PATHFINDER
DEVELOPMENT CONSULTANTS

MALINS
Associates Limited

Economic Viability Study

Prepared for

Uttlesford District Council

In relation to

Local Plan Residential Allocations in Towns and Villages

October 2016

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Section 1

1.0. Introduction

1.1. Malins Associates Limited and Pathfinder Development Consultants have been commissioned by Uttlesford District Council to undertake economic viability assessments on seventeen residential allocation proposals put forward by promoters/developers in the Call for Sites.

1.2. The Uttlesford Local Plan was adopted in 2005. It still forms the basis for making planning decisions within the District alongside the National Planning Policy Framework published in March 2012 and the Planning Practice Guidance but it is becoming increasingly out of date and a replacement plan is being prepared.

1.3. A local development scheme was approved by the Council in February 2016, and is the project plan for producing the new Local Plan. It has three main functions:

- To provide information on the documents the Council intends to prepare together with timescales for preparation.
- To establish the Council's priorities and to allow the Council to programme the work needed to prepare the new plans.
- To set out the timetable for the review of documents.

1.4. In terms of the timetable, it is proposed that the Plan is published for consultation in November/December 2016 and submitted for public examination in March 2017. Following that, and subject to the Inspectors Report, it is anticipated that the Plan will be adopted towards the end of 2017.

1.5. In the Call for Sites, numerous sites in both the towns and villages were put forward by developers and landowners for consideration. If these sites were to be allocated as part of its Local Plan, the Council would need to have robust evidence that the sites are financially viable, and can deliver housing throughout the Plan period. The Council therefore commissioned this independent economic viability study.

1.6. This report sets out the methodology and assumptions used to carry out the economic viability assessment of these proposals within the Uttlesford District Council area, and a summary of the findings.

2.0. **Context**

2.1. The viability study was commissioned as part of the overall process of developing the Uttlesford District Local Plan, which is ongoing.

2.2. This study is part of an evidence base that is required when the Plan is submitted to the Planning Inspectorate. The Council must demonstrate that it has made adequate plans to meet objectively assessed needs for housing and other development within the district as far as is consistent with National Planning Policy. This includes identifying a five year supply of specific deliverable sites.

2.3. The Council needs to plan for 4,600 dwellings up to 2033. This takes into account sites already with planning permission and the development of smaller windfall sites. At a meeting of Full Council on the 26th July 2016, Members approved a Development Strategy regarding the dispersal of the new housing across new settlement(s), the towns and the villages.

2.4. The purpose of this report is to independently assess seventeen proposed development sites located in the towns, key villages and smaller villages. A separate report dated May 2016 (subsequently revised October 2016) has carried out a similar assessment of the proposed New Settlements/Neighbourhoods. Neighbourhoods differ from new settlements in not being freestanding but extending or expanding an existing settlement.

2.5. This Economic Viability Appraisal study will look at each of the proposals in isolation, and make recommendations as to their deliverability over the period of the Plan. This information will feed into the evidence base that will form the Local Plan Pre-Submission for public consultation.

2.6 A schedule of infrastructure requirements for each site used as part of the assessment is included in Appendix C.

3.0. Our approach to this study

3.1. Our overall approach to this study reflects government and industry guidance, takes into account the stage of the process of the Local Plan development within Uttlesford District Council, and the wish of the Council to engage positively with developers, landowners and agents.

3.2. In the Call for Sites, numerous proposals were submitted to the Council for consideration. The proposed developments in the towns and villages are of differing sizes, but predominantly only residential in nature. The larger sites also include an element of infrastructure, community and open space land use. A sample of the proposed development sites which have been assessed for their viability are summarised in Appendix A.

3.3. We developed a bespoke assessment framework for this viability study taking into account Planning Guidance and consideration of the local market conditions and planning policies.

3.4. During February and April 2016 we held a series of meetings with individual promoters specific to the New Settlements/Neighbourhoods study dated May 2016, at Uttlesford District Council Offices. Appendix B lists the attendees. Those promoters not able to attend consultation meetings were contacted via other means, so that their input was included within the study.

3.5. The purpose of the consultation meetings was to present the proposed methodology and specifically the assumptions that we had included in our bespoke framework, and to listen to feedback from the promoters. The feedback received allowed us to amend aspects of the modelling framework if required, before proceeding to use it in the assessment of each site. The meetings enabled us to be transparent about our approach and, as far as possible, ensure that promoters – and others – would understand in due course the basis for the conclusions we would draw on each of the sites assessed.

3.6. At the meetings we presented and discussed with the promoters present a range of issues including:

- Viability theory and definitions of terms used
- Assumptions that we proposed making in relation to:
    - The property types and sizes we anticipate on sites
    - Sales rates
    - Sales values
    - Costs in relation to site acquisition, construction, marketing and sales, finance and how abnormal costs would be taken into account
    - Policies relating to affordable housing and the use of the SHMA
    - Residual and Target Land Values
    - S106 infrastructure costs
- Reasonable adjustments that might be made to achieve viability

3.7. Promoters attending the meetings were able to question us and put forward ideas on the day. They were also offered the opportunity to come back to us with further information - particularly important to allow for the submission and consideration of commercially sensitive or confidential information.

3.8. As a result of the feedback we reviewed and adjusted some assumptions. Specifically we:

- Amended the % assumed for plot external costs
- Amended the % assumed for site wide costs
- Clarified the definition of net and gross developable areas
- Clarified what is included in the base build cost and clarified that an element for overhead and profit is allowed for, albeit separately, rather than as part of the base building costs
- Increased the margin between the residual land value and the Target Land Value (as defined further in 8.2) to give additional comfort
- Reviewed the profit we were proposing on Gross Development Value (following feedback from one promoter). Having also reviewed previous Inspector's decisions in regard to this matter, we did not make any changes to the profit level assumed.

3.9. This input from promoters is therefore reflected in the assumptions and methodology set out in detail in Section 2 of this report. However, it should be noted that some of our assumptions have been revised further to take account of the fact that these seventeen proposed sites are, on the whole, less complex, considerably smaller in size and therefore carrying a lesser degree of risk.

3.10. The revised methodology and assumptions are detailed in Section 2 below.

4.0. The scope of this report

4.1. This is a summary report. It sets out the key guidance and standard methodology that should be used in any viability study. It explains the specific assumptions we have made for this study in drawing up a bespoke modelling framework for sites within Uttlesford District Council, and the sources and rationale for those assumptions.

4.2. This report summarises the findings of the assessment. This sets out, on a site specific basis whether a site is considered viable (and on what terms), or not viable. It includes caveats as appropriate.

4.3. Although the report includes assumed figures for build costs and land /property values etc. it does not include the detailed data sets or information that sit behind those assumptions. Nor does the report include actual calculations/spreadsheets for each site. This information is considered to be technical or overly detailed for publication and is likely to contain confidential/commercially sensitive information provided in confidence.

4.4 The sites selected for assessment are a sample of deliverable sites in the towns, key villages and smaller 'Type A' villages, which have a primary school. For the "Type A" villages, we have assessed a sample of 3 sites located in geographically distinct parts of the district, in order to ensure that these smaller developments are also generally deliverable.

4.5. Limitations

4.5.1. This report does not constitute a formal 'Red Book' valuation (RICS Valuation - Professional Standards, March 2012) or should not be relied upon as such. It is a viability study carried out in line with RICS guidance note and Financial Viability in Planning 2012. Specifically, it should be noted that viability assessments of each site and conclusions detailed in Section 3 of this report, were carried out on the basis of a broad based study, given the limited detailed site information available. This report is confidential to the Client and the authors accept no responsibility of whatsoever nature to third parties to whom this report or any part thereof is made known. Any such party relies upon the report at their own risk.

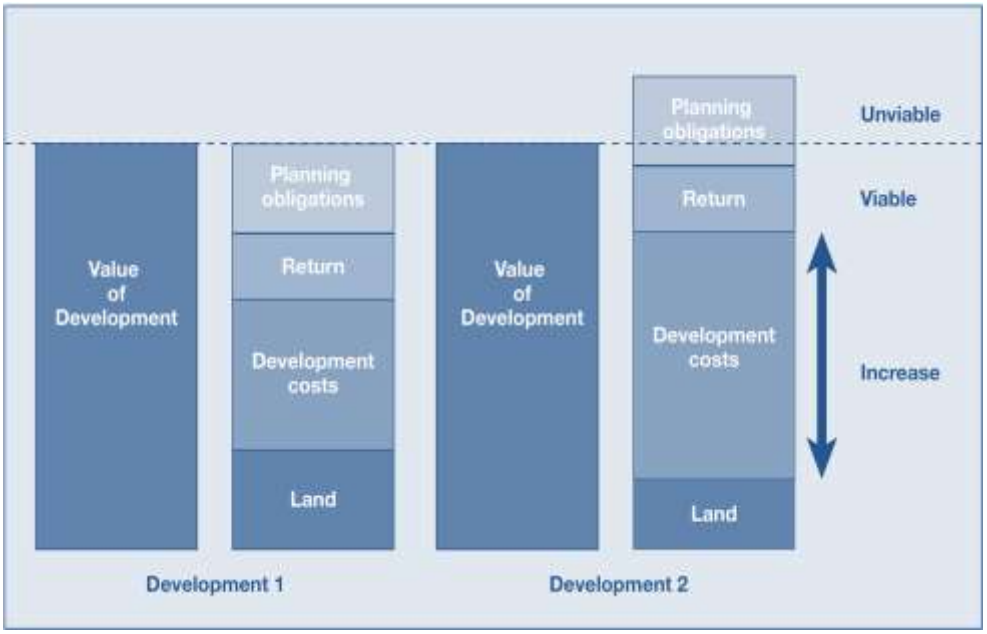
Section 2

5.0. Standard Methodology in assessing viability

5.1. Economic Viability Analysis (EVA) is based upon a residual land value calculation, supported by a design and build cost estimate in as much detail as possible, and a scheme cash flow plotting the pattern of likely cash spend and income to generate interest on development finance.

5.2. The difference between gross development value and total cost equates to a residual land value. The model runs over a development period from the date of commencement of the project, to completion when the development has been constructed, sold and occupied. In order to assess whether a development scheme can be regarded as economically viable, it is necessary to compare residual land values produced with target land values. If the development proposal generates a residual land value that is higher than the target land value for the scheme, it can generally be regarded as economically viable and therefore deliverable. However, if the scheme generates a residual land value which is lower than the target, it should not be deemed as economically viable (as illustrated in Diagram 1 below). The standard convention of working with current values and costs is used rather than those predicted in the future.

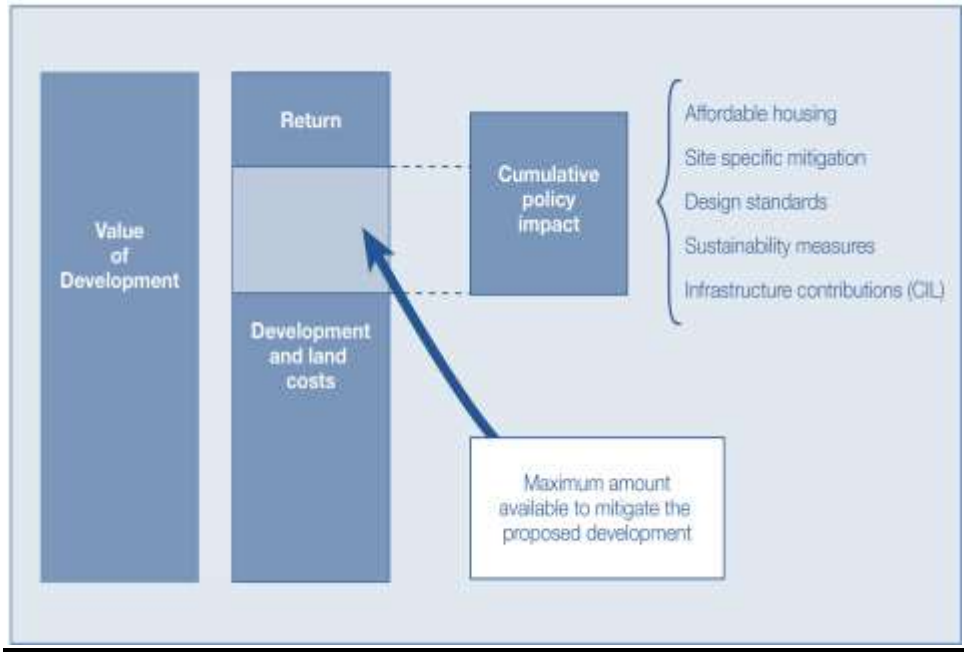
Diagram 1 - Comparative development viability



5.3. Diagram 1 illustrates the balance required to achieve a viable scheme – Development 1. It also shows how a scheme becomes unviable where there are increased development costs, due to site considerations, along with planning obligations – Development 2.

5.4. A viability assessment will have regard to not just single policy impacts but a cumulative impact of policy and planning obligations as illustrated in Diagram 2.

Diagram 2 - Cumulative impact of policy and planning obligations



6.0. Planning Guidance

6.1. There is strong policy background detailing the objectives and methodology for undertaking Economic Viability Assessments. This includes:

6.1.1. In the context of achieving sustainable development the National Planning Policy Framework (NPPF) March 2012, refers to ensuring viability and deliverability at sections 173 – 177.

> "*To ensure viability, the cost of any requirement likely to be applied to development, such as requirements for affordable housing, standards, infrastructure contributions and other requirements should, when taking into account the normal cost of development and mitigation, provide competitive returns to a willing land owner and willing developer to enable a development to be deliverable." (Paragraph 173)*

6.1.2. The NPPF also refers to the use of Planning Conditions and obligations of Sections 203-206 and advises that where obligations are being sought:

> *"…local planning authorities should take account of changes in market conditions over time and wherever appropriate be sufficiently flexible to prevent planned development being stalled."* (Paragraph 205)

6.1.3. The National Planning Practice Guidance notes:

> *"A competitive return for the land owner is the price at which a reasonable land owner would be willing to sell their land for the development. The price will need to provide an incentive for the land owner to sell in comparison with the other options available. Those options may include the current use value of the land or its value for a realistic alternative use that complies with planning policy."*

6.1.4. The Royal Institution of Chartered Surveyors (RICS) has produced a guidance note, Financial Viability in Planning (August 2012). This is now being referred to by planning inspectors in appealed decisions. The RICS guidance note defines viability and the context of undertaking appraisals of financial viability for the purpose of town planning decisions as:

> "*An objective financial viability test of the ability of a development project to meet its costs including the costs of planning obligations, by ensuring an appropriate site value for the land owner at a market risk adjusted return to the developer in delivering that project."*

6.1.5. The guidance goes on to note:

> "*site value should equate to the market value subject to the following assumption: that the value has regard to the development plan policies and all other material planning considerations and disregard that which is contrary to the development plan."*

6.1.6. Any assessment of site value however will have regard to prospective planning obligations, and the point of the viability appraisal is to assess the extent of these potential obligations and also have regard to the prevailing property market. The fundamental issue in considering viability assessments in a town planning context is whether an otherwise viable development is made unviable by the extent of planning obligations and other requirements.

6.1.7. The RICS guidance emphasises that a proper understanding of financial viability is essential in ensuring that:

- Land is willingly released for development by land owners
- Developers are capable of obtaining an appropriate market risk adjusted return for delivering the proposed development.
- The proposed development is capable of securing funding

6.1.8. Where planning obligation liabilities reduce the site value to the landowner and return to the developer below an appropriate level, land will not be released and therefore development will not take place.

6.1.9. In their April 2012 topic paper practice note, the Homes and Community Agency (HCA) Advisory Team for Large Applications (ATLAS) Team note:

> *"The issue of viability is a material consideration in decision making. The weighting attached to it needs to be balanced with the circumstances of any specific project, the underlined policy basis and all the other relevant material planning considerations. In the current economic climate, when project viability is often a key barrier preventing development from proceeding and potentially hindering its ability to meet all established policy objectives, it is critical…(have a good understanding of the use of financial appraisals to test viability)".*

6.1.10. The Department for Communities and Local Government (DCLG) publication "Section 106 affordable housing requirements – Review and Appeal, April 2013" notes the following:

- The test for viability is that the evidence indicates that the current cost of building out the entire site (at today's prices) is at a level that would enable the developer to sell all the market units on the site (in today's market) at a rate of build out evidenced by the developer, and make a competitive return to a willing developer and a willing landowner.
- Any purchase price used should be benchmarked against both market values and sale prices of comparable sites in the locality.

7.0. Assumptions used in our modelling framework

7.1. The inputs for viability appraisals are hard to determine at an early stage for specific proposed site allocations as they are generally without the benefit of detailed designs, surveys or enquiries undertaken by the developer (as demonstrated by the complexity of many S106 negotiations). Therefore our viability assessments are necessarily broad approximations, subject to a margin of uncertainty.

7.2. Property Type and Sizes

Diagram 3 sets out the number of homes, bedroom size and gross internal floor area we expect to see on a typical residential site of 100 homes. The market dwelling sizes align with discussions held with developers/promoters at our consultation events relating to the report on New Settlements/Neighbourhoods dated May 2016. The affordable dwelling sizes align with the DCLG Nationally Described Standards and represent a 40% requirement in line with the Council's Policy. The proportion of different house types and tenure is in line with data contained within the SHMA September 2015, and complies with the Affordable Housing requirements for the District.

Diagram 3 – Property Types and Sizes for a typical phase of 100 dwellings

	Market Housing	ART	Shared Ownership	Total
1 Bed Flat GIFA m2	46	50	50	
Number	2	4	2	8
Total GIFA m2	92	200	100	392
2 Bed Flat GIFA m2	55	70	70	
Number	0	4	0	4
Total GIFA m2	0	280	0	280
2 Bed House GIFA m2	74	79	79	
Number	5	8	5	18
Total GIFA m2	370	632	395	1397
3 Bed House GIFA m2	85	93	93	
Number	26	10	5	41
Total GIFA m2	2210	930	465	3605
4 Bed House GIFA m2	130	106	106	
Number	19	2	0	21
Total GIFA m2	2470	212	0	2682
5 Bed House GIFA m2	150			
Number	8	0	0	8
Total GIFA m2	1200	0	0	1200
Total Homes	60	28	12	100
Total GIFA m2	6342	2254	960	9556

7.4. Gross Development Value

7.4.1. For open market properties we have assumed sales values based on postcode averages for the last 12 months, plus up to a maximum of a 10% uplift, to represent an uplift to new build sales prices where sales data indicates that this is appropriate and is being achieved. The key sources for this information were Rightmove, Zoopla, and Land Registry data.

7.4.2. Values used for affordable housing are based on market rates over the last 12 months – we have evidence of these rates through our close working with Registered Providers who are active in the area, and notional offer prices received from them.

7.5. Gross Development Costs

7.5.1. Site Acquisition Costs

We have included site acquisition costs to cover agent and legal fees at a total of 2% of the residual land value. Stamp duty at the prevailing rate has been allowed for, calculated on the residual value.

7.5.2. Construction Costs

We have assumed that all design costs (site survey, architecture, engineering, planning consultant and fees), are included within the design and build cost.

Base build costs have utilised the location adjusted *Building Cost Information Service (*BCIS) data, with a 20% enhancement for external works. We have not deducted an allowance for a contractor's profit contained within base BCIS costings but have, separately, also allowed for overhead and profit elsewhere. This represents an additional 6 - 10% uplift on base prices to cover plot external costs.

Rates used are adjusted to reflect the location factor for Uttlesford and are at the higher, mean level for estate housing. (Significant evidence exists on larger developments that volume house builders' rates are lower than this due to the economies they deliver - we have not taken this into account).

7.5.3. Abnormal and Additional Construction Costs

Abnormal and additional construction costs have been allowed for in line with known constraints and to allow for reasonable site risks. Contingency costs have been allowed for at a rate of 5%.

7.5.4. Design & Professional Fees

Allowances have been included to cover all design and professional fees, at 7%. This is in the middle of the standard range of 5 to 10% of fees typically assumed in Economic Viability testing, and takes into account the nature of the development.

7.5.5. S106 Contributions

S106 contributions have been allowed for in line with detailed advice received from Essex County Council. The Schedule of S106 and Infrastructure requirements is detailed in Appendix C of this report. Whilst the final requirements for S106 contributions will only be known in detail as the sites come forward, for the purposes of this viability assessment, we have allowed a figure that would be commensurate with developments of this size and complexity. Furthermore, we have stress tested all of the appraisals with contributions more akin to levels associated with New Settlements, and the proposals still remained financially viable.

7.5.6. Marketing and Sales Costs

We have adopted full marketing sales and disposals costs within the appraisal, including:

- Marketing costs of the private properties
- Agent's fees
- Legal fees associated with private sales

On this basis we have assumed a sales and marketing cost of 2% of the gross development value of the open market sales properties plus £600.00 per property for legal fees. For the affordable housing we have assumed agent fees of £1,500 for the scheme with legal costs at the same level as market value sales.

7.5.7. Finance Costs.

Where development finance is available, lenders are currently charging minimum rates of at least 6%. Arrangement (1%), monitoring (2%) and exit fees (1%) are also charged. These onerous lending terms persist due to on-going resistance to lending on residential development in the current market. We have adopted an interest rate of 6% with no additional allowance for fees, which we consider to be a standard assumption for development in the current economic climate.
It is conventional to assume finance on all costs in order to reflect the opportunity cost (or, in some cases, the actual cost) of committing equity to the project.

7.6. Development Programme

7.6.1. For the purpose on undertaking the Economic Viability Assessment only, we have assumed that a standard development phase of 100 homes, occurs over a 24 month period with the land being acquired in month one, and construction taking 23 months.

7.6.2. We have assumed sales of open market homes occur from month 13 to month 24 on an even basis (at approximately a rate of 5 sales per month). The rate of sales directly links to the assumed sales prices of individual homes. Affordable housing development assumes payment over a 9 month contract, commencing once initial infrastructure is in place.

7.6.3. These assumptions are particularly important in the calculation of development interest. The accounting for development interest on the land acquisition is from month one

of the programme, not allowing for any historic holding costs of the site, in line with best practice.

7.6.4. The development programmes for the smaller and more modest sized sites are based on the above assumptions, but scaled specifically to the size of that particular development.

7.6.5 For the larger schemes of 200 homes and above, we would assume land acquisition and therefore development occurs on a phased basis. Therefore, we have assumed that these larger schemes occur over a 36 month period only for the purpose of this viability model, whilst in reality the sales and construction period will occur over a longer period but with phased land acquisition. This way we can account for the development interest that is only attributable to the land acquisition.

7.7. Overhead & Profit

7.7.1. When considering the changing economic climate, financial institutions have tightened their requirements for overhead and profit returns on all schemes. Banks have raised their expectations in terms of risk and required returns that new developments offer. It is currently deemed likely that any private residential development proposals predicting an overhead and profit return of less than between 17.5% and 25% of gross development value would not be considered viable. We have therefore adopted an overhead and profit rate of 20% of gross development value for the scheme, at the midpoint of the acceptable range.

7.7.2. As affordable housing contains less commercial risk, typically with a JCT Design & Build Contract or a Development Agreement being signed at the commencement of works, and monthly valuations of construction work, borrowing and risk are reduced and so lower levels of overhead and profit are the norm. We have therefore allowed an overhead and profit of 6% in relation to the delivery of affordable housing.

7.7.3. At the planning appeal for Shinfield, Reading (APP/X0360/A/12/2179141) the inspector deemed that “the usual target being in the range 20-25%” of gross development value. We have therefore adopted an overhead and profit rate of 20% of gross development value for the scheme, at the bottom of the acceptable range. This is in line with the recent appeal decisions Chapel St Leonards APP/D2510/Q/14/2228037 and in Holsworthy APP/W1145/Q/13/2204429, noting that this level of return is reasonable.

8.0. Methods for Assessing Land Values

8.1. Overview

8.1.1The minimum land value judged as capable of ensuring a site is brought forward is important in our calculations of scheme viability.

8.1.2. As noted in 6.1.1 Para 173 – 177of the NPPF notes that developments should

> *“provide competitive returns to a willing land owner and willing developer to enable a development to be deliverable.”*

8.1.3. The ‘Harman Report’ (June 2012) notes that Threshold Land Value (TLV) should represent the value at which a typical willing landowner is likely to release land for development. The report notes that TLV needs to take account of the fact that future plan policy requirements will have an impact on values and landowner expectations.

8.1.4. Market values provide a useful ‘sense check’ on the TLV, but ‘Harman’ recommends an approach based on a premium over current use values and credible alternative use values.

8.1.5. The report goes on to note that if local market evidence shows that minimum price provisions are substantially in excess of initial assumptions, the TLV will require adjusting to reflect market evidence.

8.1.6. The RICS report ‘Financial Viability in Planning,’ defines Benchmark Land Values (BLV) as equating to the market value, subject to having regard to development plan policies and other material planning considerations and disregards that which is contrary to the Local Plan. It goes on to note for area wide viability testing, site value may need to be further adjusted to reflect emerging policy, at a level, which would not prejudice delivery.

8.1.7. The report also notes the BLV must be at a level which makes a landowner willing to sell. Comparable evidence is important in establishing BLV for scheme specific as well as area wide assessments.

8.1.8. It is common to refer to both Threshold Land Value (TLV) and Benchmark Land Values (BLV), as terms that are often interchangeable. For the sake of clarity and to avoid confusion, we have sought to differentiate these two terms, with a degree of clarity that perhaps goes beyond the intent of the authors of the reports referred to above which is in line with increasingly commonly used practice.

- TLV – Value at which a typical willing landowner is likely to release land for development, and based typically on existing use value plus a premium
- BLV – Market value subject to considering planning policy and based on market evidence.

8.1.9. In this context we note the Examiner’s report in relation to Greater Norwich Development Partnership CIL charging schedule (December 2012)

> “*…it is necessary to establish a threshold land value i.e. the value at which a typical willing landowner is likely to release land for development. Based on market experience…a landowner would expect to receive at least 75% of the benchmark value… It is reasonable to see a 25% reduction in benchmark values as the maximum that should be used…*

8.1.10. This approach was also uncontested and accepted at the Sandwell CIL examination in July 2014. In short if land trades today at the BLV, the TLV should be no less than 75% of this.

8.2. Determining the land value

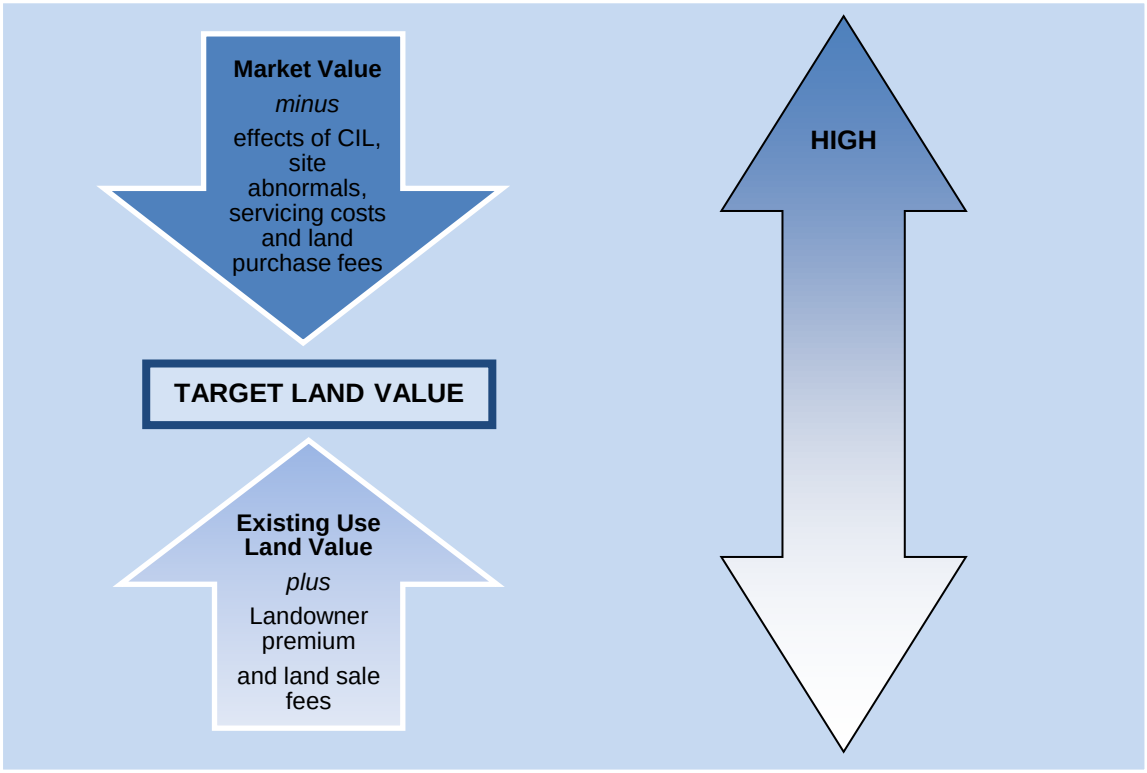
8.2.1. In assessing viability we want to establish a **Target Land Value** that is appropriate in ensuring landowners receive a competitive return (as distinct to the separate approaches adopted in setting Threshold Land Value (TLV) or Benchmark Land Value (BLV).

8.2.2. Broadly speaking there are two different approaches to arrive at an appropriate Target Land Value:

- Assessing the uplift from an existing or known alternative use value - TLV.
- Assessing the discount from the market value of a site, adjusted to allow for the costs of planning policy - BLV.

8.2.3. Diagram 4 illustrates how the two approaches start from different bases, but should theoretically produce a similar figure.

Diagram 4 – Approaches to arriving at a Target Land Value



8.2.4. A further explanation, along with the issues to take into account when considering both Threshold Land Values (TLV) and Benchmark Land Values, is set out in 8.3 and 8.4 below before returning to the issue of how the Target Land Value is determined.

8.3. Threshold Land Values (TLV)

8.3.1. To derive an appropriate TLV from the existing use value, it is necessary to work upwards in value. Harman and the RICS acknowledge that in order for development to come

forward over the existing use, a 'competitive return' (also referred to as a premium) is necessary.

8.3.2. There is no set rule as to how much of a premium should be applied on top of the existing use value. We can sensibly expect that a minimum uplift in value would be required in order to allow the seller to pay stamp duty, sales fees, legal costs and disruption. But that bare minimum is usually not incentive enough to persuade a landowner to sell.

8.3.3. Beyond that bare minimum, an incentive (referred to as a 'premium') is required to encourage the landowner to sell. It is difficult to say what premium a seller would require in order to sell the land. This is because there are inevitable differences in each deal. For example, the motivations of the parties involved in the transaction may vary, as might perceptions of future market prospects. Some landowners (say family trusts, or Oxbridge Colleges) take a very long-term view of land holdings, and can only be persuaded to sell at a high price. We cannot know these individual circumstances, so Harman stipulates that an appropriate premium should be determined by local precedent - another way of saying market value.

8.3.4. In some instances an alternative use may be considered over residential development, e.g. employment, retail etc. Assuming that the alternative use is realistic, then it may be prudent to consider land values for this alternative use, in addition to its existing use. This may give a more accurate view of the TLV, because a rational landowner will always seek to maximise site value.

8.3.5. Regarding existing use values, sites coming forward for development in the Uttlesford District can typically comprise green field sites. Guidance issued by the HCA in "Transparent Assumptions: Guidance for the Area Wide Viability Model" 2010 states that for green field land, benchmarks tend to be in a range of 10 to 20 times agricultural value. In Knight Frank's report, *The Rural Report*, Winter 2014, typical agricultural land value per hectare, in the East of England, are noted as being £25,946. This would give a TLV of between £259,460 per hectare and £518,920 per hectare. In the BNP Paribas report of March 2014 they note "for sites in existing employment use (secondary industrial, timber yards, nurseries etc.) … a benchmark land value of £0.7 million per gross hectare … is reflective of the capital value of the existing uses.

8.3.6. As well as the *existing* use of the site, credible *alternative* uses should also be taken into account. Should an alternative use derive a higher land value, it is logical that a landowner would seek this higher value.

8.3.7. The alternative use depends on planning policy to a good degree. If a landowner knows that his site appears (or is likely to appear) in the development plan for residential land, he or she would only sell for this value (if greater than the existing use). The alternative use value sought will be particularly high in areas where the landowner is aware that high sales values for residential properties make land particularly valuable.

8.3.8. If sites in the Uttlesford District Council area have a realistic alternative use value for

residential development (having been allocated in the emerging Local Plan) then landowners will anticipate this is the value sought for the site. We do not foresee other use types coming forward on the sites. In the Uttlesford District Council area land values for residential development are higher than the existing use values; it is therefore prudent to also understand market values, as described in greater detail in 8.5 below.

8.4. Benchmark Land Value

8.4.1. To derive an appropriate BLV from market values (as opposed to existing land use value) it is necessary to work downwards in value. Market values based on transactional evidence of sites being bought and sold, represents the value at which land can be delivered, with the knowledge of current planning policy. Thus BLV benefits from being based on comparable market evidence.

8.4.2. However, the BLV cannot be straightforwardly derived from current market values. The market value / BLV should be adjusted to allow for any future changes in planning policy. Furthermore, it may also be necessary to reduce the market value / BLV to allow for risk in obtaining planning permission, dependent upon comparable evidence. There is no set rule for the amount of discount that should be applied to the market value of a site.

8.4.3. This market comparable based approach considers land traded in the area. This market performance will inform landowners' 'hope values' for sites. After adjustment for various factors (such as time and various flavours of risk, such as whether the land had planning permission), we can start to make judgments about how comparable sites might trade.

8.4.4. We have been able to obtain a number of comparable from developers and agents in the area. This information was provided on a confidential basis and therefore the actual comparable used cannot be made available to the public.

8.5. Which method of estimating the land value does this study use?

8.5.1 We seek to determine a Target Land Value used to compare to Residual Land Values (RLV) on site specific proposals as outlined below, using a combination of both methods (i.e. a combination of TLV and BLV).

8.5.2. We examined a wide range of comparable, looking at residential development site values whilst taking into consideration existing uses. This is to ensure that the Target Land Value is as accurate as possible. Given the complexities of development across a whole plan area, and limited nature of publically available transactional data, we have based this assessment on appropriate available evidence for a strategic assessment of this nature.

8.5.3. From our recent work we would highlight several key issues in assessing the land value, as follows.

- It is important to stress that there is no single Target Land Value at which land will come forward for development. Much depends on the land owner and their need to

sell or wait in the hope that land values might improve and on the condition and location of the site.

- All sites vary in terms of the degree to which they are serviced or free of abnormal development conditions. Such associated costs vary considerably from site to site and it is difficult to adopt a generic figure with any degree of accuracy. Our starting point is to assume that the value of sites relates to a fully serviced development plot.
- The development potential of sites will be reflected in the land value required, in order for a landowner to release the site for redevelopment.

8.5.4. The land transaction market is not transparent. Very little data is in the public domain and the subjective influences behind the deal are usually not available. We have therefore placed a strong emphasis on consultation with both landowners and developers to get as accurate a picture as possible as to what the Target Land Value might be, as well as data supplied by developers in making viability arguments to the council on site specific cases at a development control level. We are aware of the following transactions in particular:

- Wedow Road, Thaxted - 4.76 acres site sold with planning permission for 55 residential units in 2012. The land value paid for the site was £5,035,000 which equates to £91,545 per residential unit and £1,414,325 per developable acre. We understand that the average private sales rate was £250psf.
- Land at Brays Lane, Rochford Essex - 13.5 acre site including 2.63 acres of playing fields was sold with outline planning permission for up to 100 residential units in July 2012 for a base price of £7,550,000. This equates to £75,000 per unit and £990,813 per developable acre.
- Land at Ashdon Road and Little Walden Road, Saffron Walden - This 11.8 acre site with outline planning permission for 145 units and 2.4 acres of commercial space was bought by Persimmon Homes in July 2012 for £10,300,000. This equates to £71,034 per unit and £1,061,855 per developable acre.

This evidence above demonstrates that development land in the area is transacting for on average £70,000 per residential unit. Allowing for a very conservative discount for planning (considering the location and planning history of the site) this would suggest a value of £35,000 per residential unit or £1,235,000 per developable hectare.

In the February 2015 publication ‘Land value estimates for policy appraisal’, the DCLG assume an average site value in Uttlesford for a 1 hectare site is £3,025,000 assuming 100% market housing. This equates to £1,270,000 at a policy requirement of 40% affordable housing assuming no land value is attributed to affordable plots, and a 30% discount to reflect the planning status of sites, which would seem appropriate.

8.6. Treatment of site abnormal development costs

8.6.1. Abnormal development costs or site servicing costs will be met by developers once the land is purchased. Careful analysis of transactions is required to assess the split between abnormal development and servicing costs (as a discount from the market value) from the premium sought by the land owner above the existing use value, or adjustments to the benchmark value to reflect the additional costs.

8.6.2. In short, sites with significant abnormal costs (contamination remediation, poor ground condition and exceptional servicing costs etc.), would lead to these costs being deducted from a BLV, or result in a lower premium for a TLV.

8.7. Bringing together the Target Land Value and the Residual Land Value

8.7.1. Having estimated the residual value on individual schemes, we compare this residual value with the Target Land Value the landowner will accept to release his or her land for the development.

8.7.2. If the residual land value shown by the appraisals is below the Target Land Value, the development is not financially viable. That means that unless the circumstances change the development will not be delivered. In this situation it would be the norm to consider if a reduced affordable housing requirement would lead to viability.

8.7.3. If the residual value and the Target Land Value are equal, or if the residual value exceeds the Target Land Value, the development is viable.

8.8. Setting a Target Land Value

8.8.1. Having observed market transactions, the RICS guidance paper notes that we need to deduct an amount in order to take account of policy requirements.

8.8.2. The Inspector in the report on the examination of the London Mayoral CIL (January 2012) commented:

> '*Finally the price paid for development land may be reduced. As with profit levels there may be cries that this is unrealistic, but a reduction in development land value is an inherent part of the CIL concept. It may be argued that such a reduction may be all very well in the medium to long term but it is impossible in the short term because of the price already paid/agreed for development land. The difficulty with that argument is that if accepted the prospect of raising funds for infrastructure would be forever receding into the future. In any event in some instances it may be possible for contracts and options to be re-negotiated in the light of the changed circumstances arising from the imposition of CIL charges*.' (paragraph 32)

8.8.3. The question, therefore, is how much we should adjust the land value downwards, in order to take account of policy costs such as the continuing requirement for affordable housing. RICS guidance requires us to comment on the state of the market and delivery targets as at the date of assessment and to set out our 'professional opinion underlying the

assumptions adopted'.

8.8.4. If we look at the state of the market, our discussions with developers showed that effective demand for homes (i.e. demand from people willing and able to pay) is relatively strong in the area. However if we over-value land, the RICS report points out that we will reduce the amount available for planning contributions. This has been taken into account when suggesting the Target Land Values below.

8.9. Target Land Values used

8.9.1. In suggesting a Target Land Value we are basing it on the net developable area rather than gross[1]. We have reviewed the evidence above, and triangulated between existing use value, alternative use value and market value. Using our professional judgement, we believe that a sensible Target Land Value assumption for the area is as follows:

- £1,270,000 per net developable hectare in the average location.
- Plus or minus up to 10% depending on the GDV's (Gross Development Values) for the location.

8.9.2. These land values quoted are a broad average across each value zone. Site specific viability, including dealing with the costs of site specific constraints and landowners individual aspiration on land value, will of course vary. Any site abnormals which are not reflected in our appraisals should be deducted from the land values assumed.

8.9.3. However, it is acknowledged that there will always be a minimum return that a landowner will require to release a site for development, which may not be sufficient once the cost of abnormals are deducted.

[1] A net developable area is a more refined estimate than a gross developable and includes only those areas which will be developed for housing and directly associated uses. This will include:

- access roads within the site;
- private garden space;
- car parking areas;
- incidental open space and landscaping; and
- children's play areas where these are to be provided.

It therefore excludes:

- major distributor roads;
- primary schools;
- adult/youth play spaces or other open spaces serving a wider area; and
- significant landscape buffer strips.

We have assumed a net developable area equates to 80% of the equivalent gross developable area. The definition above reflects discussions at the consultation event (see also 3.8)

SECTION 3

9.0. Conclusions – are the sites viable?

9.1. Section 2 of this report sets out the assumptions, methodology and model we used in this study. Each of the seventeen sites identified through the Call for Sites process have been assessed within this framework. This includes infrastructure requirements compiled from providers with estimates used where appropriate, shown in Appendix C.

9.2. Fundamentally we are looking for the residual land value to be equal to or exceed the Target Land Value to prove the scheme's financial viability.

9.3. As schemes are in the early stage of development, it is considered prudent to allow a 5% buffer so that, the residual land value of a viable scheme achieves a minimum of 105% of the target land value. This is to account for the level of uncertainties that still exists relating to the cost of developing these sites.

9.4. Table of Results - Assessment of viability of Local Plan residential sites

The table of results below provides details of each of the schemes including scheme reference, location, proposed numbers of homes, net developable area (hectares) and proposed density. Most importantly it highlights residual land values as a percentage of Target Land Values, with the green traffic light confirming viability.

From our assessment of the information available and following the detailed methodology contained with Section 2 of this report, it can concluded that all of the proposed new sites for the towns and villages are financially viable and therefore able to be delivered over the Local Plan period, if allocated. It can be seen clearly that some of the sites are considerably more viable than others, but all of them perform over the 105% rate as advised in this report.

As stated previously in this report, this assessment is based on current market conditions and in line with current Policy arrangements, which enables a meaningful assessment and comparison of the sites.

Table of Results - Assessment of viability of Local Plan residential sites

Number	Scheme Reference	Location	no. homes	Hec net	Density	% Target Land Value	Viable
1	07Saf15	Land north and south of Thaxted Road, Saffron Walden	300	11.83	25.4	176	
2	11Saf15	Land east of Shire Hill and south of Radwinter Road, Saffron Walden	450	25.7	17.5	117	
3	10Saf16	Land east of Little Walden Road, Saffron Walden	85	2.75	30.9	237	
4	08GtDun15	Helena Romanes School, Great Dunmow	200	10	20.0	154	
5	12GtDun15	Land west and south west of Great Dunmow	400	20	20.0	147	
6	07GtDun15	Wood Field, Woodside Way, Great Dunmow	120	5	24.0	184	
7	02Els15	Land north of Leigh Drive, Elsenham	30	0.8	37.5	272	
8	04Els15	Land north of Stansted Road, Elsenham	30	1	30.0	205	
9	08Els16	Land at Rush Lane, Robin Hood Road, Elsenham	40	1.68	23.8	135	
10	09Sta15	Land east of Cambridge Road and west of High Lane, Stansted Mountfitchet	40	1.2	33.3	181	
11	07Sta15	Land at Bentfield Green, Stansted Mountfitchet	70	3.6	19.4	135	
12	02HBO15	Land at Bonningtons Farm, Station Road, Takeley	45	1.8	25.0	156	
13	03HBO15	Land west of Station Road, Bonnington Green Takeley	230	12.45	18.5	113	
14	14Tha15	Claypitts Farm, Bardfield Road, Thaxted	25	1.07	23.4	137	
15	05Cla15	Land west of Stortford Road, Clavering	14	0.64	21.9	165	
16	02Man16	Land north of Stewarts Way and west of The Street, Manuden	30	1.88	16.0	125	
17	12Fel15	Gransmore Meadow, Chelmsford Road, Felsted	10	0.4	25.0	167	

Appendix A

Summary of Residential Allocation Proposals for Towns and Villages

1. **Land north and South of Thaxted Road, Saffron Walden – 300 dwellings**
   This greenfield site lies on the south eastern edge of the town. This proposal includes the land to the east of Thaxted Road for residential development, with leisure uses on land to the west. The site adjoins the adopted town development limits.

2. **Land east of Shire Hill and south of Radwinter Road, Saffron Walden – 450 dwellings**
   This greenfield site is located on the eastern edge of the town. The site adjoins the adopted development limits. This site, as part of a larger development that includes land to the south (detailed in 1 above) could assist in the provision of a link road between Radwinter Road and Thaxted Road, along with land for further provision of primary education.

3. **Land east of Little Walden Road, Saffron Walden – 85 dwellings**
   This greenfield site lies on the northern edge of the town, on the eastern side of Little Walden Road. The site adjoins the town development limits. Development of this site would extend the development boundary along Little Walden Road.

4. **Helena Romanes School, Great Dunmow – 200 dwellings**
   The site is considered suitable for development as part of a comprehensive development including land south of Stortford Road for residential, secondary school and sixth form centre.

5. **Land west and south west of Great Dunmow – 400 dwellings**
   This is a greenfield site adjoining the western edge of the town and opposite a site with planning permission for residential development. The site is proposed as suitable for residential development along with the safeguarding of land to the west for a new secondary school.

6. **Wood Field, Woodside Way, Great Dunmow – 120 dwellings**
   This site adjoins an existing site with planning permission for residential development and is also located opposite the development at Woodlands Park.

7. **Land north of Leigh Drive, Elsenham – 30 dwellings**
   This greenfield site is part of a larger site with planning permission for residential development, an Extra Care Facility and land for a community building. This proposal is for residential use and land for a community building.

8. **Land north of Stansted Road, Elsenham – 30 dwellings**
   This is a greenfield site located between the M11 and an existing site with planning permission for residential development. It abuts the Ancient Woodland of Alsa Wood to the north. This site is within in walking/cycling distance of the shops, doctors' surgery, and the school.

9. **Land at Rush Lane, Robin Hood Road, Elsenham – 40 dwellings**
   This is a greenfield site located on the southern edge of the village. The site is well related to the village and is in cycling/walking distance of the shops, school and doctors' surgery.

10. **Land east of Cambridge Road and west of High Lane, Stansted Mountfitchet – 40 dwellings**
    This greenfield site lies at the northern edge of the town. It is a triangular site bounded by roads on two sides. Stansted is a key village and has a number of services and facilities. Land to the west has planning permission for residential development.

11. **Land at Bentfield Green, Stansted Mountfitchet – 70 dwellings**
    This greenfield site is located on the northern edge of the village. The proposal involves residential development on the eastern half of the site with public open space on the remainder of the site. The site adjoins the development limits. Stansted is a key village with a number of key services and facilities.

12. **Land at Bonningtons Farm, Station Road, Takeley – 45 dwellings**
    This brownfield site is located on the edge of Takeley, south of the Flitch Way (County Wildlife Site and linear Country Park). Bonningtons Farmhouse on the site is a listed building. The site is in easy walking/cycling distance of the village centre and Roseacres primary school.

13. **Land west of Station Road, Bonnington Green Takeley – 230 dwellings**
    This greenfield site is located on the edge of Takeley, south of the Flitch Way (County Wildlife Site and linear Country Park). The site wraps around the site submitted at Bonningtons Farm, as detailed in 12 above.

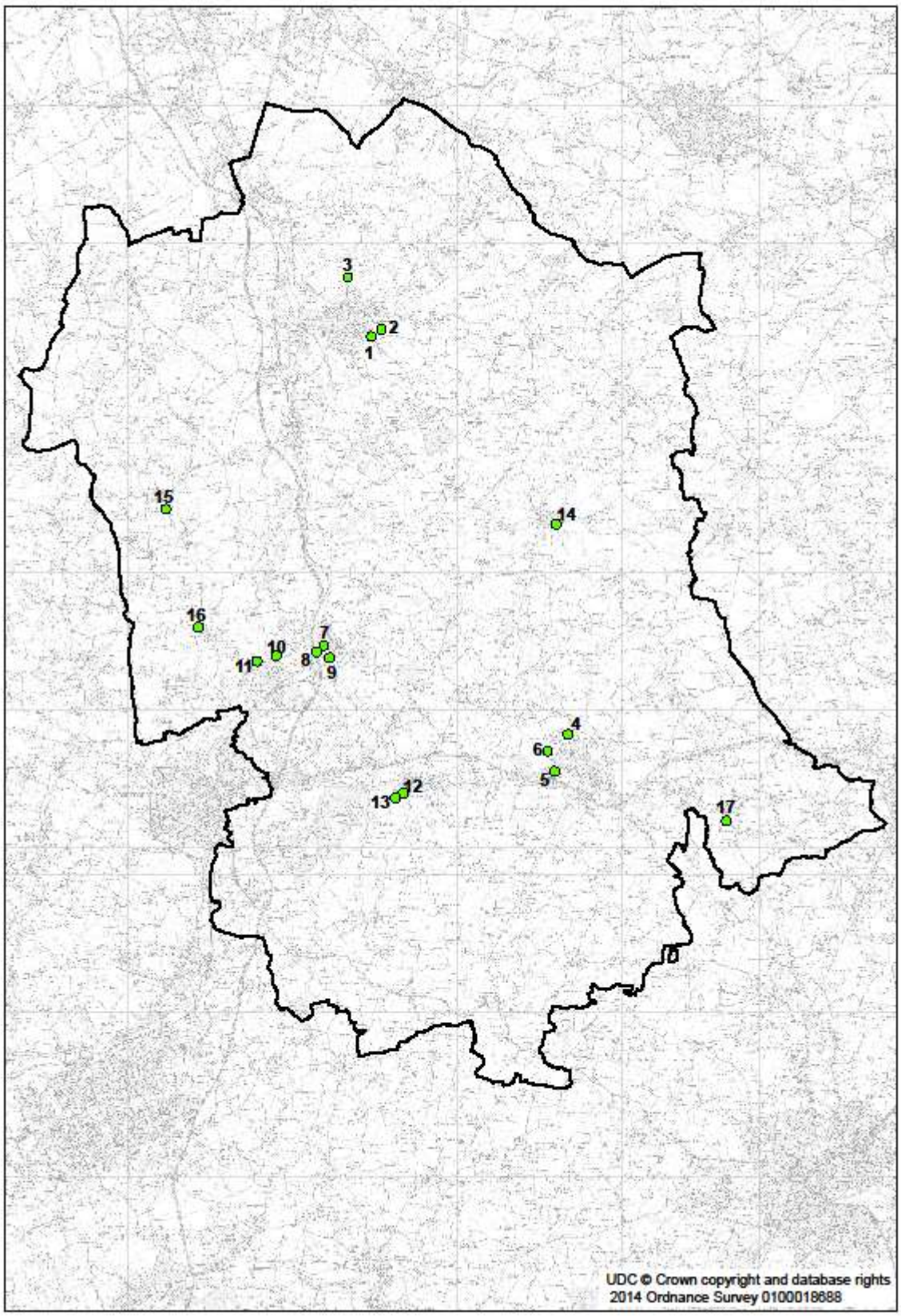
14. **Claypitts Farm, Bardfield Road, Thaxted – 25 dwellings**
    This part brownfield and part greenfield site lies on the south eastern side of the village, adjacent to the development limits. The site is adjacent to the conservation area and the access road lies within the development limits and conservation area. The site is within walking/cycling distance of the village services and facilities.

15. **Land west of Stortford Road, Clavering – 14 dwellings**
    This is a greenfield site, which would extend residential development along Stortford Road, but not extending further than the existing development on the opposite side. The site is well located to the village shop and school.

16. **Land north of Stewarts Way and west of The Street, Manuden – 30 dwellings**
    This greenfield site lies to the north of the village, adjacent to the development limits and conservation area. The site is well related to the village and is within walking/cycling distance of the school.

17. **Gransmore Meadow, Chelmsford Road, Felsted – 10 dwellings**
    This is a greenfield site adjoining the southern edge of Felsted. The site is within walking/cycling distance of the facilities in Felsted

Proposed Residential Allocations Location Map



Appendix B

Attendees at consultation events held from February to April 2016 at UDC offices and contributors to correspondence.

Promoters/land owners/agents and consultants

Robin Meakins – Barton Willmore

Colin Campbell – Savills

Adam Halford – Bidwells

Craig Nelson – Ptarmigan Land

James Brierley – Gerald Eve

John August – Galliard Homes

Martin Herbert – AECOM

David Maxwell – Capita

Richard Mabb – Mabb Planning

Jonathan Harris – GL Hearn

Robert Bucknall

Ian Chater – Chater Homes

Harry Jones – David Lock Associates

Philip Copsey – David Lock Associates

The Fairfield Partnership

Essex County Council Officers – Infrastructure Advice

Neil Keylock – School Places Data and Intelligence Manager

David Sprunt – Principal Transport Strategy and Engagement Officer

Gill Holland – Children's Community Development Officer

Keith Blackburn – Senior Infrastructure Planning Officer

Blaise Gammie – Infrastructure Planning Manager

Matthew Bradley – Strategic Development Manager

Zhanine Smith – Principal Spatial Planner

Other (authors of this report)

Martin Aust – Pathfinder Development Consultants

Doug Malins – Malins Associates Limited

Appendix C

Uttlesford District Council Infrastructure Delivery Schedule & Financial Viability Study – ECC Input

The information outlined within the tables below is indicative figures, and may be subject to change.

Saffron Walden (800 homes total – 3 sites)

Utility	Nature of Infrastructure	Timescales for Delivery	Responsible Authority(s)	Cost	Notes
Transport 07Saf15 and 11Saf15 (east)	Stated by ECC Transport colleagues that they have previously assessed and provided response on these **Additional comments**: No transport policy objections, subject to review of the associated transport assessment and appropriate mitigation that supports sustainable transport measures, and appropriate highway measures. Public transport linkages to town centre and Audley End station and safe crossings of Thaxted Rd will be required. Thaxted Rd/Radwinter Rd is AQMA, highly congested, and any development to east of the town likely to exacerbate this situation and mitigation measures are necessary.		Contribution from developer	4 junction capacity mitigation schemes at an estimated cost of £699,500	Eastern Link Road to be provided as part of the development and to serve as a distributor within the development.
Transport 10Saf15	Stated by ECC Transport colleagues that they have previously assessed and provided response on this **Additional comments:**		Contribution from developer	1 junction capacity mitigation scheme at an estimated cost of £279,000	

	No transport policy objections, subject to review of the associated transport assessment and appropriate mitigation that supports sustainable transport measures, and appropriate highway measures.				
Education Primary & EYC	New Primary School on .9ha of land to the North-West corner of the site. EYC additional: The amount of additional childcare the proposed developments would require is 75.9 places. These could be two additional larger nurseries and ideally would be co-located with new schools	Completion of new primary school located at eastern new development sites. Delivery timetable to be agreed.	ECC (costs to be borne by developer)	£5.2mn + 0.9ha. D1 allocated land to be provided at nil cost EYC costs at standard S106 rate of £13,500 per place. Totalling £1,026,000.	
Education Secondary	Demand for secondary school places should be able to be accommodated within existing expansion plans at Joyce Frankland Academy Newport, and through the admissions process.		ECC (costs to be borne by developer)	Cost of extra places at standard formula calculation via S106 for 144 new spaces. Totalling £2,664,000	See ECC Developer Guidelines
Health	The following capital funding figures for Health have been extracted from the draft Growth and Infrastructure Framework for the period of the plan.	Throughout the plan period	Contribution from developer	Primary Health Care at £769 per dwelling. Acute Health Care at £2,816 per dwelling. Mental Health Care at £273 per dwelling.	Further detailed discussion with Health representatives required.

Great Dunmow (720 homes total – 3 sites)

Transport 12GtDun15 Land West of Dunmow and South of Stortford Road	Stated by ECC Transport colleagues that they have previously assessed and provided response on these **Additional comments:** No transport policy objections, subject to review of the associated transport assessment and appropriate mitigation that supports sustainable transport measures, and appropriate highway measures. There is a need for strengthened public transport links to key destinations for example Stansted Airport and Dunmow town centre		Contribution from developer		Great Dunmow already has a bypass so there is little in terms of capacity improvements over and above those already planned or directly needed by the developments to access the network. However, contributions to upgrading the town centre and also cycling and walking networks would be required, although these are not costed at this stage.
Transport 08GtDun15 Land at Helena Romanes School	Stated by ECC Transport colleagues that they have previously assessed and provided response on these **Additional comments:** No transport policy objections, subject to review of the associated transport assessment and appropriate mitigation that supports sustainable transport measures, and appropriate highway mitigation		Contribution from developer		Great Dunmow already has a bypass so there is little in terms of capacity improvements over and above those already planned or directly needed by the developments to access the network. However, contributions to upgrading the town centre and also cycling and walking networks would be required,

					although these are not costed at this stage.
Transport 07GtDun15 Wood Field	Stated by ECC Transport colleagues that they have previously assessed and provided response on these **Additional comments:** No transport policy objections, subject to review of the associated transport assessment and appropriate mitigation that supports sustainable transport measures, and appropriate highway measures. Not clear how access to public highway is to be achieved		Contribution from developer		Great Dunmow already has a bypass so there is little in terms of capacity improvements over and above those already planned or directly needed by the developments to access the network. However, contributions to upgrading the town centre and also cycling and walking networks would be required, although these are not costed at this stage.
Education & EYC	Growth scale can be accommodated by existing additional primary education provision plans for additional local education provision (new school to open in 2019, and another new primary school site is already identified for longer term need), plus secondary education provision (expansion of HRS). Education provision can thus be accommodated		ECC	These new primary provision costs appear to be provided for already. Additional Primary costs at standard formula 94 extra spaces are £2,366,800. These costs may need to be more bespoke than the standard formula. Additional Secondary provision from	See ECC Developer Guidelines for education places provision costs formulas

				standard formula via S106 for 130 new spaces. Totalling £2,405,000	
Health	The following capital funding figures for Health have been extracted from the draft Growth and Infrastructure Framework for the period of the plan.	Throughout the plan period	Contribution from developer	Primary Health Care at £769 per dwelling. Acute Health Care at £2,816 per dwelling. Mental Health Care at £273 per dwelling.	Further detailed discussion with Health representatives required.

Elsenham (100 homes – 3 sites)

Transport 02Els15, 04Els15 & 08Els15	Not clear how access to public highway is to be achieved. There will be impact on congested links, i.e. Grove Hill, Lower Road, and Chapel Hill in Stansted Mountfitchet		Contribution from developer		There may be a requirement for a contribution once plans are worked up in greater detail.
Education & EYC	This level of housing in Elsenham should be able to be accommodated by the planned expansion of Elsenham Primary School, and potential to expand Forest Hall School. Childcare within the Elsenham and Henham Wards are currently delivered through two nurseries and child-minders. Currently there are no vacancies; however we are anticipating additional nursery		ECC – developer funded	Apply standard additional education provision costing from standard formula EYC costing at standard formula for 9 extra spaces is £121,500. Primary costing at standard formula for 27 extra spaces is £329,400.	See ECC Developer Guidelines for education places provision costs formulas

	or pre-school provision in the near future. The amount of additional childcare the proposed development would generate is 9 childcare places which may be incorporated within the proposed provision.			Secondary costing at standard formula for 18 extra spaces is £333,000	
Health	The following capital funding figures for Health have been extracted from the draft Growth and Infrastructure Framework for the period of the plan.	Throughout the plan period	Contribution from developer	Primary Health Care at £769 per dwelling. Acute Health Care at £2,816 per dwelling. Mental Health Care at £273 per dwelling.	Further detailed discussion with Health representatives required.

Stansted Mountfitchet (110 homes – 2 sites)

Transport 09Sta15 & 07Sta15	The call for sites information for 07Sta15 states that the site could be accessed from a new junction to Pennington lane opposite Rainsford Road. Impact on congested links through Stansted Mountfitchet village centre.		Contribution from developer		There may be a requirement for a contribution once plans are worked up in greater detail.
Education & EYC	This level of housing in Stansted Mountfitchet should be able to be accommodated within existing primary school provision, and with the planned/potential to expand Forest Hall School. Stansted South and Stansted North are the two wards surrounding Stansted		ECC – developer funded	Apply standard additional education provision costing from standard formula EYC costing at standard formula for 10 extra spaces is £135,000. Primary costing at	See ECC Developer Guidelines for education places provision costs formulas

	Mounfitchet. There is a full range of childcare within these two wards however the Summer 2016 sufficiency data shows that of the 184 places 173 are currently taken which is a 94.0% capacity. The proposed development would generate another 9.9 places which given the level of vacancies at the moment would be difficult to accommodate. However any 106 contribution could be used to support increased capacity with existing childcare providers.			standard formula for 30 extra spaces is £366,000. Secondary costing at standard formula for 20 extra spaces is £370,000	
Health	The following capital funding figures for Health have been extracted from the draft Growth and Infrastructure Framework for the period of the plan.	Throughout the plan period	Contribution from developer	Primary Health Care at £769 per dwelling. Acute Health Care at £2,816 per dwelling. Mental Health Care at £273 per dwelling.	Further detailed discussion with Health representatives required.

Takeley (275 homes)

Transport 02HBO15 & 03HBO15	Concern of impact on M11 J8 and at Takeley Four Ashes signals.	Timescale for funding M11 J8 improvements could be 2025+	To be identified	Cost of M11 J8 improvements extremely high	Transport considerations may present major issues
Education & EYC	420 place new primary needed inc 56 place nursery		ECC – developer funded	£7.3mn + land at nil cost	See ECC Developer Guidelines for education places provision costs formulas

Health	The following capital funding figures for Health have been extracted from the draft Growth and Infrastructure Framework for the period of the plan.	Throughout the plan period	Contribution from developer	Primary Health Care at £769 per dwelling. Acute Health Care at £2,816 per dwelling. Mental Health Care at £273 per dwelling.	Further detailed discussion with Health representatives required.

Thaxted (25 homes)

Transport 14Tha15	Safe access would have to be demonstrated for this site				There may be a requirement for a contribution once plans are worked up in greater detail.
Education & EYC	Extra provision needs generated from +25 homes might be accommodated in existing school – on very constrained site – will check Thaxted has pre-school, nursery and child-minder provision and currently (Summer 2016 childcare sufficiency data) shows that there are 65 places of which 59 are filled. This would only just allow sufficient childcare places required for the proposed new development of where 5 additional childcare places would be required. As Thaxted has already been an area of high development it is likely that more families are		ECC – developer funded	Apply standard additional education provision costing from standard formula EYC costing at standard formula for 5 extra spaces is £67,500. Primary costing at standard formula for 7 extra spaces is £85,400. Secondary costing at standard formula for 5 extra spaces is £92,500	See ECC Developer Guidelines for education places provision costs formulas

	going to grow and possibly move into the area and therefore placing a strain on the existing childcare provision.				
Health	The following capital funding figures for Health have been extracted from the draft Growth and Infrastructure Framework for the period of the plan.	Throughout the plan period	Contribution from developer	Primary Health Care at £769 per dwelling. Acute Health Care at £2,816 per dwelling. Mental Health Care at £273 per dwelling.	Further detailed discussion with Health representatives required.