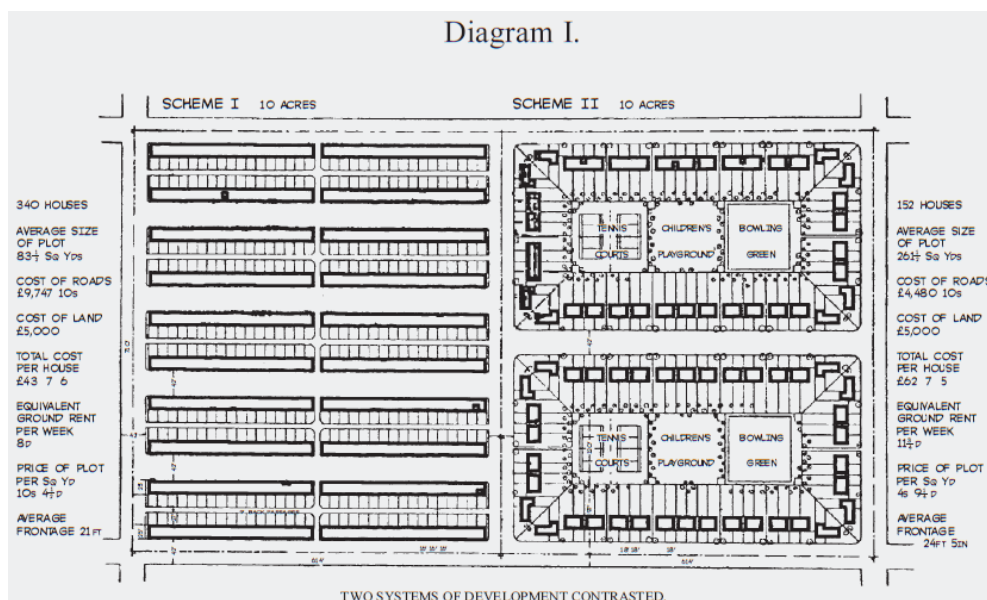
- 7.77 For the market and the affordable housing, sales and promotion and legal fees are assumed to amount to 3.5% of receipts. For disposals of affordable housing, these figures can be reduced significantly depending on the category, so in fact the marketing and disposal of the affordable element is probably less expensive than this.

8. Local Plan Policy Requirements

- 8.1 Ultimately the purpose of this assessment is to demonstrate the deliverability of the sites that make up the Harlow and Gilston Garden Town. This needs to be done in the context of local planning policies. The three Councils are at different stages of the plan-making process.
- Harlow Council has prepared and agreed a submission Local Plan which was published for comments on legality and soundness between 10th May and 22nd June 2018. The Plan was submitted for public examination in October 2018 and the hearings have taken place and are now adjourned.
 - Epping Forest District Council's Local Plan Submission Version was published for comments on soundness and legal compliance for a six-week period from 18th December 2017 to 29th January 2018. The hearings are now underway.
 - East Herts District Plan was submitted in early 2017; it has been through the examination process and was adopted later on 23rd October 2018.
- 8.2 The Councils' policy requirements are summarised in **Appendix 10**. The main requirements that impact on viability are set out below.

Garden City Principles

- 8.3 It is not the purpose of this paper to discuss or develop the Garden City principles – they are a requirement of the proposals. It is however important to appreciate what they are.



Source: Diagram 1 Nothing Gained by Overcrowding! Raymond Unwin. 1912

- 8.4 The TCPA has published a series of documents setting out the characteristics and principles underpinning a Garden City approach. The principles and basic assumptions for how these have been reflected in modelling, noting this is a high level assessment can be summarised as follows:

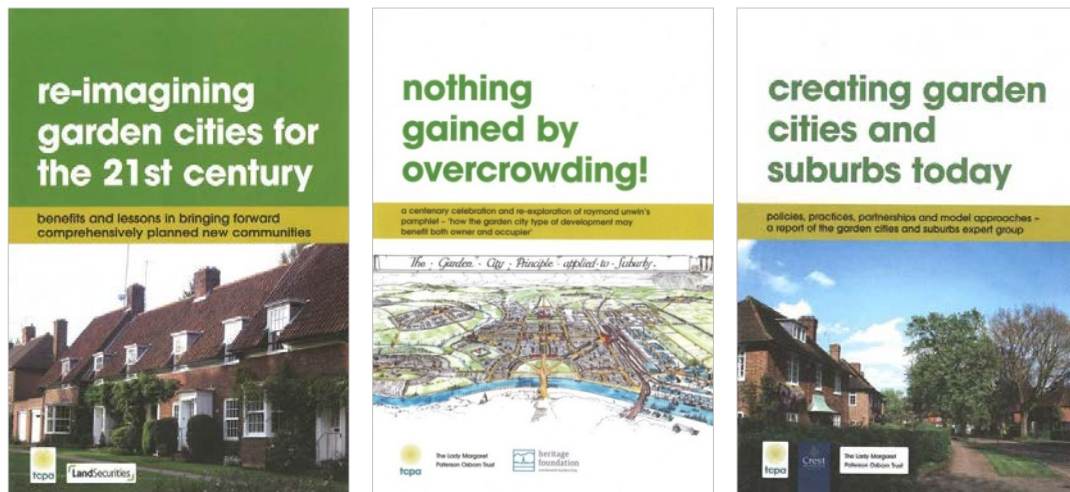
Table 8.1 Modelling Garden City Principles

Garden City Principles	How this is reflected in assumptions and modelling
Strong vision, leadership and community engagement.	This is dealt with at the planning stage and assumed to be covered in the professional fee allowances. In practice it may extend the planning process. In a new standalone development the community engagement is likely to be substituted by a wider engagement (as the community will not yet have been formed)
Land value capture for the benefit of the community.	Discussion around this is the output of this report so not modelled.
Community ownership of land and long-term stewardship of assets.	In the modelling it has been assumed that the openspaces are transferred to a community trust or similar. The IDP identifies establishing mechanisms for ongoing stewardship and governance as an important requirement but no costs have currently been associated with this. Dependent upon the approach taken, it is acknowledged that this could represent an additional cost to development.
Mixed-tenure homes and housing types that are affordable for ordinary people.	A mix of market and affordable housing is assumed, with a mix of unit sizes bases on policy requirements.
A strong local jobs offer in the Garden City itself, with a variety of employment opportunities within easy commuting distance of homes.	The land budget includes land for employment uses.
Beautifully and imaginatively designed homes with gardens, combining the very best of town and country living to create healthy homes in vibrant communities.	Generally, we have taken the view that good design costs no more than poor design and assumed the costs of design and construction are in line with industry norms.
Generous green space linked to the wider natural environment, including a surrounding belt of countryside to prevent sprawl, well connected and biodiversity rich public parks, and a mix of public and private networks of well-managed, high-quality gardens, tree-lined streets and open spaces.	The layout and landscaping are at the core of this study and are set out below.
Opportunities for residents to grow their own food, including generous allotments.	The openspace provisions provide adequate space for allotments.
Strong local cultural, recreational and shopping facilities in walkable neighbourhoods.	The modelling includes appropriate levels of community buildings and retailing.
Integrated and accessible transport systems – with a series of settlements linked by rapid transport providing a full range of employment opportunities (as set out in Howard's vision of the 'Social City').	The modelling includes appropriate contributions to improvements to local transport.

Source: HDH 2018

- 8.5 The TCPA work included an analysis of Garden City neighbourhood design as compared to that followed by conventional practice. This work, included as part of the centenary republication of Raymond Unwin's *Nothing Gained by Overcrowding!*, concluded that:

"the Garden City approach holds significant advantages over a typical layout produced by current practice. It organises streets, homes and gardens in much more efficient way so as to achieve a comparable density of development while providing residents with substantially more generous gardens, outdoor amenity space and tree-lined streets. Moreover, this better approach to neighbourhood planning translates into significant cost savings in the construction of expensive roads and parking areas, so that the benefits of the Garden City approach can be secured at a more affordable cost" (pg. 36).



- 8.6 As explained in Chapter 7 above, this work is used as a basis for attributing development costs to the development.
- 8.7 In this report we have assumed that for large scale development it is necessary to consider commercial and community facilities as well as residential development. The Garden City principles put considerable importance on the access to local employment and services. The proposed sites are all major development propositions and requires the provision of appropriate employment service and ancillary supporting development, as well as infrastructure.

Nationally Described Space Standards

- 8.8 It is assumed that these will apply. In March 2015 the Government published *Nationally Described Space Standard – technical requirements*. This says

This standard deals with internal space within new dwellings and is suitable for application across all tenures. It sets out requirements for the Gross Internal (floor) Area of new dwellings at a defined level of occupancy as well as floor areas and dimensions for key parts of the home, notably bedrooms, storage and floor to ceiling height.

8.9 The following unit sizes are set out⁸⁵:

Table 8.2 National Space Standards. Minimum gross internal floor areas and storage (m²)					
number of bedrooms	number of bed spaces	1 storey dwellings	2 storey dwellings	3 storey dwellings	built-in storage
1b	1p	39 (37)*			1
	2p	50	58		1.5
2b	3p	61	70		2
	4p	70	79		
3b	4p	74	84	90	2.5
	5p	86	93	99	
	6p	95	102	108	
4b	5p	90	97	103	3
	6p	99	106	112	
	7p	108	115	121	
	8p	117	124	130	
5b	6p	103	110	116	3.5
	7p	112	119	125	
	8p	121	128	134	
6b	7p	116	123	129	4
	8p	125	132	138	

Source: Table 1, Technical housing standards – nationally described space standard (March 2015)

8.10 In this assessment the units are assumed to be in excess of these National Space Standards.

Accessible and Adaptable Standards

8.11 The Councils are seeking that all new homes be built to Part M4 – Category 2 of Building Regulations (accessibility and adaptability). It is also assumed that 10% of all new homes are built to Part M4 Category 3 (accessible and adaptable for occupants who use a wheelchair).

8.12 The additional costs of the space standards (as set out in the draft Approved Document M amendments included at Appendix B4) are set out in the table below. The key features of the

⁸⁵

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/524531/160519_Nationally_Described_Space_Standard_Final_Web_version.pdf

3 level standard (as summarised in the DCLG publication *Housing Standards Review – Cost Impacts* (EC Harris, September 2014)), reflect accessibility as follows:

- Category 1 – Dwellings which provide reasonable accessibility
- Category 2 – Dwellings which provide enhanced accessibility and adaptability
- Category 3 – Dwellings which are accessible and adaptable for occupants who use a wheelchair.

Table 8.3 Additional Costs of Building to the draft Approved Document M amendments included at Appendix B4.

Table 45 – Access costs summary

	1B Apartment	2B Apartment	2B Terrace	3B Semi-detached	4B Detached
Cost all dwellings (extra over current industry practice)					
Category 1	-	-	-	-	-
Category 2	£940	£907	£523	£521	£520
Category 3 Adaptable	£7,607	£7,891	£9,754	£10,307	£10,568
Category 3 Accessible	£7,764	£8,048	£22,238	£22,791	£23,052

Table 45a – Access related space cost summary

	1B Apartment		2B Apartment		2B Terrace		3B Semi-detached		4B Detached	
Cost increase for additional m2										
Category 2	+ 1 sq.m	£722	+ 1 sq.m	£722	+ 2 sq.m	£1,444	+ 3 sq.m	£2,166	+ 3 sq.m	£2,166
Category 3	+ 8 sq.m	£5,776	+ 14 sq.m	£10,108	+ 21 sq.m	£15,162	+ 24 sq.m	£17,328	+ 24 sq.m	£17,328

Table 45b – Access related space cost after Space cost recovery

	1B Apartment		2B Apartment		2B Terrace		3B Semi-detached		4B Detached	
Category 2	+ 1 sq.m	£289	+ 1 sq.m	£289	+ 2 sq.m	£578	+ 3 sq.m	£866	+ 3 sq.m	£866
Category 3	+ 8 sq.m	£2,310	+ 14 sq.m	£4,043	+ 21 sq.m	£6,065	+ 24 sq.m	£6,931	+ 24 sq.m	£6,931

Source: Page 38, DCLG publication *Housing Standards Review – Cost Impacts* (EC Harris, September 2014)

8.13 In line with a consultee's comments these have been increased in line with the increase in the BCIS costs (12%⁸⁶). The additional costs of building to the 'accessible and adaptable' Category 2 are included.

⁸⁶ Based on the BCIS General Building Cost Index – Q1 2014 316, Q3 2018 353. Quarterly Review of Prices, Issue 150, September 2018

Developer contributions, including Community Infrastructure Levy (CIL)

- 8.14 It is clear that the planned development will require supporting infrastructure and mitigation measures. The scope to bear developer contributions has been considered.
- 8.15 The overall levels of developer contributions are considered relative to different levels of affordable housing.

Water efficiency standards – exceeding minimum requirements of the Building Regulations

- 8.16 It is assumed that these will apply. The costs are modest, likely to be less than £100/dwelling⁸⁷.

Flood Risk

- 8.17 It is anticipated that the new development will be required to incorporate Sustainable Urban Drainage Schemes (SUDS).
- 8.18 SUDS and the like can add to the costs of a scheme – although in larger projects these can be incorporated into public open space. It is assumed that on larger greenfield sites, of the type planned, that SUDS will be incorporated into the green spaces, and be delivered through soft landscaping within the wider site costs.

Other Design Requirements

- 8.19 Bearing in mind the wider transport objectives, it is assumed that schemes will have electric charging points for vehicles. The costs of these vary (and are falling) and are in some cases covered in part by grants. An allowance of £250 per unit is allowed for.

Housing Mix

- 8.20 The Councils each seek an appropriate mix of housing. In terms of size mix, this is taken from the *West Essex and East Hertfordshire Strategic Housing Market Assessment* (ORS, September 2015) as follows.

⁸⁷ Table 26 – Water standards costs summary, 'DCLG publication Housing Standards Review – Cost Impacts' (EC Harris, September 2014).

Table 8.4 Housing Mix				
		Harlow	Epping Forest	East Herts
	Bedrooms			
Market Housing				
Flat	1	6.80%	5.32%	5.83%
	2+	1.20%	5.57%	6.65%
House	2	24.40%	12.62%	12.40%
	3	67.60%	50.62%	46.31%
	4	2.00%	19.55%	22.50%
	5+	0.00%	6.31%	6.32%
Affordable Housing				
Flat	1	2.90%	17.70%	19.43%
	2+	16.10%	13.98%	11.14%
House	2	27.60%	22.05%	28.67%
	3	41.10%	36.65%	33.41%
	4	10.50%	9.63%	7.35%

Source Figure 76 West Essex and East Hertfordshire SHMA (ORS, September 2015)

8.21 It is not the intention that this mix be applied rigidly to each and every site, rather it will be one of a range of factors to be considered when schemes are being designed. Concern around the mix was further made following the February 2019 consultation⁸⁸ and whether or not this mix was appropriate. For the purpose of this assessment it is necessary to follow the Councils' policies. It may be that developers actually pursue different mixes (for example including elements of older people's housing etc) and this may have a positive impact on viability.

8.22 This mix was commented on though the consultation process⁸⁹:

The consortium comments that the SHMA %'s do not add up to 100% and further queries the SHMA mix in particular 8% market flats, the heavy focus on 3 beds and only 2% 4 beds. In relation to the affordable mix, the consortium query the high percentage of 3 and 4 beds at 52%.

8.23 This analysis is taken from the West Essex and East Hertfordshire SHMA (ORS, September 2015) and it is understood that the numbers have been rounded so do not all sum. It is accepted that this mix may not align with what developers may wish to build (to maximise

⁸⁸ Gilston – Villages 1-6

⁸⁹ Quote from Water Lane – West Katherines, Gilston – Village 7 also commented.

returns). It is however important that the modelling in this report follows the policy requirements of the Plans.

- 8.24 Some concern was also expressed⁹⁰ about absorption rates (i.e. the rate of sales) if the preferred SHMA mix was to be followed rigidly. To maximise build out rates it is necessary to have a diverse range of housing products and a range of specifications and prices. Whilst this was a passing comment that was not supported by evidence, this is a fair point to make – particularly on large, long term schemes that may well be delivered across several economic cycles.

Self and Custom Build

- 8.25 East Herts has a policy (Policy HOU8 Self-Build and Custom Build Housing) requiring 1% requirement on sites of 200 units and larger. This has been tested.

Gypsy and Traveller pitches

- 8.26 Several of the sites require the inclusion of gypsy and traveller pitches. The costs of providing these was discussed through the consultation. These have been assumed to cost £30,000 per pitch which is in line with the suggestion that the cost is about 25% of the cost of a house.
- 8.27 Whilst there is a cost to providing such pitches – but they also have a value (the policy does not require that the pitches are affordable pitches).
- 8.28 There is a substantial evidence base⁹¹ as to the value of park home pitches and holiday home pitches, suggesting that across the whole of England, park home pitches have a value of about £30,000/pitch and holiday homes have a value of about £20,000/pitch. These are clearly not gypsy, traveller and travelling showpeople pitches so limited weight should be given to these figures.
- 8.29 In this study it is assumed the costs of providing gypsy and traveller pitches is cost neutral. It is assumed that the overall number of dwellings does not need to be reduced to create space for such pitches.

Supplementary Planning Documents

- 8.30 The East Herts and Harlow have a number of adopted SPDs. These are assumed to be superseded by the new Plans or adequately covered through the assessment of the Plan Policies, therefore, this assessment does not make any specific allowance for SPDs.

⁹⁰ Gilston – Villages 1-6

⁹¹ Such as Sanderson Weatherall's Holiday & Caravan Park , 2019 Market Report.

9. Modelling

- 9.1 In the previous chapters, the general assumptions to be inputted into the development appraisals are set out. In this chapter, the modelling is set out.

Residential Development

- 9.2 The purpose of this assessment is to establish the viability of four new Garden Town Communities:
- East of Harlow** located in Harlow and Epping Forest. Total estimated number of dwellings – 3,350
 - Latton Priory** located in Epping Forest. Total estimated number of dwellings – 1,050
 - Water Lane Area** located in Epping Forest. Total estimated number of dwellings – 2,500
 - Gilston Area** located in East Hertfordshire. Total estimated number of dwellings – 10,000 (of which at least 3,050 will be delivered in the plan-period).
- 9.3 The sites are modelled individually. Further detail is provided in **Appendix 11** below. The main characteristics of the sites are summarised as follows and form the basis of the modelling.

Table 9.1 Summary of Main Harlow Garden Town Sites			
		Units	Allocation ha
East of Harlow (North)	EFDC	750	125.96
East of Harlow (South)	HBC	2,600	239.00
Latton Priory	EFDC	1,050	76.18
Water Lane Area (Sumners)	EFDC	1,331	72.33
Water Lane Area (Katherines)	EFDC	807	36.04
Gilston (Villages 1-6)	EHDC	8,500	1,000.00
Gilston (Village 7)	EHDC	1,500	120.00

Source: HC, EHDC, EFDC (March 2019)

Development assumptions

- 9.4 In arriving at appropriate assumptions for residential development on each site, the built forms used in the appraisals are appropriate to the current development practices. In addition, the policy requirements, as set out in Chapter 8 above, in terms of mix are incorporated.
- 9.5 The sites have been modelled in a way that responds to the variety of development situations and densities typical in the area, and this is used to inform development assumptions for sites. This approach enables us to form a view about floorspace density, based on the amount of development, measured in net floorspace per hectare, to be accommodated upon each site.



This is a key variable because the amount of floorspace which can be accommodated on a site relates directly to the Residual Value, and is an amount which developers will normally seek to maximise (within the constraints set by the market).

- 9.6 A typical layout of post-PPG3/PPS3 built form would provide development at between 3,000m²/ha to 3,550m²/ha on a substantial site, or sensibly shaped smaller site. A representative housing density might be 30/net ha to 35/net ha. This has become a common development format. It provides for a majority of houses but with a small element of flats, in a mixture of two storey and two and a half to three storey form, with some rectangular emphasis to the layout.
- 9.7 Some schemes will have an appreciably higher density development providing largely or wholly apartments, in blocks of three storeys or higher, with development densities of 6,900m²/ha and dwelling densities of 100units/ha upwards; and other schemes of lower density, in the rural edge situations.
- 9.8 The main characteristics of the modelled sites are set out in the tables below. In all cases the net density is calculated at 35units/ha and gives a density of about 3,200m²/ha. It is important to note that this is based on the Councils' preferred housing mix. This preferred housing mix contains more smaller units than some developers would choose to include.

Table 9.2 Site Areas and Densities

			Units	Allocation ha	Net Density units/ha	Net Area ha	m2/ net ha	Units/ Gross ha
1	East of Harlow - North	EFDC	750	125.96	35.00	21.43	3,236	5.95
2	East of Harlow - South	HBC	2,600	239.00	35.00	74.29	3,090	10.88
3	Latton Priory	EFDC	1,050	76.18	35.00	30.00	3,235	13.78
4	Water Lane - W Katherine's	EFDC	1,331	72.33	35.00	38.03	3,236	18.40
5	Water Lane - W Summers	EFDC	807	36.04	35.00	23.06	3,234	22.39
6	Gilston - Villages 1-6	EHDC	8,500	1,000.00	35.00	242.86	3,207	8.50
7	Gilston - Villages 7	EHDC	1,500	120.00	35.00	42.86	3,207	12.50

Source: HDH (February 2019)

- 9.9 Some of the allocations are very large relative to the numbers of units that are to be delivered from them with some generating densities of less than 15 units per ha. In part this is because the sites are subject to constraints and whilst the 'red line' around the allocation takes in the whole site, only part is developable. In terms of assessing viability as required by the NPPF and PPG, in a high level assessment of this type it necessary consider the policy requirements. The core analysis is therefore based on a net developable area of 60% - apart from the West Sumners site where the actual area is used.

Table 9.3 Modelling Assumptions

			Units	Modelled Area	Net Density units/ha	Net Area ha	m2/ net ha	Units/ Gross ha	Net Developable %
1	East of Harlow - North	EFDC	750	35.71	35.00	21.43	3,236	5.95	60.00%
2	East of Harlow - South	HBC	2,600	123.81	35.00	74.29	3,090	10.88	60.00%
3	Lattin Priory	EFDC	1,050	50.00	35.00	30.00	3,235	13.78	60.00%
4	Water Lane - W Katherines	EFDC	1,331	63.38	35.00	38.03	3,236	18.40	60.00%
5	Water Lane - W Summers	EFDC	807	36.04	35.00	23.06	3,234	22.39	63.98%
6	Gilston - Villages 1-6	EHDC	8,500	404.76	35.00	242.86	3,207	8.50	60.00%
7	Gilston - Villages 7	EHDC	1,500	71.43	35.00	42.86	3,207	12.50	60.00%

Source: HDH (February 2019)

- 9.10 Through the February 2019 consultation some of the areas used were questioned. The modelling is based on the areas of the whole allocations rather than ownerships and sub areas. The net and gross areas of the final schemes brought forward may be different to the above, however in a high-level assessment of this type it is necessary to base the modelling and analysis on relatively simple assumptions that are based on a policy compliant scheme.

- 9.11 The treatment of the Epping Forest SANG⁹² was discussed⁹³ through the February 2019 consultation, particularly in relation to the West Sumner's site. Further work is underway which will quantify the requirements for a SANG. At the time of this report (March 2019) it is not known whether an on-site SANG will be required, and if it is required how big it would be. The modelling assumes that there is not a SANG on this site (although we acknowledge the site promoter is currently assuming it will be). If an area of SANG is included, this could have the effect of reducing the developable area and the number of units. This may have the impact of reducing the ability of the site to bear strategic infrastructure and mitigation costs.

Older People's Housing

- 9.12 A private sheltered/retirement and an extracare scheme have been modelled, each on a 0.5ha site as follows.
- a. A private sheltered/retirement scheme of 20 x 1 bed units of 50m² and 25 x 2 bed units of 75m² to give a net saleable area (GIA) of 2,875m². We have assumed a further 20% non-saleable service and common areas to give a scheme GIA of 3,594m².
 - b. An extracare scheme of 36 x 1 bed units of 65m² and 24 x 2 bed units of 80m² to give a net saleable area (GIA) of 4,260m². We have assumed a further 35% non-saleable service and common areas to give a scheme GIA of 6,554m².

Employment Uses

- 9.13 For this assessment, we have assessed a number of development types. We have based our modelling on the following development types:
- a. **Offices.** These are more than 250m², will be of steel frame construction, be over several floors and will be located on larger business parks. Typical larger units are around 2,000m² – we will use this as the basis of our modelling.

We have made assumptions about the site coverage and density of development on the sites. We have assumed 75% coverage on the office sites in the urban situation and 25% elsewhere. We have assumed two story construction in the business park situation, and four-story construction in the urban situation.
 - b. **Large Industrial.** Modern industrial units of over 4,000m². There is little new space being constructed. This is used as the basis of the modelling. We have assumed 40% coverage which based on the single storey construction.

⁹² Suitable Alternative Natural Greenspace

⁹³ West Sumners

- c. **Small Industrial.** Modern industrial units of 400m². We have assumed 40% coverage which based on the single storey construction.
- d. **Distribution.** These will normally be on a business park and be of simple steel frame construction, the walls will be of block work and insulated cladding and there will be a small office area. Typical small units in the area are around 4,000m² – we will use this as the basis of our modelling.

9.14 We have not looked at the plethora of other types of commercial and employment development beyond office and industrial/storage uses in this assessment.

10. Residential Appraisal Results

- 10.1 At the start of this chapter it is important to stress that the results of the appraisals do not, in themselves, determine policy. The results of this assessment are one of a number of factors that the Councils will consider, including the need for infrastructure and other available evidence, such as the Councils' track record in delivering affordable housing and collecting payments under s106.
- 10.2 The appraisals use the residual valuation approach – that is, they assess the value of the site after taking into account the costs of development, the income from sales and/or rents and a developers' return. The Residual Value represents the maximum bid for the site where the payment is made in a single tranche on the acquisition of a site. In order for the proposed development to be described as viable, it is necessary for the Residual Value to exceed the Existing Use Value (EUV) by a satisfactory margin, being the Benchmark Land Value (BLV).
- 10.3 Several sets of appraisals have been run, based on the assumptions in the previous chapters of this report, including the affordable housing requirement and developer contributions as identified by Arup in the Garden Town Infrastructure Delivery Plan (IDPs).
- 10.4 As set out above, for each of the development sites, the Residual Value is calculated. The results are set out and presented for each site and per gross hectare to allow comparison between sites. The results tables in this chapter are colour coded using a simple traffic light system:

Green **Viable** – where the Residual Value per hectare exceeds the BLV per hectare (being the EUV plus the appropriate uplift to provide a landowner's premium).

Amber **Marginal** – where the Residual Value per hectare exceeds the EUV but not the BLV per hectare. These sites should not be considered as viable when measured against the test set out – however, depending on the nature of the site and the owner, they may come forward.

Red **Non-viable** – where the Residual Value does not exceed the EUV.

- 10.5 It is important to note that a report of this type applies assumptions that are broadly reflective of an area to make an assessment of viability. It is recognised that the fact that a site is shown as viable does not necessarily mean that it will come forward for development and vice versa. Nevertheless, the importance that is placed on viability at the plan-making stage of the planning process means that this assessment will inform the delivery of the Harlow and Gilston Garden Town.

Base Appraisals – full policy requirements

- 10.6 These appraisals are based on the full 'policy on' scenario, including full compliance with the affordable housing policies and the full provision of the strategic infrastructure and mitigation costs (as identified through the IDP process) set out in Chapter 7 above. The full appraisals are included in **Appendix 12**.



Table 10.1 Residential Development – Residual Value.
FULL POLICY REQUIREMENTS

							Area (ha)		Units	Residual Value (£)		
							Gross	Net		Gross ha	Net ha	Site
Site 1	East of Harlow - North	EFDC	Green				35.71	21.43	750	162,101	270,168	5,789,314
Site 2	East of Harlow - South	HBC	Green				123.81	74.29	2,600	518,717	864,529	64,222,164
Site 3	Latton Priory	EFDC	Green				50.00	30.00	1,050	340,575	567,626	17,028,766
Site 4	Water Lane - W Katherines	EFDC	Mixed				63.38	38.03	1,331	191,272	318,787	12,123,012
Site 5	Water Lane - W Sumners	EFDC	Green				36.04	23.06	807	260,349	406,945	9,382,985
Site 6	Gilston - Villages 1-6	EHDC	Green				404.76	242.86	8,500	-119,698	-199,497	-48,449,161
Site 7	Gilston - Villages 7	EHDC	Green				71.43	42.86	1,500	431,575	719,291	30,826,760

Source: HDH (March 2019)

- 10.7 The results vary across the modelled sites, although this is largely due to the different assumptions around the values generated by the site and the level of the s106 developer contributions sought for strategic infrastructure and mitigation measures as well as the Councils' differing affordable housing requirements.
- 10.8 In this iteration of this assessment, the results of some of the appraisals (East of Harlow – North, Latton Priory, Water Lane – West Katherine's and West Sumners, and Gilston – Villages

1-6) are notably less good than in the previous iteration (February 2019) of this assessment. The principal variable that has changed is the timing of the infrastructure payments, with further front loading now modelled. The apportionment of the requirements across the sites has also been altered:

- a. East of Harlow – North is modelled with 25% (£8,745,000) in year one and 11% (£3,750,000) in year two.
- b. Latton Priory is modelled with 14% (£6,825,000) in year one and 12% (£6,000,000) in year two.
- c. Water Lane – West Katherines is modelled with 14% (£8,660,000) in year one and 13% (£8,475,000) in year two.
- d. Water Lane – West Sumners is modelled with 14% (£5,250,000) in year one and 13% (£5,150,000) in year two.
- e. Gilston – Village 7 is modelled with 30% (£23,500,000) in year one.

10.9 In the above results, with the exception of Gilston – Villages 1-6, all the sites generate a positive Residual Value that is over £270,000/net ha or £160,000/gross ha.

10.10 The Residual Values on East of Harlow - South are notably higher than on East of Harlow – North. The house values are similar across the area, however the southern part of the site is subject to 30% affordable and developer contributions of about £40,000/unit, and the northern part is subject to the higher affordable housing requirement of 40% and developer contributions of about £46,000/unit.

10.11 The values across the two parts of the Water Lane site are similar.

10.12 The Gilston – Villages 1-6 site requires particular mention. This is a very large site that has been assessed in this assessment as a single site. The PPG sets out how to go about a viability assessment and part of this is to assume the whole site is purchased, up front, in one lot. This works well for smaller sites, but this site is so large that this results in high cumulative interest payments over the delivery modelled. The reality is that such a large site would come forward in different phases, and this is recognised through the subdivision into villages. Each of these villages will have its own sense of place, but the requirements for infrastructure are shared and assessed over the whole of the 6 villages. This is well illustrated by comparing Gilston – Villages 1-6 to Gilston – Village 7. Both have similar policy requirements (both are in East Herts) and both have similar levels of developer contributions (about £52,500 per unit). In spite of these similarities, the results are very different.

10.13 In the further analysis set out below the Gilston – Villages 1-6 is modelled as 6 separate elements as well as a single element. In this modelling the net area is assessed at 35 units/ha and the gross area assumes a net developable area of 60%. For the purpose of this analysis is assumed that the s106 strategic infrastructure and mitigation costs are spread over each Village equally and pro-rata to the rate of development.

10.14 When considering the results of the Gilston – Villages 1-6 it is necessary to appreciate that the site is in a single ownership and that the precise phasing and delivery of the separate communities is yet to be finalised.

								Area (ha)		Units	Residual Value (£)		
								Gross	Net		Gross ha	Net ha	Site
Site 1			EFDC	Green	Agricultural	35.71	21.43	750			162,101	270,168	5,789,314
Site 2			HBC	Green	Agricultural	123.81	74.29	2,600			518,717	864,529	64,222,164
Site 3			EFDC	Green	Agricultural	50.00	30.00	1,050			340,575	567,626	17,028,766
Site 4			EFDC	Mixed	Ag / Glass	63.38	38.03	1,331			191,272	318,787	12,123,012
Site 5			EFDC	Green	Agricultural	36.04	23.06	807			260,349	406,945	9,382,985
Site 6			EHDC	Green	Agricultural	404.76	242.86	8,500			-119,698	-199,497	-48,449,161
Site 7			EHDC	Green	Agricultural	71.43	42.86	1,500			431,575	719,291	30,826,760
Site 8			EHDC	Green	Agricultural	90.48	54.29	1,901			463,049	771,749	41,894,939
Site 9			EHDC	Green	Agricultural	84.76	50.86	1,780			474,864	791,440	40,250,381
Site 10			EHDC	Green	Agricultural	42.86	25.71	900			575,048	958,413	24,644,911
Site 11			EHDC	Green	Agricultural	95.24	57.14	2,000			452,089	753,482	43,056,101
Site 12			EHDC	Green	Agricultural	36.19	21.71	760			593,407	989,012	21,475,681
Site 13			EHDC	Green	Agricultural	54.86	32.91	1,152			545,560	909,266	29,927,847

Source: HDH (March 2019)

10.15 When disaggregated, the results of the Gilston – Villages 1-6 are very much better, being around £500,000/ha.

10.16 Due to the range of site sizes it is also useful to consider the results on a per unit basis:

Table 10.3 Residential Development – Residual Value as £/unit	
East of Harlow - North	£7,719
East of Harlow - South	£24,701
Latton Priory	£16,218
Water Lane - W Katherines	£9,108
Water Lane - W Sumners	£11,627
Gilston - Villages 1-6	-£5,700
Gilston - Villages 7	£20,551
Gilston 1	£22,038
Gilston 2	£22,613
Gilston 3	£27,383
Gilston 4	£21,528
Gilston 5	£28,257
Gilston 6	£25,979

Source: HDH (March 2019)

10.17 The Residual Value is not a good indication of viability by itself, simply being the maximum price that a developer may bid for a parcel of land, and still make an adequate return.

10.18 In the following tables the Residual Value is compared with the BLV. The BLV being an amount over and above the EUV that is sufficient to provide the landowner with a premium, and to induce them to sell the land for development as set out in Chapter 6 above.

Table 10.4 Residual Development v Benchmark Land Value					
Per Gross Ha - Full Policy On					
			Alternative Use Value	Benchmark Land Value	Residual Value
Site 1	East of Harlow - North	EFDC	22,500	322,500	162,101
Site 2	East of Harlow - South	HBC	22,500	322,500	518,717
Site 3	Latton Priory	EFDC	22,500	322,500	340,575
Site 4	Water Lane - W Katherines	EFDC	315,530	585,553	191,272
Site 5	Water Lane - W Sumners	EFDC	22,500	322,500	260,349
Site 6	Gilston - Villages 1-6	EHDC	22,500	322,500	-119,698
Site 7	Gilston - Villages 7	EHDC	22,500	322,500	431,575
Site 8	Gilston 1	EHDC	22,500	322,500	463,049
Site 9	Gilston 2	EHDC	22,500	322,500	474,864
Site 10	Gilston 3	EHDC	22,500	322,500	575,048
Site 11	Gilston 4	EHDC	22,500	322,500	452,089
Site 12	Gilston 5	EHDC	22,500	322,500	593,407
Site 13	Gilston 6	EHDC	22,500	322,500	545,560

Source: HDH (March 2019)

Table 10.5 Residual Development v Benchmark Land Value					
Per Net Ha - Full Policy On					
			Alternative Use Value	Benchmark Land Value	Residual Value
Site 1	East of Harlow - North	EFDC	22,500	322,500	270,168
Site 2	East of Harlow - South	HBC	22,500	322,500	864,529
Site 3	Latton Priory	EFDC	22,500	322,500	567,626
Site 4	Water Lane - W Katherines	EFDC	315,530	585,553	318,787
Site 5	Water Lane - W Sumners	EFDC	22,500	322,500	406,945
Site 6	Gilston - Villages 1-6	EHDC	22,500	322,500	-199,497
Site 7	Gilston - Villages 7	EHDC	22,500	322,500	719,291
Site 8	Gilston 1	EHDC	22,500	322,500	771,749
Site 9	Gilston 2	EHDC	22,500	322,500	791,440
Site 10	Gilston 3	EHDC	22,500	322,500	958,413
Site 11	Gilston 4	EHDC	22,500	322,500	753,482
Site 12	Gilston 5	EHDC	22,500	322,500	989,012
Site 13	Gilston 6	EHDC	22,500	322,500	909,266

Source: HDH (March 2019)

10.19 In the above analysis the EUV is taken to be an agricultural value except in the case of Water Lane – West Katherines. Part of Water Lane – West Katherines is under glasshouses (19ha / 30%) and the remainder (that will be subject to development) is in agricultural use (44ha /

70%). As set out in Chapter 6 above, an industrial use value is attributed to the areas under glasshouses.

- 10.20 East of Harlow – North produces a Residual Value of about £160,000/ha. Whilst this is well above the EUV, it is not above the BLV. As set above, this site is modelled with 25% (£8,745,000) of the infrastructure requirements in year one and 11% (£3,750,000) of the infrastructure requirements in year two. In contrast, East of Harlow – South which is modelled with 3.5% of the infrastructure requirements in each of the first two years is shown as viable, by a substantial margin, although this is in part due to the lower affordable housing target and the lower (as £/unit) infrastructure requirements.
- 10.21 Neither part of the Water Lane site generates a Residual Value that exceeds the BLV. On West Katherines the figure is below the EUV. The West Katherines part is now modelled with 14% (£8,660,000) of the infrastructure requirements in year one and 13% (£8,475,000) in year two. The West Sumners part is now modelled with 14% (£5,250,000) of the infrastructure requirements in year one and 13% (£5,150,000) in year two.
- 10.22 Considering Gilston – Villages 1-6 as individual sites, all the sites generate a Residual Value that is over £430,000/ha. This is above the EUV and BLV.
- 10.23 As set out in Chapter 6 above, one of the site promoters⁹⁴ felt that the BLV value was too low and they suggested a figure of £432,000/ha (based on £175,000/acre). Whilst this position is not accepted by the Councils, if this BLV was applied, then the Latton Priory site Residual Value would be over the EUV but below the BLV.
- 10.24 This opportunity is taken to stress that the above results represent a worst-case scenario with the full infrastructure and mitigation requirements to deliver each site and the full infrastructure requirements that are required to deliver the wider Harlow and Gilston Garden Town being included within the appraisals. The modelling anticipates that the infrastructure is provided for when it is needed. No allowance is made for any external funding, for example through the Housing Infrastructure Fund (HIF) or from the Department of Transport (DoT). It is acknowledged that the site promoters are continuing to discuss the infrastructure requirements (both site-specific and Garden Town) and how they may be delivered.
- 10.25 There is no doubt that the delivery of any large site is challenging. Regardless of these results, it is recommended that the Councils continue to engage with the owners in line with the advice set out in the Harman Guidance (page 23):

Landowners and site promoters should be prepared to provide sufficient and good quality information at an early stage, rather than waiting until the development management stage. This will allow an informed judgement by the planning authority regarding the inclusion or otherwise of sites based on their potential viability.

⁹⁴ Latton Priory

10.26 In this context we particularly highlight paragraph 10-006 of the PPG:

... It is the responsibility of site promoters to engage in plan making, take into account any costs including their own profit expectations and risks, and ensure that proposals for development are policy compliant. It is important for developers and other parties buying (or interested in buying) land to have regard to the total cumulative cost of all relevant policies when agreeing a price for the land. Under no circumstances will the price paid for land be a relevant justification for failing to accord with relevant policies in the plan....

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10.27 To assist the Councils a range of further appraisals have been run.

Varied Infrastructure Delivery

10.28 The above analysis is based on the delivery of the strategic infrastructure and mitigation measures as set out in Table 7.4 above (where the payments due before the start of the project are brought into the first year and payments after the last year are brought into the last year). This is derived from an estimate of when the various items of infrastructure will be needed. There is a degree of front loading, that is to say that it is provided so that it is in place by the time it is needed.

10.29 The timing of the delivery has an impact on viability as the early provision results in increased interest cost. There can be some flexibility as to when infrastructure is actually delivered and whilst this may not be ideal, this may be an area where flexibility is acceptable.

10.30 In the following analysis it is assumed that infrastructure is provided through the life of the project in line with the delivery of the dwellings.

Table 10.6 Residual Development v Benchmark Land Value						
Per Gross Ha – Effect of Varied Infrastructure Timing						
			EUV	BLV	Residual Value	
					As Table 7.4	Pro-Rata to units
Site 1	East of Harlow - North	EFDC	22,500	322,500	162,101	263,676
Site 2	East of Harlow - South	HBC	22,500	322,500	518,717	517,949
Site 3	Latton Priory	EFDC	22,500	322,500	340,575	413,014
Site 4	Water Lane - W Katherines	EFDC	315,530	585,553	191,272	268,589
Site 5	Water Lane - W Sumners	EFDC	22,500	322,500	260,349	345,356
Site 6	Gilston - Villages 1-6	EHDC	22,500	322,500	-119,698	151,013
Site 7	Gilston - Villages 7	EHDC	22,500	322,500	431,575	534,809
Site 8	Gilston 1	EHDC	22,500	322,500	463,049	463,049
Site 9	Gilston 2	EHDC	22,500	322,500	474,864	474,864
Site 10	Gilston 3	EHDC	22,500	322,500	575,048	575,048
Site 11	Gilston 4	EHDC	22,500	322,500	452,089	452,089
Site 12	Gilston 5	EHDC	22,500	322,500	593,407	593,407
Site 13	Gilston 6	EHDC	22,500	322,500	545,560	545,560

Source: HDH (March 2019)

- 10.31 The Residual Value is substantially greater when the costs of strategic infrastructure and mitigation are in line with the delivery of the units. The notable exception is East of Harlow – South where the strategic infrastructure is already anticipated to be quite even through the life of the project.
- 10.32 The improvement in the Residual Value is typically in the range of £70,000/ha and £105,000/ha. Whilst this is not sufficient to tip all the sites into the viable category, it does illustrate that, by altering the pattern of delivery, very substantial improvements to the viability of a site may be achieved, and that rather than reducing the overall requirement (for infrastructure and mitigation payments and / or affordable housing), consideration of the timings may be a way of achieving a policy compliant scheme.
- 10.33 The improvement is particularly the case where Gilston – Villages 1-6 are considered as 6 separate villages rather than as a single site.
- 10.34 Through the February 2019 consultation a developer⁹⁵ suggested that the cashflow may appear to be optimistic, particularly with regard to opening a site up and getting the initial

⁹⁵ Gilston – Village 7

infrastructure in place. The initial assumptions are based on the Garden Town trajectory and the infrastructure shown as being delivered as it is required. On the other hand, another developer said that they anticipated a faster build out rate.

- 10.35 In this regard it is timely to have reference to the PPG that anticipates that it may be appropriate to revisit viability over the lifetime of a project.

How should viability be reviewed during the lifetime of a project?

Plans should set out circumstances where review mechanisms may be appropriate, as well as clear process and terms of engagement regarding how and when viability will be reassessed over the lifetime of the development to ensure policy compliance and optimal public benefits through economic cycles.

Where contributions are reduced below the requirements set out in policies to provide flexibility in the early stages of a development, there should be a clear agreement of how policy compliance can be achieved over time. As the potential risk to developers is already accounted for in the assumptions for developer return in viability assessment, realisation of risk does not in itself necessitate further viability assessment or trigger a review mechanism. Review mechanisms are not a tool to protect a return to the developer, but to strengthen local authorities' ability to seek compliance with relevant policies over the lifetime of the project.

PPG 10-009-20180724

- 10.36 The proposed development is of a very large scale and clearly the delivery of infrastructure is a key variable. It is recommended that, should the Councils flex the requirements, that consideration is given to incorporating a review process into any final planning agreements.

Varied Developer's Return

- 10.37 Through the consultation various comments were made with regard to the target levels of developer's return. The approach taken is in line with paragraph 10-018-20180724 of the updated PPG that says:

For the purpose of plan making an assumption of 15-20% of gross development value (GDV) may be considered a suitable return to developers in order to establish the viability of plan policies. Plan makers may choose to apply alternative figures where there is evidence to support this according to the type, scale and risk profile of planned development. A lower figure may be more appropriate in consideration of delivery of affordable housing in circumstances where this guarantees an end sale at a known value and reduces risk. Alternative figures may also be appropriate for different development types.

- 10.38 As set out in Chapter 7 above, in this iteration of this assessment, the developer's return is assumed to be 20% of the value of market housing (being the top end of the range suggested by the PPG) and 6% of the value of affordable housing. This may be seen as an overly cautious approach, bearing in mind the suggested range in the PPG, however does reflect the comments of consultees. Bearing in mind the range of comments made, the following analysis shows the effect of using different levels of developer's return.

Table 10.7 Residual Development v Benchmark Land Value

Per Goss Ha – Effect of Varied Developers' Return

			EUV	BLV	Residual Value			
					17.50%	17.50%	20.00%	20.00%
		Return on Market Housing			6.00%	17.50%	20.00%	20.00%
		Return on Affordable Housing					6.00%	20.00%
Site 1	East of Harlow - North	EFDC	22,500	322,500	238,785	149,113	162,101	51,782
Site 2	East of Harlow - South	HBC	22,500	322,500	593,036	528,182	518,717	436,764
Site 3	Latton Priory	EFDC	22,500	322,500	421,093	329,959	340,575	227,352
Site 4	Water Lane - W Katherines	EFDC	315,530	585,553	270,686	179,607	191,272	77,598
Site 5	Water Lane - W Sumners	EFDC	22,500	322,500	344,523	247,910	260,349	140,390
Site 6	Gilston - Villages 1-6	EHDC	22,500	322,500	-84,705	-121,743	-119,698	-164,786
Site 7	Gilston - Villages 7	EHDC	22,500	322,500	506,027	427,102	431,575	330,595
Site 8	Gilston 1	EHDC	22,500	322,500	531,407	458,912	463,049	368,090
Site 9	Gilston 2	EHDC	22,500	322,500	545,551	470,634	474,864	377,396
Site 10	Gilston 3	EHDC	22,500	322,500	666,536	569,567	575,048	451,039
Site 11	Gilston 4	EHDC	22,500	322,500	518,219	448,113	452,089	360,077
Site 12	Gilston 5	EHDC	22,500	322,500	689,813	587,762	593,407	465,026
Site 13	Gilston 6	EHDC	22,500	322,500	631,406	540,622	545,560	429,913

Source: HDH (March 2019)

10.39 The results notably improved when a 17.5% is used – being in the middle of the range suggested in the PPG.

Varied Contingency

- 10.40 It is a requirement of the PPG⁹⁶ that contingencies are considered, however, through the consultation process there was not a consensus on the approach to the contingency. This is not surprising as there are a range of approaches in this regard – for example the Harman Guidance does not refer to contingencies at all.
- 10.41 It was suggested by some consultees that a 5% contingency be applied to the construction costs in all cases. This is not accepted. It is accepted that a contingency should be included, particularly where a project is at the early stage of planning, however the contingency should reflect the potential unknown risks of a project. These unknown risks are greater where the site is a brownfield site, rather than a greenfield site so it is maintained that the differentiation should stand. In recognition of the different views expressed, a further set of appraisals has been run using a 5% contingency.

Table 10.8 Residual Development v Benchmark Land Value						
Per Gross Ha – Effect of 5% Contingency						
			EUV	BLV	Residual Value	
					As Table 7.4	5% Contingency
Site 1	East of Harlow - North	EFDC	22,500	322,500	162,101	102,233
Site 2	East of Harlow - South	HBC	22,500	322,500	518,717	467,578
Site 3	Latton Priory	EFDC	22,500	322,500	340,575	279,908
Site 4	Water Lane - W Katherines	EFDC	315,530	585,553	191,272	148,811
Site 5	Water Lane - W Sumners	EFDC	22,500	322,500	260,349	195,732
Site 6	Gilston - Villages 1-6	EHDC	22,500	322,500	-119,698	-151,749
Site 7	Gilston - Villages 7	EHDC	22,500	322,500	431,575	376,640
Site 8	Gilston 1	EHDC	22,500	322,500	463,049	411,525
Site 9	Gilston 2	EHDC	22,500	322,500	474,864	422,949
Site 10	Gilston 3	EHDC	22,500	322,500	575,048	513,093
Site 11	Gilston 4	EHDC	22,500	322,500	452,089	402,091
Site 12	Gilston 5	EHDC	22,500	322,500	593,407	530,872
Site 13	Gilston 6	EHDC	22,500	322,500	545,560	487,546

Source: HDH (March 2019)

⁹⁶ Paragraph 10-012-20180724 of the PPG says:

Costs include: ... explicit reference to project contingency costs should be included in circumstances where scheme specific assessment is deemed necessary, with a justification for contingency relative to project risk and developers return.

- 10.42 When the contingency is increased to 5% on all sites, the Residual Value falls by about £50,000/ha.
- 10.43 It is important to note that a separate contingency of up to 20% is included within the strategic infrastructure and mitigation costs.

Varied Developer Contributions

- 10.44 The initial analysis assumes that the sites fund all their own infrastructure. It would be normal for such infrastructure to be funded from a range of sources, including from County Council funds, national funding schemes (in this regard the Councils are currently working together to submit a Housing Infrastructure Fund (HIF) bid), funds raised through New Homes Bonus, Community Infrastructure Levy (CIL) and the like.
- 10.45 Whilst the above is the correct starting point of the analysis, in order to give the Councils a greater understanding of how developer contributions impact on viability, a further set of appraisals have been run in the full policy on scenario, but with varied developer contributions up to £70,000/unit. In this analysis it is assumed that the pattern of the payment of the developer contributions follows that identified through the Garden Town IDP (i.e. is front loaded).

Table 10.9 Residual Development – Residual Value.

FULL POLICY REQUIREMENTS – VARIED DEVELOPER CONTRIBUTIONS

[illegible]

Source: HDH (March 2019)

- 10.46 The above indicates that generally the tipping point in terms of viability is somewhere around £40,000/unit.
- 10.47 Very approximately, an increase of £2,500/unit in developer contributions results in a fall in the Residual Value of about £40,000/ha. This is a very significant swing illustrating that a small change in the s106 costs can have a significant impact on the results of the viability testing.

Varied Affordable Housing Mixes

- 10.48 Following the February 2019 consultation, it was noted⁹⁷ that the mix of affordable housing can have an impact on viability. This has now been considered and a range of further appraisals run with greater and lesser levels of intermediate housing.

⁹⁷ Water Lane – West Katherines

Table 10.10 Residual Development – Residual Value.
VARIED AFFORDABLE HOUSING MIXES

				EUM	BLV	Residual Value											
						Total Affordable %			Intermediate			Affordable Rent			0%		
						0%	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%	0%
Site 1	East of Harlow - North	EHDC		22,500	322,500	293,161	309,575	325,989	342,403	358,817	375,231	391,645	408,059	424,473	440,887	457,301	473,715
Site 2	East of Harlow - South	HBC		22,500	322,500	493,888	510,441	526,994	543,547	560,101	576,654	593,207	609,760	626,313	642,866	659,419	675,972
Site 3	Latton Priory	EHDC		22,500	322,500	485,278	505,199	525,121	545,042	564,963	584,884	604,805	624,726	644,647	664,568	684,489	704,410
Site 4	Water Lane - W Katherine's	EHDC		315,530	585,553	329,201	347,537	365,872	384,208	402,544	420,879	439,215	457,551	475,887	494,223	512,559	530,895
Site 5	Water Lane - W Summers	EHDC		22,500	322,500	409,260	428,800	448,339	467,879	487,418	506,957	526,497	546,037	565,577	585,117	604,657	624,197
Site 6	Gilston - Villages 1-6	EHDC		22,500	322,500	-23,843	-11,161	1,475	13,562	25,649	37,737	49,824	61,911	74,000	86,087	98,174	110,261
Site 7	Gilston - Villages 7	EHDC		22,500	322,500	607,991	631,699	655,407	679,114	702,822	726,530	750,238	773,946	797,654	821,362	845,070	868,778
Site 8	Gilston 1	EHDC		22,500	322,500	624,432	645,955	667,478	689,001	710,524	732,047	753,570	775,093	796,616	818,139	839,662	861,185
Site 9	Gilston 2	EHDC		22,500	322,500	639,372	661,608	683,843	706,079	728,315	750,551	772,787	795,023	817,259	839,495	861,731	883,967
Site 10	Gilston 3	EHDC		22,500	322,500	765,760	791,990	818,219	844,449	870,678	896,907	923,137	949,366	975,596	1,001,825	1,028,055	1,054,285
Site 11	Gilston 4	EHDC		22,500	322,500	610,932	632,275	653,619	674,962	696,306	717,649	738,993	760,337	781,680	803,024	824,368	845,712
Site 12	Gilston 5	EHDC		22,500	322,500	788,601	815,835	843,070	870,304	897,538	924,772	952,006	979,240	1,006,474	1,033,708	1,060,942	1,088,176
Site 13	Gilston 6	EHDC		22,500	322,500	728,115	753,214	778,313	803,413	828,512	853,611	878,710	903,810	928,909	954,009	979,108	1,004,208

Source: HDH (March 2019)

- 10.49 These results show that where the affordable housing requirement is 30%, a 10% increase in the amount of intermediate housing / 10% reduction in the amount of Affordable Rent results in, on average, an increase in the Residual Value of about £20,000/ha. Where the affordable housing requirement is 40%, a 10% increase in the amount of intermediate housing / 10% reduction in the amount of Affordable Rent results in, on average, an increase in the Residual Value of just under £30,000/ha.
- 10.50 Where viability is challenging, flexibility around the tenure mix of affordable housing sought may allow the overall affordable housing target to be achieved.

Affordable Housing v Developer Contributions

- 10.51 The essential balance for the plan-making process is the relationship between affordable housing and developer contributions. The base appraisals assume the locally appropriate (30% / 40%) affordable housing and the full strategic infrastructure and mitigation costs as informed by the most recent updated IDP.
- 10.52 In the following tables, the results of appraisals with affordable housing from 0% to 40% (on all sites – including those within Harlow) and developer contributions from £0 per unit to £70,000 per unit are set out. All other policy requirements are assumed to apply.

Table 10.11a Affordable Housing v Varied Developer Contributions

40% Affordable Housing												
		EUV	BLV	Residual Value	£0	£5,000	£10,000	£15,000	£20,000	£25,000	£30,000	£35,000
Site 1	East of Harlow - North	EHDC	322,500	992,829	902,304	811,779	723,112	630,034	538,956	447,878	356,800	265,732
Site 2	East of Harlow - South	HEC	322,500	979,996	902,304	828,708	753,477	678,231	603,983	526,875	450,141	373,407
Site 3	Latton Priory	EHDC	322,500	1,150,331	1,061,709	975,016	883,813	794,609	705,406	616,203	526,999	437,796
Site 4	Water Lane - W Katherine's	EHDC	315,530	585,553	1,034,816	944,939	855,063	765,187	675,310	585,434	495,557	405,681
Site 5	Water Lane - W Summers	EHDC	322,500	1,160,102	1,064,792	968,993	878,194	777,386	681,597	585,798	489,999	394,201
Site 6	Gilston - Villages 1-6	EHDC	322,500	591,272	523,835	456,399	388,962	321,526	254,089	186,652	119,216	51,779
Site 7	Gilston - Villages 7	EHDC	322,500	1,316,035	1,230,904	1,145,773	1,060,642	975,511	890,380	805,250	720,119	634,459
Site 8	Gilston 1	EHDC	322,500	1,175,998	1,108,780	1,041,561	974,343	907,125	839,003	770,689	702,374	633,454
Site 9	Gilston 2	EHDC	322,500	1,204,087	1,135,873	1,066,820	997,766	928,713	859,660	789,678	719,419	649,160
Site 10	Gilston 3	EHDC	322,500	1,442,966	1,360,880	1,278,793	1,196,707	1,114,190	1,030,573	946,957	863,340	779,724
Site 11	Gilston 4	EHDC	322,500	1,451,275	1,085,720	1,020,166	954,266	887,730	821,194	754,658	687,173	619,458
Site 12	Gilston 5	EHDC	322,500	1,487,530	1,402,766	1,318,003	1,233,240	1,148,476	1,063,713	977,395	890,931	804,467
Site 13	Gilston 6	EHDC	322,500	1,371,352	1,293,264	1,214,683	1,136,102	1,057,520	978,939	900,357	821,545	741,346
35% Affordable Housing												
		EUV	BLV	Residual Value	£0	£5,000	£10,000	£15,000	£20,000	£25,000	£30,000	£35,000
Site 1	East of Harlow - North	EHDC	322,500	1,077,881	987,356	896,832	811,779	723,112	630,034	538,956	447,878	356,800
Site 2	East of Harlow - South	HEC	322,500	1,054,277	979,083	903,842	828,603	753,365	678,127	602,477	525,743	449,009
Site 3	Latton Priory	EHDC	322,500	1,246,455	1,157,833	1,069,210	980,070	890,866	801,663	712,459	623,256	534,052
Site 4	Water Lane - W Katherine's	EHDC	315,530	585,553	1,125,783	1,035,907	946,030	856,154	766,277	676,401	586,525	496,648
Site 5	Water Lane - W Summers	EHDC	322,500	1,257,804	1,162,631	1,066,896	971,097	875,299	779,500	683,701	587,902	492,104
Site 6	Gilston - Villages 1-6	EHDC	322,500	646,820	579,384	511,947	444,511	377,074	309,638	242,201	174,764	107,328
Site 7	Gilston - Villages 7	EHDC	322,500	1,423,158	1,338,027	1,252,896	1,167,766	1,082,635	997,504	912,373	827,242	742,029
Site 8	Gilston 1	EHDC	322,500	1,273,011	1,205,792	1,136,574	1,071,356	1,004,137	936,360	868,045	799,731	731,416
Site 9	Gilston 2	EHDC	322,500	1,303,055	1,234,920	1,165,867	1,096,814	1,027,761	958,708	889,192	818,933	748,674
Site 10	Gilston 3	EHDC	322,500	1,559,036	1,476,950	1,394,863	1,312,777	1,230,690	1,147,073	1,063,457	979,840	896,224
Site 11	Gilston 4	EHDC	322,500	1,246,482	1,180,927	1,115,372	1,049,675	983,139	916,603	850,068	783,117	715,403
Site 12	Gilston 5	EHDC	322,500	1,606,728	1,524,965	1,437,201	1,352,438	1,267,675	1,182,911	1,097,234	1,010,769	924,305
Site 13	Gilston 6	EHDC	322,500	1,482,259	1,404,230	1,325,649	1,247,068	1,168,486	1,089,905	1,011,324	932,742	853,122
30% Affordable Housing												
		EUV	BLV	Residual Value	£0	£5,000	£10,000	£15,000	£20,000	£25,000	£30,000	£35,000
Site 1	East of Harlow - North	EHDC	322,500	1,162,933	1,072,409	981,884	891,359	800,488	709,410	618,332	527,254	436,176
Site 2	East of Harlow - South	HEC	322,500	1,129,452	1,054,214	978,976	903,737	828,499	753,261	678,023	601,345	524,611
Site 3	Latton Priory	EHDC	322,500	1,342,579	1,253,957	1,165,334	1,076,327	987,123	897,920	808,716	719,513	630,309
Site 4	Water Lane - W Katherine's	EHDC	315,530	585,553	1,216,750	1,128,874	1,036,997	947,121	857,245	767,368	677,492	587,615
Site 5	Water Lane - W Summers	EHDC	322,500	1,355,707	1,260,434	1,164,799	1,069,009	973,201	877,403	781,604	685,805	590,006
Site 6	Gilston - Villages 1-6	EHDC	322,500	702,369	634,932	567,496	500,059	432,623	365,186	297,749	230,313	162,876
Site 7	Gilston - Villages 7	EHDC	322,500	1,530,282	1,445,151	1,360,020	1,274,889	1,189,758	1,104,627	1,019,496	934,365	849,234
Site 8	Gilston 1	EHDC	322,500	1,370,023	1,302,805	1,235,587	1,168,369	1,101,150	1,033,716	965,401	897,087	828,772
Site 9	Gilston 2	EHDC	322,500	1,402,024	1,333,952	1,264,915	1,196,862	1,126,809	1,057,756	988,702	918,447	848,188
Site 10	Gilston 3	EHDC	322,500	1,675,106	1,593,019	1,510,933	1,428,846	1,346,760	1,263,573	1,179,957	1,096,340	1,012,724
Site 11	Gilston 4	EHDC	322,500	1,341,689	1,276,134	1,210,579	1,145,025	1,078,548	1,012,013	945,477	878,941	811,347
Site 12	Gilston 5	EHDC	322,500	1,725,926	1,641,163	1,556,400	1,471,636	1,386,873	1,302,110	1,217,072	1,132,608	1,044,144
Site 13	Gilston 6	EHDC	322,500	1,593,165	1,515,197	1,436,615	1,358,034	1,279,452	1,200,871	1,122,290	1,043,708	964,897

Source: HDH (March 2019)

Table 10.11b Affordable Housing v Varied Developer Contributions

[illegible]

Source: HDH (March 2019)

Table 10.11c Affordable Housing v Varied Developer Contributions

[illegible]

Source: HDH (March 2019)

- 10.53 As would be expected, as the level of affordable housing is reduced, the sites' ability to bear developer contributions improves. This will give the Councils confidence that the sites are deliverable.
- 10.54 In the previous analysis it was identified that an increase of £2,500/unit in developer contributions results in a fall in the Residual Value of about £40,000/ha. This analysis now shows that a 5% increase in the affordable housing, results in a fall in the Residual Value of about £70,000/ha. It is clear that when changes are made to both the affordable housing requirements and s106 requirements, the changes in the Residual Value can be very significant.

Self and Custom Build

- 10.55 East Herts has a policy (Policy HOU8 Self-Build and Custom Build Housing) requiring 1% requirement on sites of 200 units and larger. This has been tested. It is assumed that this policy will be implemented on a 'whole plot' basis, so sites over 200 units would be required to provide 2 plot, sites over 300 units would be required to provide 3 plots and so on.
- 10.56 If a developer is to sell a plot as a serviced self-build plot they would not receive the profit from building the unit, they would however receive the price for the plot. If they were to provide the plot as a custom-build plot (i.e. where the developer designs and builds to the buyer's design and specifications) they would receive a payment for the land, the costs of construction and the price paid would incorporate the developer's return. The impact on viability is therefore the balance between the profit foregone and the receipt for the serviced plot.
- 10.57 As set out in Chapter 7 above, the developer's return is calculated as 17.5% of the value of market housing and 6% of the value of affordable housing. This varies from site to site but is typically around £65,000/unit sold – that is to say the analysis assumes the profit for the developer is about £65,000/unit.
- 10.58 As set out in Chapter 6 above, a review of development land values has been undertaken. This varies from site to site but is typically around £100,000/unit sold, but on some smaller sites is very much higher than this.
- 10.59 The modelling in the Viability Assessment is based on 35 units per net ha with allowance for open space. On this basis, a self-build plot is likely to be about 0.03ha or so. A plot price of £100,000 would give to a land value of over £3,000,000/ha⁹⁸. This is substantially above the BLV and allows plenty of scope for the services to be laid on to the plot or plots. It is also well above the developer's return of £65,000 or so that would be forgone from developing the unit.

⁹⁸ It is not suggested that estate housing generates values of this level – this is the level based on values of small building sites for sale more widely.

10.60 Based on the above analysis it is unlikely that a requirement for self-build plots will adversely impact on viability.

Older People's Housing

10.61 As well as mainstream housing, we have considered the sheltered and extracare sectors separately. All the Councils are seeking a mix of housing to be delivered from these large Harlow and Gilston Garden Town sites.

10.62 The policies, as drafted, are not prescriptive in this regard as to the amount of such specialist housing to be included in the sites. Appraisals are run with both the 30% and 40% affordable housing targets at a range of developer contributions.

10.63 The results of these are summarised as follows. The full appraisals (with 40% affordable housing) are set out in **Appendix 13** below:

Table 10.12 Older People's Housing, Appraisal Results (£/ha)						
	EUV	BLV	Residual Value			
Developer Contribution			Sheltered		Extracare	
£/unit			30%	40%	30%	40%
£0	22,500	322,500	5,298,913	4,101,382	4,944,985	3,419,665
£5,000	22,500	322,500	4,884,581	3,687,050	4,396,222	2,870,901
£10,000	22,500	322,500	4,470,249	3,272,718	3,847,458	2,322,138
£15,000	22,500	322,500	4,055,917	2,858,386	3,298,695	1,773,375
£20,000	22,500	322,500	3,641,585	2,444,054	2,749,932	1,224,612
£25,000	22,500	322,500	3,227,253	2,029,722	2,201,169	675,848
£30,000	22,500	322,500	2,812,921	1,615,390	1,652,405	112,656
£35,000	22,500	322,500	2,398,589	1,201,058	1,103,642	-463,140
£40,000	22,500	322,500	1,984,257	786,726	554,879	-1,038,936
£45,000	22,500	322,500	1,569,924	368,695	-14,273	-1,630,496
£50,000	22,500	322,500	1,155,592	-64,694	-590,069	-2,222,981
£55,000	22,500	322,500	741,260	-499,437	-1,166,632	-2,815,465
£60,000	22,500	322,500	321,912	-937,499	-1,759,117	-3,413,738
£65,000	22,500	322,500	-112,399	-1,384,845	-2,351,602	-4,014,105
£70,000	22,500	322,500	-547,141	-1,832,192	-2,944,086	-4,614,472

Source: HDH (March 2019)

10.64 The above analysis assumes that specialist older people's housing would be subject to similar levels of developer contributions (when calculated on a £/unit basis) as general housing. This is unlikely as such housing does not normally contribute to education.

- 10.65 This analysis shows that, at around £40,000 per unit of developer contributions, most schemes are likely to produce a Residual Value (on a £/ha basis) that is comparable to general housing. From this it can be concluded that the presence of specialist older people's housing is unlikely to impact seriously on viability and the delivery of the large Harlow and Gilston Garden Town sites.

Conclusions

- 10.66 The results in themselves do not determine policy. The consequences of these results are discussed in Chapter 12 below.



11. Non-Residential Appraisals

- 11.1 The preceding chapters set out the assumptions for the non-residential development appraisals. Based on the assumptions set out previously, a set of appraisals have been run for the non-residential development types. The detailed appraisal results are set out in **Appendix 14** and summarised in the table below.
- 11.2 As with the residential appraisals, the Residual Valuation approach is used. The appraisals assess the value of the site after taking into account the costs of development, the likely income from sales and/or rents, and an appropriate amount of developers' profit. The payment would represent the sum paid in a single tranche on the acquisition of a site. In order for the proposed development to be described as viable, it is necessary for this value to exceed the EUV for the site by a satisfactory margin (the BLV).
- 11.3 When testing the non-residential development types, multiple sets of appraisals for different levels of policy requirement have not been run as the Councils do not seek to impose layers of policy requirements on these types of development. Further, when it comes to developer contributions it is assumed that these will be borne entirely by residential development.
- 11.4 All the Councils are seeking a mix of uses to be delivered from these large Harlow and Gilston Garden Town sites. The policies, as drafted, are not prescriptive in this regard as to the amount of other uses to be included in the sites.

Employment Uses

Table 11.1 Appraisal Results showing Approximate Residual Value Employment Uses					
			Offices - Park	Larger Industrial	Smaller Industrial
	CIL	£/m2	0	0	0
Income	m2		2,000	4,000	400
	£/m2		3,358	1,650	1,650
	Capital Value		6,044,400	6,270,000	660,000
	Buyers Costs	4.50%	271,998	282,150	29,700
	Capital Value		5,772,402	5,987,850	630,300
Costs	Land Used	Coverage	50%	40%	40%
		ha	0.400	1.000	0.100
		£/ha	22,500	22,500	22,500
		Uplift £/ha	300,000	300,000	300,000
		20.00%	4,500	0	0
		Site Cost	130,800	322,500	32,250
			0		
	Stamp Duty (on VT)	4.00%	5,232	12,900	1,290
	Acquisition	1.50%	1,962	4,838	484
	Strategic Promotion		0	0	0
	Pre Planning		10,000	10,000	10,000
			0		
	Construction	/m2	1,707	986	1,108
		£	3,414,000	3,944,000	443,200
	Infrastructure	15.00%	512,100	591,600	66,480
	Abnormals	5.00%	0	0	0
	Fees	8.00%	314,088	362,848	40,774
	S106		0	0	0
	CIL		0	0	0
	Contingency	2.5%	98,153	113,390	12,742
	Finance Costs		200,000	300,000	100,000
	Sales	2.50%	75,555	78,375	8,250
	Misc. Financial		10,000	10,000	10,000
	Subtotal		4,641,090	5,427,951	693,220
	Interest	7.00%	139,233	162,839	20,797
	Profit % GDC	20.00%	865,860	898,178	94,545
			0.00%	0.00%	0.00%
	COSTS		5,646,182	6,488,967	808,562
			0		
Residual Land Worth		Site	126,220	-501,117	-178,262
	Existing Use Value	£/ha	22,500	22,500	22,500
	Viability Threshold	£/ha	327,000	322,500	322,500
	Residual Value	£/ha	315,549	-501,117	-1,782,618

Source: HDH (February 2019)

- 11.5 Office development is not shown as viable, but it is coming forward on the ground. Similarly, industrial development is shown as being unviable. The results are not reflective of the local market where development for employment uses is coming forward. Where development is coming forward (and it is coming forward), it tends to be from existing businesses for

operational reasons – rather than to make a return through property development (i.e. speculative development).

- 11.6 It is notable that agents operating in the local market have reported that, over the two years or so, that there has been a change in sentiment and an improvement in the market, and that this is expected to continue.
- 11.7 The analysis in this report is carried out in line with the Harman Guidance and in the context of the NPPF and PPG. It assumes that development takes place for its own sake and is a goal in its own right. It assumes that a developer buys land, develops it and then disposes of it, in a series of steps with the sole aim of making a profit from the development. As set out in Chapters 2 and 3 above, the Guidance does not reflect the broad range of business models under which developers and landowners operate. Some landowners have owned land for many years and are building a broad income stream over multiple properties. Such owners are able to release land for development at less than the arms-length value and still make a good return relative to the existing use of the site, having taken a long-term view as to the direction of the market based on the prospects of an area and wider economic factors. Much of the development coming forward in the area is 'user-led' being brought forward by businesses that will use the eventual space for operational uses, rather than for investment purposes.
- 11.8 Some office and industrial/distribution development is challenging in the current market, but it is improving. We would urge caution in relation to setting policy requirements for employment uses that would unduly impact on viability.

Conclusions

- 11.9 The results in themselves do not determine policy. The consequences of these results are discussed in Chapter 12 below.

12. Conclusions and findings

- 12.1 This final chapter is written as a non-technical summary and brings the research, analysis and findings together.

Scope

- 12.2 Harlow Council (HC), East Hertfordshire District Council (EHDC), Epping Forest District Council (EFDC), Hertfordshire County Council (HCC) and Essex County Council (ECC) are working together to bring forward the Harlow and Gilston Garden Town. This Viability Assessment has been commissioned to assess the deliverability of the four key sites in the Harlow and Gilston Garden Town.

- a. **East of Harlow** located in Harlow and Epping Forest. Total estimated number of dwellings – 3,350
- b. **Latton Priory** located in Epping Forest. Total estimated number of dwellings – 1,050
- c. **Water Lane Area** located in Epping Forest. Total estimated number of dwellings – 2,500
- d. **Gilston Area** located in East Hertfordshire. Total estimated number of dwellings – 10,000 (of which at least 3,050 will be delivered in the plan-period).

- 12.3 HDH Planning & Development Ltd and Arup have been appointed to provide a high-level viability assessment for each of the four new Garden Communities in order to determine the maximum level of developer contributions to be sought, allowing delivery of the sites to remain viable.

- 12.4 The core of this report is the assessment of the ability of the key Harlow Garden Town sites to bear the costs of the strategic infrastructure and mitigation. Outside this report, the Councils are updating the Infrastructure Delivery Plan(s) (IDP). The information from the updated IDP is used in this assessment.

General Caveat

- 12.5 Some of the conclusions and recommendations contained in this report are based upon information provided by others (including the Councils and consultees) and upon the assumption that all relevant information has been provided by those parties from whom it has been requested. Information obtained from third parties has not been independently verified by HDH Planning & Development Ltd or Arup, unless otherwise stated in the report. The conclusions and recommendations contained in this report are concerned with policy requirement, guidance and regulations which may be subject to change. They reflect a Chartered Surveyor's perspective and do not reflect or constitute legal advice.
- 12.6 No part of this report constitutes a valuation and the report should not be relied on in that regard.

Compliance

- 12.7 HDH Planning & Development Ltd is a firm regulated by the Royal Institution of Chartered Surveyors. It is therefore necessary to have regard to RICS Professional Standards and Guidance. For the purpose of this assessment there are two principle pieces of relevant guidance, the *Draft Financial viability in planning: conduct and reporting RICS professional statement, England* (October 2018) and *Financial Viability in planning (1st edition), RICS guidance note* (2012).
- 12.8 Reference is made to *Financial Viability in planning (1st edition), RICS guidance note* (2012), although it is important to note that this Guidance is subject to a full review to reflect the changes in the 2019 NPPF and the updated PPG (July 2018) so relatively little weight is given to this. *Draft Financial viability in planning: conduct and reporting RICS professional statement, England* (October 2018) is in draft form however this opportunity is taken (in the spirit of the draft) to confirm compliance with it.
- 12.9 This chapter is a non-technical summary of the assessment.

Viability Testing

- 12.10 The requirement to assess viability forms part of the National Planning Policy Framework (NPPF). Over several years, in the run up to this report, various national consultations have been carried out with regard to different aspects of the plan-making process. These included references to, and sections on, viability. The NPPF and the viability sections of the Planning PPG were updated in July 2018 replacing the earlier documents.

National Planning Policy Framework

- 12.11 As in the 2012 NPPF, viability remains a core area of the plan-making process. The 2019 NPPF does not include detail on the viability process, rather stresses the importance of viability. The core requirement is that the planned development is deliverable, however the 2019 NPPF does not include technical guidance on undertaking viability work. This is included within the PPG that was also updated in July 2018.

Planning Practice Guidance

- 12.12 The viability sections of the PPG have been completely rewritten. The changes provide clarity and confirm best practice, rather than prescribe a new approach or methodology. The overall requirement is that '*...policy requirements should be informed by evidence of infrastructure and affordable housing need, and a proportionate assessment of viability that takes into account all relevant policies, and local and national standards, including the cost implications of the Community Infrastructure Levy (CIL) and section 106...*'.
- 12.13 This assessment takes a proportionate approach, building on the three Councils' existing evidence, and considers all the local and national policies that will apply to new development.

- 12.14 The delivery of strategic infrastructure has been tested against other policy requirements such as affordable housing.
- 12.15 The general principles of viability testing are set out, and are based on 'standardised inputs'. The PPG sets out how land values should be considered, prescribing the use of the Existing Use Value Plus (EUV+) approach.

To define land value for any viability assessment, a benchmark land value should be established on the basis of the existing use value (EUV) of the land, plus a premium for the landowner. The premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The premium should provide a reasonable incentive, in comparison with other options available, for the landowner to sell land for development while allowing a sufficient contribution to comply with policy requirements. This approach is often called 'existing use value plus' (EUV+).

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- 12.16 The judgement of the amount of landowner's premium is at the core of this assessment. In line with the PPG, the approach adopted in this assessment is to start with the EUV. The 'plus' element is informed by the price paid for policy compliant schemes to ensure a reasonable landowner's premium.

Community Infrastructure Levy Regulations and Guidance

- 12.17 Whilst none of the Councils have adopted CIL, the CIL Regulations are broad, so it is necessary to have regard to the CIL Regulations and CIL Guidance (which is contained within the PPG) when considering the delivery of the development.
- 12.18 Viability testing in the context of CIL is to assess the 'effects' on development. The financial impact of introducing CIL is an important factor, but the provision of infrastructure (or lack of it) will also have an impact on the ability of the Councils to meet their objectives through development and deliver their Development Plans.
- 12.19 From April 2015, councils have been restricted in relation to pooling S106 contributions from more than five developments (where the obligation in the s106 agreement / undertaking is a reason for granting consent). This restriction encourages councils to adopt CIL. The Councils can still raise additional s106 funds for infrastructure, provided this infrastructure can be directly linked to the site-specific needs associated with the scheme in question, and that it is not for infrastructure specifically identified to be funded by CIL, through the Regulation 123 List. Payments requested under the s106 regime must be (as set out in CIL Regulation 122):
- necessary to make the development acceptable in planning terms;
 - directly related to the development; and
 - fairly and reasonably related in scale and kind to the development.

Viability Guidance

- 12.20 There is no specific technical guidance on how to test the viability in the 2019 NPPF or the updated PPG, although the updated PPG includes a guidance in a number of specific areas



and sets out the general principles. There are several sources of guidance and appeal decisions that support the methodology HDH has developed and is used here. This assessment follows the *Viability Testing in Local Plans – Advice for planning practitioners* (LGA/HBF – Sir John Harman) June 2012.

- 12.21 Planning appeal decisions and the HCA good practice publication, suggest that the most appropriate test of viability for planning policy purposes is to consider the Residual Value of schemes compared with the EUV, plus a premium. The premium over and above the EUV being set at a level to provide the landowner with the inducement to sell. The Harman Guidance and *Financial viability in planning, RICS guidance note, 1st edition* (GN 94/2012) which was published during August 2012 set out the principles of viability testing. Additionally, the Planning Advisory Service (PAS) provides viability guidance and manuals for local authorities.
- 12.22 In line with the updated PPG this assessment follows the EUV Plus (EUV+) methodology. The methodology adopted is to compare the Residual Value generated by the viability appraisals, with the EUV plus an appropriate uplift to incentivise a landowner to sell. The amount of the uplift over and above the EUV is central to the assessment of viability. To inform the judgement as to whether the uplift is set at the appropriate level, reference is made to the market value of the land both with and without the benefit of planning.

Methodology

- 12.23 There is no statutory technical guidance on how to go about viability testing. This report follows the Harman Guidance and the 2019 NPPF and updated PPG. The promoters of the Garden Town sites have been consulted. The availability and cost of land are matters at the core of viability for any property development. The format of the typical valuation is:

$$\begin{array}{r} \textbf{Gross Development Value} \\ \text{(The combined value of the complete development)} \\ \\ \text{LESS} \\ \\ \textbf{Cost of creating the asset, including a profit margin} \\ \text{(Construction + fees + finance charges)} \\ \\ = \\ \\ \textbf{RESIDUAL VALUE} \end{array}$$

- 12.24 The Residual Value is the maximum a developer can offer for a site and still make a satisfactory profit margin.
- 12.25 It is well recognised in viability testing that the developer should be rewarded for taking the risks of development. The essential balance in viability testing is around the land value and whether or not land will come forward for development. The more policy requirements and developer contributions a planning authority asks for, the less a developer can afford to pay for the land. The purpose of this assessment is to quantify the costs of the Councils' various policies on development, the strategic infrastructure and mitigation costs from the IDP, and

then make a judgement as to whether or not land prices are squeezed to such an extent that, in the context of 2019 NPPF, the development is threatened to such an extent that they are not delivered.

- 12.26 It is important to note that this assessment is not trying to mirror any particular developer's business model – rather it is making a broad assessment of viability in the context of plan-making and the requirements of the 2019 NPPF (and updated PPG).

Existing Available Evidence

- 12.27 The 2019 NPPF, the updated PPG, the CIL Regulations and CIL Guidance are clear that the assessment of the potential impact of CIL should, wherever possible, be based on existing available evidence. Primarily, this is that which has been prepared for the Councils to inform their separate Plans:

- a. *EHDC Plan Viability, Affordable Housing and CIL Study*. PBA, 1st October 2015.
- b. *EFDC Stage 2: Update Assessment of the Viability of Affordable Housing, CIL and the Local Plan*. Dixon Searle, November 2017.
- c. *Local Plan Viability Assessment, Affordable Housing and CIL Review*. BNP Paribas, March 2018.

- 12.28 These three studies have been prepared by different consultancies, however all are broadly consistent in their approach and assumptions. These have been used as the starting point for this assessment.

- 12.29 The Councils also hold evidence of what is being collected from developers under the s106 regime. This is being collected outside this assessment but will be drawn on by the Councils when considering the results.

Stakeholder Engagement

- 12.30 The PPG and the Harman Guidance require stakeholder engagement – particularly with members of the development industry. A series of informal consultation events were held in the autumn of 2019 with the promoters of the Garden Town sites. A further round of consultation took place in mid-February 2019.

Viability Process

- 12.31 The assessment of viability as required under the 2019 NPPF and the CIL Regulations is not done using a set formula or calculation. It is a quantitative and qualitative process. The basic methodology involves preparing financial appraisals for the Garden Town sites and using these to assess whether development is viable. The sites were modelled based on discussions with Council officers, the existing available evidence supplied to us by the Councils, and on our own experience of development.

- 12.32 The sites include a range of uses, the main use being residential. The residential elements are as follows.

Table 12.1 Summary of Main Harlow Garden Town Sites	
	Units
East of Harlow (North)	750
East of Harlow (South)	2,600
Latton Priory	1,050
Water Lane Area (Sumners)	807
Water Lane Area (Katherines)	1,331
Gilston (Villages 1-6)	8,500
Gilston (Village 7)	1,500

Source: HC, EHDC, EFDC (November 2018)

- 12.33 The eventual planning applications may well be different to that set out in the Plan. In this assessment it is necessary to follow what is being planned for.
- 12.34 A bespoke viability testing model designed and developed by HDH Planning & Development Ltd specifically for area wide viability testing as required by the NPPF and CIL Regulations is used. The purpose of the viability model and testing is not to exactly mirror any particular business model used by those companies, organisations or people involved in property development.

Residential Market

- 12.35 An assessment has been made of the housing market. Although development schemes do have similarities, every scheme is unique, even schemes on neighbouring sites. Market conditions will broadly reflect a combination of national economic circumstances, and local supply and demand factors, however, even within a town there will be particular localities, and ultimately site-specific factors, that generate different values and costs.
- 12.36 Harlow is one of the original New Towns and is about 25 miles north of central-London. As a Local Authority area, Harlow has tightly drawn boundaries, hence the cross-boundary co-operation behind the Harlow and Gilston Garden Town.
- 12.37 The situation is highly desirable, being just half an hour by train from Liverpool Street.
- 12.38 Of the adjacent and nearby Local Authority areas, Harlow has the second lowest (after Stevenage) average house prices. These lower prices may be due to the housing choice and current housing offer. Much of the town was developed since the 1950s and the range of house styles and types of development is typical of the second half of the 20th Century and is rather homogenous. To some extent the lower prices are a factor of the type, style and age of the houses in the town, rather than their location. Whilst this will have an influence on wider prices, there is no reason to suggest that should modern homes, with a greater appeal, be

developed in the town, that they should not achieve prices that are somewhat higher. This can be seen at Barratt Homes' new Gilden Park scheme to the northeast of the town. Of the adjacent and nearby Local Authority areas, Harlow has seen the largest increase in prices since the bottom of the market in in 2019.

Table 12.2 Change in Average House Prices				
	April 2009	May 2018	Change	
Harlow	£144,496	£280,567	£136,071	94%
Basildon	£171,298	£305,099	£133,801	78%
Brentwood	£237,352	£413,792	£176,440	74%
Broxbourne	£203,897	£350,331	£146,434	72%
Chelmsford	£188,870	£335,754	£146,884	78%
East Herts	£228,593	£383,086	£154,493	68%
Epping Forest	£254,630	£464,020	£209,390	82%
St Albans	£277,074	£526,375	£249,301	90%
Stevenage	£162,181	£285,916	£123,735	76%
Uttlesford	£250,687	£383,134	£132,447	53%
Welwyn Hatfield	£217,392	£390,288	£172,896	80%

Source: Land Registry (July 2018)

12.39 It is not possible to attribute this change in values on a particular factor, but it is, at least in part, due to the regeneration of the town centre and the improved housing offer through new housing schemes.

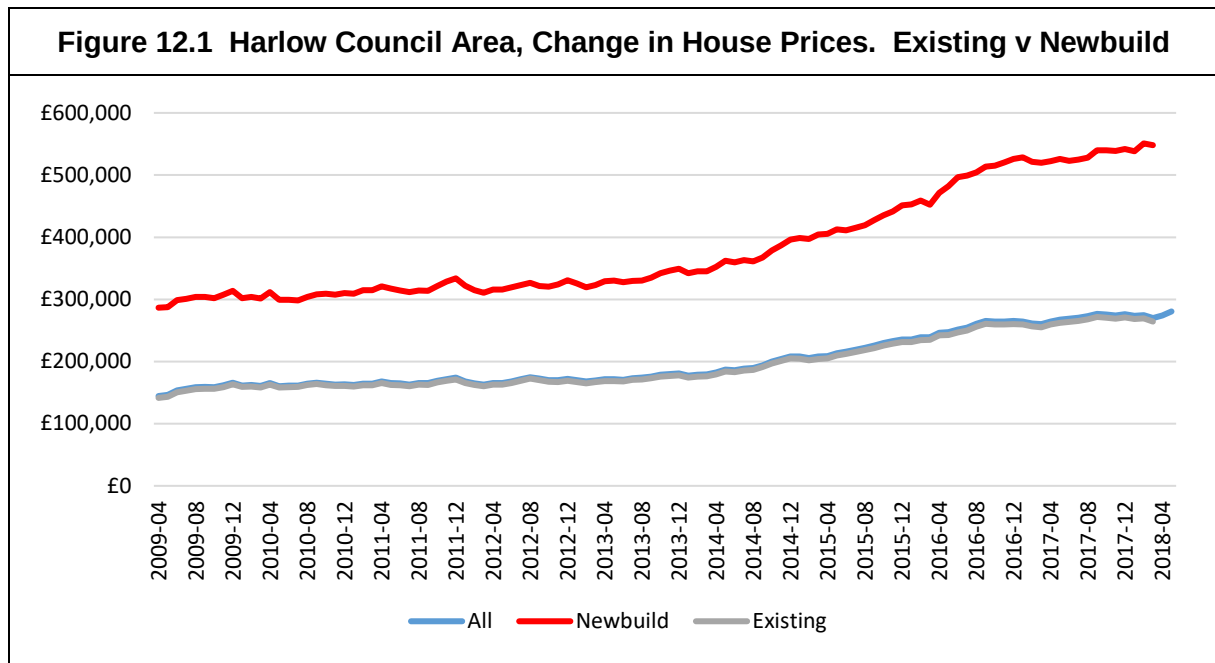
12.40 Overall the market is perceived to be strong and certainly desirable and aspirational to households seeking to move from London. Through conversations with local agents, the area is perceived to be an attractive place to develop, particularly with higher quality modern homes that are different to the existing stock.

National Trends and Harlow's relationship with the wider area

12.41 The housing market peaked late in 2007 and then fell considerably in the 2007/2008 recession during what became known as the 'Credit Crunch'. Average house prices across England and Wales have recovered to their pre-recession peak; however, this is strongly influenced by London. Prices in London are now well in excess of the 2007/2008 peak and, prices in Harlow have increased more than in England and Wales.

12.42 There is a degree of uncertainty in the housing market. This is, at least in part, due to the uncertainties around the referendum to leave the European Union. It is important to note that, at the time of this report, the housing market is still actively supported by the Government through products and initiatives such as Help-to-Buy.

- 12.43 A notable characteristic of the data is that the values of newbuild homes have increased substantially faster than that of existing homes:



- 12.44 The Land Registry shows that the average price paid for newbuild homes (at £547,945) is more than double than the average price paid for existing homes (at £264,474).
- 12.45 This report is being completed as the United Kingdom prepares to leave the European Union. It is not yet possible to predict the impact of leaving the EU, beyond the fact that the UK and the UK economy is in a period of uncertainty. Negotiations around the details of the exit are underway but not concluded. A range of views as to the impact on house prices have been expressed that cover nearly the whole spectrum of possibilities. There is clearly uncertainty in the market, and it is not for this assessment to try to predict how the market may change in the coming years, and whether or not there will be a further increase in house prices. Property agents Savills are predicting a 0% increase in the current year, 1% increase next year and a 15.3% increase over the next 5 years in the prime Outer Commute residential markets, with a 0.5% increase this year, 2.5% next year and 11.5% over the next 5 years in the mainstream South East residential markets. These predictions are somewhat less than were being predicted before the Brexit referendum.

The Local Market

- 12.46 A survey of asking prices across the Harlow town area was carried out in July 2018. Through using online tools such as [rightmove.co.uk](https://www.rightmove.co.uk) and [zoopla.co.uk](https://www.zoopla.co.uk) median asking prices were estimated. This assessment is concerned with the viability of newbuild residential property so the key input for the appraisals are the prices of units on new developments. Recent newbuild sales prices from the Land Registry have been reviewed and a survey of new homes for sale during July 2018 carried out.

- 12.47 The Land Registry publishes data of all homes sold. Each new house sold requires an Energy Performance Certificate (EPC). This is a public document that can be viewed on the EPC Register. The EPC contains the floor area (the Gross Internal Area – GIA). The price paid data from the Land Registry has been married with the homes' floor area from the EPC Register.
- 12.48 Across these settlements, from the start of 2016 the average price paid is about £3,900/m², rising by 2018 to an average of over £4,350/m². Whilst there is a price variation based on geography, it is modest, the principle driver of the differences is the situation rather than the location of a site. That is to say, the value will be more strongly influenced by the specific site characteristics, the immediate neighbours and environment, rather than in which particular ward or postcode sector the scheme is located.
- 12.49 At the time of this assessment there were about 60 new houses and flats being advertised for sale in and around Harlow (although on some of these, construction had yet to start). The analysis of these shows that asking prices for newbuild homes vary, very considerably, starting at £195,000 and going up to just under £700,000. The average is just over £400,000.
- 12.50 Following the initial consultation, the following values were derived.

Table 12.3 Updated Residential Price Assumptions (£/m²)		
Typology	Houses	Flats
East of Harlow	£3,800	£4,000
Latton Priory	£4,000	£3,700
Water Lane	£3,900	£3,900
Gilston Area	£4,285	£4,020

Source: HDH (December 2018)

Affordable Housing

- 12.51 The Councils have policies for the provision of affordable housing. It is assumed that such housing is constructed by the site developer and then sold to a Registered Provider (RP).
- 12.52 Social Rents are assumed to have a value of £1,285/m². It is assumed that Affordable Rent will be no more than the LHA cap and to have a value of £1,915/m² is derived.
- 12.53 Intermediate products for sale include shared ownership and shared equity products. The market for these is very difficult at present and we have found little evidence of the availability of such products in the assessment area. A value of 65% of open market value is used for these units.

Older People's Housing

- 12.54 Housing for older people is generally a growing sector due to the demographic changes and the ageing population. The following values are used:

Table 12.4 Worth of Retirement and Extracare	
All Areas	£/m²
Sheltered	5,500
Extracare	5,500

Source: HDH (July 2018)

Non-Residential Market

12.55 There is no need to consider all types of development in all situations – and certainly no point in testing the types of scheme that are unlikely to come forward as part of the Garden Town proposals. In this assessment we have considered the larger format office and industrial uses. Whilst the proposals do include elements of retail, these are small scale so are not examined specifically.

- a. New office development is assumed to have a value of £2,800/m².
- b. New industrial and distribution units are assumed to have a value of £1,650/m².

Land Values

12.56 An important element of the assessment is the value of the land. The worth of the land before consideration of any increase in value, from a use that may be permitted through a planning consent, is the Existing Use Value (EUV). This is the starting point for the assessment as this is one of the key variables in the financial development appraisals.

12.57 The 'model' approach is that for sites previously in agricultural use, then agricultural land represents the EUV and where the development is on brownfield land we have assumed an industrial value.

Residential Land

12.58 Recent transactions based on planning consents over the last few years and price paid information from the Land Registry have been researched. These values are on a whole site (gross area) basis and range considerably. Having disregarded non-policy compliant schemes (as per PPG paragraph 10-015-20180724) the data can be summarised as follows.

Table 12.5 Recent Sales of Development Land – Summary		
POLICY COMPLIANT SITES ONLY		
	£/ha	£/unit
Minimum	£380,769	£29,118
Average	£1,729,712	£130,686
Median	£1,337,396	£106,859
Maximum	£4,545,455	£312,500

Source: Land Registry and the Councils

12.59 In this regard, we have a caveat and that is in relation to large sites. Large sites have their own characteristics and are often subject to significant infrastructure costs and amounts of open space which result in lower values.

12.60 It is necessary to make an assumption about the value of residential land. A value of £1,300,000/ha is taken as an average value for residential land. This is around the median value having discounted the outlier values as per paragraph 10-011-20180724 of the updated PPG. This figure would not apply to very large scale sites that are not represented in the above data.

Industrial Land

12.61 A value of £1,000,000/ha is assumed.

Agricultural and Paddocks

12.62 A figure of £20,000/ha was suggested for the consultation process, but this has been revised up to £22,500/ha which is assumed to apply.

Benchmark Land Values

12.63 The results from the appraisals are compared with the EUV. It does not automatically follow that, if the Residual Value produces a surplus over the EUV benchmark, the site is viable. In considering the BLV, regard has been had to the PPG. The starting point is the EUV. In this case the majority of the sites are in agricultural use so agricultural use is taken as the EUV. The exception is the case of Water Lane – West Katherines. Part of Water Lane – West Katherines is under glasshouses, so an industrial use value is attributed to the areas under glasshouses.

12.64 It is necessary to consider the value of policy compliant land transactions. The average value in the general area is about £1,300,000/ha. The transactions that inform this average are not representative of the sites that are under consideration in this assessment. The Garden Town sites range from 750 units to 8,500 units and from 72ha to about 1,000ha. The largest site for which price paid data was available was about 10ha, so over a completely different scale. No additional or alternative evidence was presented in this regard through the consultation with the site promoters.

12.65 The question for this assessment is what is a reasonable premium? In the Councils' published viability studies the following approaches were taken:

- a. *EHDC Plan Viability, Affordable Housing and CIL Study* (PBA, 1st October 2015) is the oldest of the three studies and a Threshold Land Value (being equivalent to BLV) of £2,250,000/ha is used for housing in the southern area of the district.
- b. *EFDC Stage 2: Update Assessment of the Viability of Affordable Housing, CIL and the Local Plan* (Dixon Searle, November 2017) takes various approaches, however for large greenfield sites, the assumption is £250,000/ha.

- c. Harlow's *Local Plan Viability Assessment, Affordable Housing and CIL Review* (BNP Paribas, March 2018) uses two thresholds of £250,000/ha and £370,000/ha, although the geographical area of this is not mapped.

12.66 The Epping Forest and Harlow studies clearly follow the EUV Plus approach, so the methodologies used are most closely aligned with the updated PPG. The East Hertfordshire assessment does not follow the EUV plus approach, so it is given less weight.

12.67 In this assessment, to consider the deliverability of the very large sites that make up the Harlow and Gilston Garden Town, it is necessary to make an assumption as to the Landowner's Premium. The following approach is taken.

- a. For brownfield and non-agricultural uses, EUV plus 20%. This only relates to the part of Water Lane – West Katherines that is under glasshouse use.
- b. On the agricultural land an assumption of EUV (£22,500/ha) plus £300,000/ha is used. This provides a very substantial uplift for a landowner selling a greenfield site with consent for development. In the event of the grant of planning consent they would receive over ten times the value compared with before consent was granted. This approach is the one suggested in the Harman Guidance (see Chapter 2 above) and by the Planning Advisory Service (PAS).

12.68 It is accepted that that this is a simplification of the market, however in a high-level assessment of this type that is based on modelled sites, simplifications and general assumptions need to be made.

Development Costs

12.69 The appraisal costs are summarised as follows:

Construction costs: baseline costs

12.70 The cost assumptions are derived from the Building Cost Information Service (BCIS) data – using the figures re-based for Harlow.

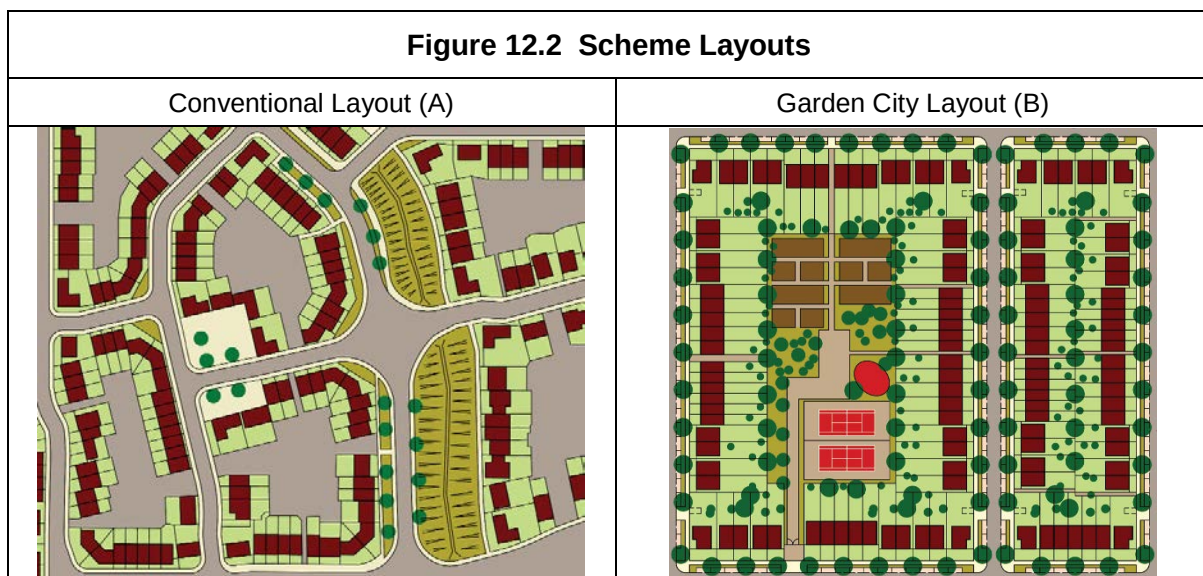
Table 12.6 BCIS Costs- £/m² gross internal floor area			
	Lower Quartile	Median	Average
Epping Forest	£1,107	£1,253	£1,292
Harlow	£1,097	£1,242	£1,280
East Hertfordshire	£1,097	£1,242	£1,280

Source: BCIS (July 2018)

12.71 It is assumed that all new non-residential development is built to the BREEAM Very Good standard.

Site Costs

- 12.72 The difference between the Garden City and the conventional approach is in two main parts. The first being the total land requirement and the second being the layout. The construction costs are based on the BCIS costs. The BCIS costs include the costs of the building but not the costs of services and external works. For this assessment we have had regard to the work carried out by URS (now AECOM) to support the TCPA's *Nothing gained by overcrowding!* paper. In that paper, two 4ha schemes were modelled as per the layouts below (at 2012 prices) to ascertain the estimated site costs. It found that the site costs on the Garden City scheme, on a per unit basis, are about 65% of the costs on the conventional scheme.



Source: *Nothing gained by overcrowding!* TCPA 2012

- 12.73 Under a conventional scheme it is generally assumed that the site costs would be in the range of 15% to 20% of the construction (i.e. BCIS based) costs. In the pre-consultation notes site costs were assumed to be 13% of the BCIS based construction cost. Through the consultation process a range of comments were made. A 15% assumption is used.

Abnormal development costs and brownfield sites

- 12.74 The PPG includes specific advice on the treatment of abnormal costs. When considering viability in the planning system, abnormal costs should be added to the cost side of the viability assessment, but also reflected (i.e. deducted from) in the BLV. This has the result of balancing the abnormal costs on both elements of the appraisal.
- 12.75 In some cases, where the site involves redevelopment of land which was previously developed, there is the potential for abnormal costs to be incurred. Abnormal development costs might include demolition of substantial existing structures; flood prevention measures at waterside locations; remediation of any land contamination; remodelling of land levels; and so on. An additional allowance is made for abnormal costs associated with brownfield sites of 5% of the BCIS costs (the 19ha of glasshouses at Water Lane, West Katherines is treated as brownfield land).

- 12.76 In summary, abnormal costs will be reflected in land value. Those sites that are less expensive to develop will command a premium price over and above those that have exceptional or abnormal costs. It is not the purpose of an assessment of this type to standardise land prices across an area.

Fees

- 12.77 Professional fees are assumed to amount to 8% of build costs and for non-residential development 8% is assumed. Additional allowance is made for the planning application fee, acquisition costs, sales (disposal) fees and fees in relation to finance.

Contingencies

- 12.78 For previously undeveloped and otherwise straightforward sites, a contingency of 2.5% has been allowed for, with a higher figure of 5% on more risky types of development, previously developed land and on central locations.
- 12.79 The strategic infrastructure and mitigation costs include appropriate (up to 20%) contingencies so additional contingency allowances are not made.

S106 Contributions and the costs of infrastructure

- 12.80 The Councils have recently reviewed the Infrastructure Delivery Plans specifically in relation to the Garden Town development. This work includes a disaggregation of the cost by site:

Table 12.7 Refined Strategic Infrastructure and Mitigation Costs			
	Units	Total	Cost/unit
East of Harlow (North)	750	£34,536,459	£46,049
East of Harlow (South)	2,600	£104,999,393	£40,384
Latton Priory	1,050	£48,191,121	£45,896
Water Lane Area (Sumners)	807	£38,247,063	£47,394
Water Lane Area (Katherines)	1,331	£63,004,339	£47,336
Gilston (Villages 1-6)	8,500	£445,525,028	£52,415
Gilston (Village 7)	1,500	£77,980,821	£51,987

Source: Arup, (March 2019)

- 12.81 The timings of these payments are also important and summarised below.

Table 12.8 Phasing of Strategic Infrastructure and Mitigation Costs

	2018 - 2023	2023 - 2028	2028 - 2033	2033 - 2038	2038 - 2043	2043 +
East of Harlow (North)						
Units	0	250	500	0	0	0
S106 £	£5,003,426	£18,713,880	£9,451,552	£295,166	£295,166	£777,269
s106 %	14.49%	54.19%	27.37%	0.85%	0.85%	2.25%
East of Harlow (South)						
Units	750	1,150	700	0	0	0
S106 £	£18,912,495	£51,556,734	£29,789,150	£1,023,241	£1,023,241	£2,694,533
s106 %	18.01%	49.10%	28.37%	0.97%	0.97%	2.57%
Latton Priory						
Units	50	500	500	0	0	0
S106 £	£6,830,689	£30,072,170	£9,373,621	£413,232	£413,232	£1,088,177
s106 %						
Water Lane Area (Sumners)						
Units	38	384	384	0	0	0
S106 £	£5,247,972	£25,729,792	£5,797,762	£317,598	£317,598	£836,342
s106 %	13.72%	67.27%	15.16%	0.83%	0.83%	2.19%
Water Lane Area (Katherine's)						
Units	63	634	634	0	0	0
S106 £	£8,655,577	£42,359,372	£9,562,356	£523,820	£523,820	£1,379,394
s106 %	13.74%	67.23%	15.18%	0.83%	0.83%	2.19%
Gilston (Villages 1-6)						
Units	217	833	1,000	1,000	1,500	3,950
S106 £	£125,285,303	£105,060,160	£103,991,799	£41,914,009	£27,171,859	£42,101,898
s106 %	28.12%	23.58%	23.34%	9.41%	6.10%	9.45%
Gilston (Village 7)						
Units	0	500	500	500	0	0
S106 £	£19,369,648	£20,851,622	£18,518,411	£7,564,222	£4,644,246	£7,032,671
s106 %	24.84%	26.74%	23.75%	9.70%	5.96%	9.02%

Source: Arup, (March 2019)

12.82 In the above some of the payments continue beyond the completion of the last unit. Where this is the case, in the modelling it is assumed any payments that are scheduled for after the completion of the last unit are made in the year of the last unit.

12.83 Whilst it is beyond the scope of this assessment to delve into the make up of the strategic infrastructure and mitigation costs, it is noted that some of the costs include doctors' surgeries. Such facilities have a value and are not necessarily a cost of development.

12.84 No allowance is made for any external funding. The Councils have a good track record in securing external funding for the Department of Transport (for M11 junction works) and others. There are current HIF bids being prepared at the time of this report.

12.85 None of the Councils have adopted CIL. No allowance is made for this tax.

VAT

12.86 It has been assumed throughout, that either VAT does not arise, or that it can be recovered in full.

Interest rates

12.87 The appraisals assume 6% pa for total debit balances. An arrangement fee of 1% of the peak borrowing requirement is also allowed for.

Developers' return

12.88 An allowance needs to be made for developers' profit / return and to reflect the risk of development. In this assessment the developers' return is assumed to be 20% of the value of market housing (being the top end of the range suggested by the PPG) and 6% of the value of affordable housing. This is in line with the updated PPG. In relation to non-residential development an assumption of 15% is used.

Phasing and timetable

12.89 The phasing is taken from the overall Garden Town Trajectory:

Table 12.9 Harlow Garden Town Trajectory							
	2018 - 2023	2023 - 2028	2028 - 2033	2033 - 2038	2038 - 2043	2043+	Total
East of Harlow (North)	0	250	500	0	0	0	750
	0.00%	33.33%	66.67%	0.00%	0.00%	0.00%	
East of Harlow (South)	750	1,150	700	0	0	0	2,600
	28.85%	44.23%	26.92%	0.00%	0.00%	0.00%	
Latton Priory	50	500	500	0	0	0	1,050
	4.76%	47.62%	47.62%	0.00%	0.00%	0.00%	
Water Lane Area (Sumners)	38	384	384	0	0	0	806
	4.71%	47.64%	47.64%	0.00%	0.00%	0.00%	100.00%
Water Lane Area (Katherines)	63	634	634	0	0	0	1,331
	4.73%	47.63%	47.63%	0.00%	0.00%	0.00%	
Gilston (Villages 1-6)	217	833	1,000	1,000	1,500	3,950	8,500
	2.55%	9.80%	11.76%	11.76%	17.65%	46.47%	
Gilston (Village 7)	0	500	500	500	0	0	1,500
	0.00%	33.33%	33.33%	33.33%	0.00%	0.00%	

Source: Arup (March 2019)

Acquisition costs

- 12.90 A simplistic approach is taken, it is assumed an allowance 1.5% for acquisition agents' and legal fees. Stamp duty is calculated at the prevailing rates.

Disposal costs

- 12.91 For the market and the affordable housing, sales and promotion and legal fees are assumed to amount to 3.5% of receipts. For disposals of affordable housing, these figures can be reduced significantly depending on the category, so in fact the marketing and disposal of the affordable element is probably less expensive than this.

Local Plan Policy Requirements

- 12.92 Ultimately the purpose of this assessment is to demonstrate the deliverability of the sites that make up the Harlow and Gilston Garden Town. The three Councils are at different stages of the plan-making process.
- a. Harlow Council has prepared and agreed a submission Local Plan which was published for comments on legality and soundness between 10th May and 22nd June 2018. The Plan was submitted for public examination in October 2018 and the hearings have taken place and are now adjourned.
 - b. Epping Forest District Council's Local Plan Submission Version was published for comments on soundness and legal compliance for a six-week period from 18th December 2017 to 29th January 2018. The hearings are now underway.
 - c. East Herts District Plan was submitted in early 2017; it has been through the examination process and was adopted later on 23rd October 2018.

- 12.93 It is assumed the policy requirements apply in full.

Modelling

- 12.94 In arriving at appropriate assumptions for residential development on each site, the built forms used in the appraisals are appropriate to the current development practices. In addition, the policy requirements, in terms of density, mix and open space are incorporated into the modelling.
- 12.95 Most of the allocations are very large relative to the numbers of units that are to be delivered from them with some generating densities of fewer than 15 units per ha. In part this is because the site is subject to constraints and whilst the 'red line' around the allocation takes in the whole site, only part is developable. In terms of assessing viability as required by the NPPF and PPG, in a high-level assessment of this type it is necessary to consider the policy requirements. The core analysis is therefore based on a net developable area of 60% - apart from the West Sumners site where the actual area is used.

Table 12.10 Modelling Assumptions – Areas and Densities

			Units	Modelled Area	Net Density units/ha	Net Area ha	m2/ net ha	Units/ Gross ha	Net Developable %
1	East of Harlow - North	EFDC	750	35.71	35.00	21.43	3,236	5.95	60.00%
2	East of Harlow - South	HBC	2,600	123.81	35.00	74.29	3,090	10.88	60.00%
3	Latton Priory	EFDC	1,050	50.00	35.00	30.00	3,235	13.78	60.00%
4	Water Lane - W Katherines	EFDC	1,331	63.38	35.00	38.03	3,236	18.40	60.00%
5	Water Lane - W Summers	EFDC	807	36.04	35.00	23.06	3,234	22.39	63.98%
6	Gilston - Villages 1-6	EHDC	8,500	404.76	35.00	242.86	3,207	8.50	60.00%
7	Gilston - Villages 7	EHDC	1,500	71.43	35.00	42.86	3,207	12.50	60.00%

Source: HDH (February 2019)

12.96 A private sheltered/retirement and an extracare scheme have been modelled, each on a 0.5ha site. For this assessment, we have assessed a number of development types including offices and industrial uses.

Residential Appraisal Results

12.97 For each development site the Residual Value is calculated and compared to the EUV and BLV.

Base Appraisals – full policy requirements

- 12.98 The initial appraisals are based on the full policy on scenario, including full compliance with the affordable housing policies and the full provision of the strategic infrastructure and mitigation costs (as identified through the IDP process).
- 12.99 The results vary across the modelled sites, although this is largely due to the different assumptions around the values generated by the site and the level of the s106 developer contributions sought for strategic infrastructure and mitigation measures as well as the Councils' differing affordable housing requirements.
- 12.100 In this iteration of this assessment, the results of some of the appraisals (East of Harlow – North, Latton Priory, Water Lane – West Katherines and West Sumners, and Gilston – Villages 1-6) are notably less good than in the previous iteration (February 2019) of this assessment. The principal variable that has changed is the timing of the infrastructure payments, with further front loading now modelled:
- a. East of Harlow – North is modelled with 25% (£8,745,000) in year one and 11% (£3,750,000) in year two.
 - b. Latton Priory is modelled with 14% (£6,825,000) in year one and 12% (£6,000,000) in year two.
 - c. Water Lane – West Katherines is modelled with 14% (£8,660,000) in year one and 13% (£8,475,000) in year two.
 - d. Water Lane – West Sumners is modelled with 14% (£5,250,000) in year one and 13% (£5,150,000) in year two.
 - e. Gilston – Village 7 is modelled with 30% (£23,500,000) in year one.
- 12.101 In the above results, with the exception of Gilston – Villages 1-6, all the sites generate a positive Residual Value that is over £270,000/net ha or £160,000/gross ha.
- 12.102 The Residual Values on East of Harlow - South are notably higher than on East of Harlow – North. The house values are similar across the area, however the southern part of the site is subject to 30% affordable and developer contributions of about £40,000/unit, and the northern part is subject to the higher affordable housing requirement of 40% and developer contributions of about £46,000/unit.
- 12.103 The values across the two parts of the Water Lane site are similar.
- 12.104 The Gilston – Villages 1-6 requires particular mention. This is a very large site that has been assessed in this assessment as a single site. The PPG sets out how to go about a viability assessment and part of this is to assume the whole site is purchased, up front, in one lot. This works well for smaller sites, but this site is so large that this results in high cumulative interest payments over the delivery modelled. The reality is that such a large site would come forward in different phases, and this is recognised through the subdivision into villages. Each of these villages will have its own sense of place, but the requirements for infrastructure are shared

and assessed over the whole of the 6 villages. This is well illustrated by the comparing Gilston – Villages 1-6 to Gilston – Village 7. Both have similar policy requirements (both are in East Herts) and both have similar levels of developer contributions (about £52,500 per unit). In spite of these similarities, the results are very different.

12.105 In the further analysis set out below the Gilston – Villages 1-6 is modelled as 6 separate elements as well as a single element. In this modelling the net area is assessed at 35 units/ha and the gross area assumes a net developable area of 60%. For the purpose of this analysis is assumed that the s106 strategic infrastructure and mitigation costs spread over each Village equally and pro-rata to the rate of development.

12.106 When considering the results of the Gilston – Villages 1-6 it is necessary to appreciate that the site is in a single ownership and that the precise phasing and delivery of the separate communities is yet to be finalised.

Table 12.11 Residential Development – Residual Value.
FULL POLICY REQUIREMENTS – With Gilston Villages 1 - 6

											Residual Value (£)		
											Gross ha	Net ha	Site
Site 1	East of Harlow - North	EFDC	Green			Agricultural	35.71	21.43	750		162,101	270,168	5,789,314
Site 2	East of Harlow - South	HBC	Green			Agricultural	123.81	74.29	2,600		518,717	864,529	64,222,164
Site 3	Latton Priory	EFDC	Green			Agricultural	50.00	30.00	1,050		340,575	567,626	17,028,766
Site 4	Water Lane - W Katherines	EFDC	Mixed			Ag / Glass	63.38	38.03	1,331		191,272	318,787	12,123,012
Site 5	Water Lane - W Summers	EFDC	Green			Agricultural	36.04	23.06	807		260,349	406,945	9,382,985
Site 6	Gilston - Villages 1-6	EHDC	Green			Agricultural	404.76	242.86	8,500		-119,698	-199,497	-48,449,161
Site 7	Gilston - Villages 7	EHDC	Green			Agricultural	71.43	42.86	1,500		431,575	719,291	30,826,760
Site 8	Gilston 1	EHDC	Green			Agricultural	90.48	54.29	1,901		463,049	771,749	41,894,939
Site 9	Gilston 2	EHDC	Green			Agricultural	84.76	50.86	1,780		474,864	791,440	40,250,381
Site 10	Gilston 3	EHDC	Green			Agricultural	42.86	25.71	900		575,048	958,413	24,644,911
Site 11	Gilston 4	EHDC	Green			Agricultural	95.24	57.14	2,000		452,089	753,482	43,056,101
Site 12	Gilston 5	EHDC	Green			Agricultural	36.19	21.71	760		593,407	989,012	21,475,681
Site 13	Gilston 6	EHDC	Green			Agricultural	54.86	32.91	1,152		545,560	909,266	29,927,847

Source: HDH (March 2019)

12.107 When disaggregated the results of the Gilston – Villages 1-6 are very much better, being around £500,000/ha.

12.108 The Residual Value is not a good indication of viability by itself, simply being the maximum price that a developer may bid for a parcel of land, and still make an adequate return. In the



following table the Residual Value is compared with the BLV. The BLV being an amount over and above the EUV that is sufficient to provide the willing landowner with a competitive return and induce them to sell the land for development.

Table 12.12 Residual Development v Benchmark Land Value					
Per Gross Ha - Full Policy On					
			Alternative Use Value	Benchmark Land Value	Residual Value
Site 1	East of Harlow - North	EFDC	22,500	322,500	162,101
Site 2	East of Harlow - South	HBC	22,500	322,500	518,717
Site 3	Latton Priory	EFDC	22,500	322,500	340,575
Site 4	Water Lane - W Katherines	EFDC	315,530	585,553	191,272
Site 5	Water Lane - W Sumners	EFDC	22,500	322,500	260,349
Site 6	Gilston - Villages 1-6	EHDC	22,500	322,500	-119,698
Site 7	Gilston - Villages 7	EHDC	22,500	322,500	431,575
Site 8	Gilston 1	EHDC	22,500	322,500	463,049
Site 9	Gilston 2	EHDC	22,500	322,500	474,864
Site 10	Gilston 3	EHDC	22,500	322,500	575,048
Site 11	Gilston 4	EHDC	22,500	322,500	452,089
Site 12	Gilston 5	EHDC	22,500	322,500	593,407
Site 13	Gilston 6	EHDC	22,500	322,500	545,560

Source: HDH (March 2019)

12.109 In the above analysis the EUV is taken to be an agricultural value except in the case of Water Lane – West Katherines. Part of Water Lane – West Katherines is under glasshouses (19ha / 30%) and the remainder (that will be subject to development) is in agricultural uses (44ha / 70%). As set out in Chapter 6 above, an industrial use value is attributed to the areas under glasshouses.

12.110 East of Harlow – North produces a Residual Value of about £160,000/ha. Whilst this is well above the EUV it is not above the BLV. As set above, this site is modelled with 25% (£8,745,000) of the infrastructure requirements in year one and 11% (£3,750,000) of the infrastructure requirements in year two. In contrast, East of Harlow – South which is modelled with 3.5% of the infrastructure requirements in each of the first two years is shown as viable, by a substantial margin, although this is in part due to the lower affordable housing target and the lower (as £/unit) infrastructure requirements.

12.111 Neither part of the Water Lane site generates a Residual Value that exceeds the BLV. On West Katherines the figure is below the EUV. The West Katherines part is now modelled with 14% (£8,660,000) of the infrastructure requirements in year one and 13% (£8,475,000) in year two. The West Sumners part is now modelled with 14% (£5,250,000) of the infrastructure requirements in year one and 13% (£5,150,000) in year two.

12.112 Considering Gilston – Villages 1-6 as individual sites, all the sites generate a Residual Value that is over £430,000/ha. This is above the EUV and BLV on the sites other than the Water Lane – West Katherines site which has a higher EUV due to the presence of the glasshouses.

12.113 As set out in Chapter 6 above, one of the site promoters feels that the BLV value remains too low and they suggested figure of £432,000/ha (based on £175,000/acre). Whilst this position is not accepted by the Councils, if this BLV was applied then the Latton Priory site Residual Value would be over the EUV but below the BLV.

12.114 This opportunity is taken to stress that the above results represent a worst-case scenario with the full infrastructure and mitigation requirements to deliver each site and the full infrastructure requirements that are required to deliver the wider Harlow and Gilston Garden Town being included within the appraisals. The modelling anticipates that the infrastructure is provided for when it is needed. No allowance is made for any external funding, for example through the Housing Infrastructure Fund (HIF) or from the Department of Transport (DoT). It is acknowledged that the site promoters are continuing to discuss the infrastructure requirements (both site-specific and Garden Town) and how they may be delivered.

12.115 There is no doubt that the delivery of any large site is challenging. Regardless of these results, it is recommended that the Councils continue to engage with the owners in line with the advice set out in the Harman Guidance (page 23):

Landowners and site promoters should be prepared to provide sufficient and good quality information at an early stage, rather than waiting until the development management stage. This will allow an informed judgement by the planning authority regarding the inclusion or otherwise of sites based on their potential viability.

12.116 In this context we particularly highlight paragraph 10-006 of the PPG:

... It is the responsibility of site promoters to engage in plan making, take into account any costs including their own profit expectations and risks, and ensure that proposals for development are policy compliant. It is important for developers and other parties buying (or interested in buying) land to have regard to the total cumulative cost of all relevant policies when agreeing a price for the land. Under no circumstances will the price paid for land be a relevant justification for failing to accord with relevant policies in the plan....

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12.117 To assist the Councils a range of other appraisals have been run.

Varied Infrastructure Delivery

12.118 The above analysis is based on the delivery of the strategic infrastructure and mitigation measures as set out in Table 7.4 above. This is derived from an estimate of when the various items of infrastructure will be needed. On some of the sites there is a degree of front loading, that is to say that it is provided so that it is in place when it is needed. The timing of the delivery has an impact on viability as the early provision results in increased interest cost. There can be some flexibility as to when infrastructure is actually delivered, and whilst this may not be ideal, this may be an area where flexibility is acceptable. In the following analysis it is assumed

that that infrastructure is provided through the life of the project in line with the delivery of the dwellings.

Table 12.13 Residual Development v Benchmark Land Value						
Per Gross Ha – Effect of Varied Infrastructure Timing						
			EUV	BLV	Residual Value	
					As Table 7.4	Pro-Rata to units
Site 1	East of Harlow - North	EFDC	22,500	322,500	162,101	263,676
Site 2	East of Harlow - South	HBC	22,500	322,500	518,717	517,949
Site 3	Latton Priory	EFDC	22,500	322,500	340,575	413,014
Site 4	Water Lane - W Katherines	EFDC	315,530	585,553	191,272	268,589
Site 5	Water Lane - W Sumners	EFDC	22,500	322,500	260,349	345,356
Site 6	Gilston - Villages 1-6	EHDC	22,500	322,500	-119,698	151,013
Site 7	Gilston - Villages 7	EHDC	22,500	322,500	431,575	534,809
Site 8	Gilston 1	EHDC	22,500	322,500	463,049	463,049
Site 9	Gilston 2	EHDC	22,500	322,500	474,864	474,864
Site 10	Gilston 3	EHDC	22,500	322,500	575,048	575,048
Site 11	Gilston 4	EHDC	22,500	322,500	452,089	452,089
Site 12	Gilston 5	EHDC	22,500	322,500	593,407	593,407
Site 13	Gilston 6	EHDC	22,500	322,500	545,560	545,560

Source: HDH (March 2019)

12.119 The Residual Value is somewhat greater when the costs of strategic infrastructure and mitigation are spread over the delivery of the projects. This is particularly the case where Gilston – Villages 1-6 are considered as a single site.

Varied Developer Contributions

12.120 Generally, the strategic infrastructure and mitigation costs tested are at the top of the range normally found – and are about twice that anticipated in the Harman Guidance. The initial analysis assumes that the sites fund all their own infrastructure. It would be normal for such infrastructure to be funded from a range of sources, including from County Council funds, national funding schemes (in this regard the Councils are currently working together to submit a Housing Infrastructure Fund (HIF) bid), funds raised through New Homes Bonus, Community Infrastructure Levy (CIL) and the like.

12.121 Whilst the above is the correct starting point of the analysis, in order to give the Councils a greater understanding of how developer contributions impact on viability, a further set of appraisals have been run in the full policy on scenario, but with varied developer contributions up to £70,000/unit.

Table 12.14 Residential Development – Residual Value.

FULL POLICY REQUIREMENTS – VARIED DEVELOPER CONTRIBUTIONS

[illegible]

Source: HDH (March 2019)

12.122 The above indicates that generally, the tipping point in terms of viability is somewhere around £40,000/unit. Very approximately, an increase of £2,500/unit in developer contributions results in a fall in the Residual Value of about £40,000/ha. This is a very significant swing illustrating that a small change in the s106 costs can have a significant impact on the results of the viability testing.

Affordable Housing v Developer Contributions

12.123 The essential balance for the plan-making process is the relationship between affordable housing and developer contributions. The base appraisals assume the locally appropriate (30% / 40%) affordable housing and the full strategic infrastructure and mitigation costs as informed by the most recent updated IDP. Further appraisals with affordable housing from 0% to 40% (on all sites – including those within Harlow) and developer contributions from £0 per unit to £70,000 per unit were run. All other policy requirements are assumed to apply.

12.124 As would be expected, as the level of affordable housing is reduced, the sites' ability to bear developer contributions improves. This will give the Councils confidence that the sites are deliverable.

12.125 In the previous analysis it was identified that an increase of £2,500/unit in developer contributions results in a fall in the Residual Value of about £40,000/ha. This analysis now shows that a 5% increase in the affordable housing results in a fall in the Residual Value of about £70,000/ha. It is clear that when changes are made to both the affordable housing requirements and s106 requirements, the changes in the Residual Value can be very significant.

12.126 The mix of affordable housing has an impact on viability. The results show that where the affordable housing requirement is 30%, a 10% increase in the amount of intermediate housing / 10% reduction in the amount of Affordable Rent results in, on average, an increase in the Residual Value of about £20,000/ha. Where the affordable housing requirement is 40%, a 10% increase in the amount of intermediate housing / 10% reduction in the amount of Affordable Rent results in, on average, an increase in the Residual Value of just under £30,000/ha.

12.127 Where viability is challenging, flexibility around the tenure mix of affordable housing sought may allow the overall affordable housing target to be achieved.

Older People's Housing

12.128 As well as mainstream housing, we have considered the sheltered and extracare sectors separately. All the Councils are seeking a mix of housing to be delivered from these large Harlow and Gilston Garden Town sites. The policies, as drafted, are not prescriptive in this regard to the amount of such speciality housing to be included in the sites. Appraisals are run with both the 30% and 40% affordable housing targets at a range of developer contributions.

12.129 The above analysis assumes that specialist older people's housing would be subject to similar levels of developer contributions (when calculated on a £/unit basis) as general housing. This is unlikely as such housing does not normally contribute to education.

12.130 This analysis shows that at around £40,000 per unit of developer contributions most schemes are likely to produce a Residual Value (on a £/ha basis) that is comparable to general housing. From this it can be concluded that the presence of specialist older people's housing is unlikely to impact seriously on viability and the delivery of the large Harlow and Gilston Garden Town sites.

Non-Residential Appraisals

12.131 Financial appraisals were also run for the non-residential development types. When testing the non-residential development types, we have not run multiple sets of appraisals for different levels of policy requirement as the Councils do not seek to impose layers of policy requirements on these types of development. Further, when it comes to developer contributions it is assumed that these will be borne entirely by residential development.

12.132 All the Councils are seeking a mix of uses to be delivered from these large Harlow and Gilston Garden Town sites. The policies, as drafted, are not prescriptive as to the amount of other uses to be included in the sites.

12.133 Office development is not shown as viable, similarly, industrial development is shown as being unviable. The results are not reflective of the local market where development is coming forward. Where development is coming forward (and it is coming forward), it tends to be from existing businesses for operational reasons – rather than to make a return through property development.

12.134 It is notable that agents operating in the local market have reported that, over the last 18 or so months, that there has been a change in sentiment and an improvement in the market, and that this is expected to continue.

12.135 The analysis in this report is carried out in line with the Harman Guidance and in the context of the NPPF and PPG. It assumes that development takes place for its own sake and is a goal in its own right. It assumes that a developer buys land, develops it and then disposes of it, in a series of steps with the sole aim of making a profit from the development. As set out in Chapters 2 and 3 above, the Guidance does not reflect the broad range of business models under which developers and landowners operate. Some developers have owned land for many years and are building a broad income stream over multiple properties over the long term. Such developers are able to release land for development at less than the arms-length value at which it may be released to third parties and take a long-term view as to the direction of the market based on the prospects of an area and on wider economic factors. Much of the development coming forward in the area is 'user led' being brought forward by businesses that will use the eventual space for operational uses, rather than for investment purposes.

12.136 Some office and industrial/distribution development is challenging in the current market, but it is improving. We would urge caution in relation to setting policy requirements for employment uses that would unduly impact on viability.

Conclusions and findings

12.137 There is no doubt that the delivery of any large-scale development is challenging. The analysis in this report shows that it will be necessary for the Councils to continue to work with promoters of the key sites that make up the Harlow and Gilston Garden Town.

12.138 The Councils can be confident that the sites are deliverable, however on some of the sites that it may be necessary to discuss the details around viability. As shown, flexibility around the timings of infrastructure payments and the mix of affordable housing can have a significant impact and improve viability notably. Such an approach would allow a fully policy-compliant scheme to be delivered, albeit with some compromise over timing.

12.139 If there is a reduction in the overall developer contributions (affordable housing and financial etc.) to below the full policy requirements, it is recommended that consideration is given to incorporating a review process into any final planning agreements. Such an approach is in line with paragraph 10-009-20180724 of the PPG and in line with the requirement '*to ensure policy compliance and optimal public benefits through economic cycles*'.

HDH Planning and Development Ltd is a specialist planning consultancy providing evidence to support planning authorities, land owners and developers. The firm is regulated by the RICS.

The main areas of expertise are:

- Community Infrastructure Levy (CIL)
- District wide and site specific Viability Analysis
- Local and Strategic Housing Market Assessments and Housing Needs Assessments

HDH Planning and Development have clients throughout England and Wales.

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HARLOW & GILSTON GARDEN TOWN

Guidance Note: 01/20190417

A Harlow & Gilston Garden Town 'How To' Guide for ...

Planning Obligations, Land Value Capture and Development Viability

Harlow and Gilston Garden Town

Harlow District Council (**HDC**), East Hertfordshire District Council (**EHDC**), Epping Forest District Council (**EFDC**), Hertfordshire County Council (**HCC**) and Essex County Council (**ECC**) are working together to bring forward transformational growth in and around Harlow through the promotion of the Harlow and Gilston Garden Town (**the Garden Town**) as [designated](#) by the Ministry for Homes, Communities and Local Government in January 2017.

The Garden Town will comprise existing neighbourhoods in Harlow together with new communities to the east, west and south and new villages to the north all set in attractive countryside, with transformative investment in transport and community infrastructure to create a long term sustainable place in accordance with a shared [Harlow and Gilston Garden Town Vision](#)¹, as follows:-

“The pioneering New Town of Gibberd and Kao will grow into a Garden Town of enterprise, health and sculpture at the heart of the UK Innovation Corridor. Harlow and Gilston will be a joyful place to live with sociable streets and green spaces; high quality homes connected to fibre optic broadband; local centres accessible by walking and cycling; and innovative, affordable public transport. It will set the agenda for sustainable living. It will be adaptable, healthy, sustainable, innovative.”

1. Introduction

- 1.1. This Guide sets out how the Councils intend to ensure that a consistent approach is adopted to support growth and deliver the necessary infrastructure to ensure the sustainability and long term stewardship of the Garden Town as a whole in line with the [Garden City Principles](#) and [Harlow and Gilston Garden Town Vision](#). This will include the capture of development land value through the use of planning obligations.

¹ Adopted by the Garden Town (November 2018)



2. Garden City Principles

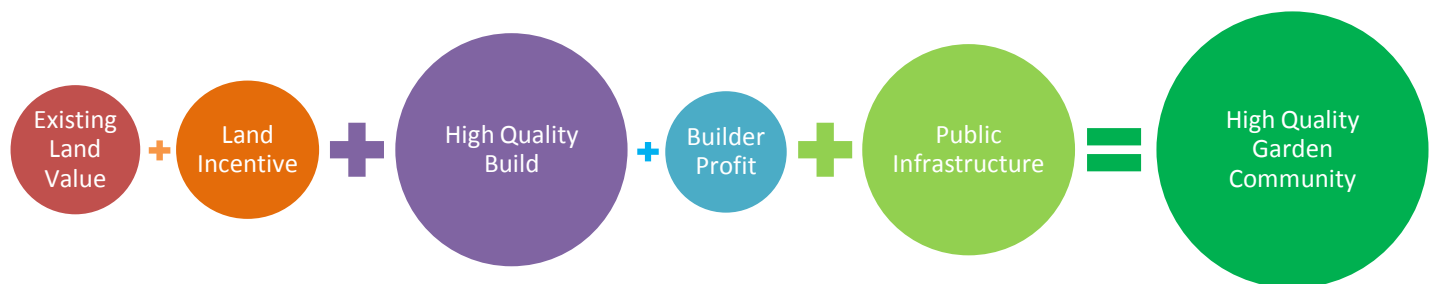
2.1. The Garden Town is being planned, delivered and regenerated in accordance with [Garden City Principles](#). These include:-

- I. Land value capture for the benefit of the community.
- II. Strong vision, leadership and community engagement.
- III. Community ownership of land and long-term stewardship of assets.
- IV. Mixed-tenure homes and housing types that are genuinely affordable.
- V. A wide range of local jobs within easy commuting distance of homes.
- VI. Beautifully and imaginatively designed homes with gardens, combining the best of town and country to create healthy communities, and including opportunities to grow food.
- VII. Development that enhances the natural environment, providing a comprehensive green infrastructure network and net biodiversity gains, and that uses zero-carbon and energy-positive technology to ensure climate resilience.
- VIII. Strong cultural, recreational and shopping facilities in walkable, vibrant, sociable neighbourhoods.
- IX. Integrated and accessible transport systems, with walking, cycling and public transport designed to be the most attractive forms of local transport.



3. Land Value Capture

- 3.1. When the use of land changes, for example from agricultural to residential, the value of that land changes. [National Planning Practice Guidance \(PPG\) on Viability](#) sets out how the value of land should be considered (Reference ID: 10-013-20180724 and 10-019-20180724). Provided that the value generated by a development is more than the cost of developing it and that a sufficient incentive exists to provide the land and build the development, then the scheme is viable. The aim is to ensure an approach that balances reasonable landowner incentive and developer profit with appropriate benefits to the public through high quality development and infrastructure.
- 3.2. Provision of these benefits is what is referred to as Land Value Capture. In the Garden Town the Councils will ensure that any increases in land value that arise from the granting of planning consents are used to ensure that high quality development proposals are delivered that are supported by necessary infrastructure. Illustrated simply:-



- 3.3. The form that this equitable Land Value Capture may take is varied and will include a combination of the following:-
- I. Achieving high quality design – through collaborative engagement on masterplans and planning applications between Councils, developers, stakeholders and the community on the appearance and form development takes in response to its surroundings. Investment in high quality design by the developer enhances the overall value of the development;
 - II. Delivering infrastructure on-site – through approval of design details via applications, planning conditions and planning obligations in **Section 106** agreements (see below) including affordable housing and education, health and community facilities. These are necessary to make development acceptable and are funded by the developer and landowners;
 - III. Contributing to Garden Town infrastructure – through planning obligations in Section 106 agreements including public transport and highway improvements. Contributions to Garden Town infrastructure may come from more than one development and there is also the possibility of additional funding from external sources (see below);
 - IV. Providing services, endowments/assets and governance arrangements to support on-going stewardship – through planning obligations in Section 106 agreements and planning conditions including measures to support active healthy sustainable transport such as subsidised public transport and cycle hire, provision of assets or funds into a management body for the long-term stewardship of the development and its buildings and spaces. Garden City Principles state that Stewardship should include community ownership.

4. Joint Working

- 4.1. The successful delivery of the Garden Town growth needs to be underpinned by a comprehensive package of infrastructure delivered in a coordinated way. The Councils are supporting this in a number of ways. This includes:-
- I. Garden Town Board and officer working groups, which are the forums for co-operation in the preparation of guidance and the sharing of evidence and which also facilitate the collective consideration of matters to support the delivery of the Garden Town;
 - II. Co-ordination of Local Plan policies underpinning the delivery of the Garden Town and seeking to promote cross-boundary policy guidance where appropriate;
 - III. Garden Town Infrastructure Delivery Plan (**IDP**) identifying the package of key infrastructure necessary to achieve the Garden Town growth and Vision and the phased delivery approach to support sustainable growth and healthy communities. This is supported by a viability study which provides a high-level viability assessment for each of the new Garden Communities ensuring that the growth and the infrastructure package required is deliverable (see below);
 - IV. Garden Town Transport Strategy supporting the delivery of a network of Sustainable Transport Corridors (**STC**) that encourage safe, convenient and healthy walking, cycling and public transport as the most attractive choice. These STC are a key element of the infrastructure required to integrate the new Garden Communities with the existing neighbourhoods and surrounding villages, including a revitalised Town Centre, and are required to achieve the necessary targets of 60% of all journeys within and to/from the new Garden Communities being undertaken by active healthy sustainable options and 50% for all journeys within the Garden Town;
 - V. Strategic masterplans for each of the new Garden Communities of East Harlow, Latton Priory and the Water Lane Area, village masterplans for the Gilston Area and an Area Action Plan for the Town Centre. This will establish in more detail the high quality design and specific infrastructure that will be required to support their growth;
 - VI. Seeking additional funding from external sources such as the [Road Investment Strategy \(RIS\)](#) funding that has been secured to deliver the new M11 Junction 7A and the [Housing Infrastructure Fund \(HIF\)](#) for which a bid has been submitted to support the early stages of development in the Garden Town, including commencing delivery of the STC and mitigate impacts on the highway network. The Councils will continue to seek out opportunities to secure external funding where this will benefit the Garden Town.
- 4.2. Funding from external sources can enable forward-funding of infrastructure and/or address gaps in funding need but will not be a substitute for the funding captured from developments through the uplift in land value. Where external funding allows the early delivery of infrastructure, the Councils will still collect contributions from developments to reimburse the forward funding investment. This funding will in turn be put towards addressing the next priority for forward funding and/or address a funding gap through the creation of a 'rolling infrastructure fund' which will be used to deliver the next piece of prioritised infrastructure identified to support the Garden Town delivery.



5. Infrastructure Requirements and Local Planning Policy

- 5.1. All three District Councils benefit from Local Plan policies, which are either adopted or are currently being taken through the examination process, that support the delivery of the Garden Town. As indicated above the authorities have also commissioned a joint **IDP** that sets out the infrastructure that will be required to deliver the planned level of housing and employment growth in the Garden Town.
- 5.2. The IDP draws on previous work undertaken by the Councils; in particular, the District-level IDPs produced to support the Local Plans, and aligns and updates this information. The IDP will support further joint work with respect to the Garden Town area, and provide further evidence for the formulation of Section 106 agreements through ensuring an equitable division of responsibility for funding Garden Town infrastructure. The IDP will be updated periodically as a “live” document.
- 5.3. The District Councils set out Policies for Planning Obligations within their respective Development Plan Documents as follows:-
- I. [Harlow Local Development Plan \(Pre-Submission Publication May 2018\)](#)² Policy IN6;
 - II. [East Herts District Plan \(adopted 23 October 2018\)](#) Policy DEL2;
 - III. [Epping Forest District Plan \(Submission Version 2017\)](#)³ Policy D1.
- 5.4. The Counties also provide guidance on Planning Obligation requirements as follows:-
- I. [Essex Planning Protocol \(May 2018\)](#);
 - II. [The ECC Developers’ Guide to Infrastructure Contributions \(Revised Edition 2016\)](#);
 - III. [Essex Local Viability Protocol \(June 2018\)](#);
 - IV. [Planning Obligations Guidance - Toolkit for Hertfordshire \(January 2008\)](#).⁴
- 5.5. The above set out the Councils’ respective requirements on the scope and range of contributions and costing information for infrastructure which may be sought to make development acceptable in planning terms.
- 5.6. This ‘How To’ Guide sets out a collective position in respect to the approach that will be taken for securing planning obligations in the Garden Town to ensure the obligations are secured in a co-ordinated and comprehensive manner.
- 5.7. It has been identified by the Councils that further Guidance in the form of a Joint Supplementary Planning Document (**SPD**) on Planning Obligations for the Garden Town may also be required.⁵

² The current development Plan is the Adopted Replacement Harlow Local Plan (July 2006).

³ The current development Plan is the combined policies of Epping Forest District Local Plan (1998) and Alterations (2006).

⁴ HCC is currently updating the Planning Obligations Toolkit with anticipated consultation in Summer 2019.

⁵ The Councils may also prepare and adopt SPD independently to cover their respective District’s needs.

6. Use of Section 106 Agreements across the Garden Town.

- 6.1. The [PPG on Planning Obligations](#) states these assist in mitigating impact of development to make it acceptable in planning terms (Reference ID: 23b-002-20190315) entered into by landowners and developers (and others) through Section 106 agreements (Reference ID: 23b-001-20190315). Under [Section 106 of the Town and Country Planning Act \(1990\)](#) a planning obligation may:-
- I. Restrict the development or use of the land in any specified way;
 - II. Require specified operations or activities to be carried out in, on, under or over the land;
 - III. Require the land to be used in any specified way;
 - IV. Require a sum or sums to be paid to the authority on a specified date, dates or periodically.
- 6.2. The [National Planning Policy Framework \(NPPF\) \(February 2019\)](#) (Paragraph 56) and Regulation 122(2) of the [Community Infrastructure Levy \(CIL\) Regulations \(2010\)](#) stipulate that Planning Obligations must only be sought where they meet the following tests:-
- I. Necessary to make the development acceptable in planning terms;
 - II. Directly related to the development; and
 - III. Fairly and reasonably related in scale and kind to the development.
- 6.3. Where Planning Obligations are necessary, the Councils require applicants for major development within the Garden Town area to enter into appropriate agreements that capture the value of land for consented development to deliver required infrastructure on site and across the Garden Town. Applicants are required to support their applications at submission stage with:-
- I. Proposed draft Heads of Terms for a Section 106 agreement including itemised schedule of infrastructure, phasing, cost and responsibility for delivery based upon the Policy, the IDP⁶ and as identified through engagement with the Councils. This should reflect requirements of the Template Section 106 Agreement (below) or, for smaller sites, such other agreed process;
 - II. A Statement of Delivery. This statement will confirm the Applicant's position in relation to the viability and deliverability of the development (see Section 8 below).

Template Section 106 Agreement

- 6.4. In terms of the approach to the drafting of the Planning Obligations, the Councils have jointly appointed the Garden Town Legal Advisor to develop a standard format agreement (**the Template Agreement**) which will be used for all of the new Garden Communities and, at the Councils' discretion, for any development proposals in the Garden Town area. Whilst there may be some minor variations in agreements reflecting the particular requirements of individual developments, the aim will be to ensure a consistency of approach as far as practicable.

⁶ An IDP represents a point in time and costs and provisions may change based upon new evidence.



6.5. Dependent upon any site-specific requirements and the nature and scale of the development, matters to be dealt with in the Template Section 106 agreement may include:-

- I. A delivery table identifying key infrastructure provision and delivery phasing;
- II. Requirements for affordable housing including number of homes, tenure and how and when these will be provided;
- III. Requirements for all other provisions including but not limited to education, health, community and leisure facilities including how and when these will be provided;
- IV. The package of measures intended to achieve the 60% mode share target for active healthy sustainable travel and measures for monitoring and managing the 60% mode share target, including any interim phased targets (on the understanding that the general approach should be to establish this mode share from the outset in order to encourage and support behavioural change as new residents arrive). Provision should also be made for taking further measures should these be necessary to address any shortfall against these targets;
- V. The approach to delivering high quality design and build where not specifically dealt with in the development proposals and any associated conditions;
- VI. Triggers for delivery of on-site infrastructure and caps on the commencement/occupation of development until that has been agreed/delivered. This will include which infrastructure will be directly delivered and which will be funded through contributions in cash or in kind;
- VII. Triggers for delivery of off-site infrastructure and caps on the commencement/occupation of development until that infrastructure has been agreed/delivered. This will include mechanisms to ensure infrastructure delivery where dependent upon contributions or actions from third parties;
- VIII. Approach to stewardship and estate management including any provision of assets or funds into a management body to ensure its long-term financial health and viability and the mechanism for agreeing that such management body includes representation from the community and meets key principles for stewardship;
- IX. Stages or circumstances in which viability may be re-appraised (see section 8 below);
- X. The approach to monitoring generally (see section 7 below).

6.6. The intention is to promote a consistent approach to the negotiation of Section 106 agreements to provide certainty for those who are engaging with the Councils. Measures will include:-

- I. Drafting will be undertaken by the Garden Town Legal Advisor based upon the Template Section 106 agreement working with identified lead case officer(s) for the application. Developers will be required to meet the legal costs associated with drafting S106;
- II. In the case of planning applications or off-site infrastructure that cross local authority boundaries, a single Section 106 agreement will be negotiated with an identified protocol for how each of the Councils will discharge its responsibilities under the agreement.

7. Monitoring

- 7.1. Given the scale of growth proposed across the Garden Town area, monitoring arrangements are important in order to ensure the appropriate delivery of housing, infrastructure and local services. To this end, it is expected that monitoring data will be collected and compiled of the rate and mix of housing, service and infrastructure delivery, in addition to data showing the annual level of contribution made through the Section 106 process. This will form part of a Monitoring Framework which will track how the requirements in the IDP are being addressed.
- 7.2. In accordance with the [PPG](#) (Reference ID: 10-023-20180724) a copy of any planning obligation together with any details of any modification or discharge of the planning obligation will be made publically available by the local authorities; and (Reference ID: 10-022-20180724) monitoring information will be regularly published so that communities are able to easily see where contributions towards infrastructure and affordable housing have been secured and spent. To achieve this the following steps will be undertaken:-
- I. A copy of any signed Section 106 Agreement will be published on the website of the Local Planning Authority that determined the application along with any modification to the Section 106 or statement confirming discharge of any of the planning obligations;
 - II. A Monitoring Framework will be published on the website of the District Councils, or on an equivalent Garden Town website established for this purpose, which will set out where contributions towards infrastructure and affordable housing have been secured and spent within the Garden Town;
 - III. This Monitoring Framework will be overseen by a Garden Town Infrastructure Officer Group reporting to the Garden Town Board, or equivalent body established for this purpose, to assist monitoring by the respective Councils;
 - IV. Subject to clarification with regard to monitoring fees for Section 106 as [proposed](#)⁷ by the government, the Councils will seek proportionate and reasonable costs from developers through Section 106 agreements to support the ongoing monitoring of planning obligations.

⁷MHCLG technical consultation on draft regulations for reforming developer contributions (Dec 2018).



8. The Approach to Development Viability

- 8.1. All considerations and approaches to assessing Viability will be based upon the context of the guidance set out in the [PPG on Viability](#) and Paragraph 57 of the [NPPF \(February 2019\)](#).
- 8.2. The need to deliver strategic infrastructure items across the Garden Town including on a 'pooled' basis, through co-ordinated contributions of land and/or infrastructure costs, such as the STC, mean that it is important to adopt a consistent and transparent approach to viability assessment.
- 8.3. Alongside the Garden Town IDP and as a part of the respective District Plan-making processes, viability assessment for each of the new Garden Communities has been undertaken in order to determine the appropriate level of developer contributions to be sought given the need to deliver the necessary infrastructure whilst ensuring that the sites remain viable and deliverable.
- 8.4. For the new Garden Communities, or any major development (applications for 10 or more homes or 1,000m² for non-residential development) within the Garden Town, unless otherwise advised by the respective Local Planning Authority, applicants will be required to demonstrate that the application will meet requirements of policies and is considered viable and deliverable. This should be through the provision of a Statement of Delivery (see paragraph 6.3 above) comprising:-
- I. Gross Development Value for the application scheme*;
 - II. Benchmark Land Value based upon existing use value (EUV) plus the assumed Landowner Premium (EUV+)*;
 - III. Development Costs including build costs, site-specific infrastructure costs, total cost of meeting Policy requirements including contributions to Garden Town infrastructure set out in the IDP, General Finance Costs, Professional Fees, and any project contingency costs as well as any assumed provision of external funding*;
 - IV. A comprehensive development programme indicating assumed phasing and/or timing associated with the delivery of infrastructure and, specifically, where such phasing and/or timing does not accord with policy, the IDP⁸ or requirements identified as necessary through engagement with the Councils for reasons of viability this should be supported by a details of development cash flow;
 - V. List of Abnormal Costs that the applicant has identified which have been taken into account when defining the Benchmark Land Value;
 - VI. Financial return assumed by the Developer.

* The Applicant will be required to include explicit agreement to the assumptions of the most recent viability assessment published for the District or Garden Town or, alternative assumptions where clear evidence is provided to demonstrate what has changed since that viability assessment was undertaken.

⁸ An IDP represents a point in time and costs and provisions may change based upon new evidence.

- 8.5. The Statement of Delivery should reflect the requirements set out in Policy, the IDP and as otherwise agreed through engagement with the Councils and should, wherever appropriate, include explicit agreement to the assumptions within the most recent viability assessment published for the District or Garden Town. Where the applicant wishes to rely upon different assumptions these must be clearly evidenced so that they can be assessed by the Council.
- 8.6. The Councils recognise that delivery of growth in the new Garden Communities will extend over many years during which, from time to time, external factors could improve or reduce viability of development. The viability of development may also be affected by the accuracy of assumptions made at the stage of assessment which may vary during planning for outline or detailed/reserved matters stages and again at the commencement of, and during, the construction phase.
- 8.7. As set out in PPG (Reference ID: 10-009-20180724) the potential risk to developers is already accounted for in the assumptions for developer return in the viability assessment. Realisation of risk does not in itself necessitate further viability assessment or trigger a review mechanism. Review mechanisms are not a tool to protect a return to the developer, but to strengthen local authorities' ability to seek compliance with relevant policies over the lifetime of the project. As a general rule, re-appraisal of policy compliant schemes in the Garden Town will not be entertained.
- 8.8. Where Applicants fail to demonstrate full compliance with policy requirements through reasons of viability they will be required to provide detailed information to support all assumptions made within the Statement of Delivery in order that the Council can assess the case. As set out in the PPG (Reference ID: 10-009-20180724), the applicant will also be required to commit to re-appraisal and agree a clear process and terms of engagement for how and when viability will be reassessed over the lifetime of the development to ensure policy compliance and optimal public benefits through economic cycles. Circumstances where re-appraisal will be undertaken may include:-
- I. Detailed planning stage (if viability only assessed at plan-making or outline planning stage);
 - II. Change in scheme proposals, where the Council deem this to have a bearing upon viability;
 - III. Change in market conditions, where the Council deem this to have a bearing upon viability;
 - IV. Approximately every 3 to 5 years, or the occupation of 500 homes or completion of an agreed phase on the development since the last viability appraisal, whichever the Council deem to establish new market evidence to be considered;
 - V. Provision of any external funding contributions which may reduce the apportionment of infrastructure costs, or improve cash flow, for the development.
- 8.9. Mechanisms for re-appraisal will be written into Section 106 agreements where schemes are agreed to be unviable. If viability improves sufficiently, applicants will be required to rectify any short fall in later stages of the development.
- 8.10. Statements of Delivery, viability evidence and viability re-appraisal will be reviewed by the Councils supported by the jointly appointed Garden Town Viability Advisor.
- 8.11. In accordance with the PPG (Reference ID: 10-021-20180724) viability assessment will be made publicly available and should be prepared on that basis.



Other Documents and Guidance that are relevant to this 'How To' Guide

- [Harlow and Gilston Garden Town Vision \(November 2018\)](#)
- [Harlow and Gilston Garden Town Design Guide \(November 2018\)](#)
- Harlow and Gilston Garden Town IDP (April 2019)
- Harlow and Gilston Garden Town Strategic Viability Assessment (April 2019)
- [National Planning Policy Framework \(NPPF\) \(February 2019\)](#)
- [National Planning Practice Guidance \(PPG\) Planning Obligations](#)
- [National Planning Practice Guidance \(PPG\) Viability](#)

Engagement on this 'How To' Guide

This Guide has been prepared co-operatively with the Garden Town Officer Working Group including [Harlow](#), [East Herts](#) and [Epping Forest](#) District Councils and [Essex](#) and [Hertfordshire](#) County Councils and [Homes England](#).

Endorsement of this 'How To' Guide

This Guide has been endorsed by the Garden Town Member Board including Councillors from [Harlow](#), [East Herts](#) and [Epping Forest](#) District Councils and [Essex](#) and [Hertfordshire](#) County Councils.

Monitoring and Review of this 'How To' Guide

'How To' Guides may periodically be reviewed, please check the Council websites for the latest version of all Guides.

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EAST HERTS COUNCIL

COUNCIL – 24 JULY 2019

REPORT BY LEADER OF THE COUNCIL AND THE EXECUTIVE MEMBER FOR PLANNING AND GROWTH

HOUSING DELIVERY TEST (HDT) ACTION PLAN JULY 2019

WARD(S) AFFECTED: ALL

Purpose/Summary of Report

- To seek Members' agreement to publish the Housing Delivery Test (HDT) Action Plan on the Council's website.

<u>RECOMMENDATIONS FOR COUNCIL:</u> that:	
(A)	The Housing Delivery Test Action Plan, as set out in Essential Reference Paper 'B', be agreed and published on the Council's website.

1.0 Background

- 1.1 A number of changes to the planning system were introduced through the publication of the new NPPF in July 2018, one of which was the introduction of a new monitoring tool (the Housing Delivery Test) to assess housing delivery against housing requirements. In instances where local planning authorities do not deliver up to a certain proportion of their housing requirements they are required to produce an Action Plan detailing how they intend to improve housing delivery going forward.

- 1.2 East Herts' first HDT Action Plan has been produced in response to the East Herts February 2019 HDT results where it was highlighted that the Council had met 76% of its housing requirements over the last three years up to March 2018.
- 1.3 A copy of the East Herts HDT Action Plan July 2019 is attached at **Essential Reference Paper 'B'**.

2.0 Report

- 2.1 Preparation of a HDT Action Plan is a new national requirement outlined in national Planning Practice Guidance and is necessary in instances where at least 95% of the housing requirement is not met over a three-year period. The purpose of an Action Plan is to identify the reasons for under-delivery, explore ways to reduce the risk of further under-delivery and set out measures the authority intends to take to improve levels of delivery. They are required to be published within six months of the HDT results being published.
- 2.2 The results of the first HDT come only a few months after the Council adopted the East Herts District Plan in October 2018. The District Plan introduced new policies and allocated sites for housing development to help deliver housing to meet housing requirements over the plan period. It provides an up-to-date planning framework and demonstrates a pro-active approach to growth, directing the majority of new housing to the district's main settlements as well as proposing a new garden town to the south-east of the district. The Council has therefore already taken a key step towards addressing housing delivery within the District. As a result, many actions and responses to increasing housing delivery are identified within the District Plan.
- 2.3 Consequently the Council is only proposing small scale measures at the current time, and it is unlikely to require anything more significant over the next couple of years as the

District Plan will take time to positively impact upon housing delivery.

- 2.4 Section 2 of the HDT Action Plan explains what the Housing Delivery Test is and how it affects local planning in East Herts.
- 2.5 Section 3 provides an analysis of historic housing delivery in East Herts and significantly it highlights that the Council is in fact granting planning permission for more than enough homes to meet housing requirements, and that there are issues after planning permission is granted that are affecting sites being built out.
- 2.6 Section 4 identifies some of the potential issues that may have an impact on housing delivery in East Herts, including how well the planning department is performing in approving and granting applications on time, issues around the local housing market and the changing affordability of homes over time, as well as issues affecting the build-out rate of sites nationally.
- 2.7 Section 5 reiterates that the District Plan is intended to be the main mechanism through which the Council seeks to improve housing delivery in the district. It also identifies a number of actions and responses to the key issues outlined in Section 4 that the Council can explore implementing in the short-term to help increase delivery of homes.
- 2.8 Section 6 identifies additional longer-term measures to improve housing delivery which may be worth exploring in the future.
- 2.9 Guidelines on what an action plan should include are outlined in national Planning Practice Guidance. There is no requirement to publicly consult on the Action Plan and the Council has opted not to do so in this instance. The report is required to be made publicly available however and it is intended that the document be published on the Council's website.

3.0 Implications/Consultations

3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

Essential Reference Papers

- A – Corporate issues and consultation information
- B – East Herts HDT Action Plan July 2019

Background Papers

- Planning Practice Guidance – Housing and Economic Land Availability Assessment – Paragraphs 55-75.
<https://www.gov.uk/guidance/housing-and-economic-land-availability-assessment#housing-delivery-test>
- Housing Delivery Test 2018 Measurement
<https://www.gov.uk/government/publications/housing-delivery-test-2018-measurement>
- National Planning Policy Framework 2019
<https://www.gov.uk/government/publications/national-planning-policy-framework--2>
- East Herts District Plan 2018
<https://www.eastherts.gov.uk/districtplan>

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IMPLICATIONS/CONSULTATIONS

Contribution to the Council's Corporate Priorities/ Objectives <i>(delete as appropriate):</i>	Priority 1 – Improve the health and wellbeing of our communities Priority 2 – Enhance the quality of people's lives Priority 3 – Enable a flourishing local economy
Consultation:	None – the actions suggested in the Action Plan are not considered significant enough to require consultation. It is seeking to help deliver the housing already identified in the District Plan and mostly suggests a continuation of existing actions already being taken to help improve housing delivery in the District.
Legal:	N/A
Financial:	N/A
Human Resource:	None
Risk Management:	Publication of an Action Plan is a national planning policy requirement.
Health and wellbeing – issues and impacts:	Providing enough housing to meet the identified housing needs in the District is important for the health and wellbeing of East Herts population.
Equality, diversity and human rights considerations, and whether	No. There are no direct impacts on equality, diversity and human rights expected as a result of this Action Plan. The District Plan itself was subject to an EqIA. As this Action Plan only seeks to deliver the housing requirements stated in the Plan, no additional

Equality Impact Assessment required:	assessment is required.
Environmental Sustainability	There are no direct impacts on environmental sustainability as a result of the Action Plan. The actions contained in the Action Plan are intended to help the Council deliver more homes in line with the District Plan. The District Plan itself has undergone a sustainability assessment which considers the environmental impacts of the number of homes the Council expects to deliver.

Housing Delivery Test: Action Plan

July 2019



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1. Introduction

- 1.1 Over recent years the Government has been reforming the planning system in an effort to stimulate the housing market and support house building. The delivery of new homes to meet housing needs is a national issue which the Government has committed to resolving. The Government revised the National Planning Policy Framework (NPPF) in July 2018¹, and through it introduced a new mechanism to monitor housing delivery locally and hold LPAs to account, called the Housing Delivery Test (HDT). The HDT has been introduced by the Government as a monitoring tool to demonstrate whether local areas are building enough homes to meet their housing need. The HDT compares the number of new homes delivered over the previous three financial years with the authority's housing requirement.
- 1.2 The HDT score for East Herts is 76% which falls below the expected requirements and as a result the Council is now required to produce an Action Plan to show how it plans to improve housing delivery going forward.

Purpose of this Action Plan

- 1.3 The East Herts District Plan 2018 was adopted a few months before the first set of HDT results were published in February 2019. The District Plan introduced new policies and allocated sustainable housing sites to increase housing delivery over the plan period, it takes a pro-active approach to growth directing the majority of new housing to the district's main settlements as well as proposing a new garden town to the south-east of the district. The Council has therefore already taken a key step towards addressing housing delivery within the district. As a result, many actions and responses to increasing housing delivery are identified within the District Plan.
- 1.4 This is East Herts Council's first Action Plan. It begins with an explanation of how the HDT works in practice and the consequences for local planning authorities that fail to provide sufficient homes to meet requirements. It also

¹ The NPPF has since been updated again in February 2019 but the changes were much smaller in nature

provides a factual analysis of the potential reasons for historic under-performance in delivering new homes within East Herts. The policies contained within the Council's District Plan to boost housing supply as well as other national policy changes that have taken place are considered sufficient to help boost housing supply in the district, however a few additional, complimentary actions have been identified for further exploration via this Action Plan.

- 1.5 Not all of the reasons for the under-delivery of housing identified in this Action Plan are within the remit of the Council to resolve, however it is considered important to identify these issues so that the Council can make these matters known and assist others involved to improve housing delivery in East Herts.

Scope of report

- 1.6 This Action Plan covers five main areas:

- An explanation of the housing delivery test.
- Research into housing delivery in the district.
- Analysis of the main issues affecting housing delivery and build out rates in the district.
- Identification of the key actions and responses considered appropriate at this stage to improve housing delivery.
- Project management and monitoring arrangements.

2. Housing Delivery Test

- 2.1 The HDT is an annual measurement of the housing delivery in a Local Planning Authority (LPA) over the previous 3 financial years. The results of the HDT should be published annually in November by the Ministry for Housing, Communities and Local Government; however the publication of the first results were delayed until February 2019. The planning policy consequences for not meeting the HDT are set out in the section below.

How does the HDT work?

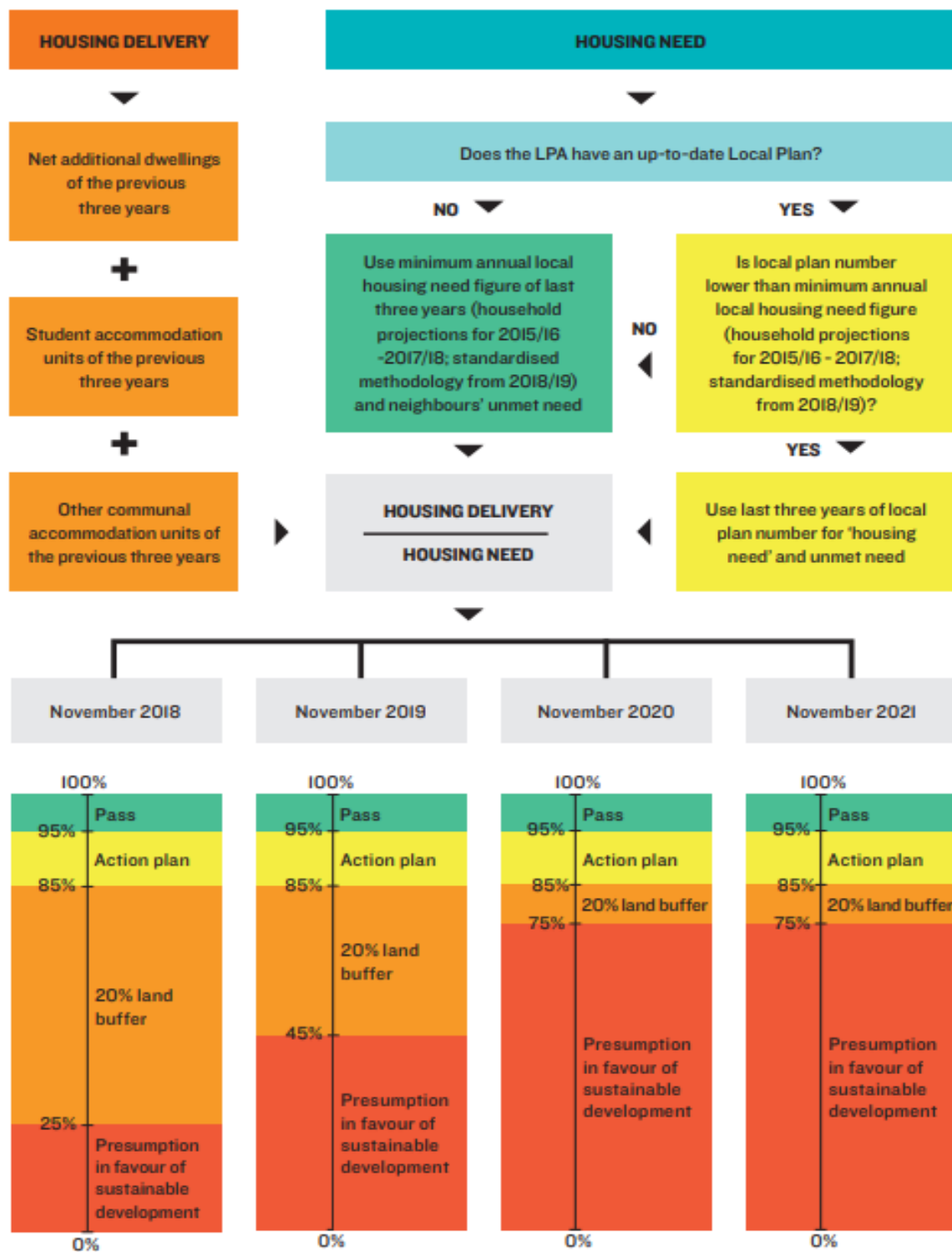
- 2.2 The Test compares the delivery of housing within each LPA over the past three years against the number of homes required as a percentage measurement – delivery of the full amount would result in a Test score of 100%. Following the outcome of the results, there are then three possible consequences for not meeting the test:
1. If delivery has been less than 95%, the LPA should prepare an Action Plan to address the reasons for the shortfall.
 2. If delivery has been less than 85%, the LPA should include a 20% buffer in calculating its 5YHLS.
 3. If delivery has been less than 75%, then the presumption in favour of sustainable development is engaged².
- 2.3 The presumption in favour of sustainable development would apply with respect to decision-taking on planning applications. In accordance with paragraph 11 of the NPPF, this means:
- Approving development proposals that accord with an up-to-date development plan without delay; or

² As a transitional provision, the threshold in the third element is set at 25% and 45% for the 2018 and 2019 Tests.

- Where the policies which are most important for determining the application are out-of-date³, granting planning permission unless:
 - The application of policies in this Framework that protect areas or assets of particular importance provides a clear reason for refusing the development proposed; or
 - Any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole.

2.4 Figure 1 (below) shows diagrammatically how the HDT operates including the outcomes and consequences in practice.

³ This includes situations where for applications involving the provision of housing, situations where the local planning authority cannot demonstrate a five year supply of deliverable housing sites, or where the HDT indicates that the delivery of housing was substantially below (less than 75%) the housing requirement over the previous three years



Source: MHCLG; Lichfields

Figure 1 : Housing Delivery Test Process

Consequences of not building enough homes

- 2.5 The presumption in favour of sustainable development does not change the statutory status of the development plan as the starting point for decision making, however under this scenario the Council is likely to come under pressure to approve development which may conflict with the development plan. This may lead to an increase in planning appeals as adopted policies are tested against the presumption in favour of sustainable development and so the Council may find it harder to resist speculative, inappropriate or unwanted development outside the protected areas.
- 2.6 This could also have impacts on the local housing market. Housing affordability is already a growing issue in East Herts with the gap between house prices and earnings widening in recent years. If enough homes to meet demand are not built, this will exacerbate the local affordability issues and also affect the delivery of affordable housing, which is funded by the construction and sale of market housing.

East Herts HDT Results

- 2.7 As previously mentioned, the HDT is a measure of the net homes delivered against the number of homes required over the previous three years. The results of the first HDT for East Herts are shown in Table 1 below:

Area	Number of homes required			Total number of homes required	Number of Homes Delivered			Total number of homes delivered	Housing Delivery Test: 2018 Measurement
	2015-16	2016-17	2017-18		2015-16	2016-17	2017-18		
East Hertfordshire	804	794	784	2,382	674	623	504	1,801	76%
Shortfall in delivery over three year period = 581 homes									

Table 1: East Herts 2018 HDT Results

- 2.8 East Herts delivered 76% of its housing requirements over the last three years up to the 2017/18 financial year. As East Herts' performance falls below 95% the

Council is required to produce an Action Plan as well as apply a 20% buffer to its five year land supply calculations. Action Plans are required to be produced within six months of the test results being published (i.e. by the end of August 2019). Figure 2 below shows how East Herts performed in the HDT in comparison to neighbouring authorities.

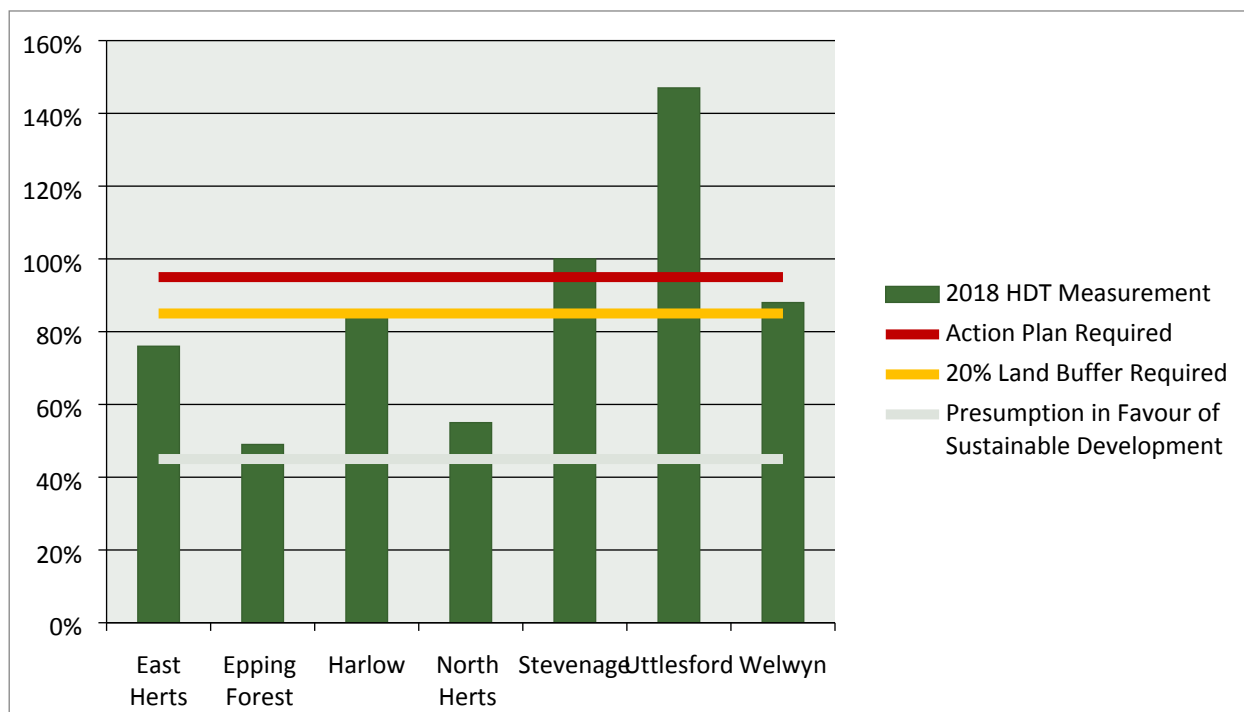


Figure 2: Comparison of East Herts and Neighbouring Authorities 2018 HDT Results

3. Research on Housing Delivery in East Herts

- 3.1 As part of this Action Plan the Council has gathered data on a number of areas relating to housing delivery including; historic housing delivery data in the district, data on how many new homes the Council is approving, the expected future supply of housing, conditions in the local housing market, the typology of sites being delivered in East Herts and the policy context within which this all sits.

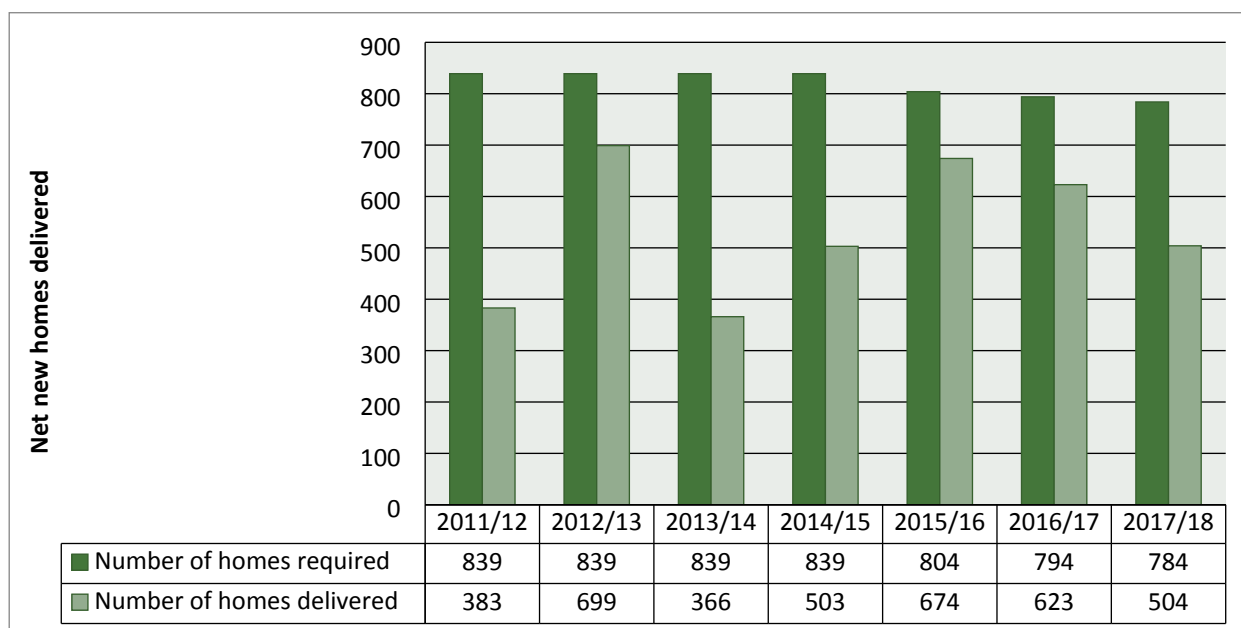
Policy context

- 3.2 East Herts recently adopted its new District Plan in October 2018 which sets out a proactive development strategy to help meet the requirements in the district over the plan period up to 2033, and beyond. It provides the policy framework for the delivery of at least 18,458 new homes in the district up to 2033, plus an additional 6,950 new homes beyond the plan-period.
- 3.3 An update to the National Planning Policy Framework was published in July 2018 (last updated February 2019) which sets out the overall policy context within which local policy sits. The new NPPF encourages development on small and medium sized sites, through identifying land in the brownfield register and through encouraging the development of under-utilised land for housing. National planning policy and legislation over the last few years has also encouraged housebuilding through the use of permitted development rights to allow changes of certain land uses to residential use.

Historic Housing Delivery in East Herts District

3.4 There has been a consistent shortfall in housing delivery in recent years in East Herts when assessed against housing requirements over the same period (see Figure 3). There is likely to be more than a singular cause for this and different solutions are likely to need to be actioned by stakeholders other than just the Council. For example, East Herts has a robust supply of sites as evidenced in the 'Five year land supply 2019' and has consistently been approving more homes than are required since 2011/12, some of which are not being built out, which suggests there are other factors affecting housing delivery.

Figure 3: East Herts housing delivery measured against housing requirements⁴



⁴ For the purposes of consistency, household projections are used as the measure of housing requirements for years 2015/16, 2016/17 and 2017/18 when assessing housing delivery over the longer term.

Typology of sites delivered

- 3.5 As seen in Figure 4 below, a significant proportion of homes delivered in the district in the recent past have been on sites comprising of 10 units or less. On average, 25% of net completions in the last seven years have been on small sites consisting of ten homes or less.

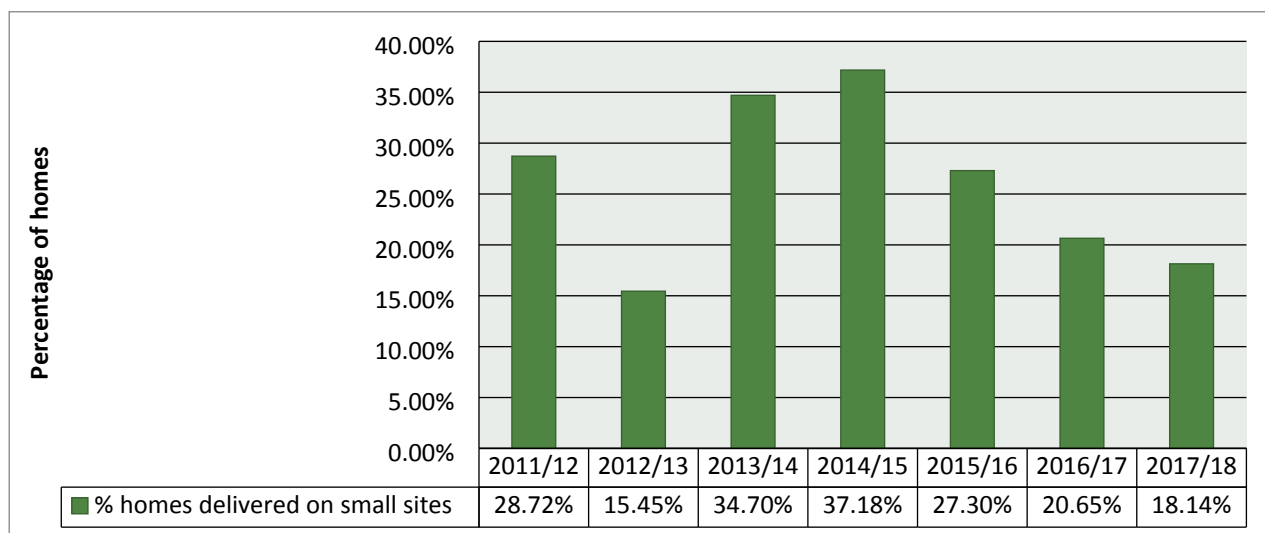


Figure 4: Percentage of homes delivered on small sites 2011-2018

- 3.6 The majority of all housing (65%) between 2011 and 2018 has been delivered on previously developed land (PDL), or brownfield land (see Figure 5). The Council has opened up approximately 6% of Green Belt land for development through the allocation of sites in the new District Plan.

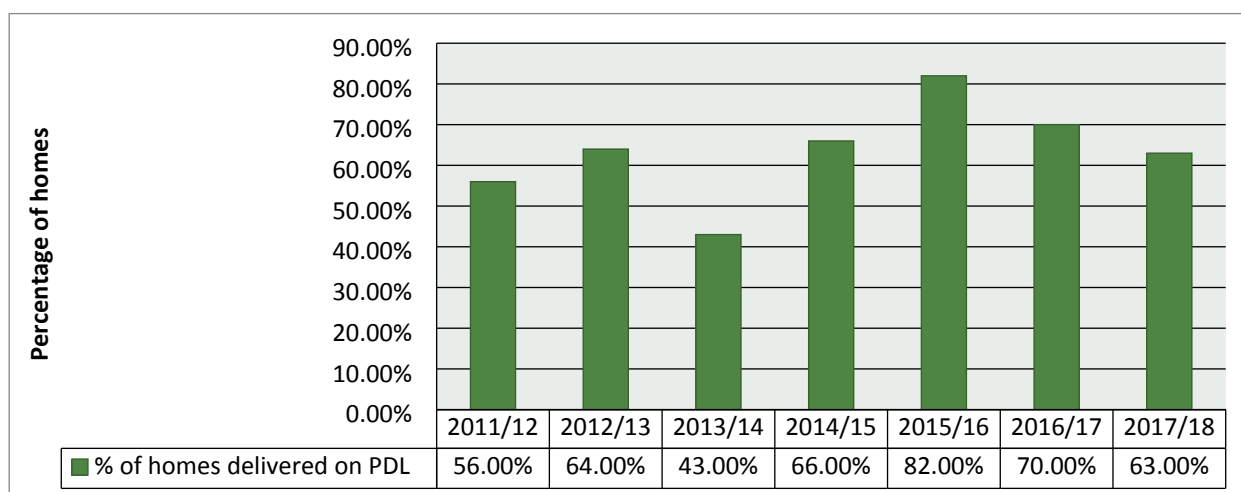


Figure 5: Percentage of homes delivered on PDL 2011-2018

Current monitoring year's housing delivery

3.7 In the 2018/19 monitoring year, East Herts exceeded its housing target by delivering 907 net new homes. This is largely due to the build out of the more advanced sites in the District Plan and progress being made on completions of a few other large sites. The effect of the new District Plan on housing delivery is likely to be seen even more in the 2019/20 monitoring year and beyond as allocated sites are granted permission.

Housing approvals

3.8 Figure 6 and Table 2 below highlights that over the last seven years, significantly more homes have been given planning permission than have been completed. These permissions exceed housing requirements by 95%. Although the build-out rate of planning permissions will vary depending on the size of the scheme, only 68% of homes granted planning permission between 1st April 2011 and 31st March 2018 have either been built out or begun construction.

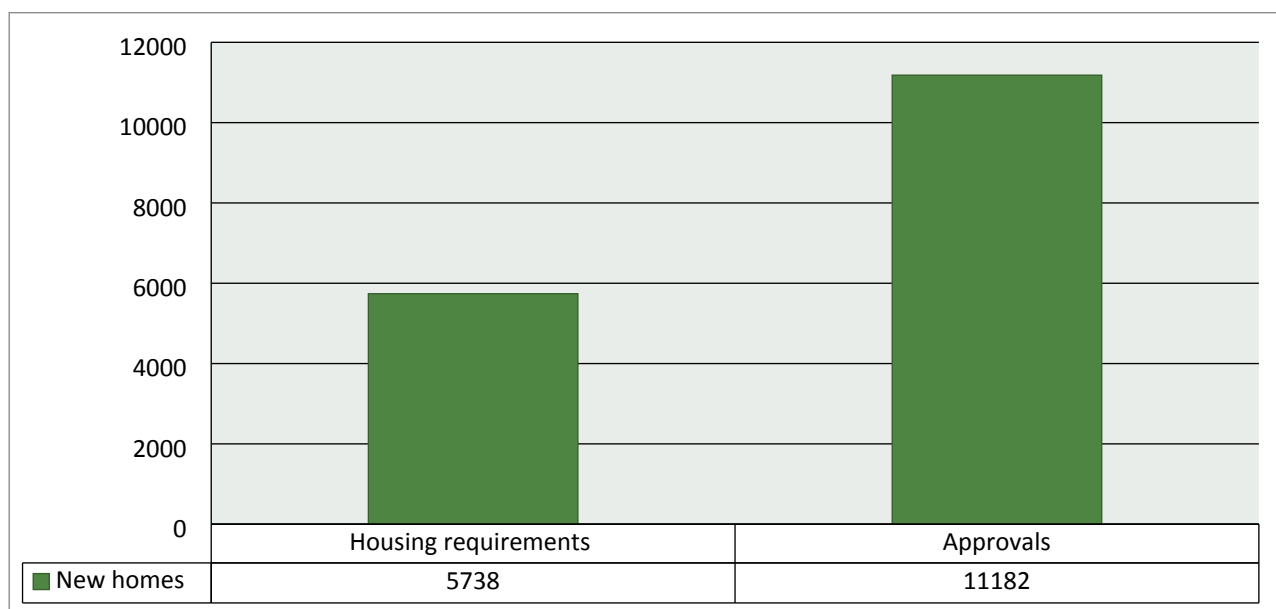


Figure 6: Number of homes granted planning permission 2011-2018

3.9 It's important to note that the overall approvals figure is a gross figure taking into account all residential permissions granted and does not remove those that supersede a previous application. A detailed assessment of the gap

between approvals and completions will be undertaken as part of the Authority Monitoring Report this autumn.

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Housing requirements	839	839	839	839	804	794	784	5738
Approvals	848	595	1140	992	4124	1687	1796	11182
Approvals as a % of housing target	101%	71%	135%	118%	513%	212%	229%	195%
Proportion of approvals between FY2011 and FY2017 that have either begun construction or completed development								7618 homes or 68%

Table 2: Housing approvals assessed against housing requirements 2011-2018

3.10 The evidence demonstrates that the local authority has been approving enough new housing over the last few years to more than meet housing requirements, and that there are issues/barriers after planning permission is granted that prevent sites from being built out.

Looking forward

3.11 A strategic housing market assessment (SHMA) was undertaken by East Hertfordshire, Epping Forest, Harlow and Uttlesford. Taking account of a shortfall in delivery against housing requirements between 2011 and 2017, which the District Plan intends to address over the ten year period between 2017 and 2027, the Council's objectively assessed housing need (OAN) was calculated as being 18,458 homes up to 2033. The Council is also required to apply a 20% buffer to its five year land supply to ensure choice and competition in the market for land and importantly to account for a persistent record of under-delivery. Given all of the above the final housing requirement for the district over the next five years is set out in Table 3 as follows:

	2019-20	2020-21	2021-22	2022-23	2023-24	2019-24
Annual requirement	839	839	839	839	839	4195
20% buffer	204	204	204	204	204	1020
Shortfall	179	179	179	179	179	895
Total land supply requirement	1222	1222	1222	1222	1222	6110

Table 3: East Herts housing requirements for the next five years

Five year housing land supply

3.12 The results of the five year housing land supply calculation will be published in Autumn 2019. Early calculations show that the Council has a robust five year land supply in excess of housing requirements.

4. Key issues

- 4.1 As mentioned earlier, there are a vast number of reasons why housing may not be being delivered at the required level and many of these are issues not exclusive to East Herts. This section explores some of the macro-level issues in the East Herts context.

Planning Performance

- 4.2 The Council has been relatively consistent in making decisions on major and minor residential planning applications on time. 90% of major residential applications and 79% of minor residential applications were decided within the statutory time limit or agreed time during the year ending December 2018. In this regard the Planning Service is effective in ensuring the development process runs efficiently.
- 4.3 The Council's approval rate for residential planning applications varies between minor and major residential decisions. In the 2018 calendar year 80% of major residential planning applications were granted compared to 54% of minor residential planning applications. The Council will seek to determine why the approval rate for minor planning applications is not as high.

Local housing market

- 4.4 At present, East Herts is largely dependent on the private sector for housebuilding. The Council is also dependent on the development of a few large sites to deliver the homes required in the district over the plan period. There are presently limited sites in Council ownership for development or redevelopment opportunities and the majority of social housing is owned by registered social landlords. The Council has recently set up a local housing development company which, in the future, may enable it to acquire sites for development; however this is long-term and is not guaranteed, and is subject to finance, viability and availability of sites for development.

Demand-side issues

- 4.5 Affordability of housing has been a growing issue in East Herts and in Hertfordshire. Whilst the housebuilding industry overall has grown in recent years, incomes in East Herts have not risen at the same rate as house prices and this will affect people's ability to purchase new homes in East Herts. The ratio of house prices to workplace-based earnings is now over 12:1, significantly above the England average, as shown in Figure 7.

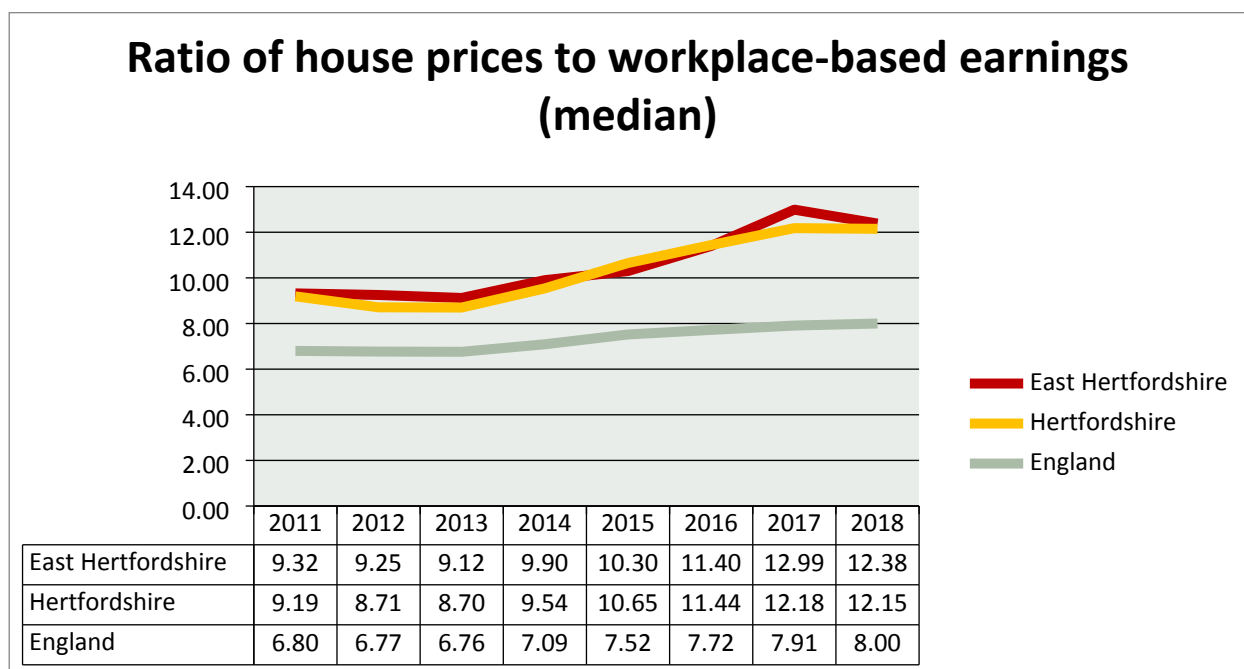


Figure 7: Ratio of house prices to workplace-based earnings (median)

- 4.6 The Council does not have access to data showing the volume of home sales in the district over time, so it is difficult to make any sort of correlation between housing market activity and the growing gap between house prices and earnings, however it is clear that nationally, and to a greater degree locally, house price growth is outpacing income growth.

Letwin Review

- 4.7 The Letwin Review identified that the main issue affecting build-out rates was a lack of variety offered on large sites in terms of housing types, tenures and design that matches appropriately the desires of people wanting to live in each

part of the country. This leads to a slow take-up or market absorption rate for residential properties.

- 4.8 The Letwin Review also identified other potential constraints that could affect build out rates nationally, however concluded that there was only one that could have any significant effect – the availability of skilled labour. The report states that there is an insufficient supply of bricklayers which would be a constraint on build out rates in the immediate future unless there was a move away from brick-built homes, or a significant import of more skilled bricklayers from abroad, or an implausibly rapid move to modular construction techniques.

S106 agreements

- 4.9 The Council is currently reviewing the S106 procedure and assessing the effectiveness of CIL in comparison to S106 in maximising funding for infrastructure. Maximising funding may allow money to be spent on key infrastructure which could help unlock additional housing sites. Concurrently the Council is reviewing how S106 funds are spent and if there are any ways to improve how this money is spent.

Nature of development sites in the District

- 4.10 Historically, and in the near future, a significant proportion of housing delivery in the District has been/will be on large development sites which have greater build out rates and lead-in times than smaller sites. This affects the overall rate of housing delivery in the District.

5. Key actions and responses

- 5.1 One of the key purposes of a Housing Action Plan is to identify actions that could boost the delivery of housing. Below is a series of additional actions that the Council may consider implementing alongside the adoption of the District Plan.

Actions already undertaken through the District Plan

- 5.2 The adoption of the East Herts District Plan in October 2018 should have positive impacts on housing delivery in the district as new site specific policies increase certainty in relation to the delivery of large housing sites which are essential in helping the district to meet its housing needs.
- 5.3 The District Plan sets out an overall strategy for how it intends to deliver enough housing to meet needs through policy DPS2, which includes setting out a development hierarchy, allocation of sites for housing development and encouraging the limited development of new homes in the district's villages. For specific sites it sets out what is required in terms of infrastructure to support delivery of certain sites and what will be expected of developers developing these sites to ensure growth in the district is sustainable.
- 5.4 The District Plan positively plans for the delivery of over 10,000 homes during the plan period up to 2033 through site allocations, as well as an additional 6,950 homes beyond the plan period.

Actions and responses going forward:

- 5.5 The following actions are proposed over the forthcoming year/s:
- Continue to work closely with developers on the delivery of large housing sites and continue to use pre-application services, planning performance agreements and statements of common ground where appropriate to reduce uncertainty and ensure timely delivery of sites.

- Continue to review the processing time for planning applications, particularly for smaller residential developments. This will help minimise delays in the processing of planning applications and potentially minimise delays in the implementation of planning consents.
- Explore opportunities to improve and streamline the Section 106 process to be explored with HCC and other stakeholders.
- Undertake a Call for Sites to identify potential further sites for development.
- Continue to engage regularly with key stakeholders to obtain up-to-date information on build-out of current sites, identify any barriers, and discuss how these can be addressed.
- Conduct an internal review on the use of planning conditions, and where possible minimise the use of those conditions that could lead to delays before and during construction.
- Continue to explore options for development of council-owned sites by the council's wholly-owned property company, Millstream Property Investments Ltd, in line with the approach adopted by a number of other local authorities.

6. Further research/work to be undertaken

6.1 In addition to the actions outlined in section 4 above, there are additional longer term measures and areas to investigate further which may help improve housing delivery in the District. This includes:

- Reviewing key development sites in the district's housing trajectory, including those with extant planning permission and allocated sites, and exploring the reasons why site development has not progressed as expected. This may include looking at issues relating to the ability of developers to raise finance.
- Review the potential to encourage the use of modern methods of construction (MMCs) which have a faster rate of construction when the next Local Plan Review is undertaken. There may also be potential to combine this with Local Development Orders (LDOs) and the use of design codes on specific sites to speed up the planning process even further.

- Explore ways in which housing delivery from small sites could be encouraged and supported where appropriate.

7. Statements of Common Ground

- 7.1 Initial Statements of Common Ground have already been agreed with developers for the allocated sites to agree phasing and milestones for delivery of housing. These will be regularly reviewed and updated as ongoing discussions with developers and site owners take place.

8. Project management and monitoring

- 8.1 Housing delivery will be monitored throughout the year and reported in both the Authority Monitoring Report and through the results of the Housing Delivery Test. In assessing the effectiveness of the actions proposed, this will ultimately come down to whether housing delivery increases. Delivery in accordance with the five year land supply should improve housing delivery statistics in the district although the majority of planned housing growth is expected to be delivered in the latter years of the plan period.
- 8.2 The Action Plan will be reviewed annually unless the Council meets the requirements of the Housing Delivery Test.

EAST HERTS COUNCIL

COUNCIL – 24th JULY 2019

REPORT BY EXECUTIVE MEMBER FOR FINANCIAL SUSTAINABILITY

ESTABLISHMENT OF THE FINANCIAL SUSTAINABILITY COMMITTEE

WARD(S) AFFECTED: ALL

Purpose/Summary of Report

This report proposes the membership and terms of reference for a new Financial Sustainability Committee.

<u>RECOMMENDATIONS FOR COUNCIL: That:</u>	
(A)	A Financial Sustainability Committee be established as a committee of the Council with ten members to reflect the Council's political proportionality according to the political balance regulations
(B)	The proposed terms of reference for the committee in Essential Reference Paper 'C' are approved
(C)	That the Head of Legal and Democratic Services be authorised to amend the Constitution to incorporate the Financial Sustainability Committee
(D)	That authority to allocate resources for financial sustainability from the budget approved for this purpose by Council at its meeting of 5th March 2019 be delegated to the Financial Sustainability Committee.

1.0 Background

- 1.1 A Financial Sustainability Group has been meeting for a number of years reviewing and discussing income generating initiatives.
- 1.2 At its meeting on the 5th March 2019 the Council agreed the Group should be embedded as a board and should have delegated authority to invest in projects. As it is envisaged that this body will be making decisions on expending capital on projects, it is advisable that in order to provide accountability and transparency, the board should be established as a Committee of the Council.
- 1.3 At its meeting on 5th March 2019, the Council also agreed a capital sum of £3m to invest in commercial income generating activity. This report seeks approval that the authority to allocate these resources should now be vested in the proposed Financial Sustainability Committee.
- 1.4 The former Financial Sustainability Group, subsequently envisaged as a board by Council at its meeting of 5th March, is effectively a committee of the Council, and is therefore subject to the rules of political balance.
- 1.5 The Group's evolution to a committee requires a change of terms of reference so that formal decisions can be made and recorded. The Council's Constitution will therefore require updating to include such terms of reference, if the above recommendations are approved.

2.0 Report

- 2.1 The proposed members are listed within **Essential Reference Paper 'B'**.
- 2.2 The proposed terms of reference are detailed within **Essential Reference Paper 'C'**.

3.0 Implications/Consultations

3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

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IMPLICATIONS/CONSULTATIONS

Contribution to the Council's Corporate Priorities/ Objectives <i>(delete as appropriate):</i>	Priority 1 – Improve the health and wellbeing of our communities Priority 2 – Enhance the quality of people's lives Priority 3 – Enable a flourishing local economy The purpose of the report is to set up the financial sustainability committee. Once established this committee will be working to invest in projects and approve money saving and income generation projects for the Council. The projects will lead to an improved financial position for the Council which will contribute to all three priorities.
Consultation:	<i>This report has been to the Financial Sustainability Group for approval prior to consultation with Leadership team</i>
Legal:	<i>This committee needs to comply with the provisions of political balance requirements by virtue of The Local Government and Housing Act 1989</i>
Financial:	<i>A capital budget of £3m has already been approved for the committee to use for investment projects. There are no other financial implications for this report.</i>
Human Resource:	<i>There are no anticipated additional staffing implications for the formal establishment of this Committee. Democratic Services and Finance and Property Services Officers will be required to attend these Committees.</i>
Risk Management:	<i>The property sector is high risk particularly due to the decline of the high street and failures of retailers and other companies. The council may also be competing against commercial investors with more experience, or other local authorities.</i>
Health and wellbeing – issues and	<i>No specific implications arise from this report.</i>

impacts:	
Equality, diversity and human rights considerations, and whether Equality Impact Assessment required:	<i>No specific implications arise from this report.</i>
Environmental Sustainability	<i>No specific implications arise from this report.</i>

ESSENTIAL REFERENCE PAPER 'B'

Financial Sustainability Committee

10 seats

Conservative

- 1 Geoffrey Williamson
(Chairman)
- 2 Angela Alder
- 3 Kenneth Crofton
- 4 Ian Devonshire
- 5 Graham McAndrew
- 6 Mari Stevenson
- 7 Tony Stowe
- 8 Alastair Ward-Booth

Liberal Democrat

- 9 Mione Goldspink

Green/Labour

- 10 Carolyn Redfern

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Financial Sustainability Committee

Remit

The Financial Sustainability Committee (in this Section 3 referred to as “the Committee”) may undertake the Council’s function to:

- (a) review and advise on initiatives to generate income for the Council
- (b) promote financial sustainability and stability by generating income
- (c) decide to invest on projects within the financial budget delegated to them

Membership and meeting arrangements

The Committee shall consist of 10 Members. It shall be appointed annually by the Council and shall be politically balanced. The Chairman will:

- (a) have full understanding of his or her procedural responsibilities, in accordance with the principles set out in paragraph 5.2 of Chapter 5 of the Constitution;
- (b) be responsible for Member-to-Member engagement.
- (c) lead on other Member-related duties including the appointment of Members of the Committee and non-voting co-optees to task and finish groups.

The Committee will meet in accordance with a schedule of ordinary meetings, although meetings may be cancelled due to lack of business. With the agreement of the Chairman (or Vice-Chairman in the absence of the Chairman) additional meetings of the Committee may also be called if necessary.

Delegation of functions

The Committee will consider:

- a) progressing with one or more projects within the delegated capital budget. Each Project's budget shall need to include all foreseeable costs (for example Fees, Stamp Duty Land Tax and VAT).
- b) the criteria for officers to search for investment opportunities. These criteria will be reviewed regularly and adjusted accordingly in line with the economic markets and risk profile that the Council wish to operate in.
- c) decide on recommendation reports put forward by officers requesting authority to proceed with a project and allow for investment in due diligence.
- d) the review of current project progress and to make further decision to proceed or stop projects should due diligence uncover any adverse effects on the business case.
- e) business cases for financial investment in service areas for income generation. Reports will be brought to the committee before full Council for consideration and approval to proceed with the Committee's support and recommendation.
- f) business cases for financial investment with a budget higher than the Committee's delegated budget threshold. Such reports will be brought for the Committee consideration and approval to progress with the Committee's support and recommendation.
- g) establishing subcommittees to agree recommendations on specific projects where changes to a business case may occur due to changing variables.

Procedure at meetings

Any meetings of the Committee will require a quorum of more than one third of the membership (minimum of 4 members).

Meetings of the Committee will be conducted in accordance with the Council Procedure Rules where they apply to Committees. In particular Rules 5.5 – 9, 12.3 – 12.6, 15, 18 – 23 and 25 – 26 apply to meetings of committees and sub-committees.

Voting arrangements will be as set out at Rule 18, the most relevant provisions being summarised as follows:

Majority: any matter will be decided by a simple majority of those Members of the Committee voting and present in the room at the time the question was put;

Chairman's casting vote: if there are equal numbers of votes for an against, the Chairman will have a second or casting vote;

Show of hands: the Chairman will take the vote by show of hands asking Members to indicate whether they are for, against or abstain, unless a ballot or recorded vote is taken;

Ballot: the vote will take place by ballot if five Members present at the meeting demand it; the Chairman will announce the numerical result of the ballot immediately the result is known;

Recorded vote: if five Members present at the meeting demand it, the names for and against the motion or amendment or abstaining from voting will be taken down in writing and entered into the minutes. A demand for a recorded vote will override a demand for a ballot.

Meetings timetables

Meetings of the Committee will be programmed in each civic year. There will normally be six meetings of the Committee annually. In addition, extraordinary meetings may be called from time to time as and when required. Extraordinary meetings may be called by the Chairman of the Committee, or by any four members of the Committee.

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EAST HERTS COUNCIL

COUNCIL – 24 July 2019

REPORT BY THE EXECUTIVE MEMBER FOR WELLBEING

REPORT TITLE: UPDATE ON LEISURE CENTRE CAPITAL DEVELOPMENTS – PROPOSAL FOR ADDITIONAL FUNDING

WARD(S) AFFECTED: All

Purpose/Summary of Report

- Two years have passed since the funding for the leisure projects was approved. During this period, inflation has risen at a higher rate than was forecasted, and additional works have been identified following more detailed surveys.
- There is an opportunity to enhance the sustainable energy features to help to reduce energy consumption and resultant CO2 emissions, in accordance with the council's climate change policy principles approved by Executive in February 2019.
- This report sets out the updated costs, in the context of value engineering savings that have already been achieved on both leisure centre designs that reduce the scale of the request, and seeks approval for additional funding for the completion of the schemes, including funding for additional energy saving features.

<u>RECOMMENDATIONS FOR COUNCIL: That:</u>	
(A)	Additional funding of £1.558m is agreed for the completion of the Hartham Leisure Centre refurbishment, to be funded from a combination of future s106 receipts, new homes bonus, borrowing and/or any other opportunities identified;

(B)	Additional funding of £1.024m is agreed for the completion of the new Grange Paddocks Leisure Centre, to be funded from a combination of future s106 receipts, new homes bonus, borrowing and/or any other opportunities identified;
(C)	Authority be delegated to the Head of Strategic Finance & Property and the Head of Planning & Building Control to identify and agree the specific funding referred to in recommendations (A) and (B); and
(D)	Additional funding of up to £1m is agreed to provide extra sustainable energy features at Hartham and Grange Paddocks leisure centres; to be funded from a combination of future s106 receipts, new homes bonus, borrowing and/or any other opportunities identified, with the decision on the specific features delegated to the Head of Strategic Finance & Property.

1.0 Background

Inflation

- 1.1 In July 2017, Council approved capital funding for a refurbishment and extension of Hartham leisure centre (£7,113,000) and the replacement of Grange Paddocks leisure centre (£21,997,939).
- 1.2 The cost plans for these schemes were calculated in March 2017 and included an allowance for inflation, and assumed that construction would commence in January 2019. At the time the cost plan was produced, four of the largest UK quantity surveyor practices and the Building Cost Information Service (BCIS) were forecasting tender price inflation rates for the period Quarter 1 2017 to Quarter 2 2019 as follows:
 - 5.1% BCIS
 - 5.0% AECOM
 - 4.0% G&T
 - 2.3% Gleeds
 - 1.0% Arcadis
- 1.3 There is a large variance between these forecasts, and this was due to the differing views in the market of the potential impacts of Brexit.
- 1.4 In the Grange Paddocks and Hartham cost estimates produced by AECOM in 2017, a 5% inflation allowance was included; a figure at the higher end of the scale of predictions for this period.
- 1.5 Since 2017 however, the effect of Brexit on the construction market has not been as adverse as many were anticipating, and construction costs have continued to increase steadily given that the market has remained relatively buoyant. The March 2019 BCIS indices show the actual tender price inflation from Quarter 1 2017 to Quarter 1 2019 was 8.7%; some 3.6%

higher than the highest forecasts made in 2017, and 9.7% higher than the lowest forecast.

- 1.6 In addition, the project is now due to commence in Quarter 1 2020 rather than Quarter 1 2019, which means a further year of inflation to the tender price. The BCIS inflation forecast for the period Quarter 1 2019 to Quarter 1 2020 is 4.3%. (This delay is further explained within the Procurement section at 1.16).
- 1.7 Accounting for cumulative interest, the inflation rate from Quarter 1 2017 to Quarter 1 2020 is therefore 13.4%; an increase of 8.4% from the original 5% in the budget for Quarter 1 2017 to Quarter 1 2019.

Scheme Costings & Temporary Facilities

- 1.8 These schemes are being delivered through a design and build process that follows the Royal Institute of British Architects (RIBA) 'Plan of Works' system, which is split into stages. At RIBA stage 2 of this process the schemes were re-costed based on updated construction rates, revised inflation information and with information provided through a range of site surveys and assessments. The effect of the extra year in terms of inflation, coupled with unforeseen additional costs has resulted in a funding gap emerging on each scheme. (Please see sections 2.2 and 2.4).
- 1.9 At the outline design stage it was anticipated that the Hartham leisure centre refurbishment would be a phased construction in order to keep as much of the facility open as possible during the construction period, however the demolition of the existing gym and studio facilities to create the new extension has meant that this is not viable, and therefore an alternative solution has been identified.
- 1.10 It is proposed that temporary gym and studio facilities will be provided during the construction phase, which will last approximately one year. These facilities can be achieved in a

separate temporary structure and can provide similar capacity to that currently offered.

- 1.11 In addition, through phasing and an extension to the programme it has been possible to keep the pool facilities open for the majority of the construction process, other than a period of approximately 3 months during which works will be undertaken in the pool hall.
- 1.12 These temporary facilities and pool phasing incur additional costs; however they provide an important continuity of service to the community and have a reduced negative impact on the business. During the pool closure customers will be relocated to other local pools wherever possible.

Sustainability

- 1.13 The main contractor, Willmott Dixon, hold a Queens Award for Enterprise for Sustainable Development (2019) and are the only contractor to hold the Carbon Trust Standard, and as an organisation have been Carbon Neutral for 6 years running.
- 1.14 Energy and water conservation have been at the forefront of the design process, and some examples include:

Grange Paddocks – Designed Energy Sustainability Features

- A Combined Heat and Power (CHP) system is proposed which is a highly efficient process that captures and utilises the heat that is a by-product of the electricity generation process. By generating heat and power simultaneously, a CHP system can reduce carbon emissions by up to 30%. This system will generate heat for the hot water production and some of the heating and pool heating. Electricity produced will be consumed by the building or fed back into the grid.
- Air Source Heat Pumps (ASHPs) will also contribute to the reduction of heat energy and carbon emissions from the building. They will be used to provide heating to some of the ventilation systems and for space heating in studios and

fitness suites. Some spaces such as the gym require cooling all year round. In this case the heat rejected from the gym is recovered in the ASHP system and used to heat other areas.

- Thermal insulation will be significantly better than that required by Part L of the building regulations in terms of glazing, floors, walls and roofing.
- High efficiency air handling with best-in-class in-built heat recovery with an effectiveness of 95%; significantly better than building regulations.
- Ventilation will be demand-controlled to minimise the over provision of ventilation.
- Fan energy consumption accounts for a significant proportion of electrical energy consumed in air handling systems, and ductwork has been designed to achieve low resistance and equipment with highly efficient electric motors and fan assemblies.
- Highly efficient pool water treatment plant; with smart controls to optimise water quality while minimising water and energy consumption.
- High efficiency pool water circulation pumps with variable speed drives that adjust for demand.
- Retractable, insulated pool covers to minimise evaporation and heat loss.
- Low-water consumption sanitary fittings and showers.
- Luminaires will exceed the minimum required lighting efficacy, and intelligent controls will dim lighting in response to increased daylight or absence of people.

Hartham – Designed Energy Sustainability Features

The opportunities for this refurbishment project are less than those for a new building; however examples include:

- The thermal insulation of the new extension will be significantly better than that required by Part L of the building regulations in terms of glazing, floors, walls and roofing.
- Reducing heat loss and energy consumption using, for example, thermal imaging to identify air breaches.

- Replacing poorly performing air handling plant that serves the changing rooms with plant with efficient heat recovery.
- Ventilation for the dry changing and new extension will be demand-controlled to minimise the over provision of ventilation.
- Luminaires in refurbished and extension areas will exceed the minimum required lighting efficacy, and intelligent controls will dim lighting in response to increased daylight or absence of people.
- Low-water consumption sanitary fittings and showers.

1.15 Notwithstanding the current design features, additional energy saving opportunities have been identified which, subject to additional funding being approved, could be incorporated into both leisure centre projects. These are covered in section 2.9, and the enhancements support the council's climate change policy principles, approved by Executive in February 2019.

Procurement

- 1.16 Members will recall that the original intention was for the two leisure construction projects and the leisure operating contract to be tendered collectively through a single Design, Build and Operate and Maintain (DBOM) procurement route.
- 1.17 The DBOM procurement process went live in May 2018 and the initial Supplier Questionnaire (SQ) stage closed in June 2018. Having reviewed the market position, and in the context of the sensitivities of the Green Belt locations of the two construction projects (and in the case of Hartham Leisure Centre its location within a conservation area); a change of procurement method was agreed at Executive in July 2018.
- 1.18 The 'design & build' aspects of the previous DBOM project were brought under council control to replace the DBOM approach that would have seen this project led and delivered by one external consortium. The cessation and separation of the DBOM into two entities; the 'design & build' and the leisure operating procurement with each one starting again, led to a

delay in the programme. The separate design and build process and the leisure operating contract procurement re-commenced in October 2018.

2.0 Report

2.1 The tables in the report below set out a summary of the cost changes on both schemes.

Hartham Leisure Centre

2.2 An additional **£1.558m** is required to undertake this scheme, and key items to highlight include:

- Inflation - £553k
- Temporary gym and studio facilities to ensure a service to the community during the construction phase of approximately one year - £358k
- Phasing to enable the pool to be kept open for the majority of the construction period - £120k
- Upgrades / additional capacity to the electrical and gas services - £170k
- Building Plant (mechanical and electrical upgrades) - £200k

The additional costs are offset by some value engineering savings on the designs of £73k.

A summary of the updated cost plan can be found below:

HARTHAM	£000	TOTAL £000
Client side fees budget	270	
Construction Budget	6,843	
S106 contribution	75	
Current Approved Project Budget		7,188
Cost Changes Since Budget Stage		
Inflation to first quarter 2020 start on site	553	
Incoming services upgrades, plantroom and services upgrades, cladding to the external plant room.	600	
Temporary gym/studio and phasing to keep the pool open during works	478	

Reduce building height, internal modifications etc	-73	
Total Cost Changes Since Budget Stage		1,558
Current Total Project Cost (excl VAT)		8,746
Additional funding required (excl VAT)		1,558

- 2.3 It is proposed that funding from opportunities including future s106 receipts is identified e.g. the District Plan identifies a minimum target of 950 new homes in Hertford. New Homes Bonus funding will also be considered and officers will explore other possible funding routes. The balance of the funding required is to be achieved via Public Works Loan Board (PWLB) borrowing.

Grange Paddocks Leisure Centre

- 2.4 An additional **£1.024m** is required to undertake this scheme where the additional cost of inflation is £1.741m, offset by value engineering design savings of £893k.

A summary of the updated cost plan can be found below:

GRANGE PADDOCKS	£000	TOTAL £000
Client side fees budget	430	
Construction Budget	21,568	
S106 contribution	200	
Current Approved Project Budget		22,198
Cost Changes Since Budget Stage		
Inflation to first quarter 2020 start on site	1,741	
Upgrade works to bridge	100	
Design economy savings including reduced quantity / specification of curtain walling and internal screens	-490	
Capping the 3G pitch in lieu of excavation and disposal of existing material	-893	
Total Cost Changes Since Budget Stage		458
Additional Contingency requirement		
Additional 2.5% contingency required due to risks associated with archaeology and 3G pitch location	566	
Total Additional Contingency Required		566
Current Total Project Cost including additional contingency (excl VAT)		23,222

<i>Additional funding required (excl VAT)</i>		1,024

- 2.5 As per Hartham, it is proposed that funding from opportunities including future s106 receipts is identified e.g. Bishops Stortford South, plus New Homes Bonus funding, and other funding routes will be explored. The balance of the funding required is to be achieved via PWLB borrowing.
- 2.6 The report sets out the additional budget required in order to deliver the agreed leisure schemes. The majority of the funding required is due to inflation and unforeseen additional costs such as the provision of temporary facilities and the need for additional utility services capacity.
- 2.7 The projects include contingency of approximately 5% for both schemes. This is the minimum that is deemed to be acceptable as the project moves into detailed design and then the construction phase; both of which have the potential to call upon the contingency.
- 2.8 Value engineering reviews will continue to be applied to both schemes wherever possible to deliver the buildings at capital costs that represent good value, without affecting the quality of the customer experience or the revenue generating opportunities.

Additional Energy Sustainable Features

- 2.9 Furthermore, as indicated in section 1.15, there are additional sustainable energy opportunities that could be incorporated. Such investments will further help to reduce energy consumption and CO2 emissions, and support reduced energy costs. These are currently being investigated in more detail and examples include:

Hartham

- Over-roofing of the existing roof structure to improve the thermal insulation and reduce heat loss
- Photovoltaic panels onto the extension

- Replace the ventilation plant and boilers
- Replace electrical distribution boards
- Replace existing lighting with LED
- Install a lighting control system

Grange Paddocks

- Photovoltaic panels on the roof structure

2.10 Estimates for these and other options are being developed and at this stage it is proposed to set-aside up to £1m for improvements at both facilities. Examples of pay back periods include 4 to 5 years for Combined Heat and Power (CHP) and circa 15 years for photovoltaic panels.

2.11 it is proposed that funding from opportunities including future s106 receipts is identified, plus New Homes Bonus funding, and other funding routes will be explored. The balance of the funding required is to be achieved via PWLB borrowing.

2.12 It is recommended that authority be delegated to the Head of Strategic Finance and Property to determine the specific features, taking into account factors such as energy efficiencies, current condition and payback periods. This approach will ensure that timely decisions can be made without adversely impacting on the programme timescales.

Conclusion and Next Steps

2.13 It is more than two years since these schemes were costed. The effect of a higher than forecasted inflation rate, plus assumptions that had to be made prior to detailed survey work have accounted for additional unforeseeable costs.

2.14 Cost-certainty increases at each RIBA stage and the outline costs have subsequently been updated following detailed building surveys, design work and scope changes, for example the need for temporary facilities. These aspects, together with the time delay between assumed and currently projected construction commencement has led to the budgetary gaps

identified in the report.

- 2.15 In a worst case scenario, should the total sum being requested (£3.582m) need to be borrowed from the PWLB, the cost of financing would still be affordable, taking into consideration the surplus generated by a new leisure operating contract.
- 2.16 The additional funding will allow the schemes to be completed without major compromise; safeguarding the health and wellbeing opportunities for the community, an enhanced leisure offer and quality of service, and income generation that will result in an annual management fee paid to the council.
- 2.17 If additional funding is not agreed, the scope of the schemes will have to be reduced, potentially quite drastically, at the expense of the council's objectives. There would be additional re-design / project costs plus the loss / reduction of some services and features on both leisure projects.
- 2.18 In addition, there is an opportunity to improve the energy sustainability at both facilities, over and above what has already been designed, subject to the approval of additional funding. Such investments will reduce the operating costs of the facilities and will support the council's ongoing commitment towards reducing energy and CO2 emissions in this era of increasing environmental challenges.
- 2.19 This is a once-in-a-generation opportunity to provide the community with improved leisure facilities that will enhance their health and wellbeing and meet the current and future demands for leisure services.

3.0 Implications / Consultations

- 3.1 Information on any corporate issues and consultation associated with this report can be found within Essential Reference Paper 'A'.

Background Papers

Report no. 67 to Executive 27 June 2017:

<http://democracy.eastherts.gov.uk/ieListDocuments.aspx?CId=119&MId=2883&Ver=4&J=1>

Report no. 114 to Council 18 July 2017:

<http://democracy.eastherts.gov.uk/ieListDocuments.aspx?CId=158&MId=2877&Ver=4&J=3>

Report no. 100 to Executive 17 July 2018:

<http://democracy.eastherts.gov.uk/ieListDocuments.aspx?CId=119&MId=3379&Ver=4&J=2>

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ESSENTIAL REFERENCE PAPER 'A'

IMPLICATIONS/CONSULTATIONS

Contribution to the Council's Corporate Priorities/ Objectives	Priority 1 – Improve the health and wellbeing of our communities Priority 2 – Enhance the quality of people's lives
Consultation:	This report was prepared in consultation with the council's independent project cost consultant. The report has also been considered by the Leisure Project Board.
Legal:	N/A
Financial:	Funding for the project was previously agreed as a combination of reserves currently held by the authority with an element of Public Works Loan Board borrowing. It is proposed to fund the additional budget required from a combination of future s106 funding, new homes bonus, and the balance to be achieved via borrowing.
Human Resource:	N/A
Risk Management:	A project risk register is in place. Key risks of not achieving the additional funding required are a reduction in the scope of the projects that would impact on satisfaction levels, reduced health and wellbeing opportunities, reduced income generation, and a negative reputational impact on the council.
Health and wellbeing –	Under the National Health Service Act 2006, each local authority has a duty to 'take such steps as it considers

issues and impacts:	appropriate for improving the health of the people in its area'. Further subsections set out the wide-ranging steps which may be taken to fulfil this duty, including providing information and advice, and making available the services of any person or any facilities. The additional funding will enable the previously agreed leisure developments to be completed in line with the scope envisaged.
Equality Impact Assessment required:	The facilities will be compliant with the Disability Discrimination Act (1995). Equality Impact Assessments have been produced for the new Grange Paddocks leisure centre, the refurbished Hartham leisure centre and the temporary gym / studio facilities proposed for Hartham customers.
Environmental Sustainability:	Sustainability is addressed at paragraphs 1.13 – 1.15 of the report.

MINUTES OF A MEETING OF THE
DEVELOPMENT MANAGEMENT
COMMITTEE HELD IN THE COUNCIL
CHAMBER, WALLFIELDS, HERTFORD ON
WEDNESDAY 22 MAY 2019, AT 7.00 PM

PRESENT: Councillor T Page (Chairman)
Councillors T Beckett, S Bull, B Crystall,
B Deering, A Huggins, J Jones, I Kemp,
C Redfern, P Ruffles and T Stowe

ALSO PRESENT:

Councillors J Goodeve and A Ward-Booth

OFFICERS IN ATTENDANCE:

Mike Edley	- Interim Scrutiny Officer
Eze Ekeledo	- Service Manager (Development Management) Major Applications
Peter Mannings	- Democratic Services Officer
Emma Mumby	- Planning Officer
Lucy Pateman	- Planning Officer
Sara Saunders	- Head of Planning and Building Control
Stephen Tapper	- Principal Planning Officer
Claire Sime	- Service Manager (Policy and

	Implementation)
Kevin Steptoe	- East Herts Garden Town Lead Officer
Victoria Wilders	- Legal Services Manager

30 APPOINTMENT OF VICE-CHAIRMAN

It was proposed by Councillor P Ruffles and seconded by Councillor J Jones that Councillor B Deering be appointed Vice-Chairman of the Development Management Committee for the 2019/20 civic year.

After being put to the meeting and a vote taken, Councillor B Deering was appointed Vice-Chairman of the Development Management Committee for the 2019/20 civic year.

RESOLVED – that Councillor B Deering be appointed Vice-Chairman of the Development Management Committee for the 2019/20 civic year.

31 APOLOGIES

Apologies for absence were submitted on behalf of Councillors D Andrews and R Buckmaster. It was noted that Councillor S Bull was substituting for Councillor R Buckmaster.

32 CHAIRMAN'S ANNOUNCEMENTS

The Chairman referred to a number of housekeeping issues.

The Chairman welcomed new and returning Members. He stated that new Members had received initial training and advised that Officers were present to support the Committee. The Chairman emphasised that it was the responsibility of Members to determine the applications put before them by Officers.

The Chairman introduced the Officers present for the benefit of new Members.

33 MINUTES - 20 MARCH 2019

Councillor P Ruffles proposed and Councillor T Stowe seconded, a motion that the Minutes of the meeting held on 20 March 2019 be confirmed as a correct record and signed by the Chairman. After being put to the meeting and a vote taken, this motion was declared CARRIED.

RESOLVED – that the Minutes of the meeting held on 20 March 2019, be confirmed as a correct record and signed by the Chairman.

- 34 3/18/1898/VAR - VARIATION OF CONDITION 8 (APPROVED PLANS) OF PLANNING PERMISSION 3/13/0804/OP FOR 2,200 HOMES TO ALLOW THE REDISTRIBUTION OF 85 DWELLING UNITS FROM THE SECOND (EASTERN) PHASE TO THE FIRST (WESTERN PHASE), INCLUDING REVISIONS TO LAYOUTS AND DWELLING TYPES (INCLUDING AFFORDABLE HOUSING) WITHIN DEVELOPMENT PARCELS B10, B13-17, B20 AND B26-29, TOGETHER WITH REVISIONS TO THE MEANS OF ACCESS TO DWELLINGS, ASSOCIATED CAR PARKING, AND REVISED LANDSCAPING AT LAND AT STORTFORD FIELDS, BISHOP'S STORTFORD NORTH, BISHOP'S STORTFORD FOR THE BISHOP'S STORTFORD NORTH CONSORTIUM
-

The Head of Planning and Building Control recommended that in respect of application 3/18/1898/VAR, planning permission be granted subject to the conditions detailed in the report now submitted.

The Principal Planning Officer, on behalf of the Head of Planning and Building Control, explained that it was unusual to have a variation application on this scale. He stated that Section 73 of the legislation allowed applications to amend existing planning permissions by varying conditions.

Members were advised that a number of background changes had led the developers to make significant changes to 11 development parcels at Stortford Fields. The infrastructure would be unaffected and the principal change was moving 85 dwellings from the Eastern to the Western Neighbourhood. The overall number of dwellings would be unaffected and the

detail of development in the Eastern Neighbourhood remained in outline form only.

The Principal Planning Officer referred to the Strategic Housing Market Assessment (SHMA) in respect of the proposed mix of housing on this site. He emphasised that the policy of up to 40% affordable housing was met in respect of the 85 dwellings being moved from the Eastern to the Western Neighbourhood. Members were advised that the provision of 30.4%, embodied in the existing Section 106 agreement, still applied to the remaining dwellings in the 11 development parcels.

Members were advised that Hertfordshire Highways was satisfied with the changes to roads and parking within the development parcels. It was noted that there were some opportunities for additional cycle and footpath connections, which could be followed up with the developers outside the remit of the current application. Officers considered that there were notable improvements to layout and design resulting in a more pleasing development. Members were also advised that there would be more visitors' parking in the form of on-street parking laybys.

Mr Brindley addressed the Committee in support of the application. Councillor P Ruffles commented on whether there could be any amelioration in respect of the height of the proposed flats in development parcel B27 which was in close proximity to an open space. Councillor J Jones commented on the mix of tenures and sought clarification on whether the increased density in the western neighbourhood would mean a lesser density in the eastern neighbourhood.

Councillor T Beckett commented on the possibility of the early adoption of a mini bus service in advance of the main bus provision to avoid residents adopting bad habits in respect of single occupancy car use. The Principal Planning Officer emphasised that the proposed and existing landscaping meant that the flats on Parcel B27 would not be intrusive in the landscape and that, being well designed, they would sit well next to and overlook the open space, bringing benefit in terms of surveillance.

With regard to the number of dwellings in the Eastern Neighbourhood, Members were advised that the Committee had absolute control over the site as the total number of dwellings permitted remained at 2,200 and planning permission would be required to increase that number. At this stage, the ultimate number of dwellings that would be permitted on the Eastern Neighbourhood could not be predicted given its outline status and pending consideration of its opportunities and constraints.

The Principal Planning Officer commented that the Council's new policy on tenure mix of 84% rent and 16% shared ownership was a test for developers in terms of the viability of development. The ratio was now being sought on many sites. Members should also keep in mind the realities of the existing permission and Section 106 agreement relating to Stortford Fields. The developer had offered a mix of 75% and 25% and it would be very difficult for them to improve on this offer and Housing Services were satisfied with this compromise.

The Principal Planning Officer confirmed to Councillor T Beckett that the proposed subsidised bus route was funded via the Section 106 agreement for approximately £900,000 and the County Council's Public Transport Unit were satisfied that there should be a strong fare box from a development of this size. He commented that a separate minibus provision would prove to be expensive when the number of residents was currently very low on this site. Officers would however take this question back to the public transport unit on the basis that the sooner the bus passes were used by residents the better.

The Principal Planning Officer confirmed to Councillor A Huggins that the Authority did have a policy in the District Plan in respect of 1% of properties on a site being self-build and this was backed by the National Planning Policy Framework (NPPF). This policy was however difficult to implement where a developer was already progressing a development.

The Officer responded to a number of other minor questions and queries from Members. Councillor J Jones proposed and Councillor T Beckett seconded, a motion that in respect of application 3/18/1898/VAR, the Committee support the recommendation for approval, subject to the terms of the existing legal agreement dated 2 April 2015 and subject to the conditions detailed in the report submitted.

After being put to the meeting and a vote taken, this motion was declared CARRIED. The Committee supported the recommendation of the Head of

Planning and Building Control as now submitted.

RESOLVED – that, in respect of application 3/18/1898/VAR, planning permission be granted subject to the terms of the existing legal agreement dated 2 April 2015 and subject to the conditions detailed in the report submitted.

35 MEMORANDUM OF UNDERSTANDING IN RELATION TO THE CONSIDERATION AND DETERMINATION OF PLANNING APPLICATIONS RELATING TO THE GILSTON AREA (HARLOW AND GILSTON GARDEN TOWN)

The Head of Planning and Building Control submitted a report seeking endorsement of a Memorandum of Understanding dealing with procedural arrangements relating to forthcoming planning applications for development in the Gilston Area, as part of the Harlow and Gilston Garden Town.

The East Herts Garden Town Lead Officer stated that this related to the strategic area for development allocated through the District Plan process. Members were reminded that Officers were working with Officers in Epping Forest and Harlow as the Garden Town area included all or parts of those local Authority areas.

The Lead Officer explained that Epping Forest and Harlow Councils were working towards the adoption of Local Plans which included plans for the development of the Garden Town. Members were advised that 5 Councils in total were working together for the delivery of this Strategic Area of Growth and Development.

The Lead Officer advised that the Memorandum of Understanding was purely to cover the procedural matters relating to the planning applications that would be received shortly and which would relate to land in East Herts and Harlow Council areas. The local authority decisions would be taken in accordance with the development plan and all relevant material considerations. Members' decisions would not be fettered by the arrangements set out in the Memorandum which were procedural in nature. Members were advised that the protocols in the Memorandum were not binding and would be based on best practice.

The Lead Officer stated that the recommendation is now updated to reflect the confirmed details of the Executive Member for Planning and Growth as this title was not known when the report was prepared. He summarised the detail of the applications as detailed in paragraph 2.4 of the report submitted and referred Members to paragraph 2.6 for the matters that would be covered in the Memorandum document.

The Lead Officer responded to a number of questions from Members in respect of the Memorandum of Understanding. Councillor A Huggins proposed and Councillor J Jones seconded, a motion that the Memorandum of Understanding be endorsed and the Executive Member for Planning and Growth and the Chairman of the Development Management Committee be authorised to sign the Memorandum of Understanding.

After being put to the meeting and a vote taken, this motion was declared CARRIED.

RESOLVED – that (A) the Memorandum of Understanding be endorsed; and

(B) the Executive Member for Planning and Growth and the Chairman of the Development Management Committee be authorised to sign the Memorandum of Understanding.

36 PUBLIC SPEAKING ARRANGEMENTS FOR DISTRICT PLAN STRATEGIC SITE ALLOCATIONS

The Head of Planning and Building Control submitted a report inviting Members to consider public speaking arrangements for the District Plan strategic sites. The Service Manager (Policy and Implementation) summarised the usual speaking arrangements for objectors, applicants and Parish or Town Councils.

The Service Manager advised that Officers were suggesting a period of up to 6 minutes be permitted for those who wish to speak in objection, with the same total period offered to any supporting parties, in respect of the strategic sites to reflect the significant interest in them throughout the District Plan process. Members were advised that separate public speaking arrangements would be put in place for the Gilston Area to reflect the significant nature of those development proposals.

In response to a query from Councillor I Kemp, the East Herts Garden Town Lead Officer advised that the

Committee would be asked to decide the speaking arrangements for the Harlow and Gilston Garden Town at a later date. It was anticipated that the speaking time would be at least as long as the arrangements being proposed this evening for the District Plan Strategic Sites.

Members debated the duration of public speaking time to be offered in respect of the strategic sites. Councillor T Page proposed and Councillor T Stowe seconded, a motion that the revised arrangements for public speaking on the District Plan Strategic Site Allocations, as detailed in the report submitted, be approved.

After being put to the meeting and a vote taken, this motion was declared CARRIED.

RESOLVED – that the revised arrangements for public speaking on the District Plan Strategic Site Allocations, as detailed in the report submitted, be approved.

37 ITEMS FOR REPORTING AND NOTING

RESOLVED – that the following reports be noted:

- (A) Appeals against refusal of planning permission / non-determination;
- (B) Planning Appeals lodged;
- (C) Planning Appeals: Inquiry and Informal Hearing dates; and

(D) Planning Statistics.

The meeting closed at 8.27 pm

Chairman

Date

MINUTES OF A MEETING OF THE
DEVELOPMENT MANAGEMENT
COMMITTEE HELD IN THE COUNCIL
CHAMBER, WALLFIELDS, HERTFORD ON
WEDNESDAY 19 JUNE 2019, AT 7.00 PM

PRESENT: Councillor T Page (Chairman)
Councillors T Beckett, R Buckmaster, S Bull,
B Crystall, B Deering, A Huggins, I Kemp,
C Redfern, P Ruffles and T Stowe

ALSO PRESENT:

Councillors J Goodeve and A Ward-Booth

OFFICERS IN ATTENDANCE:

Eze Ekeledo	- Service Manager (Development Management) Major Applications
Peter Mannings	- Democratic Services Officer
Sara Saunders	- Head of Planning and Building Control
Jill Shingler	- Principal Planning Officer
Victoria Wilders	- Legal Services Manager

52 APOLOGY

It was noted that Councillor S Bull was substituting for Councillor J Jones.

53 CHAIRMAN'S ANNOUNCEMENTS

The Chairman referred to a number of housekeeping issues. He announced that application 3/18/2210/FUL had been withdrawn.

54 MINUTES - 22 MAY 2019

Councillor T Beckett proposed and Councillor B Deering seconded, a motion that the Minutes of the meeting held on 22 May 2019 be confirmed as a correct record and signed by the Chairman. After being put to the meeting and a vote taken, this motion was declared CARRIED.

RESOLVED – that the Minutes of the meeting held on 22 May 2019, be confirmed as a correct record and signed by the Chairman.

55 3/18/2457/FUL - ERECTION OF 65 RESIDENTIAL DWELLINGS
AND ASSOCIATED WORKS INCLUDING INTERNAL ROAD
NETWORK AND ASSOCIATED HIGHWAY WORKS,
LANDSCAPING UTILITIES AND DRAINAGE
INFRASTRUCTURE, CAR AND CYCLE PARKING AND WASTE
STORAGE AT LAND TO THE EAST OF ASPENDEN ROAD,
BUNTINGFORD

The Head of Planning and Building Control recommended that in respect of application

3/18/2457/FUL, planning permission be granted subject to the conditions detailed in the report now submitted.

The Principal Planning Officer, on behalf of the Head of Planning and Building Control summarised the full application and detailed the relevant planning history. She stated that the site was an allocated site in the District Plan for around 56 dwellings and this application had increased that number by 9 to 65 residential units.

The Principal Planning Officer talked Members through the proposed layout of the site and detailed the location of the Sustainable Urban Drainage Solution (SUDS) area and the open space. She also referred to the footpath linkages across the river and the access road and the linkages to the residential area to the East. This was in line with policy in terms of improving footpath networks and connectivity in respect of pedestrian routes.

Members were advised that a Section 278 agreement was proposed to improve Aspenden Road as this was not wide enough in places for 2 cars to pass. The agreement would facilitate improvements to pedestrian crossings although existing sight lines were good. The proposed widening would be in sections only and elements of the road would still be too narrow for a large vehicle to pass a car.

The Principal Planning Officer stated that the site provided an acceptable percentage of affordable housing with this provision being pepper potted

throughout the site. Officers believed the scheme to be well designed and the houses and parking would meet the required standards.

Members were further advised that the Highways Authority had not objected to the application subject to the Section 278 agreement, and the design of the houses and the proposed building materials were in accordance with the requirements of the adopted East Herts District Plan.

Ms Allwood addressed the Committee in support of the application. Councillor Waite addressed the Committee as the Town Mayor on behalf of Buntingford Town Council.

Councillor S Bull spoke in support of the position of the Town Council and referred to Aspenden as one of the prettiest villages in East Herts. He stated that he failed to see that there had been any improvement in the situation regarding road movements. He referred to Aspenden Road as being dangerous in terms of sightlines, HGV movements and the chicanes. He commented on whether there was any possibility of a deferral to address these concerns.

Councillor A Huggins stated that he could attest to the near misses between road users and he had witnessed HGVs mounting the kerb in this area. He believed that the only suitable highway solutions were to either widen the road or install a single use traffic light system.

Councillor P Ruffles sought guidance on the matter of a

deferral. He referred to the justification for the 16% increase to 65 dwellings and stated that he would welcome input from Officers in respect of the proposed pepper potting of the social housing.

Councillor T Stowe commented on the highways matters and sought clarification in respect of a number of points in respect of the SUDS solution and the flood attenuation pond. The Principal Planning Officer stated that the test was not whether there was a better scheme but whether the highways matters were in accordance with planning policy and highways safety. Members had to determine what was in front of them and should not debate what might be a better arrangement given that the Highway Authority were satisfied with the application.

Members were advised that the Lead Local Flood Authority was satisfied that the SUDS scheme provided adequate sustainable drainage. The Principal Planning Officer confirmed that the pepper potting of the affordable housing was in accordance with planning policy.

The Legal Services Manager advised Members that a deferral would give rise to a risk that the applicant could lodge an appeal on the grounds of non-determination. She confirmed to Councillor S Bull that the statutory deadline for determining the application was 28 June 2019 and a decision on the application could therefore be taken out of the Council's hands.

Councillor B Crystall referred to the biodiversity assessment and the predicted water usage of 125 litres

person per day when compared to a target of 110 litres. He believed the design for cycle storage and routes was commendable but he was concerned should cyclists be routed to the town centre via Aspenden Road. The Principal Planning Officer stated that a biodiversity impact assessment had been completed in compliance with policy in terms of enhancing biodiversity.

The Principal Planning Officer responded to a number of points made by Councillor I Kemp in respect of conditions and enforceability. Councillor A Huggins referred to village 3 policy in light of the fact that 2 further fields were due to be developed in the vicinity of this site. He commented that this application should be the last development off Aspenden Road to avoid an encroachment into Aspenden that would be a breach of village 3 policy.

Councillor P Ruffles proposed and Councillor T Beckett seconded, a motion that in respect of application 3/18/2457/FUL, the Committee support the recommendation for approval, subject to the conditions detailed in the report submitted.

After being put to the meeting and a vote taken, this motion was declared CARRIED. The Committee supported the recommendation of the Head of Planning and Building Control as now submitted.

RESOLVED – that, in respect of application 3/18/2457/FUL, planning permission be granted subject to the conditions detailed in the report submitted.

56 ITEMS FOR REPORTING AND NOTING

RESOLVED – that the following reports be noted:

- (A) Appeals against refusal of planning permission / non-determination;
- (B) Planning Appeals lodged;
- (C) Planning Appeals: Inquiry and Informal Hearing dates; and
- (D) Planning Statistics.

The meeting closed at 8.05 pm

Chairman
Date

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COUNCIL – 24 July 2019

MOTION ON NOTICE

CLIMATE EMERGENCY

Man-made climate change is the biggest threat that humanity faces. In 2018 the Intergovernmental Panel on Climate Change (IPCC) report stated that we have just 12 years to act on climate change if global temperatures rises are to be kept within the recommended 1.5 degrees celsius.

All governments whether national, regional or local have a duty to limit the negative impacts of climate change and need to commit to aggressive reduction targets and carbon neutrality as quickly as possible.

East Herts District Council has a pivotal role to play in tackling climate change and enabling sustainable living.

We recognise the importance of tackling climate change both in the terms of reducing greenhouse gas emissions to minimise future global climate change and planning for the unavoidable local impacts of climate change.

Therefore, East Herts District Council will :-

- 1) Join with other Councils in recognising and declaring a Climate Emergency,
- 2) Pledge to do everything within the Council's power to support the whole of East Herts District to become carbon neutral by 2030,
- 3) Develop an ambitious sustainability strategy for reducing the Council's own emissions, with an objective that the Council becomes carbon neutral by 2030,
- 4) Include in all planning regulations and the Local Plan measures to cut carbon emissions and reduce the impact on the environment,
- 5) Call on National Government for more powers and resources to make this pledge possible, and ask the Council's Leader to write to the Secretary of state for Environment, Food and Rural Affairs to this effect,

- 6) Continue to work with partners across the District, County and Region to deliver this new goal, through all relevant strategies and plans,
- 7) Take account of climate impacts within existing decision-making processes,
- 8) Set up an Environmental and Climate Emergency Forum, in line with the recommendation D16 from the Task and Finish Group which was approved by this Council on 5th March, 2019,
- 9) Reconvene the Climate Change task and finish Group, and require it to monitor progress on delivering the pledge, and to report back to the Council every 6 months,
- 10) Dedicate enough staff and budget to achieve these aims, including the most appropriate training for members and officers to promote carbon neutral policies and to achieve these aims.

Proposed by Councillor S Bell, on behalf of the Liberal Democrat Group
Seconded by Councillor J Frecknall, on behalf of the Green/Labour Group