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ATTACHMENTS

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Tab 2 – InfraCo Breakdown

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Attachment 2: IDP Supporting Evidence Document

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Attachment 3: CGC Viability Submission

Attachment 4: BCIS All in Tender Price Index

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1. Introduction

Background & Introduction

- 1.1. Turner Morum LLP (TM) have been appointed by the Master Developers (Countryside L&Q (North East Chelmsford) LLP, Ptarmigan Land & Greycoat Real Estate) (the Consortium) to assist in the preparation of an Infrastructure Delivery Plan (IDP) for Chelmsford Garden Community (CGC). Significant input has also been received from Arcadis, DWD LLP, Mayer Brown Ltd and Transport Planning Associates (TPA).
- 1.2. This IDP establishes the infrastructure requirements of CGC. This includes where and when the infrastructure will be required, who will deliver it, the anticipated cost and where the funding for it will be coming from. This document should be read alongside the IDP Schedule included as per Attachment 1 and the Attachment 2 (and 2A) which contains all of the supporting evidence and justification behind the IDP inputs/assumptions. At this stage the evidence contained in Attachments 1 & 2 is reflective of the level of information available at the current time. This will be reviewed and updated as and when further information becomes available. This IDP report should be considered as the 'instruction manual' on how to read and understand the IDP Schedule.
- 1.3. The key information for the IDP is contained in the IDP Schedule as per Attachment 1. Within this Schedule there are a number of supporting tabs which are explained below:
 - **Tab 1a – IDP Checklist:** This schedule was provided by Chelmsford City Council (CCC) and contains a full list of infrastructure requirements expected from CGC. Certain items within this schedule as included in this IDP whilst others are addressed separately in the viability. The details of this are explored further later in this report.
 - **Tab 1b – IDP Summary:** This schedule is the Consortium's assumption on what is required from Tab 1a as an infrastructure requirement. This schedule details each individual item, how it will be delivered, the location within each OPA, the delivery triggers, the cost and the split of the cost between the OPAs.

- **Tab 2 – Infraco Breakdown:** This schedule details which infrastructure items from Tab 1b will be delivered through the Infrastructure Company (Infraco). The operation of the Infraco is explained later in this report.
 - **Tab 3 – Infraco Cashflow:** This cashflow shows the anticipated income into the Infraco measured against the outgoing cost for provided the infrastructure in line with the anticipated delivery triggers.
 - **Tab 4 – Infraco Land Transfer:** This schedule provides a breakdown as to when a land transfer is required into the Infraco for the delivery of the infrastructure.
 - **Tab 5 – Housing:** This schedule provides a breakdown of the policy requirements expected by CCC in relation to housing delivery from CGC.
 - **Tab 6 – Infraco Indexation:** This schedule provides an illustration as to how indexation can be accounted for in the delivery of the Infraco infrastructure items.
- 1.4. The derivation of this IDP is the CCC IDP Update Final Report July 2019 undertaken by Troy Planning & Design and Navigus Planning. This document identified the infrastructure requirement across the whole City. It also provided a summary of the expected Infrastructure phasing and cashflow from CGC (known as North East Chelmsford at the time¹). This document provides a detailed site-specific reflection of the infrastructure requirements of CGC.

Objectives

- 1.5. The core objective of this IDP is to set out the infrastructure requirements of CGC and apportion it across the three OPA's that will be coming forward. Not only does this apportion costs but it also includes estimated delivery triggers as well as delivery method to ensure coordination of key infrastructure between all parties. It ultimately ensures that all elements of infrastructure at CGC is accounted for and that all OPA's are delivering their fair apportioned share of the infrastructure. This document will be key in the preparation of future site-specific Section 106 Legal Agreements (S106) for the site and will act as a "check-list" to what should and should not be included for each site. For more information, please refer to Section 3.
- 1.6. It is recognised that the OPA's will provide additional and more detailed information which will be used to update the IDP further. Therefore, the information contained in

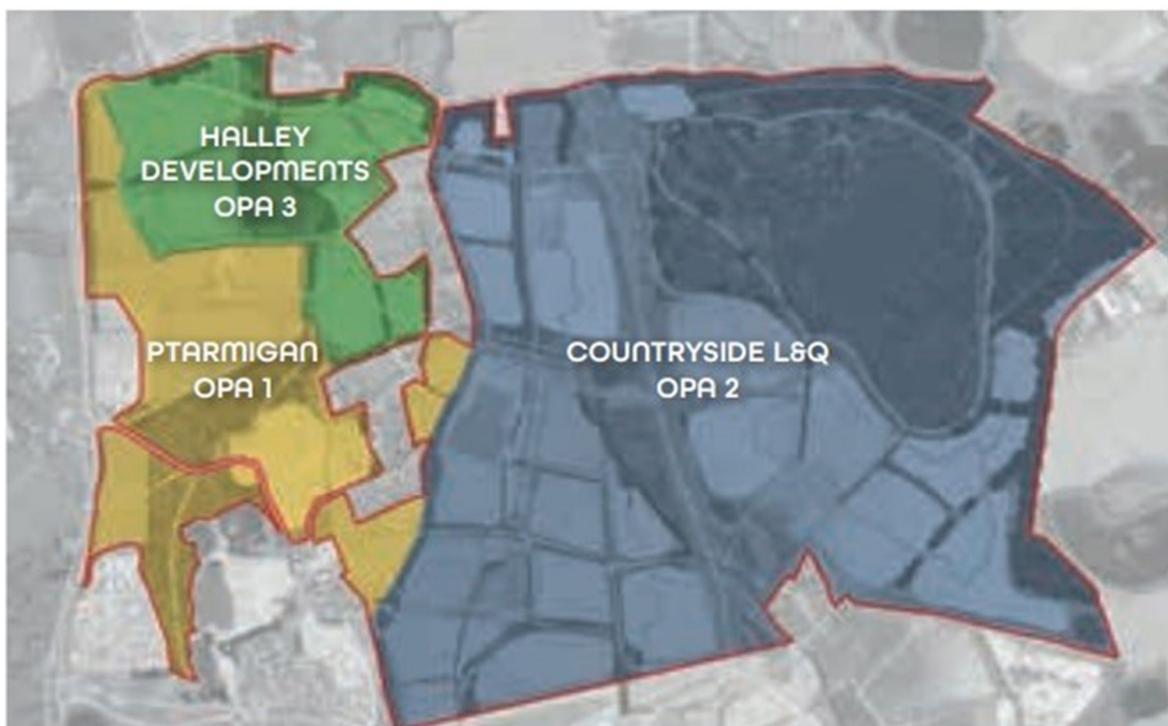
¹ CCC IDP Update Final Report July 2019: Table 13.12, Page 129

this IDP will be reviewed and updated until the last OPA at CGC has been approved. After such time the IDP's primary job will be completed as all elements of infrastructure will be properly accounted for and secured under the separate S106's that will be entered into for each OPA. Thereafter the IDP's role will be focussed on monitoring those elements of infrastructure that will be delivered under the "InfraCo" that will be established at CGC. For more information on this please refer to Section 4.

Description of Development

- 1.7. CGC is allocated in the Chelmsford Local Plan (Adopted May 2020) to deliver an exemplar, comprehensively planned, new, sustainable Garden Community that will provide much needed housing, employment and sustainable travel opportunities within a high-quality landscaped setting. The allocation in the Local Plan is for 3,000 dwellings however, this IDP (along with other supporting documentation) has been considered on the basis of a site capacity of around 5,500 dwellings (the additional 2,500 being delivered beyond the end of the plan period at 2036).
- 1.8. The CGC site is located to the north-east of Chelmsford beyond the existing developments at Beaulieu and Channels. The gross area of the 5,500-unit site is 1,160.6 acres (469.7 hectares) with a developable acreage of 457.1 acres (185.0 ha).
- 1.9. The site is separated into 3 land ownerships which will come forward as 3 separate OPA's. The ownership is split between Ptarmigan Land, Countryside L&Q (North East Chelmsford) LLP (CLQ) and Halley Developments Limited. The site plan below illustrates the land ownership across the site:

Fig 1. CGC Land Ownership

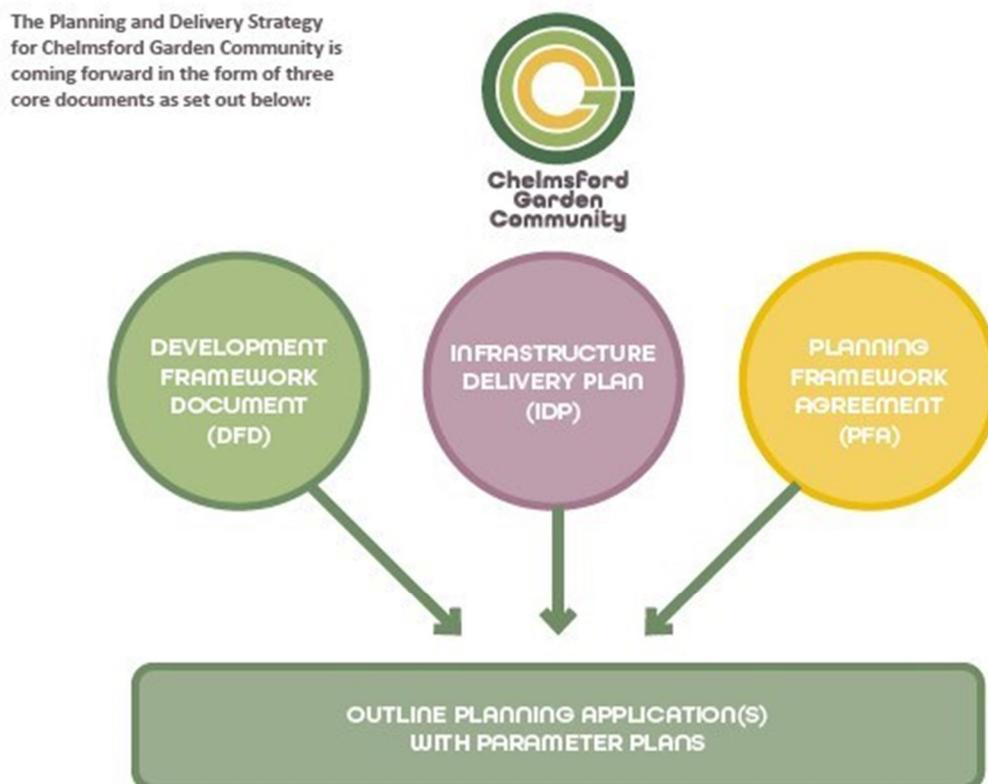


1.10. A further plan is included below as the current Illustrative Framework Masterplan for CGC. A full copy of this is included along with the Framework Parameter Plans in the Development Framework Document which is discussed in further detail below:

- **Planning Framework Agreement (PFA):** will be an overarching S106 Agreement for the entire CGC that future site-specific S106 Agreements for individual OPAs will be founded upon and comply with.

1.12. The Stage 1 Masterplan documents are the mechanism that bind landowners and the Consortium together, are approved by the Council and will be significant material considerations in the determination of all planning applications. The Stage 2 Masterplan will comprise the OPA's to be submitted by the developers and will need to be in broad conformity with the approved Stage 1 Masterplan documents. The diagram below illustrates the relationship between the respective documents:

Fig 3. Planning & Delivery Strategy



1.13. The IDP will therefore be required to inform the infrastructure items, costs and triggers for the relevant OPAs. It will also show how certain infrastructure items, which require a specific mix to determine the costs, can be calculated at the Reserved Matters Application (RMA) stage.

- 1.14. The IDP has been created using various sources of cost and delivery information. The IDP Schedule showing each infrastructure item, costing and delivery trigger is included as Attachment 1 to this report. The detail behind the cost/delivery assumptions for each infrastructure item is included as Attachment 2 to this report. This document provides a detailed breakdown for each item including the background/need, the funding source, future review, risk etc.
- 1.15. The information contained in the IDP will need to be updated as OPA's are prepared, and more technical information becomes available. The IDP is therefore a 'living' document which will be developed further during the more detailed assessment of three OPA's. How this document will be monitored and reviewed will therefore be a key consideration and this will ultimately be controlled and governed (like the DFD) by the PFA. Full details as to how this document with monitored and reviewed are set out in Section 7.
- 1.16. The IDP has been used to inform the costings in the viability assessment prepared for CGC. This is required to demonstrate CGC is financially viable which includes accounting for the contribution towards Homes England's Housing Infrastructure Fund (HIF) which is being used to deliver key infrastructure in the local area (e.g., the North East Chelmsford Bypass and new Railway Station). The role of HIF in this development is discussed in further detail in Section 5 of this report.
- 1.17. The CGC Viability Assessment is included as Attachment 3 and confirms that the development is currently viable and could deliver the infrastructure items outlined as per the IDP schedule (Tab 1B Attachment 1).

IDP Programme

- CCC Local Plan Examination – December 2018
- Works commenced on CGC IDP – February 2020
- CCC Local Plan Adopted – May 2020
- Submission of Draft IDP to CCC – December 2021
- Submission of Draft IDP Consultation – April 2022
- Approval of IDP – May 2022
- Minimum of Quarterly Reviews of IDP – May 2022 up to final Outline Planning Application consent.

2. Planning Policy Context & Background

National Planning Policy Framework

- 2.1. The National Planning Policy Framework (NPPF) (2021) sets out the Government's planning policies for England and how these should be applied and provides the framework within which locally-prepared plans for housing and other development can be produced.
- 2.2. Para. 20 of the NPF states that *"Strategic policies should set out an overall strategy for the pattern, scale and design quality of places, and make sufficient provision for:*
- *Housing (including affordable housing), employment, retail, leisure and other commercial development;*
 - *Infrastructure for transport, telecommunications, security, waste management, water supply, wastewater, flood risk and coastal change management, and the provision of minerals and energy (including heat);*
 - *Community facilities (such as health, education and cultural infrastructure); and*
 - *Conservation and enhancement of the natural, built and historic environment, including landscapes and green infrastructure, and planning measures to address climate change mitigation and adaptation."*
- 2.3. Para. 34 of the NPPF states that *"Plans should set out the contributions expected from development. This should include setting out the levels and types of affordable housing provision required, along with other infrastructure (such as that needed for education, health, transport, flood and water management, green and digital infrastructure). Such policies should not undermine the deliverability of the plan"*.
- 2.4. Para. 73 of the NPPF states that the supply of large numbers of new homes can be achieved through larger scale development such as significant extensions to existing towns *"provided they are well located and designed, and supported by the necessary infrastructure and facilities (including a genuine choice of transport modes)"* They should amongst other things *"make a realistic assessment of likely rates of delivery, given the lead-in times for large scale sites, and identify opportunities for supporting rapid implementation (such as through joint ventures or locally-led development corporations"*. It is noted that *"the delivery of large-scale developments*

may need to extend beyond an individual plan period, and the associated infrastructure requirements may not be capable of being identified fully at the outset. Anticipated rates of delivery and infrastructure requirements should, therefore, be kept under review and reflected as policies are updated”.

- 2.5. Para. 125 of the NPF states that masterplans can be used to help ensure that land is used efficiently while also creating beautiful and sustainable places.

Chelmsford Local Plan (May 2020)

- 2.6. CGC is allocated in the Chelmsford Local Plan (2020) under Strategic Growth Site Policy 6 (SGS6) as a high-quality comprehensively planned new sustainable urban extension. SGS 6 outlines the Councils Site Specific policy requirements for the Site and is based on up to 3,000 new homes and 45,000sqm of employment floorspace to be delivered over the plan period up to 2036. The infrastructure required for the Site is set out in Policy SGS6 and Policy S9 (Infrastructure Requirements).
- 2.7. The infrastructure requirements outlined in the Local Plan are derived from the Chelmsford IDP Update Final Report July 2019 (Table 13.4 – pg. 120). This document was used to support the allocation of the CGC at the Local Plan Examination in Public (June 2018 – February 2020) which was found to be sound by the Planning Inspector and adopted by Chelmsford City Council in May 2020.
- 2.8. This IDP has been updated and expanded to cover the infrastructure requirements for around 5,500 dwellings and the Country Park within the Local Plan land allocation. This version of the IDP is therefore now a much more detailed and site-specific assessment of CGC and based on the draft DFD and emerging Illustrative Framework Masterplan.

National Planning Practice Guidance

- 2.9. The National Planning Practice Guidance (NPG) adds further context to the NPPF and it is intended that the two documents should be read together. We have had regard to NPG where references to viability specifically for plan making purposes and states as follows:

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

These policy requirements should be informed by evidence of infrastructure and affordable housing need, and a proportionate assessment of viability that takes into account all relevant policies, and local and national standards, including the cost implications of the Community Infrastructure Levy (CIL) and section 106. Policy requirements should be clear so that they can be accurately accounted for in the price paid for land. To provide this certainty, affordable housing requirements should be expressed as a single figure rather than a range. Different requirements may be set for different types or location of site or types of development.

Paragraph: 001 Reference ID: 10-001-20190509

The role for viability assessment is primarily at the plan making stage. Viability assessment should not compromise sustainable development but should be used to ensure that policies are realistic, and that the total cumulative cost of all relevant policies will not undermine deliverability of the plan.

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

Paragraph: 002 Reference ID: 10-002-20190509

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

Paragraph: 005 Reference ID: 10-005-20180724

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

Paragraph: 010 Reference ID: 10-010-20180724

- 2.10. The viability assessment has been undertaken in line with the principles outlined above and in accordance with the NPG – full details of the viability can be viewed as per Attachment 2.

RICS Guidance Note: Assessing viability in planning under the National Planning Policy Framework 2019 for England (1st edition, March 2021)

- 2.11. In assessing financial viability this report has considered the above RICS Guidance Note which was published in March 2021. This guidance note supplements and gives added guidance to RICS members and other stakeholders in the planning process on undertaking and understanding financial viability assessments (FVAs) in both a plan making and decision taking context. This guidance note is based on the NPPF and the NPG as at the date of publication.
- 2.12. The NPPG and NPG are the 'authoritative requirement' as defined in RICS Valuation – Global Standards. This means that any valuation-based requirements in the NPG take precedence over any other valuation basis or approach set out in this RICS standards (paragraph 1.1.4).

3. Operation of the IDP

- 3.1. This section outlines how the IDP is intended to operate. Following its approval, the IDP will continue to be monitored and reviewed at least quarterly up to the submission of OPA's if and when further information is obtained regarding anticipated costs, triggers etc.

- 3.2. At the point of submission of OPA's and up until their approval the IDP will then inform the following details within each Application/S106:

Clarity as to specific Infrastructure requirements

- 3.3. The IDP provides a schedule to both the Master Developers and CCC to inform what infrastructure requirements will be required for each OPA. Included below is a breakdown of all of the infrastructure items required by CGC. These items can be seen as per the IDP Summary (Tab 1B) in the supporting schedule – the item reference numbers are also included to help identify each infrastructure item.

o **Education (A1 – A10)**

ITEM REF	SUB-CATEGORY	SPECIFIC ITEM	DFD Delivery Reference
A1	Early years, childcare & education	Early years & childcare - stand alone 1	OPA1 Great Belsteads Village – GFP Education
A2	Early years, childcare & education	Early years & childcare - stand alone 2	OPA2 – GFP Education
A3	Early years, childcare & education	Primary School A - 2FE (land for additional FE) – inc EYCC	OPA1 Great Belsteads Primary School – GFP Education
A4	Early years, childcare & education	Primary School B - 2FE (land for additional FE) – inc EYCC	OPA2 Willow Hill Primary School – GFP Education
A5	Early years, childcare & education	Primary School C - 2FE (land for additional FE) – inc EYCC	OPA2 Hawthorn Primary School – GFP Education
A6	Early years, childcare & education	Primary School D - 2FE (land for additional FE) – inc EYCC	OPA2 Park Farm All-through School – GFP Education
A7	Secondary education	Secondary School - 6FE	
A8	Secondary education	Secondary School - Additional 2FE	
A9	Secondary education	6th Form co-located with Secondary School (above)	
A10	Special education needs & disabilities	On-site provision co-located within schools, off-site specialist provision / financial contributions	OPA1, OPA2 & OPA3 – GFP Education

○ **Health & Wellbeing (B1 – B2)**

ITEM REF	SUB-CATEGORY	SPECIFIC ITEM	DFD Delivery Reference
B1	Primary Healthcare	Specific items TBC (e.g. GP Surgery)	OPA2 Park Farm Village – GFP Health and Social Infrastructure
B2	Acute Healthcare	Contributions to provision	OPA1, OPA2 & OPA3 – GFP Health and Social Infrastructure

○ **Movement (C1 – C28)**

ITEM REF	SUB-CATEGORY	SPECIFIC ITEM	DFD Delivery Reference
C1	Sustainable Travel	Bus Service	OPA1, OPA2 & OPA3 – GFP Movement - Bus
C2	Sustainable Travel	Bus Gates	OPA1, OPA2 & OPA3 – GFP Movement - Bus
C3	Sustainable Travel	Park & Ride – Chelmer Valley extension	OPA 1 land safeguarded
C4	Sustainable Travel	Park & Ride - WIDPord area	OPA1, OPA2 & OPA3 – CIL
C5	Sustainable Travel	Travel plans/packs	OPA1, OPA2 & OPA3 – GFP Overarching Movement Strategy
C6	Sustainable Travel	Travel Plan Monitoring Report	OPA1, OPA2 & OPA3 – GFP Overarching Movement Strategy
C7	Sustainable Travel	Car Club	OPA1, OPA2 & OPA3 – GFP Movement - Parking, Vehicle Access & Mobility Hubs
C8	Sustainable Travel	Primary Mobility Hub	OPA1 Park Farm Village – GFP Movement - Parking, Vehicle Access & Mobility Hubs
C9	Sustainable Travel	Secondary Mobility Hubs	OPA1, OPA2 & OPA3 – GFP Movement Parking, Vehicle Access & Mobility Hubs
C10	Sustainable Travel	Penalty Payments for Modal Share Targets	OPA1, OPA2 & OPA3 – GFP Movement - Parking, Vehicle Access & Mobility Hubs
C11	Active Travel	Essex Regiment Way Sustainable Travel Corridor (ERWSTC)	OPA1, OPA2 & OPA3 – GFP Active Movement Strategy

C12	Active Travel	Nabbotts Farm Roundabout provision of cycleway (ERWTC)	OPA1, OPA2 & OPA3 – GFP Active Movement
C13	Active Travel	Chelmer Valley Road Cycle Measures - Corridor B2	OPA1, OPA2 & OPA3 – GFP Active Movement
C14	Active Travel	Broomfield - Corridor A1	OPA1, OPA2 & OPA3 – GFP Active Movement Evidence Base, Table 6.2
C15	Active Travel	Broomfield - Corridor A2	OPA1, OPA2 & OPA3 – GFP Active Movement Evidence Base, Table 6.2
C16	Active Travel	RDR Rdbt 3 TOUCAN CROSSING	OPA2 – GFP Active Movement
C17	Active Travel	RDR Rdbt 4 Pedestrian/Cycle Bridge Crossing	OPA2 – GFP Active Movement
C18	Active Travel	Great Leighs - Corridor C1	OPA1, OPA2 & OPA3 – GFP Active Movement Evidence Base, Chapter 7
C19	Active Travel	Cycle and Pedestrian Footbridge ERW	OPA1 – GFP Active Movement
C20	Active Travel	PROW Improvements	OPA1, OPA2 & OPA3 – GFP Active Movement
C21	Highways	New ERW Site Access Roundabout (included in Arcadis cost plan estimate)*	OPA1 – GFP Overarching Movement Strategy
C22	Highways	Chelmer Valley Road/Valley Bridge	OPA1, OPA2 & OPA3 – GFP Active Movement Evidence Base Table 5.1 B2b
C23	Highways	Outer Radial Distributor Road (RDR2)	OPA2 & OPA3 – GFP Overarching Movement Strategy
C24	Highways	New pedestrian/cycle bridge crossing No.1 of CNEB	OPA2 – GFP Active Movement
C25	Highways	New pedestrian/cycle bridge crossing No.2 of CNEB	OPA2 – GFP Active Movement
C26	Highways	CNEB Mineral conveyor bridge upgrade to multi-modal highway bridge costs	OPA2 – GFP Movement - Parking, Vehicle Access & Mobility Hubs
C27	Highways	CNEB Multi-Modal highway bridge adoption upgrade works costs	OPA2 – GFP Parking, Vehicle Access & Mobility Hubs
C28	HIF	HIF Recycling Figure	

*There is no cost currently included for the new ERW site access roundabout (C21) as this is separately costed in the Arcadis infrastructure cost plan supporting the viability assessment.

○ **Community & Leisure (D1 – D11)**

ITEM REF	SUB-CATEGORY	SPECIFIC ITEM	DFD Delivery Reference
D1	Burial Space	Contributions towards strategic space	OPA1, OPA2 & OPA3 – GFP Health and Social Infrastructure
D2	Police	Contributions	OPA1, OPA2 & OPA3 – GFP Health and Social Infrastructure
D3	Emergency Services (Ambulance & Fire service)	Contributions	OPA1, OPA2 & OPA3 – GFP Health and Social Infrastructure
D4	Community Space	Specifics TBC	OPA1 Great Belstead Village – GFP Health and Social Infrastructure
D5	Libraries	Contributions to and/or new library	OPA1, OPA2 & OPA3 – GFP Education
D6	Leisure	Children's play and youth play space	OPA1, OPA2 & OPA3 – GFP Open Space and Recreation
D7	Leisure	Indoor sports facilities	OPA1, OPA2 & OPA3 – GFP Open Space and Recreation
D8	Leisure	Outdoor sports changing facilities 1	OPA3 Great Belstead Sports Hub – GFP Open Space and Recreation
D9	Leisure	Outdoor sports changing facilities 2	OPA2 – Dukes Wood Sports Hub – GFP Open Space and Recreation
D10	Meanwhile Uses	Public realm	OPA1 & OPA2– Chapter 8 Character Areas
D11	Meanwhile Uses	Public art	OPA1, OPA2 & OPA3 – GFP Overarching Landscape Strategy

○ **Waste (E1)**

ITEM REF	SUB-CATEGORY	SPECIFIC ITEM	DFD Delivery Reference
E1	Municipal waste	Municipal waste	OPA1, OPA2 & OPA3 – GFP Waste

○ **Green & Blue Infrastructure (F1 – F11)**

ITEM REF	SUB-CATEGORY	SPECIFIC ITEM	DFD Delivery Reference
F1	Habitat Mitigation and Creation	RAMS Contribution	OPA1, OPA2 & OPA3 – GFP Biodiversity Net Gain
F2	Habitat Mitigation and Creation	Biodiversity net-gain	OPA1, OPA2 & OPA3 – GFP Biodiversity Net Gain
F3	Habitat Mitigation and Creation	Measures required to mitigate road severance	OPA1, OPA2 & OPA3 – GFP Overarching Landscape Strategy
F4	Habitat Mitigation and Creation	Measures to ensure habitat network connectivity	OPA1, OPA2 & OPA3 – GFP Overarching Landscape Strategy
F5	Flood Risk	SUDS Concept	OPA1, OPA2 & OPA3 – GFP Sustainable Surface Water Drainage
F6	Formal & Informal Recreation	Allotments, Community Gardens & Orchards	OPA2 – GFP Overarching Landscape Strategy
F7	Formal & Informal Recreation	Allotments, Community Gardens & Orchards	OPA1 – GFP Overarching Landscape Strategy
F8	Destination Parks	Dukes Wood Nature Park	OPA2– GFP Overarching Landscape Strategy
F9a	Destination Parks	Channels Discovery Park South	OPA1– GFP Overarching Landscape Strategy
F9b	Destination Parks	Channels Discovery Park North	OPA3 – GFP Overarching Landscape Strategy
F10a	Destination Parks	Park Farm Meadows South	OPA2– GFP Overarching Landscape Strategy
F10b	Destination Parks	Park Farm Meadows North	OPA2 – GFP Overarching Landscape Strategy
F11	Formal & Informal Recreation	Greenways	OPA1, OPA2 & OPA3 – GFP Overarching Landscape Strategy

3.4. As mentioned above, the full breakdown as to the background/need, cost assumptions, potential funding source, delivery/timing etc of each infrastructure item is included as per Attachment 2. The information contained in this Attachment reflects the level of detail available at the time of writing this report. As further information becomes available in the form of OPA submissions, technical drawings etc. these schedules can be updated and amended during the quarterly IDP reviews.

Confirm how much the infrastructure will cost

- 3.5. Each infrastructure item in the IDP has an estimated cost attributed to it which will inform the Master Developer and CCC about the costs to be accounted for in more detail within the OPAs. These costs have originated from a number of sources including CCC's 2019 IDP, historic information obtained from the Beaulieu Park and Channels developments as well as estimates prepared by Mr Rob Brandwood of Arcadis (CGC's cost consultant), Mr Ian Mitchell of Mayer Brown and Mr Rupert Lyons of Transport Planning Associates (TPA). All of the costs are assessed at the time of writing this report and are based on the best available evidence. Inevitably, certain costs will be more accurate than others due to the level of information available at the time of drafting this report. This is why the IDP will need to be monitored and updated in the future, to properly reflect new information that becomes available. It is anticipated that quarterly meetings will be held between the Master Developers and CCC/ECC to review this.
- 3.6. The full scope of the IDP is set out in Tab 1A of Attachment 1 (IDP Checklist). This list was prepared in close consultation with both CCC/ECC. Tab 1b of Attachment 1 (IDP Summary) shows a condensed version of this list. The difference between the two lists is that all items to be delivered by HIF have been combined (see items highlighted yellow in Tab 1A) and all items which are considered standard development costs have been removed (see highlighted in red in Tab 1A). The viability assessment that accompanies this document accounts for these items by making a provisional sum allowance referred to as "S106/Stewardship/Other" as well as making a separate allowance for CIL. Full details of the viability assessment can be viewed as per Attachment 3.
- 3.7. The IDP Summary (Tab 1B) of Attachment 1 also includes a colour coding system to reflect the amount of information used to inform the cost estimates. The breakdown of the 'traffic light' system is shown below:

Traffic Light System for Costings	
	Informed Estimate
	Reasonable Estimate
	High Level Estimate

- 3.8. Informed estimates are considered as the most accurate costs. They are derived from confirmed sources or reliable comparable evidence. For example, the costings for the Outer Radial Distributor Road (RDR2) – C23 – is included based on the known costings from the delivery of the Radial Distributor Road at Beaulieu Park (RDR1).
- 3.9. The reasonable estimates are based on the best information/evidence available at the time of writing this report but are subject to further clarification. For example, the early years & childcare provision (A1) is included based on the CCC IDP estimate in 2019 pro-rated from the Local Plan allocation for 3,000 dwellings to the whole site 5,500 dwellings.
- 3.10. Finally high-level estimates are where there is limited information available at present to make an assumption on the infrastructure costing. For example, the level of detail in terms of Masterplanning or planning applications has not progressed sufficiently for the IDP to make a reasonable assumption about the level of cost of public art (D11) involved in CGC. A full explanation as to the assumptions behind each of the cost assumptions in the IDP Summary is included in Attachment 2.
- 3.11. As progression is made towards OPA submissions the intention is that further costs will move from being 'reasonable' or 'high level' estimates to 'informed' estimates. This will mean that at the time the IDP is being used to inform the OPA S106 infrastructure costs they will all be based on informed estimates.

Confirm the split of the infrastructure between OPA areas

- 3.12. Within the IDP Summary (Attachment 1 Tab 1B) there is a column which confirms where the specific infrastructure items will be delivered in relation to the OPA's (headed 'Location within Application Area'). This is broken down as follows:

- **OPA 1** – Ptarmigan Land
- **OPA 2** – CLQ
- **OPA 3** – Halley Developments Limited
- **ALL** – this is where a piece of infrastructure crossed all of the OPA areas or a contribution is required from all OPA's.
- **Off-Site** – this where the infrastructure or contribution is required outside of the site boundary.

3.13. Where the infrastructure item is allocated to a specific planning application area (i.e. OPA 1, 2 or 3) then that piece of infrastructure will be delivered through that specific planning application.

3.14. As an example, in Tab 1B, D4 is the Community Centre. This is located in OPA area 1 (Ptarmigan) and therefore it is assumed that the full cost of this Community Centre is covered by that OPA. This would be reflected in the S106 Agreement.

3.15. Travel plans/packs (C5) will be required across ALL of the OPA's and therefore this is designated 'ALL' and the assumed cost shared proportionally on a per dwelling basis between the OPA's.

Confirm when will it be delivered

3.16. The IDP Summary (Attachment 1 Tab 1B) confirms when an item of infrastructure is expected to be delivered. This is done by reference to the number, or percentage, of dwellings that can be occupied before the item of infrastructure in question has to be delivered. Where a delivery trigger applies to more than one planning application (i.e. those items marked as "ALL") then the capacity of housing that can be delivered in advance of it is shared proportionately (i.e. according to the pro rata share of overall housing numbers) between the different Master Developers. However, this is solely on the basis that all necessary land required to deliver the relevant infrastructure item has been made available by each party.

3.17. In the event this is not the case then only those Master Developers who have made the land available, for that item of infrastructure, will share in the housing capacity that can come before it. The justification for assumptions of the timings of delivery of the infrastructure items is included as per Attachment 2.

- 3.18. The assumptions on occupation triggers for infrastructure are based on the best estimates of the Master Developers using information from the IDP used to inform the adopted Local Plan at the time of writing this report. Working with ECC/CCC all of these triggers will continue to be reviewed as more information becomes available.
- 3.19. Further information on the indicative phasing of CGC is included as per Section 9 of the DFD.

Ensure a proportionate share of the infrastructure requirements between planning applications.

- 3.20. The IDP provides a total cost for each OPA area (see Column headings 1, 2 and 3 Attachment 1 Tab 1B) which is then calculated on a per dwelling cost basis to ensure a proportional balance between all the planning applications. Where there is an imbalance the amount of HIF recycling split between the applications can be adjusted to ensure a balance is achieved. The total HIF recycling figure is £10,004 per dwelling however this has been adjusted for each OPA to ensure the total £ per dwelling from the IDP is consistent.
- 3.21. The current total costing in the IDP and the split between the OPA's is summarised below:

	Total	OPA 1	OPA 2	OPA 3
Total £	£185,224,578	£37,044,700	£117,871,028	£30,308,850
£ per dwelling	£33,677	£33,677	£33,677	£33,677

Inform the viability assessment to ensure viability/deliverability.

- 3.22. The total cost of the IDP has been tested in a viability assessment supporting this document as per Attachment 3. This demonstrates that based on current assumptions the CGC is viably able to deliver the costings as per the IDP as well as further policy requirements from CCC and ECC such as affordable housing and CIL. Should viability prove to be an issue in the future (particularly in terms of delivering affordable housing), then further viability assessments may be required however it is intended that

any fluctuations of the IDP will be managed via varying the HIF recycling figure of £55.022m (i.e. increasing if there are cost savings and decreasing if there are cost increases).

- 3.23. It is anticipated that further viability updates could be required for updates to the Local Plan and at the OPA stage. At these points the viability will need to reflect the latest cost information in the IDP.

Confirm how the infrastructure will be delivered.

- 3.24. The IDP summary confirms how each element of infrastructure is to be delivered (see Attachment 1 Tab 1B Column headed 'Delivered By'). There are a number of categories showing the different mechanisms by which the infrastructure can be delivered. These are outlined in detail below:

- **The InfraCo**

- 3.25. The 'InfraCo' (Infrastructure Company) is a limited company which will be established by the Master Developers at CGC to deliver 'shared' strategic infrastructure. This company is established prior to the commencement of development and will continue until the last item of infrastructure it is responsible for is completed. There are two sub-categories under this heading. As follows:

- 'InfraCo Physical' (those items the InfraCo will be physically delivering such as RDR2).
- 'InfraCo Financial' (those items the InfraCo will be acting as a "banker" collecting financial contributions from the different planning applications and then paying to the relevant authority to deliver that infrastructure such as education).

- 3.26. For more information on the InfraCo see Section 4.

- **Developer**

- 3.27. "Developer" covers those items of infrastructure which will be delivered directly by the individual developers at CGC. This can either be through financial contributions or physical on-site delivery.

- **CIL**

3.28. All infrastructure items marked as CIL will be delivered separately through CIL contributions. These are not costed in the IDP but would be addressed separately in the viability modelling based on the relevant adopted CIL Charging Schedule.

- **HIF**

3.29. The IDP assumes that a HIF Recycling contribution of £10,004 per dwelling (£55.022m) is required (this figure has been derived from Annexure 9 “Recovery and Recycling Strategy” of the Homes England/ECC agreement). The HIF Recycling payments should be paid on an equal per dwelling basis across the different planning applications at CGC but as some landownerships will be delivering more than their proportionate share of other IDP items (due to their location), this element is used as a balancing figure. This thereby ensures that each planning application is delivering its equal per dwelling share of the overall IDP for which this HIF element is one part of. Further information regarding the background to the HIF is included as per Section 5.

4. The InfraCo

Introduction

- 4.1. As there will be three OPA's submitted for CGC (1 for each Master Developer), an InfraCo is considered a suitable mechanism in ensuring a coordinated approach is adopted in delivering the schemes 'shared' strategic infrastructure. That is not to say there are not other ways that could also achieve this (particularly if ECC/CCC took an expanded role) however for the purposes of this report just this one approach has been considered.

Objectives

- 4.2. The primary objective of the InfraCo is to ensure delivery of 'shared' strategic infrastructure items which all planning applications at CGC are reliant on (e.g. Primary/Secondary Schools). By establishing an InfraCo it gives CCC/ECC and all the Master Developers at CGC the knowledge and comfort that this 'shared' strategic infrastructure will be implemented regardless of the delivery programme for each planning application.

Operation & Management

- 4.3. As signatories of the PFA, all of the Master Developers at CGC will be the primary parties of the InfraCo. They will be responsible for establishing the InfraCo as well as for the management, monitoring and maintenance of it (albeit the day-to-day administration of it may be sub-contracted to a third party). They will also make available the necessary land to those infrastructure items that the InfraCo will be responsible for.
- 4.4. ECC and CCC will also be members of the InfraCo however their role will be focussed more on monitoring and enforcement. As part of this role, they will have "step-in" rights to take over control of the InfraCo in the event of non-delivery for any item of infrastructure that falls within its remit.

IDP Items included in InfraCo

- 4.5. The items included in the InfraCo are considered as 'shared' strategic infrastructure on which all of the planning applications at CGC are dependent on. They are

therefore infrastructure upon which the whole site is reliant not just relating to a specific planning application parcel. The InfraCo items are as follows:

SUB-CATEGORY	NO.	CATEGORY	SPECIFIC ITEM	DELIVERED BY
Education & Skills	A1	Early years, childcare & education	Early years & childcare - stand alone 1	InfraCo Financial
Education & Skills	A2	Early years, childcare & education	Early years & childcare - stand alone 2	InfraCo Financial
Education & Skills	A3	Early years, childcare & education	Primary School A - 2FE (land for additional FE)	InfraCo Financial
Education & Skills	A4	Early years, childcare & education	Primary School B - 2FE (land for additional FE)	InfraCo Financial
Education & Skills	A5	Early years, childcare & education	Primary School C - 2FE (land for additional FE)	InfraCo Financial
Education & Skills	A6	Early years, childcare & education	Primary School D - 2FE (land for additional FE)	InfraCo Financial
Education & Skills	A7	Secondary education	Secondary School - 6FE (land for 6 FE)	InfraCo Financial
Education & Skills	A8	Secondary education	Secondary School - 2FE (land for 2 FE)	InfraCo Financial
Education & Skills	A9	Secondary education	6th Form co-located with Secondary School (above)	InfraCo Financial
Education & Skills	A10	Special education needs & disabilities	On-site provision co-located within schools, off-site specialist provision / financial contributions	InfraCo Financial
Health & Wellbeing	B1	Primary Healthcare	Specific items TBC (e.g. GP Surgery)	InfraCo Financial
Movement & Access	C1	Sustainable Travel	Bus Service	InfraCo Financial

- 4.6. The full breakdown of the InfraCo items is included as per Attachment 1 Tab 2 ('Infraco Breakdown'). Information regarding what is included within each infrastructure item and the cost assumptions is included as per Attachment 2.

Payments to the InfraCo

- 4.7. The total cost of the above infrastructure is currently estimated at £72.127m or £13,112 per dwelling (assuming 5,500 dwellings at CGC). This cost is net of any indexation although this is discussed in further detail below in Section 6.
- 4.8. This £ per dwelling is therefore the average sum required to be received from the Master Developers during the course of development to fund the InfraCo items. The assumed timing of funding into the InfraCo is discussed in further detail in the cashflow section below.
- 4.9. The Infraco Breakdown at Attachment 1 Tab 2, also acknowledges the land equalisation required in the InfraCo for the provision of the Secondary and Primary School serviced land. This is explained in further detail below.

Delivery of InfraCo Items

- 4.10. As the items included in the InfraCo are for mostly education/health care items, the role of the InfraCo will be to transfer money and land for CCC/ECC to deliver the infrastructure themselves (e.g. Primary Schools) prior to the delivery triggers in the IDP.

Land Transfer for InfraCo

- 4.11. As outlined above, infrastructure items included in the InfraCo will not actually be physically delivered by the InfraCo but instead delivered by CCC or ECC. For example, all of the Education & Skills category in the IDP will be physically delivered by ECC as will the GP Surgery (A1 - A10 & B1 respectively).
- 4.12. The timings of the land transfer are outlined in the IDP 'InfraCo Land Transfer' Tab as per Attachment 1 Tab 4. The specified triggers take account of the time required to construct the relevant items of infrastructure and are therefore sufficiently in advance of the triggers set out in the IDP Summary at Tab 1b.

4.13. All land required by the InfraCo will be secured by an option or promotion agreement. The land will then either be built on to deliver the infrastructure in question or it will be transferred on to CCC/ECC. A stipulation for this land to be transferred to the InfraCo by the Master Developers is that a planning consent for its intended use must be secured in advance.

4.14. A breakdown of the assumed triggers for the land transfer to the InfraCo is shown below (as per Attachment 1 Tab 4 InfraCo Land Transfer).

ITEM REF	SPECIFIC ITEM	INFRASTRUCTURE	Location within Application Area	LAND TRANSFER TRIGGER (occupations)	DELIVERY TRIGGER (occupations)
A1	Early years & childcare - stand alone 1	InfraCo Financial	1	300	700
A2	Early years & childcare - stand alone 1S	InfraCo Financial	2	1,000	1,750
A3	Primary School A - 2FE (land for additional FE)	InfraCo Financial	1	400	1,000
A4	Primary School B - 2FE (land for additional FE)	InfraCo Financial	2	400	1,000
A5	Primary School C - 2FE (land for additional FE)	InfraCo Financial	2	1,000	1,750
A6	Primary School D - 2FE (land for additional FE)	InfraCo Financial	2	-	-
A7	Secondary School - 6FE	InfraCo Financial	2	1,750	2,500
A8	Secondary School – Additional 2FE	InfraCo Financial	2	2,500	4,000
A9	6th Form co-located with Secondary School (above)	InfraCo Financial	2	2,500	4,000
A10	On-site provision co-located within schools, off-site specialist provision / financial contributions	InfraCo Financial	ALL	-	-

B1	Specific items TBC (e.g. GP surgery)	InfraCo Financial	2	1,000	1,750
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- 4.15. The above schedule excludes the Bus Service (C1) which although are the responsibility of the InfraCo, no land transfer is required as these will instead be adopted by the Highways Authority. Similarly, no land transfer is included for A6 Primary School D as the land is assumed to be transferred alongside the 6FE Secondary School (A7). For the special needs/disability on-site/off-site provision (A10) it is not certain at this stage whether this will be a contribution or require a land transfer. If a land transfer is required it is assumed to be in line with A8/A9 above.
- 4.16. Originally the RDR2 (C22) had assumed to be achieved through the InfraCo but is has now been agreed that this will be delivered by Halley Developments Ltd as per OPA 3.
- 4.17. It should be noted in the above schedule that the land/delivery triggers are based on the occupations within that specific OPA area. For example, the land transfer for the Early Years & childcare – standalone 1 (A1) is required at 100 occupations of the Ptarmigan OPA (OPA 1). This follows through for the other InfraCo items except for the Secondary School. Although this falls within the Countryside OPA area (OPA 2) the triggers are based on the overall site capacity. Should there be a situation whereby the land for the Secondary School is not available at the trigger point (i.e. Countryside have not come forward as anticipated and the trigger for the land transfer is close to being reached through the delivery of housing on other OPA's) then an alternative location for it may need to be identified. The same would also apply for the primary school provision for Powers Farm which is dependent on the Countryside and Ptarmigan OPA's for providing this.

InfraCo Cashflow

- 4.18. This cashflow model has been constructed to provide an illustration as to the incoming revenue received into the InfraCo and the timings of payments going out. The purpose of this model is to ensure that there are sufficient funds in the InfraCo to deliver its infrastructure requirements. This is shown through a positive Cumulative Net Balance reflecting the anticipated incoming p.a. against the anticipated outgoings of the InfraCo infrastructure items as per the delivery triggers outlined in Attachment 1 Tab 3 ('InfraCo Cashflow').

4.19. This model is intended to provide an illustrative guide as to the potential cashflow of the InfraCo but until such time there is more information on costs and delivery triggers it is simply indicative. This 'InfraCo Cashflow' is also used to inform the IDP timings in the financial viability assessment cashflow as per Attachment 3.

InfraCo Funding Requirements

4.20. The income received into the InfraCo is assumed in the cashflow to be on a tariff basis. Prior to occupations being achieved payments are made into the InfraCo. The model assumes two different tariff amounts. A higher tariff is assumed at the start of each separate planning application and a lower tariff towards the end of each application. This reflects the fact that infrastructure will need to be 'pump-primed' and that each planning application will need 'pay its way' in this regard.

4.21. Rather than operating on a tariff basis whereby funds are paid on completion of each dwelling, payments into the InfraCo may be paid at a number of pre-agreed milestones. It is recommended this is based on the progress of individual phases, sub-phases or Reserved Matter Application areas. This could be as per the following:

- Commencement of Phase – 10% of InfraCo payment to be made
- 25% occupations – A further 25% of InfraCo payment to be made (cumulative 35%)
- 50% occupations – A further 25% of InfraCo payment to be made (cumulative 60%)
- 75% occupations – A further 25% of InfraCo payment to be made (cumulative 85%)
- 90% occupations – a further 15% of InfraCo payment to be made (cumulative 100%)

4.22. The payments into the InfraCo will be determined at the Reserved Matters application stage. As the majority of the items in the InfraCo are for education contributions (£65.283m / £11,870 per dwelling) this will allow for the specific mix of that application to determine the payment required to the InfraCo for education. For example, a 1-bed dwelling will not be required to make a payment for education whereas a 4 + bed dwelling will need to make a larger payment due to the greater impact on education services.

4.23. An analysis has been developed which includes a multiplier for each dwelling type based on the 2015 Strategic Housing Market Assessment (see Attachment 5). This

analysis takes the average £ per dwelling from the InfraCo for education and applies the multiplier for each dwelling type (with 1 bed dwellings excluded). The assumed multipliers are summarised below:

Number Bedrooms	Unit Numbers	Multiplier
1	341	0.00
2	1,540	1.00
3	2,547	1.10
4+	1,073	1.20
	5,500	

- 4.24. This analysis as per Attachment 5 shows that based on a notional mix (as reflected in the viability) the InfraCo could expect to receive £66.805m for education which is actually £1.521m above the education figure in InfraCo schedule at Attachment 1 Tab 2 ('InfraCo Breakdown)).
- 4.25. In this situation where at the end of the development there is an overpayment into the InfraCo the intention is that these additional funds would be provided to Homes England as a further HIF recycling payment. Likewise, should there be an underpayment in the InfraCo the additional funding would be sourced from the £55.022m HIF recycling figure included in the IDP.

InfraCo Delivery Assumptions

For each InfraCo item the 'InfraCo Cashflow' (Attachment 1 Tab 2) assumes a period of time over which that infrastructure item will need to be delivered. This will correlate with the details of the 'IDP Summary' Tab (Attachment 1 Tab 1B) in terms of timings for delivery of the infrastructure. The current assumptions in the InfraCo cashflow regarding delivery are summarised below:

Infrastructure Item	Delivery Trigger (occupations)	Delivery Period
Early years & childcare - stand alone 1	700	2026 - 2029
Early years & childcare - stand alone 2	1,750	2032 - 2035
Primary School A - 2FE (land for additional FE)	1,000	2029 - 2032

Primary School B - 2FE (land for additional FE)	1,000	2030 - 2033
Primary School C - 2FE (land for additional FE)	1,750	2035 - 2038
Primary School D - 2FE (land for additional FE)	-	-
Secondary School - 6FE	2,500	2028 - 2032
Secondary School - Additional 2FE	4,000	2034 - 2037
6th Form co-located with Secondary School (above)	4,000	-
Special education needs & disabilities	-	2025 - 2039
Primary Healthcare	1,750	2034 - 2036
Bus Service	-	2024 - 2044

4.26. There is no specific trigger on the bus service and special education needs items above as it is assumed financial contributions for these will be paid into the InfraCo from the commencement of development until its ultimate completion.

4.27. It is also worth noting the trigger for the delivery of Primary School D is assumed to be at the same time as the 6FE Primary School.

InfraCo Land Equalisation

4.28. There will be a requirement for an equalisation calculation to be factored into the InfraCo. This is in regards to the provision of the land (11.15 ha) for the 8FE Secondary School (A7 & A8) which falls exclusively on the Countryside's OPA (OPA 2). This calculation would work by attributing Countryside a credit in the IDP which is then offset by the other planning applications paying an additional 'extra-over' cost.

4.29. A proportional split (according to housing numbers) for the 11.15 ha Secondary School would be as follows:

Planning App	Housing Numbers Split %	Ha
CZ	63.6%	7.09
PF	16.4%	1.83
PT	20.0%	2.23

- 4.30. As the entire Secondary School provision falls within OPA 2, Ptarmigan and Powers Farm (OPA 1 & 3 respectively) are benefiting from 2.23 Ha and 1.83 Ha of land that they would have otherwise had to contribute towards this infrastructure item. As such there is a requirement for each OPA to pay an extra-over cost to the InfraCo (according to each of their land area savings) to reflect this whilst OPA 2 should receive a credit equalling the combined amount.
- 4.31. The above equalisation calculation will also be required for OPA 3 in relation to the provision of the primary schools on the basis they are wholly dependent on the schools being delivered in the Countryside and Ptarmigan OPA's 2 and 1 respectively. At the time of this drafting this report, the assumed land value per ha for the equalisation calculation is to be agreed and an indicative number has been included in the IDP Schedule.

5. HIF Recycling

- 5.1. In August 2019 ECC were informed that Homes England had granted their application for funding of two key infrastructure projects under the Housing Infrastructure Fund (HIF) being the Beaulieu Park train station on the Great Eastern Mainline and delivery of the Chelmsford North East Bypass totalling £217m. The bid was predicated on unlocking 9 housing sites, eight of those in Chelmsford and one in Braintree District anticipated to support the delivery of 14,109 homes.
- 5.2. Following the successful award of funding ECC entered into a Grant Determination Agreement (GDA) which sets out the terms of the funding and the deliverables for the project including various warranties, conditions precedent and milestone dates that must be achieved by ECC in order for the funding to be released.

- 5.3. An important part of the GDA relates to the proposed Recovery and Recycling Strategy which seeks to recover funding from housing sites benefitting from the HIF monies and to recycle it towards the cost of other infrastructure to support further housing delivery. The key piece of infrastructure identified in the GDA to benefit from recycling money is the dualling of the North East bypass by providing an additional lane in either direction beyond 2036.
- 5.4. ECC, as recipient of the grant funding are responsible for its administration and are required to work positively with CCC to make reasonable efforts to recover HIF funding. CCC in turn are responsible for preparing development plans and working positively with ECC and promoters/developers to make all reasonable efforts to recover HIF money from housing sites.
- 5.5. Within the GDA Recovery and Recycling Strategy each housing project is identified including CGC (referred to as North East Chelmsford) which is anticipated to deliver 3,000 units in Phase 1 (plan period) and 2,500 in Phase 2 (beyond plan period). These 2 phases are the relevant outputs for the purposes of this IDP.
- 5.6. As part of the Local Plan EiP the Consortium entered into Statements of Common Ground agreeing 'in principle' to make financial contributions towards the HIF recovery and recycling strategy.
- 5.7. The GDA sets out estimates of the anticipated HIF recovery monies for each site to be secured through Section 106 contributions totalling £95.5m across the 14,109 homes. For CGC the anticipated amount outlined is £10,004 per dwelling across both phases of 3,000 and 2,500 units respectively.
- 5.8. As outlined earlier in this report HIF Recycling figure is included in the 'IDP Summary' (Attachment 1 – Tab 1B) at an assumed cost of £10,004 per dwelling (Ref: C28) in accordance with the HIF GDA which totals £55.022m in the IDP.
- 5.9. This figure includes the funding for (but not limited to) the following infrastructure;
- Beaulieu Railway Station
 - Initial NEC Bypass single carriageway
 - Bypass single carriageway to Deres Bridge
 - Subsequent full dualling of the Bypass
 - CGC's contribution towards acquisition of the corridor for the Bypass

5.10. The split in terms of the payment of the HIF recycling is assumed as a proportional split based on dwelling numbers from each of the planning applications. The amount each planning application eventually contributes towards HIF recycling will depend on their overall contribution to the IDP. This will ensure all planning applications pay the same overall total £ per dwelling contribution towards the total cost of the IDP.

5.11. In the event that costs within the IDP increase in the future, the HIF recycling figure will be varied to ensure CGC remains viable.

6. Indexation

6.1. This IDP analysis assumes that indexation would only be applicable to the InfraCo items. It does not consider indexation to the items delivered designated as 'Developer' in Attachment 1 Tab 1B ('IDP Summary') as these will be the responsibility of the individual developer on site to deliver. As such, it is assumed that any cost inflation on the physical delivery of these infrastructure items would be off-set through potential revenue growth. However, this is different for the InfraCo items where all the Master Developers will be paying financial contribution towards the delivery of the infrastructure during the lifetime of the development. Clearly, as the development is anticipated to span c. 20 years an analysis of the indexation is required.

6.2. The base position in the IDP schedules as per Attachment 1 (Tabs 1B – Tab 4) is that no forecasting indexation is accounted for and the costs are based on assumptions as at the time of writing this report.

6.3. A separate analysis has been undertaken to consider the impact of indexation on the items of infrastructure that the InfraCo will be responsible for (this has been included as per Attachment 1 Tab 6 'InfraCo Indexation'). This analysis is structured in a cashflow format similar to the 'InfraCo Cashflow' as per Attachment 1 Tab 3. In this indexation cashflow however, each infrastructure item is costed up the first year of the delivery period.

6.4. The indexation is based on the BCIS All-in Tender Price Index (TPI) – see Attachment 4. This provides forecasting of the indices up to Q3 2026. Beyond this point the indexation

has been estimated based on the previous BCIS forecasts which shows an average of 4% increase p.a.

- 6.5. An exercise has then been undertaken to measure what the potential cost of infrastructure would be using the base cost and the relevant BCIS index at the start of the delivery trigger. For example, Primary School B has a base build cost in the IDP of £8.500m with a delivery period starting in 2029/30. Using indexation, the uplift from the base build cost estimate to Q3 2029 increases the cost estimate to £10.665m.
- 6.6. Reflecting the above analysis across all InfraCo items increases the assumed InfraCo cost from £72.114m or £13,112 per dwelling to £93.613m or £17,021 per dwelling. To ensure this cost increase is adequately covered in the InfraCo, indexation will need to be factored in each year thus increasing the level of contributions expected from the Master Developers into the InfraCo depending on when it is paid.

7. Monitoring & Review

7.1. The IDP will be monitored and reviewed quarterly (as a minimum) until the last S106 Agreement at CGC has been entered into. A summary of the anticipated review timings is shown below following the approval of the IDP:

- Quarterly reviews (as a minimum)
- Submission of OPA's
- Review at resolution to grant of each OPA
- Review prior to signature of S106
- Quarterly reviews for remaining unconsented OPA's until each OPA approved

7.2. The items in the InfraCo and the cashflow will be monitored and updated throughout the development programme. The monitoring will continue until the InfraCo ceases to exist which will be when the last obligation within the InfraCo is delivered.