

## **APPENDIX 2:**

### **Summary of Additional Sustainability Appraisal and Additional Technical Evidence Base Documents**

The additional evidence base documents being consulted upon and key findings are summarised below. All documents can be viewed through the weblink by clicking [here](#).

- Additional Sustainability Appraisal of North Essex Local Plan Section 1
- North Essex Rapid Transit System: from Vision to Delivery
- Modal Share Strategy for the North Essex Garden Communities, including Marks Tey station update
- North Essex Authorities: Build Out Rates at the Garden Communities
- North Essex Authorities Section 1 Viability Assessment Update
- North Essex Authorities Infrastructure Order of Costs Estimate (Gleeds report)
- Employment Provision for the North Essex Garden Communities
- North Essex Garden Communities: Infrastructure Planning, Phasing and Delivery
- Habitats Regulations Assessment North Essex Authorities Strategic Section 1 Local Plan
- North Essex Authorities: Delivery Mechanisms Position Statement
- North Essex Authorities: State Aid Position Statement
- Suggested Amendments to the Publication Draft Braintree, Colchester and Tendring Local Plans: Section One (July 2019)

#### **Additional Sustainability Appraisal of North Essex Local Plan Section 1**

The Sustainability Appraisal (SA) is the key piece of evidence to test different policies, proposals and alternative strategies and to inform the decisions a planning authority takes when choosing its strategy for growth. The SA seeks to ensure that potential environmental effects are given full consideration alongside social and economic issues.

In his June 2018 letter the Inspector raised the following concerns about the previous SA:

- optimistic assumptions had been made about the benefits of the selected Garden Communities (GC), and negative assumptions about the spatial alternatives, without appropriate evidence to support those assumptions;
- a lack of clarity in the description of alternative strategies and why they were tested at certain scales; and
- the reasons for excluding the alternative option at 'Monks Wood' (as put forward by promoter Lightwood Strategic) in combination with other GCs.

The Inspector suggested the following key actions with regards a revised SA:

- Re-examine the evidence base for any GC proposals, especially viability and the provision of transport infrastructure and employment opportunities, to ensure a sound basis to score them against the SA objectives.
- The SA must objectively compare individual GC options at a range of different sizes, in particular Monks Wood at an appropriate scale.

- The second stage (Additional) SA of alternative spatial strategies, as a minimum, should include:
  - Proportionate growth at and around existing settlements;
  - CAUSE's Metro Town proposal; and
  - Combinations of one, two or more GCs.

The Inspector recommended independent consultants undertake the additional SA, and hence the consultancy Land Use Consultants (LUC) have been appointed by the NEAs.

### Methodology

The methodology followed a two-stage assessment process.

1. A range of potential development sites at different scales of development; and
2. Different 'spatial strategy' alternatives derived from different combinations of these sites, ensuring that the alternatives identified specifically by the Inspector have been tested.

### Spatial Strategy Options tested

The following principles were required in all spatial options, namely;

- to meet the required housing need in the Plan period to 2033;
- to reflect the relative housing need and commuting patterns as they affect different parts of North Essex; and
- to ensure alternative strategies are coherent, logical and reasonable.

The SA tested 17 options comprising 11 options to the west of Colchester (mainly affecting Braintree district) and 6 options for the area east of Colchester (mainly affecting Tendring district). The most appropriate option to the west was combined with the most appropriate option to the east to result in the most appropriate spatial strategy for North Essex overall. These approaches took into account housing development already proposed through existing planning permissions and housing allocations in respective Section 2 Local Plans, and which total some 80% of total growth to 2033.

The general 'spatial options' tested included a 'percentage based approach' in dwelling stock to 2033; a hierarchy-based approach (with more development towards larger towns than smaller villages); different scales and combinations of GCs; major urban extensions alongside proportionate growth; a single GC alongside proportionate growth around existing settlements; and the 'Metro Plan' concept, at the Inspector's request.

### SA Assessment findings

- Options involving proportionate growth around existing settlements performed relatively poorly against the various sustainability objectives, particularly in relation to travel patterns, alternative modes of transport and the delivery of affordable housing, and hence were found less sustainable than alternatives involving GCs.
- There is 'little to choose' between strategic spatial strategy alternatives to the west of Colchester, and professional judgement is required to distinguish between them.

- Spatial strategy alternatives to the east of Colchester perform similarly against the sustainability objectives - a north-east extension to Colchester (Option East 4) is considered to be weakest due to its potential negative impacts on the Bullock Wood SSSI and limited transport connections into Colchester.
- Tendring Colchester Borders GC (Option East 3) and Tendring Central Garden Village (Option East 5) perform better than the CAUSE Metro Plan (Option East 6) in the longer term, as they provide for a scale of development sufficient to accommodate a health care facility; although Tendring Central is subject to significant adverse effects from noise pollution.
- Tendring Colchester Borders GC performs well in terms of potential economic growth.
- Metro Plan performs well in terms of easy access to railway stations which could help to reduce carbon emissions, however its rural location is likely to result in longer car journeys where rail is not a realistic choice. For shorter journeys, the GC performs most strongly.
- Tendring Central Garden Village performs as well as the Tendring Colchester GC, although no better; and has the advantage of an existing employment area, but its distance from Colchester is likely to encourage a high proportion of car journeys.

#### NEA Officers' recommendation following the findings of the Additional SA work

Many of the alternative spatial strategy options perform similarly against the various sustainability objectives and the findings do not suggest that there is a clear stronger alternative to the current strategy for three GCs as submitted in the Section 1 Plan. The NEAs consider there are no reasons arising from the SA findings to recommend an alternative strategy to that as previously submitted for examination

#### **North Essex Rapid Transit System: from Vision to Delivery (prepared by Jacobs)**

The Section 1 Plan (through Policy SP7) proposes a step change in integrated and sustainable transport systems putting walking, cycling and rapid public transit networks and connections at the heart of growth, encouraging and incentivising more sustainable active travel patterns. Each GC is to be served by a 'rapid transit system' (RTS) enabling fast public transport connections into Colchester, Braintree and Stansted Airport. The North Essex Movement and Access Study (2017) set a target of 30% of all journeys, to and from the GCs, to be made by rapid transit.

In his June 2018 letter, the Inspector raised concerns that the target of 30% could only be achieved if RTS was available early in the development of the GCs and that the proposals for RTS as submitted provided insufficient evidence on the form of route options, its capital cost (and impact on overall viability) and the timescales for delivery.

The evidence document 'North Essex Rapid Transit System – from Vision to Delivery' considers different modes of rapid transport and recommends that up to 2033 the focus should be on delivering segregation route infrastructure. This would enable the system to evolve beyond the end of the Plan period (2033) and accommodate the latest technology, potentially using trackless tram technology. The RTS report sets out four clearly identified

route options for the RTS (see below) which enable rapid linkages between the GCs, town centres and key employment areas (including London Stansted Airport).

- Route 1 connecting Tendring Colchester Borders GC, a potential eastern park and ride site, the University, the main rail station, the hospital and the existing Colchester northern park and ride site.
- Route 2 connecting Colchester Braintree Borders GC, a potential western park and ride site, the town centre and the rail station.
- Route 3 being planned jointly with Uttlesford District Council and connecting Stansted Airport with Braintree via the West of Braintree GC.
- Route 4 which links CBBGC with Braintree, by connecting routes 2 and 3 and providing a through RTS link between Colchester and Stansted.

The report concludes that RTS is commercially viable and can be incrementally developed, alongside the growth at GCs.

More detailed study work has now begun on Route 1 as part of the successful HIF bid for the Tendring Colchester Borders GC (which includes a A120/A133 link road). In terms of delivery, it is expected that Routes 1, 2 and 3 will be in place by the end of the Plan period (2033). Post-2033, the intention is to extend the level of segregation on Routes 1-3 and introduce Route 4, which links CBBGC with Braintree, by connecting routes 2 and 3 and providing a through RTS link between Colchester and Stansted. Whilst significant investment is planned as part of the GCs, it is expected that additional bids will be made to Government for funding (e.g. HIF or seeking to implement a Strategic Infrastructure Tariff).

### **Modal Share Strategy for the North Essex Garden Communities**

The evidence document 'Mode Share Strategy for the North Essex Garden Communities', prepared by ITP consultants, sets out a variety of measures to influence the way in which people travel, which, alongside RTS will enable the 30% modal shift target to be achieved. Such measures include achieving mixed-use developments (residential, leisure and employment land uses); higher density development in certain locations; building close to the public transport network; the use of car parking restrictions on specific streets; giving priority to walking and cycling in the layout of development; and the creation of car free areas in certain locations.

### **Marks Tey Station to serve Colchester Braintree Garden Community**

The Inspector stated that the current peripheral location of the station would integrate poorly with the structure of the proposed GC and, whilst relocation was not essential, it would be a missed opportunity if, on the scale currently proposed, the station was located on its periphery. Opportunities are being explored to establish how Marks Tey rail station will be made more accessible to residents of the new GC including through the improvement of walking, cycling and public transport links to the station, or to relocate the station to a more central location.

In addition, the viability appraisal allocated some £50 million towards the relocation of the station albeit 30 years into the build programme which, in the Inspector's view, would be too late to enable the station to be integrated into the planning of the new town centre for the GC.

Further joint working is being undertaken with Network Rail (NR) regarding the potential for a new rail station. A timetable evaluation on the potential implications of a new station on the Great Eastern Main Line (GEML) has been undertaken. The evaluation concludes that an additional new station would have a detrimental impact on journey times between Colchester and Chelmsford. NR considers the relocation of the existing Marks Tey Station to the centre of the GC is unlikely to be a practical option. It is considered more appropriate to provide improved connectivity to/from existing stations on the GEML. Additional work is scheduled to look at capacity of the GEML to consider impacts of the GC and wider growth on the line.

### **North Essex Authorities: Build Out Rates at the Garden Communities**

All three of the proposed GCs are expected to deliver approximately 2,500 new homes up to 2033, with the remainder beyond. To achieve this level to 2033, each GC would need to provide between 250 and 350 homes a year.

The Inspector, based on the evidence before him, considered it more prudent to plan for an annual average 250 a year, thereby reducing provision to nearer 7,000 in the Plan period. This would lead to a long construction period of the new communities (somewhere between 60 and 96 years) which would impact on viability in relation to interest payments to be incurred by developers.

In response, the 'Build out rates in the Garden Communities' report has been prepared, which reviews the evidence that was before the Inspector at the examination; reviews recent publications which explore how to boost housebuilding (including the Oliver Letwin Review); and provides evidence on high build-out rates that have either been achieved or are expected to be achieved on sites in other parts of the country. It concludes that to plan for an annual average of 250 completions a year is overly cautious and that, based on the evidence compiled, rates of more than 300 homes a year are achievable.

### **North Essex Authorities Section 1 Viability Assessment Update**

The GC proposals were supported by an assessment of viability undertaken by Hyas (North Essex Local Plans (Section 1) Viability Assessment: Main Report and Appendices, April 2017), which was subject to considerable debate at the examination hearings. The Inspector had the following specific areas of concern regarding the evidence base:

- Transport infrastructure costs – the potential cost of RTS and/or any likely developer contributions towards the A12 and A120 improvements required further consideration.
- Land purchase and interest – no allowance had been included for the cost of interest on any borrowing to fund the purchase of land by a master developer.

- Contingencies and sensitivity testing – the ‘contingency’ allowance being applied to certain capital sums for specific elements of infrastructure was potentially too low.
- Price of Land – landowners would require sufficient land values to persuade them to bring land forward for development and that the viability assessment would need to demonstrate that such reasonable uplifts over and above current use values could be achieved.
- Other specific aspects – the cost and timing of a potential new rail station at Marks Tey, the build out rate being achievable, the provision of employment land consistent with the wider approach, and ability to deliver the required level of affordable housing.

Hyas has produced an updated viability assessment (June 2019) which takes into account the latest information on the costs of all strategic infrastructure (including the RTS and elements included in the HIF bids), an allowance for interest costs on land purchase, applies higher contingency rates and addresses all other matters raised by the Inspector. It also considers updates to national planning policy and guidance relating to viability.

The updated assessment concludes that all three GCs can be considered viable as they are capable of producing Residual Land Values that will create significant uplift for landowners well in excess of existing/current values. In addition, it considers that the GCs will generate sufficient profit for developers/investors to meet their requirements, including supplementary considerations of the time/value of money through a discounted cash flow analysis.

West of Braintree GC – projects positive uplifts in land value (to circa £80,000-£140,000 per gross acre) without any grant assistance and with no allowance for inflation. This is considerably in excess of current use values with greenfield agricultural land worth in the order of £10,000 per acre with positive inflation (which would be expected over time), the uplifts in land value could be considerable meaning that this GC is comfortably viable across a range of scenarios.

Tendring Colchester Borders GC – house prices are generally lower than to the West of Braintree and therefore the projected uplift in land value is generally lower. However, even without grant assistance and no allowance for positive inflation, the development could still achieve a positive, albeit lower uplift (between £15,000-£70,000 per gross acre) beyond similar agricultural land values (circa £10,000 per acre). However, the achievement of Government grant funding for upfront strategic infrastructure (such as via the HIF bid, or any subsequent funding opportunity) would increase uplifts to higher levels (upwards to around £200,000 per gross acre). With positive inflation, the scheme could deliver a much higher uplift (upwards of £300,000 per hectare).

Colchester Braintree GC – has significantly higher upfront infrastructure costs (i.e. works to the A12) and, hence, without grant or positive inflation, the development would not achieve an uplift beyond current land values and would not be considered viable. However, the site benefits from a short-listed infrastructure funding bid and it is therefore

not unreasonable to anticipate the proposals to be considered favourably for potential grant funding, either through the current HIF process, or through any future infrastructure funding opportunities. In addition, inflation-based scenarios produce considerably higher residual land values. With grant but no positive inflation, the development could achieve a positive land value uplift (£60,000 to £100,000 per gross acre) and with inflation the uplift would be considerably higher.

For Tendring Colchester Borders and Colchester Braintree Borders GCs there is a degree of reliance on securing either grant funding, and/or inflationary impacts to demonstrate viability. This is credible and realistic given the long history of Government support in infrastructure to support housing growth, and trends in inflation over recent decades (including through periods of economic change and uncertainty, albeit recognising that forecasting over such a long timescale will be subject to considerable uncertainty).

The updated viability work can only provide a strategic overview of viability and a point in time consideration that will need to be monitored and reviewed over time. There will be a broad range of factors which could depress or enhance viability going forward, including unforeseen costs or wider economic conditions that may depress viability. Viability could be enhanced over time through placemaking, construction cost efficiencies (modular construction), inflation rates being higher than forecast, speedier delivery and ability to secure future Government investment support. The updated assessment has taken a relatively prudent approach to many assumptions thus providing further confidence that the viability position could improve over time.

Viability will be subject to ongoing monitoring and review as the GCs progress through site specific Development Plan Documents and ultimately through the development management process. Overall the updated viability assessment suggests there is no reason to abandon any of the three GC proposals over insurmountable concerns about economic viability, as there are realistic and credible scenarios which can deliver viable schemes.

### **North Essex Authorities Infrastructure Order of Costs Estimate (Gleeds)**

‘Gleeds’ consultants have undertaken a review of the cost of infrastructure works associated with the development of 41,000 homes across the three GCs. The report is based on the design information contained within AECOM’s Infrastructure Planning, Phasing and Delivery Report (July 2019). A detailed cost estimate sets out the overall scope, scale and estimated costs of all strategic infrastructure requirements for each GC.

### **Employment Provision for the North Essex Garden Communities**

The GCs aim is to deliver sufficient employment to accommodate the ‘one job per household’ ambition set out in the North Essex Garden Communities Charter. The Inspector was not satisfied for employment land to be defined through the Strategic Growth Development Plan Documents (DPDs) (that would follow the Local Plan), and that an indicative employment land requirement should be identified in the Section 1 Plan.

The Centre for Business and Economic Research (Cebr) has analysed the existing sectors within the North Essex economy and forecasted the growth of these sectors using a variety of assumptions including past trends and the ability to intervene to attract particular sectors to the area. An industry standard employee to floorspace ratio (different sectors have different ratios) has been applied to provide a volume of employment floorspace for each sector, which has been converted into gross employment land for each GC. The employment land requirements are as follows:

- Tendring Colchester GC – 6.9ha within the Plan period (part of a total of 24.5ha)
- Colchester Braintree GC – 4.0ha within the Plan period (part of a total of 70.1ha)
- West of Braintree GC – 9.1ha within the Plan period (part of a total of 43.4ha)

### **North Essex Garden Communities: Infrastructure Planning, Phasing and Delivery**

Policy SP7 (at point iv) states that infrastructure will be delivered ahead of, or in tandem with, residential development to support new residents and establish sustainable travel patterns. Whilst these aims were supported by the Inspector, he was not convinced that sufficient evidence was provided to demonstrate the deliverability of such an approach.

AECOM has prepared the 'Infrastructure Planning, Phasing and Delivery' report (July 2019) to demonstrate the phased manner in which infrastructure will be delivered alongside new homes in each community. The report ensures that the phasing approach is compliant with policy requirements in Section 1, and that it fulfils the NEA's ambition of infrastructure-led communities. The report is fully consistent with the updated viability evidence, demonstrating both the deliverability and the financial viability.

### **Habitats Regulations Assessment (HRA)**

The Habitats Regulations relate to the protection of wildlife sites of European importance including Special Protection Areas (SPAs) and Special Areas of Conservation (SACs) which include the Colne Estuary, Hamford Water and the Stour Estuary. The 'HRA Report for North Essex Authorities Shared Strategic Section 1 Local Plan' concludes that mitigation measures can be secured as part of the relevant developments to address loss of offsite habitat; that recreation impacts can be mitigated through the measures in the Essex Recreation disturbance Mitigation Strategy (RAMS) put in place by those Essex authorities within the defined 'zone of influence'; and that the development should not result in adverse impacts to water quality so long as there is a commitment to address water treatment capacity issues prior to specific developments being permitted.

### **North Essex Authorities: Delivery Mechanisms Position Statement and State Aid**

Given the scale of complexity of the proposed GCs, it is envisaged that Local Delivery Vehicles (LDVs), with both private and public sector representation, will be used to oversee their development. Whilst the Inspector acknowledged this approach was generally compatible with national planning policy and deploying new models of delivery was a legitimate aspiration, he questioned if other delivery mechanisms could be adopted.

The 'Delivery of the Garden Communities' report explains that since the submission of the Local Plan in 2017, the Government has placed greater emphasis on local authorities

taking a more pro-active role in the delivery of new homes and the delivery of GCs. It also explains that new statutory provisions have been put in place promoting Locally Led New Town Development Corporations (LLNTDCs). Modifications to the Section 1 Plan will reflect the potential for GCs to be delivered via LLNTDCs but that it will ultimately be for the individual and collective groups of councils to decide whether this is the most appropriate means by which to proceed. A Local Delivery Vehicle or a LLNTDC remains the preferred means by which to deliver the GCs by the NEAs.

The report explains that if LLNTDCs are not used as a vehicle to deliver the GCs and landowners and developers are left to bring the development forward on their own, they will be expected to meet all costs associated with their delivery in accordance with both the policies in the Local Plan and any more detailed requirements set to be included in the new Development Plan Documents (DPDs) for each GC. It also explains that if landowners were unwilling to release their land at a reasonable price which allows for these costs to be met, the NEAs would be willing to use Compulsory Purchase Order powers to acquire the land where necessary (as supported by national planning policy).

When the detailed delivery mechanisms for the GCs are discussed and agreed, State Aid issues will be addressed (see North Essex Authorities: State Aid Position Statement).

### **Suggested Amendments to the Publication Draft Braintree, Colchester and Tendring Local Plans: Section One (July 2019)**

Proposed Main Modifications to the Section 1 Plan have been prepared following:

- review of representations in response to the publication of the plan in 2017;
- preparation of Statements of Common Ground with statutory consultees;
- responses to the Inspector's initial Matters, Issues and Questions (MIQs);
- discussions at the examination hearings for the Section 1 Plan, which took place in January and May 2018; and in June 2018; and
- the Inspector's post-examination letters.

The Inspector will ultimately decide which suggested amendments should be Main Modifications to the final version of the Plan before it is adopted. Any final modifications recommended by the Inspector will require further consultation and SA. Any responses to the draft Modifications, as part of the current consultation, will enable objections to be considered by the Inspector when he resumes the Section 1 examination later this year. The most significant of the proposed amendments include new policies and suggested amendments, and are highlighted below:

- *New Policy SP1A 'Delivering Sustainable Development through the planning system'* - to clarify how the policies in the Local Plan, taken as a whole, will operate in practice in the determination of planning applications.
- *New Policy SP1B 'Recreational disturbance Avoidance and Mitigation Strategy (RAMS)'* - as agreed with Natural England, to reflect the new Essex-wide approach to mitigating against the impacts on internationally important wildlife sites arising from an

increase in development and the associated risk of increased recreational disturbance at those sites.

- Policy SP3: 'Meeting Housing Needs' - to explain how the housing figures in the policy will be used for assessing each authority's five-year housing supply requirements.
- Policy SP4: 'Providing for Employment' - adjustments to the employment land requirements to reflect the outcome of discussions at the examination and rectify errors found within the figures for Braintree and Tendring.
- Policy SP5: 'Infrastructure and Connectivity' - to provide greater clarity over what would happen if the infrastructure required for the GCs is not funded or delivered. Clarification is also provided over what key infrastructure projects will need to be secured in advance of the start of the GCs.
- Policy SP7: 'Development and Delivery of New Garden Communities in North Essex' - the most significant amendment specifies the employment land requirements for each GC.
- Policies SP8, SP9 and SP10 - specific policies for each GC to include wording, agreed with Natural England, in relation to the impact of waste water on internationally important wildlife sites; and to address issues raised by Historic England at the examination in respect of the potential impact of the GCs on the historic environment.

ECC has worked with the NEAs to ensure our recommended amendments have been included and are appropriately worded. Further bespoke modifications to each of the GC policies are also proposed to reflect specific infrastructure or environmental requirements, for example additional wording around the A120/A133 link road, the realignment of the A12 and dualing the A120, and the need to protect relevant internationally and nationally important wildlife designations.