

REPORT TO CABINET

Open/Exempt		Would any decisions proposed :		
Any especially affected Wards	Mandatory/	Be entirely within Cabinet's powers to decide	YES/NO	
	Discretionary/	Need to be recommendations to Council	YES/NO	
	Operational	Is it a Key Decision	YES/NO	
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Lead Officer: Alan Gomm E-mail: alan.gomm@west-norfolk.gov.uk Direct Dial: 01553 616237		Other Officers consulted: Management Team		
Financial Implications YES/NO	Policy/Personnel Implications YES/NO	Statutory Implications YES/NO	Equal Impact Assessment YES/NO If YES: Pre-screening/ Full Assessment	Risk Management Implications YES/NO

Date of meeting: 13 November 2018

WEST WINCH / NORTH RUNCTON STRATEGIC GROWTH AREA – INFRASTRUCTURE DELIVERY PLAN AND NEXT STEPS TO SECURE DELIVERY

Summary

The Infrastructure Delivery Plan (IDP) takes the requirements of the Local Plan and Neighbourhood Plan, for the strategic growth area at West Winch / North Runcton, and assesses the financial cost of these. The viability of the overall potential housing scheme is considered. It concludes that a viable scheme meeting the requirements can come forward. The IDP will be used as a basis for a S106 agreement to accompany planning applications for the area.

The IDP, as presented, takes into consideration the comments and views of the various stakeholders. To give it appropriate status it is brought to Cabinet for consideration and endorsement by the Borough Council.

Beyond the IDP it is important that the Borough Council continues to use all available mechanisms to bring forward development on the site. The co-ordination of and submission of a planning application is proposed.

Recommendation

1. That the IDP document and the levels of costs outlined within it are used to prepare a suitable S106 agreement to accompany planning approvals for development sites on the Growth Area.
2. Authority is delegated to the Chief Executive in consultation with the Leader to agree the form of planning application and associated documents and submit them.
3. Authority is delegated to the Chief Executive and Deputy Chief Executive in consultation with the Leader to sign off Option 3 if the Business Rates Pool bid is successful and review alternative funding options if necessary.
4. Cabinet agrees that amendments to the Capital Programme are made.

5. Authority is delegate to the Property Services Manager in consultation with the Leader and Portfolio Holder to acquire land within the growth area should the situation arise.

Reason for Decision

To aid the co-ordinated development of the Strategic Growth Area

1. Background to the West Winch / North Runcton Strategic Growth Area

1.1 The South East King's Lynn Strategic Growth Area is a significant area of land (some 192 hectares). The growth area is located to the south-east of King's Lynn and included parts of the parishes of West Winch and North Runcton. It is roughly bounded by the A10 to the west, the A47 to the east, and the Setchey to Blackborough End road to the south. It stretches around 3.5km north-south and around 1.5km east-west. The area fringes the village of West Winch and the main road (A10) north towards Hardwick roundabout and King's Lynn. It stretches towards, but stops short of, North Runcton Village.

1.2 This is by far the largest site allocated for housing in the Local Plan and it's vital to the Council's ability to plan long term and to maintain a five year land supply.

1.3 The allocation is predominantly greenfield. A comprehensive mixed use urban extension is planned comprising some 3,500 new dwellings (although it is proposed that a working figure of 4000 units is used for the IDP purposes. See 2.5.2 below), including 20% affordable housing, together with employment land, local commercial centres including community, residential and healthcare uses. Primary schools, playing fields, open greenspaces and other amenity areas, drainage systems, and means of access including an access road, new road junctions and alterations to existing junctions, public transport, cycle and pedestrian routes and other related physical infrastructure are also necessary.

1.4 Further details are set out in the Site Allocations and Development Management Plan – Policy E2.1, (adopted September 2016) guiding the significant housing and employment growth apportioned to Kings Lynn and West Winch. The site is in multiple ownerships. All landowners are private with the exception of a strip adjacent to one of the gas mains that runs through the site which is owned by Norfolk County Council. The site requires significant strategic cross-ownership infrastructure.

1.5 The diagram at Appendix 1 below details the allocation as set out in the Borough Councils adopted Local Plan.

1.6 This report covers the content of and uses for the IDP (Section 2), and goes on to propose (in Section 3) how the Borough Council can best work to bring forward a comprehensive scheme for the area and ensure delivery of the housing and other elements of the scheme.

2. Infrastructure Delivery Plan (IDP)

2.1 The Borough Council has prepared an IDP for the entire allocation, working with specialist consultants Mott MacDonald and Gerald Eve. Some initial work on the viability of providing the infrastructure and costings was undertaken to support to Local Plan allocation. However, as we move towards determining planning applications for the site more advanced work has been undertaken.

In summary the IDP is intended to;

- Identify the infrastructure required to bring forward the allocation/growth area
- Identify how the infrastructure will be funded
- Identify key responsibilities, timescales and phasing elements in the development.
- Provide advice on the range of delivery mechanisms available for delivering the growth area and the strategic infrastructure.

2.2 **Infrastructure requirements** - The definition of key infrastructure groups, and the type of facilities and services within each group required to deliver the Growth Area is broadly summarised below;

Transport

- Housing Access Road
- Trunk road improvements
- Roundabouts
- Dualling on A47 east of Hardwick
- Traffic calming West Winch
- Local roads and streets
- Home roads
- Cycle and shared use pathways

Education

- New primary school and nursery provision x2
- West Winch Primary school extension
- High School capacity increase
- Sixth Form capacity increase

Utilities

- Electricity and gas connection and capacity increases
- Telecommunications
- Mains water distribution
- Sewage and drainage

Community

- Community centres x3
- Sports centre
- Health centre
- 3no. shops
- Multi use games area
- Library contributions

Green Infrastructure

- Outdoor sports facilities
- Play areas
- Green Space and corridors
- Habitat creation
- Allotments

2.3 A first draft was produced and consulted upon with stakeholders. The proposed final version is appended to this report at Appendix 3. The appended document gives a list of what is required, how much it could cost and apportions that cost (as relevant) to the scheme.

2.4 The IDP is constructed so as to enable delivery of the site as a whole. In order to achieve the relevant infrastructure we must avoid piecemeal development. There are eleven landowners on site and all parts are important for the wider scheme. Hence all landowners need to contribute in an equal way to that overall scheme. Handling separate applications piecemeal for the site without agreeing delivery of infrastructure including a road which can act to give the capacity for access to the new housing and major improvements to an existing roundabout will prejudice future phases of development and the site as a whole.

2.5 Summary of the main provisions and costs from the IDP

2.5.1 The IDP has produced an assessment of the cost of the infrastructure requirements set out in the Local Plan and the draft Neighbourhood Plan, together with Section 106 costs and other infrastructure costs required for development as part of the growth area. These costs have been relied upon for the viability assessment.

2.5.2 The cost estimates produced by the consultants have been agreed by the Council and split into four 'pots'. A full schedule of costs dated 20th July 2018 is set out at Appendix 2 in relation to a scheme of 3,500 residential units. A number of scenarios have been tested in the appraisal, including one which uses a density of development similar to that proposed by Hopkins Homes on the northern portion of the Growth Area. This would result in a development of some 3988 units overall, rather than the nominal 3500 figure use in previous calculations. The 4000 unit figure better reflects a practical density for the site.

These are summarised in Table 1 below (3988 units);

Cost Heading	Costs
1. S.106 costs	£86,176,668
2. Additional Neighbourhood Plan costs	£726,378
3. Developer Costs	£70,859,266
4. Other Infrastructure Costs	£24,614,787
Total	£182,377,099

The table above shows that the total S.106 Strategic, Infrastructure, and Neighbourhood Plan requirements equate to c. £45,000 per unit, based on some 4000 homes. The total costs on a price per unit basis are considered consistent when compared to other Masterplan reviews which the consultants have assessed.

2.5.3 The IDP concludes that having regard to timescales assumed, information available at a point in time, and sensitivity testing around the assumptions applied, that the overall proposed development is potentially capable of being viable while delivering the necessary infrastructure and S.106 contributions. It further concludes that the Growth Area has the best potential to be delivered if it is considered as a whole and in a consistent manner.

2.5.4 The IDP, as presented, takes into account the comments and views of the various stakeholders. To give it appropriate status it is brought to Cabinet for consideration and endorsement by the Borough Council.

3. A proactive approach to bring forward the site and ensure delivery

3.0.1 Given the significant infrastructure that is necessary across the whole area, it is important that the Council enables the site to be brought to a position where detailed applications for individual developments can be made which comply with strategic requirements, and a mechanism to secure payments for these is in place. Also with the multiple, predominately private, ownerships and the scale of cross-ownership strategic infrastructure required, it is vital that the Borough Council continues to fulfil a coordinating and enabling role to ensure that the necessary collaboration amongst landowners is secured to enable the growth area to come forward.

3.0.2 Additionally handling separate planning applications piecemeal for the site without agreeing an equalisation agreement that provides security to landowners on land values, planning and infrastructure costs and liabilities, will prevent the site from being developed at all.

3.0.3 The IDP on its own will **not** bring forward development. The translation of this into a legal agreement between landowners and an outline planning application linked to a S106 agreement formalising the landowner's agreement into a planning document is a vital next step. The scale of this undertaking has deterred landowners from seeking a co-ordinated approach for themselves. An equalisation agreement will provide specialised legal advice on equalisation of land values as well as planning and infrastructure costs and liabilities. Tax will be a key concern for landowners in this type of project. It requires specialist input and collaboration amongst landowners. It would also implement/ set out relevant deal structure and disposal strategy. Without such an agreement amongst all landowners in place no planning applications can be determined.

3.1 Housing Access Road

3.1.1 This is needed to ensure that 4000 dwellings are capable of being served and accessed along with ensuring that some of the existing issues on the A10 are mitigated. Without the new road the growth area cannot be delivered. We are exploring various mechanisms to provide a road in advance of the development.

3.1.2 The Growth Area is in a number of ownerships. Whilst a very large part of the northern area is in single control other parts are not. Applications are likely to come forward at different times although there are currently no other specific developers on board for the remaining areas. This makes a comprehensive approach to design and provision of the road a more difficult proposition. It is clearly possible to require a comprehensive design for the relief road, but applicants cannot be forced to present applications at convenient times. The more effective solution is for a public body to

assume the role and design the road to enable it to be procured and built at the earliest opportunity. The resultant payments from relevant landowners can be secured through legal agreements as applications come forward.

3.1.3 As part of the Business Rates Pool funding stream the Borough Council secured £200K towards the design of the road. This was match funded with a further 125k from the Borough Council and £125k from Norfolk County Council. Norfolk County Council estimate total cost of a 'shovel ready' scheme to £2.3M to design the road and take it through planning. (Total cost for build and design is in the region of £13.5M) Stage one of this work, looking specifically at the design and scoping of the road is currently under way. The current design and planning submission work is scheduled to be complete by Dec 2019. Funding to design the road and take it through planning has been secured.

3.1.4 In an area with modest local values, the ability to pay for this level of investment upfront is limited. As such the private sector partners have adopted a minimal risk approach to delivery, taking a default position of slower delivery to reduce market risks. The emerging IDP identifies that the Growth Area has the best potential to be delivered if it is considered as a whole and in a consistent manner.

3.1.5 Many of the technical issues, particularly land values and obligations are resolvable but they do require specific attention and coordination between both public and private sectors. This work is needed now since failure to fulfil such a role and secure the necessary collaboration will result in significant delays in progressing the site. This will threaten delivery of the site as a whole. Without agreement from landowners across the growth area only 1100 homes on the Hopkins area is likely to be delivered and not 4000 homes as planned.

3.1.6 To date there has been little collaboration amongst the 11 different land owners to take forward the strategic cross-boundary infrastructure that is necessary to deliver the growth area. Dysfunctionalities of the market and lack of coordination amongst landowners are significant issues.

3.1.7 The scheme is critical to:

- the development strategy for the Borough Council's Adopted Local Plan and Local Plan review which is underway for the period to 2036.
- priorities and objectives of the Norfolk Suffolk Economic Strategy as a Growth Location.
- Meeting housing need

3.2 Options considered to bring forward delivery of the Growth Area

Option 1. The Borough Council could just react to individual planning applications if and when they arrive, and seek to respond to each circumstance. This is NOT recommended as:

- it weakens the ability to control the overall package
- strategic issues are more difficult to address
- it won't fulfil our housing delivery requirements, and we would likely need additional allocations in other King's Lynn locations.
- threaten our ability to show a five year land supply
- prejudice the delivery of the entire growth area as ransom opportunities would exist

Option 2. We could prepare a significantly detailed masterplan for the area to direct the location and quantum of development and infrastructure. This is NOT recommended as it would:

- Cause significant delay into the process and require precise expressions of intent from landowners that may not be available at that stage.
- Not have the benefit of a land owner equalisation agreement.
- Not provide mechanisms to secure the infrastructure necessary to the deliver the development and rely on landowners and developers to move the process forward.
- Ransom opportunities would still exist.

Option 3. A **preferred option** would be for the Borough Council to take a much more proactive role to undertake:

- Facilitating an 'equalisation agreement' between landowners
- Preparation of a masterplan for the wider site
- Preparation of an outline planning application for the site and accompanying S106 agreement
- Associated coordination of the work to achieve these outcomes.

3.3 Equalisation agreement

3.3.1 The Council would seek to enter into a commercial agreement with the land owners / developers within the Growth Area.

3.3.2 As part of the agreement, a land price equalisation arrangement could be documented between the relevant land owners / developers to ensure no developer or landowner within the growth area area is unfairly penalised with regard to paying for essential infrastructure. This would be achieved through the equalisation of land prices taking into account cost and infrastructure deductions in promoting the land to allow a fair and timely return.

3.4 Preparation of Master Plan and Outline Planning Application

3.4.1 The Council could also seek to help secure the delivery of infrastructure through obtaining outline planning permission for a masterplan for the area of the growth area outside of (but compatible with) the existing Hopkins Homes application, alongside a detailed planning application for the required strategic road infrastructure. This would ensure the development of the site is coherent and achieves a comprehensive, sustainable development.

3.4.2 This could be undertaken by the Council in isolation or in partnership with the relevant landowner / developers in the growth area. If in partnership such an agreement could reflect BCKLWN and the land owners entering into a pro-rata share of the cost associated with making an outline planning application; in exchange for an equalised share in the benefits of the application. These documents could then be used as the lynch pin in securing a deliverable mechanism to support an outline planning application for the remaining elements of the growth area; ensuring any planning permission obtained can be implemented and mitigating the ability of parties to ransom the project; or the need for the use Compulsory Purchase Orders.

3.4.3 Careful thought would be required as to the most appropriate delivery structure whether this is to be a limited company, an LLP, some other form of corporate

development vehicle or a land trust. The Council could be a 50% share partner in the delivery vehicle with the aggregate landowners.

3.5 S.106 agreement

3.5.1 Planning obligations enable the local authority to secure the provision of infrastructure or services, or contributions towards them, to support development. Planning Obligations are used to make an otherwise unacceptable development acceptable. They are one of the key mechanisms available to the Council when securing the provision of infrastructure. A Planning Obligation is a legally binding document usually contained in a bilateral agreement between local planning authorities and landowner(s) and other parties with an interest in land forming the application site. A S.106 agreement would be required as part of the outline application process to secure all necessary infrastructure and contributions across the southern growth area. All of the above would be co-ordinated and overseen by the Borough Council.

3.6 Summary

3.6.1 In summary the Borough Council, Norfolk County Council and others have invested significant time and resources into bringing this site forward so far. The IDP is positive about the long term outcomes, but support is needed in the short term. The proposals set out in Option 3 above seek an active enabling / co-ordination role for the Borough Council. The consequences of not adopting a more proactive approach could be:

- A piecemeal approach to applications, making it hard to co-ordinate, or even provide, the essential infrastructure.
- Potential delay in the role the site plays in fulfilling the housing requirement in the King's Lynn area.
- Continued lack of landowner coordination
- Only the Hopkins element (1,100) gets delivered.
- The need to identify more land.
- A danger that housing delivery and supply is compromised resulting in a '5 year land supply' situation arising.

All of these outcomes are genuinely serious for the Borough Council.

3.6.2 Option 3 as described above, will allow the Council to co-ordinate and address all of the strategic land assembly requirements in a coherent way and in turn will de-risk the site and open up the entire growth area in readiness for inward investment and development. . This also provides greater opportunities for inward investment from a diverse range of developers including small and medium size developers (SME's) who ordinarily cannot access this scale of development due the upfront costs associated with getting it underway. The greater the number of developers across the growth area allows more outlets to be developed at the same time. This provides greater pace of delivery whilst ensuring that quality and provision of infrastructure is not compromised as this is secured and set out in the masterplan and equalisation agreement.

3.6.3 Option 3 above also allows the Borough Council to build upon the existing work streams that are currently underway. Further, the Council continues to have dialogue with Homes England to pursue central government funding opportunities to assist with the cost of providing the Housing Access road. When being considered for central government funding, deliverability is a key funding criteria. Schemes with

outline planning permission and the necessary mechanisms to secure delivery have greater chance of being successful in obtaining funding.

In conclusion Option 3;

- Opens the entire southern growth area up for inward investment
- Ensures that the strategic infrastructure is secured and planned for in a coherent way
- Follows on logically from other work, partly BRP funded, (WWHAR design, Homes England inputs and the IDP). It represents a final significant step to de-risk development of the growth area.
- Addresses the lack of land owner co-ordination and market failure
- Provides landowners with a mechanism to move forward whilst deferring some of the costs
- Provides more certainty on delivery
- Provides opportunity for greater pace of delivery as more than one site can be developed at any one time
- Places the growth area in a stronger position when being considered for central government funding as necessary consents and mechanisms are in place ensure delivery
- Allows wider strategic transport requirements from the Growth Area to be addressed (A10 and Hardwick junction)

3.7 Costs

3.7.1 Officers have sought indicative costs from various specialists to establish the total amount needed to achieve the outputs set out in Option 3. The costs are in the region of £1million. Details are set out in the Table 2 below.

Table 2 - Costs	
Preparation and agreement of an 'equalisation agreement' - specialised legal advice on equalisation of land values as well as planning and infrastructure costs and liabilities. Tax (CGT, roll over relief etc) will be a key concern for landowners in this type of project. It requires specialist input. Would also involve legal advice and implementation of relevant deal structure and preparation of a disposal strategy.	£80k
Studies- includes preparation and completion of Environmental Impact Assessment scoping report and all relevant studies e.g. Noise, Air Quality, Ecology, Utilities, socio economic impacts, waste management etc.	£270k-£320k
Master Plan- an indicative masterplan would be produced, to demonstrate how the quantum of different land uses proposed could fit within the site and associated open space. In addition, parameter plans and indicative phasing plans would be produced	£100k

Outline Planning Application- for preparing, submitting and managing an outline application for planning permission through to determination. This would include legal input, topographical information, public consultation / engagement inputs and financial viability details.	£300k
Project Management- Overall co-ordination of all of the above including tying in with existing IDP and Housing Access Road design work currently under way. This figure also includes the internal temporary post of Programme Manager.	£200k
Total	£1m

3.8 Meeting the costs

3.8.1 Officers have taken the opportunity to submit a bid to the Business Rates Pool for funding to part fund the work. The outcome of the bid is expected at the end of November 2018. The total costs of the planning application are intended to be recovered from landowners as the scheme builds out as planning and legal fees are accounted for in the IDP, but the cash flowing of it is problematic as discussed above. All landowners within the Growth Area have been written to, to explain the potential proposed approach. At this stage it is the landowners funding 50% of the costs of the items listed in 3.13 above, and the Borough Council funding the remainder, but to be repaid (or the Business Rates Pool) either when land is sold or development starts. The County Council as a landowner has agreed to participate on this basis. We have taken advice and such an approach is not considered 'state aid' as it defers the payments but the liability is clearly established.

3.8.2 The proposal is that the Borough Council:

- Funds 50% of the costs of an outline planning application (OPP) including all supporting evidence documents, application fees and projection managing the application.
- This will include;
 - Preparation of a Section 106 Agreement to accompany the OPP
 - Facilitating an equalisation agreement between all landowners to ensure appropriate sharing of costs and values from the comprehensive development area.
 - Preparation of master plan to accompany OPP
 - Preparation of appropriate delivery structure

3.8.3 The intention is that the land owners contribute to the remaining 50% costs based on a percentage basis according to size of their land ownership. The 'up front' contribution from the Borough Council can be recovered in the future when either land is sold or development starts. The details would be worked into the S106 agreement.

3.8.4 Table 3 below sets out further details on how the costs will be proportioned.

Table 3 – Costs apportionment	
Party	Contribution
Business Rates Pool Bid	£250k
Borough Council	£250k
Landowners (proportionate to land ownership)	£500k
Total	£1m

3.9 Timescales

3.9.1 As previously mentioned the Borough Council is currently investing in other key areas of work to enable the growth area to come forward i.e.:

- The IDP;
- Design of Housing Access Road (which is part funded by the BRP & NCC) and is progressing well.

3.9.2 As the Housing Access Road design work progresses it is timely that Option 3 gets underway, as common information supports an outline planning application and master plan as well. This is also necessary to ensure that the southern growth area is delivered in the most coherent and compatible way with both the access road and Hopkins Application to the north.

3.9.3 The Housing Access Road project is currently progressing well and is on track to submit a planning application in Dec 2019. To realise the full benefits of both projects either both applications would need to be submitted at the same time or one planning application (a hybrid application) submitted for both the road and the southern growth area. To enable this assessment to be made and to ensure that there is no delay to the existing Access Road project, Option 3 would need to commence in Dec 2018. A condition of the BRP funding is that any project funded commences by April 2019. Both these requirements set a timeframe for delivery.

3.10 Procurement

3.10.1 Options to achieve best value will be explored once agreement to proceed is in place.

3.11 Further considerations

3.11.1 **Potential land purchase** - Should Cabinet chose to accept Option 3, there is the potential that not all landowners may wish to be part of the application process. They may seek instead to dispose of their land at this stage. Cabinet may therefore wish to consider acquisition of individual sites within the growth area should they become available as the preparation of the application and associated agreements gets underway. If presented, the opportunity to acquire parcels of land within the growth area would allow the Borough Council to also actively engage in the process as a landowner giving further certainty over input and deliverability.

3.11.2 **Norfolk County Council** - As a landowner of some 21hectares in the growth area, NCC have agreed to participate on the basis of the Borough Council preparing an outline planning application as set out in Option 3. In addition to providing funding towards the costs of the design of the Access Road they have also committed to senior officers participating in a Strategic Group to ensure strategic input across both the Access Road project and Option 3.

4. Overall conclusion on IDP and approach proposed

4.1 The Infrastructure Delivery Plan (IDP) takes the requirements of the Local Plan and Neighbourhood Plan, for the strategic growth area at West Winch / North Runcton, and assesses the financial cost of these. The viability of the overall potential housing scheme is considered. It concludes that a viable scheme meeting the requirements can come forward. The IDP will be used as a basis for a S106 agreement to accompany planning applications for the area.

4.2 The IDP, as presented, takes into consideration the comments and views of the various stakeholders. To give it appropriate status it is brought to Cabinet for consideration and endorsement by the Borough Council.

4.3 Beyond the IDP it is important that the Borough Council continues to use all available mechanisms to bring forward development on the site. The co-ordination of and submission of a planning application is proposed.

5. Policy Implications

- The Local Plan policies (as now defined into financial costs in the IDP) set the broad requirements to support the development.
- The Growth Area was conceived as a whole, although in different ownerships it needs to be considered and understood as a package, and tied together to deliver all the aspects in one delivery plan.
- It is important that there is a common S106 agreement framework, with proportionate contributions from each parcel of land.
- In this context the IDP is a key piece of work to facilitate approval of the planning applications on the Growth Area.

6. Financial Implications

6.1 As detailed above in table 3 the financial cost is £1 million. The Council's contribution is expected to be £250,000. This will come from the Major Projects Reserves. The appropriate amendments to the Capital Programme will need to be made.

7. Personnel Implications

7.1 None directly. However this project does require a significant effort in terms of existing staff resources currently to maintain progress on the different strands. The report proposes an increase in activity. This includes overall co-ordination of all of the above including tying in with existing IDP and Housing Access Road design work currently under way. An internal temporary post of Programme Manager is included in draft costings..

8. Statutory Considerations

8.1 This will relate to:

- Need to act reasonably to require a S106
- Proper conduct when considering a planning application

9. Equality Impact Assessment (EIA) - (Pre-screening report attached)

10. Risk Management Implications

10.1 There are a number of important aspects here:

- We need the whole Growth Area to come forward to contribute housing to the Borough targets.
- We are in an area of modest development values, and as such we need to check very carefully the requirements and viability of the particular development scheme.
- We need the development to be successful (delivered viably).
- The IDP seeks to forecast costs and sales incomes over an 18 year period. This is a long time and circumstances and costs will vary over that period.
- A suitably constructed S106 agreement needs to be prepared to cater for present and future variabilities.
- 50% of funding for the project is based on £500,000 coming from landowners in the growth area. There is a risk that some might not wish to contribute or be able to contribute upfront. In the event of this, the Council would therefore need to consider increasing their contribution. Further detailed work to consider an appropriate structure to secure the funds and buy in from the landowners is required as set out at paragraph 3.4.3.
- There is a risk that if there is an economic downturn or other changes in the housing market, recovery of the Councils contribution could be delayed as delivery slows.
- A more general risk is that the entire growth area fails to be delivered in a comprehensive way, due to decision making of key landowners. If some landowners chose not to pursue any form of delivery, the deliverability of the growth area as a whole will be threatened.

10.2 The Borough Council could stop at the preparation of the IDP and wait for the market to react and bring forward the sites. However this is an unsatisfactory position. It may bring forward development in a piecemeal and uncoordinated way or not at all. It may result in a lack of planned delivery. However the Borough Council could seek to become involved in direct delivery through the purchase of land within the Growth Area.

10.3 Risk can be mitigated for by:

- Seeking funding opportunities e.g. Government funding for the road from Homes England and Major Roads Network Fund. To date the Council have received Business Rates Pool funding to assist with the costs of the Housing Access Road design work. We will continue to seek further funding from this fund when open. The Growth Area has been identified as a key housing growth location in the **Norfolk Strategic Infrastructure Plan**. King's Lynn is also identified in the **Norfolk and Suffolk Economic Strategy** as a 'Priority Place' with particular reference to A10 and A47 corridors for housing growth potential.
- Not taking on the entire burden itself - Norfolk County Council are supporting the design of the road both financially and by providing a joint development team with officers from the County and Borough overseeing the work that is currently under way. Homes England (HE) is also in the process of recruiting a larges sites team to assist Local Authorities with capacity and expertise in this

area. On going discussions with HE has led to an offer of assistance from the team once fully established.

- Ensuring cost recovery mechanisms are included in legally binding agreements that sit with the land, thus any changes in land ownership would not prevent the Councils contribution from being recovered.
- Seeking specialist external advice in relation to all areas of work set out under Option 3.

The Cabinet has recognised in previous reports the challenges in obtaining landowner agreements/collaboration across a high number of different ownerships. However, given the significant strategic importance of the Growth Area the willingness to use Compulsory Purchase Powers (CPO) in a proportionate way, if the need arise should be recognised.

11. Declarations of Interest / Dispensations Granted

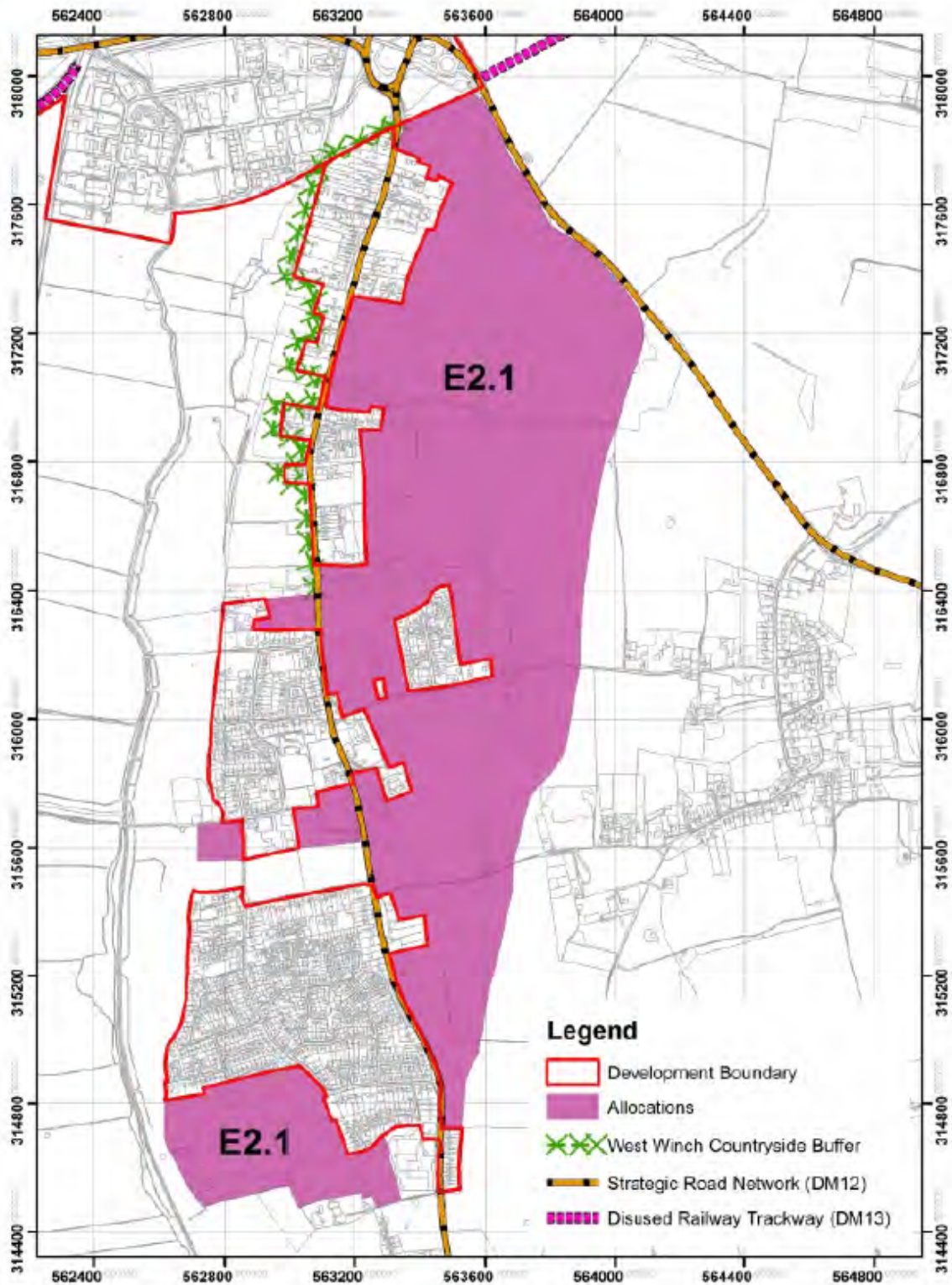
11.1 None sought.



Pre-Screening Equality Impact Assessment

Name of policy/service/function	South East King's Lynn – Infrastructure Delivery Plan				
Is this a new or existing policy/ service/function?	New /-Existing (delete as appropriate)				
Brief summary/description of the main aims of the policy/service/function being screened. Please state if this policy/service rigidly constrained by statutory obligations	To facilitate the development of the Growth Area at West Winch an IDP has been prepared, and further mechanisms such as a planning application are proposed.				
Question	Answer				
<p>1. Is there any reason to believe that the policy/service/function could have a specific impact on people from one or more of the following groups according to their different protected characteristic, for example, because they have particular needs, experiences, issues or priorities or in terms of ability to access the service?</p> <p>Please tick the relevant box for each group.</p> <p>NB. Equality neutral means no negative impact on any group.</p>		Positive	Negative	Neutral	Unsure
	Age			x	
	Disability			x	
	Gender			x	
	Gender Re-assignment			x	
	Marriage/civil partnership			x	
	Pregnancy & maternity			x	
	Race			x	
	Religion or belief			x	
	Sexual orientation			x	
Other (eg low income)			x		
Question	Answer	Comments			
2. Is the proposed policy/service likely to affect relations between certain equality communities or to damage relations between the equality communities and the Council, for example because it is seen as favouring a particular community or denying opportunities to another?	Yes/ No				
3. Could this policy/service be perceived as impacting on communities differently?	Yes/ No				
4. Is the policy/service specifically designed to tackle evidence of disadvantage or potential discrimination?	Yes/ No				
<p>5. Are any impacts identified above minor and if so, can these be eliminated or reduced by minor actions? If yes, please agree actions with a member of the Corporate Equalities Working Group and list agreed actions in the comments section</p>	Yes/ No	Actions:			
		Actions agreed by EWG member:			
Assessment completed by: Name Alan Gomm					
Job title Planning Policy Manager	Date 22 October 2018				

Please Note: If there are any positive or negative impacts identified in question 1, or there any 'yes' responses to questions 2 – 4 a full impact assessment will be required.



Inset E2 West Winch

Summary of IDP conclusion

EXTRACT AND SUMMARY OF THE MAIN PROVISIONS / COSTS FROM THE IDP

The IDP has produced an assessment of the cost of the infrastructure requirements set out in the Local Development Framework and the draft Neighbourhood Plan, together with Section 106 costs and other infrastructure costs required for development as part of the growth area. These costs have been relied upon for the viability assessment.

The cost estimates produced by the consultants have been agreed by the Council and split into four 'pots'. A full schedule of costs dated 20th July 2018 is set out at Appendix 2 (i) of the full IDP in relation to a scheme of 3,500 residential units. These are summarised in the table below;

Cost Heading	Costs
1. S.106 costs	£83,412,053
2. Additional Neighbourhood Plan costs	£726,378
3. Developer Costs	£70,859,266
4. Other Infrastructure Costs	£24,614,787
Total	£179,612,484

The table above shows that the S.106; Strategic and Other Infrastructure; and Neighbourhood Plan requirements equate to c. £51,000 per unit, based on 3,500 homes. These total costs on a price per unit basis are consistent when compared to other Masterplan reviews which the consultants have assessed.

The viability assessment has focussed on the whole Growth Area. However, it is recognised that individual detailed elements may come forward a different times and therefore cost, value and return recovery will be of differing timescales for individual developments within the growth area. The viability assessment looks at the viability of the overall development which spans the delivery of at least 3,500 homes and associated infrastructure over an 18 year period.

When looking at the appropriate level of return/profit that a developer should consider as being reasonable given the associated costs and risks that might be required for a site of this size, it is important to consider the length of time over which the development will be delivered i.e. 18 years. In this time there will invariably be changes to costs and value assumptions. To take account of this the IDP has tested various scenarios to consider the impact of changing assumptions such as density, number of affordable units being provided and level of s.106 contributions sought. (Full details are set out in section 9 of the IDP report).

In summary the sensitivity analysis shows that by increasing the current assumptions on sales values by 5% and decreasing construction costs by 5% the effect on the viability is positive. In addition to this the scheme is made more viable if the affordable housing tenure mix is altered from the current split of 70 : 30 affordable rented to

intermediate products to a scenario of 50:50. This is also the same if the High School Education costs are assumed to be funded from alternative sources.

Finally whilst all three scenarios improve the overall scheme viability, the scenario where the scheme is most viable providing an Internal Rate of Return (IRR) of 20% or more is where the build costs are decreased by 5%, sales values increased by 5% and residential density increased to 32.5 dwellings per hectare (having regard to the densities proposed in the Hopkins outline planning application). This brings the total numbers to 3,988 across the growth area.

The IDP concludes that having regard to timescales assumed, information available at a point in time, and sensitivity testing around the assumptions applied, that the overall proposed development is potentially capable of being viable while delivering the necessary infrastructure and S.106 contributions. It further concludes that the Growth Area has the best potential to be delivered if it is considered as a whole and in a consistent manner.



**Infrastructure Delivery Plan
for South East King's Lynn
Strategic Growth Area**

October 2018

**PLEASE SEE SEPARATE
DOCUMENT**