

Public Document Pack



Supplementary Agenda 1

Dear Councillor

ORDINARY COUNCIL - WEDNESDAY, 19TH OCTOBER, 2016

I am now able to enclose, for consideration on Wednesday, 19th October, 2016 meeting of the Ordinary Council, the following reports that were unavailable when the agenda was printed.

| Agenda No | Item |
|------------------|-------------|
|------------------|-------------|

- | | |
|-----|---|
| 9. | <u>Town Hall Business Case</u> (Pages 3 - 92) |
| 11. | <u>Community Infrastructure Levy - Preliminary Draft Charging Schedule Consultation</u> (Pages 93 - 164) |

Yours sincerely

Chief Executive

Encs

13/10/16

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19th October 2016

Ordinary Council

Town Hall Remodelling

Report of: *Greg Campbell, Project and Programme Manager*

Wards Affected: *All*

This report is: *Public*

1. Executive Summary

- 1.1 This report asks Members to consider the options within this report, supported by the business case attached at Appendix A, to determine whether to remodel the Town Hall to:
- form a service delivery Hub, including the transformation of front and back office Council service space and delivery;
 - develop commercial or residential lease accommodation on the second and third floor of the Town Hall building
- 1.2 Both business options are financially viable. However, they require an investment and are based on a long term financial plan. Both options will realise a saving against the current revenue expenditure of the Town Hall after the third year of delivery dependent on the decision taken.
- 1.3 Further, the Council will continue to work with groups to seek early adopters and revenue where appropriate.

2. Recommendations

- 2.1 Agree to Option 1A as set out in section 17.6 of the report and methods to relocate out of the Town Hall while construction work is undertaken
- 2.2 Delegate authority to the Chief Executive and Section 151 Officer in consultation with the Leader, Deputy Leader and the Leaders of the Opposition groups to make decisions at the appropriate procurement points.
- 2.3 Agree that reports are provided to Policy, Finance & Resources Committee to enable monitoring of the progress of the project and report as appropriate to Council of any major financial variances for the duration of the project.

3. Introduction

- 3.1 This document seeks the Council's approval of the business model for the future of the Town Hall. This will set the parameters and scope of the finances, which in turn will enable progression to the specification, procurement and implementation processes to begin. This report and the supporting business case at Appendix A sets out the two options.

4. Background Summary

- 4.1 Since 2010, the Council has reviewed a number of options for the redevelopment of the Town Hall. This has led to decisions by Council at committees, most recently at Ordinary Council in June 2016, to seek to:
- Create a service delivery hub
 - Reduce expenditure, and
 - Create revenue streams.
- 4.2 This will be achieved by significant remodelling of the Town Hall and making better use of space by reducing the Council service footprint, leading to reduced running costs, and by the creation of a Service Delivery Hub, which will create revenue streams and enhance the customer experience.
- 4.3 Those agreeing in principle to join the Hub so far are listed below:
- Job Centre Plus
 - Essex Police
 - Mind
 - ECC
 - Citizens Advice Brentwood
 - Council for Voluntary Services
- 4.4 Working together, Essex and Brentwood councils are committing to consider opportunities to expand the use of the Hub through the deployment of services to the Hub. This work is considering services both County led or locally led in order that Brentwood residents continue to benefit from the most efficient service
- 4.5 Although both organisations accept there is much to discuss, the main focus will be based upon:
- A willingness to work together
 - A need to add value and achieve value for the services
 - A desire to enhance the customer experience
- 4.6 Brentwood Council is presently working with the Police who are seeking relocation to the Town Hall lower ground space. It is anticipated that

contracts should be signed during the coming weeks and preparations for their relocation are being made.

4.7 The Ordinary Council meeting held in June 2016 agreed to progress the Hub and bring to this meeting a business case that would enable the project to move to the specification, procurement and implementation stage.

4.8 The scope of the project established by the approvals to proceed at committee can be identified as:

- Create a service delivery hub that will deliver financial, economic and service benefits to those organisations within the hub and our customers
- Improve the overall utilisation of the space within the Town Hall building
- Identify methods to be sustainable
- Reduce overheads to the Council
- Create revenue streams for the Council
- Develop, modernise and improve the methods of working by the Council

5. Strategic Fit

5.1 The creation of a Service Delivery Hub fits with a number of corporate objectives, as set out in Vision for Brentwood 2016-19:

- Review the Town Hall project to deliver a community hub, shared by others
- Consider how Council assets can be utilised to promote sustainable development in the Borough
- Maximise Council assets to deliver corporate objectives and ensure community benefit
- Review our asset management governance strategy
- Develop new ways of working for the Council, improving service delivery and reducing costs and unnecessary bureaucracy
- Explore alternative methods of service delivery, including shared services and outsourcing

6. Expected Outcomes

6.1 The project expects to deliver the following outcomes:

- Improved customer experience
- Increased take up of both Council and other services located within the Hub
- Reduced running costs
- Increased energy efficiencies and reduced carbon footprint

- Increased revenue
- Improved utilisation of office space
- Improved working environment for colleagues
- Provision of commercial space and / or residential accommodation

6.2 The expected tangible outcomes can therefore be described as:

- Development of a Hub
- Reduction in utility costs by at least 25%
- Increase in revenue to potentially £380k from the Hub
- Increase in revenue to potentially £239k residential occupation or £285k commercial occupation

6.3 The above is dependent on the option chosen.

7. The Options

7.1 To deliver the scope, two options have been developed. Both options deliver:

- Space for a Hub
- Space for Council Services
- The choice of either residential (option 1) or commercial space (option 2) to deliver a revenue stream.

7.2 Further, the Council needs to determine whether services completely relocate out of the building or partially relocate when construction commences

8. Town Hall Efficiencies, Utilisation and Current Costs

8.1 The Town Hall has had little investment in the past. All premises related running costs are considered to be high; in the region of a little over £310k (with the current usage of the Town Hall), excluding business rates. The recommended proposals in both options 1 and 2 within this report include changes to the infrastructure which will not only enable better control of facilities and reduced utility costs by at least 25% but improve the Council's carbon footprint and energy rating.

8.2 Infrastructure changes include replacement of the roof, windows, boilers and radiators which are already inefficient or past their life expectancy and would need replacing. As well as the installation of mechanical ventilation and comfort cooling/heating, the measure also includes new and refurbished lifts, replacement of lighting and remodelled reception area.

8.3 The space within the Town Hall is not used to its efficient best, with utilisation at present at 68%. Opening up the building, as in Option 1 and

2, will optimise utilisation of the space. Which in turn will have a positive effect on efficiency and the likely revenue.

- 8.4 Greater space creation will be achieved by alterations to the internal structure underpinned by steels to open up the core of the building throughout to create a sub structure which will make the use of space much more effective.

9. Environmental Consideration

- 9.1 As an organisation that supports green sustainable initiatives, the work proposed will include a package of works that deliver a reduction in the carbon footprint and therefore benefit the environment. These not only assist the environment now and in the future but help to reduce the overall running costs of the building.

- 9.2 Consideration of the best and most appropriate methods to reduce carbon emissions and improve the efficiency have been considered by all those involved in the design, structure and workings of the proposed remodelled Town Hall. The package of changes delivers the best reductions and improvements appropriate for this development.

- 9.3 The items which will be included in Options 1 & 2 are listed in Table 1.0:

| Area | Item | Comment / Impact |
|----------------|--|--|
| Infrastructure | Heating | Highly energy efficient system - for every 1kW of electricity used 3kW of heating or cooling is achieved |
| | Hot water provision | Boiler fumes drive a turbine which generates electricity which is either used on site or exported to the grid |
| | Roof replacement with increased insulation | Increased levels of insulation to new standards retains heating/cooling and thereby reduces heat emissions |
| | Lighting | High efficiency LED lighting reduces energy consumption |
| | Photovoltaics | 110m ² would generate approx. 15kW with estimated annual output of 12,500kWh (saving 145 tonnes of CO ² over 25 years - approx. worth £24.5k). |
| | Window replacement | Reduce heat emissions and introducing air flow system to reduce need for cooling and other types of ventilation |
| | Toilet accommodation | Reduced water consumption through smaller flush volumes to minimise |

| | | |
|--------|--|--|
| | | water wastage and reduce water bills. Energy efficient hand dryers |
| ICT | Increased use of Cloud-based servers reducing the use of servers on site | Reduces the space requirement at the Town Hall and the carbon footprint of the building and the requirement to have a Disaster Recovery Site at the Brentwood Centre |
| | Reduced number of PCs in the building | As there are fewer workspaces provided, there will be fewer static PCs |
| | Fewer Multi-Functional Devices | Reducing space occupied and creating one floor of back office will reduce the need for separate printers, scanners and copiers. These items will be fewer and concentrated to reduce emissions and heat generation throughout the building |
| | Paper-light working | Greater impetus for using technology to reduce paper usage, thereby reducing energy consumption and deforestation |
| Office | Remote Working | Fewer vehicle movements will reduce congestion and CO ² emissions. |
| | Cycle storage and showers | Installation of shower facilities and cycle storage to encourage cycling to work |

Table 1.0: Environmental considerations

- 9.4 These measures, along with the consequential improvements, will deliver a far more carbon friendly building. It is envisaged that the introduction of these improvements following standard building practices will significantly increase the Council's Environmental Impact Score.

10. Council Services

- 10.1 This project is not only about the remodelling of the Town Hall; it will also affect the way back office services will be provided. The space occupied by Council services will reduce from approximately 25,000sqft to 10,000sqft and from four floors to one. Desks will be replaced by multi-purpose workspaces, allowing different methods of use. The old style desks, of which there are approximately 180, will be replaced with 120 workspaces.
- 10.2 Future developments with other organisations and bodies will deliver joint working and partnerships which will see the workforce fluctuate. The

proposed opening up of the building creating flexible space and the modern way of working will facilitate the management of these variabilities.

- 10.3 The three main uses of the Town Hall which need to be retained and improved are:
- Public access for customer service
 - The civic and democratic functions of the Council
 - The administrative functions of the Council.
- 10.4 Office space will be open plan with meeting rooms and individual office cells for quiet working. There will only be four cellular offices for senior officers. A centralised print area and a kitchen facility would also be provided. A draft layout of this floor is included within the appendices of the attached business case Appendix A.
- 10.5 A reduction of such significant numbers will be achieved not only by a physical change but an equivalent cultural change, supported by projects to introduce 'New Ways of Working' and other service delivery projects such as the 'Customer Access Strategy'. These and other projects will enable the uptake of the agile space culture and working methods that are part of a modern organisation, enabling officers to work remotely and from home.
- 10.6 Those staff whose requirement is to be out in the field will be provided with the right equipment and provided with workspace at the Town Hall to utilise when necessary.
- 10.7 A pilot has commenced with Planning, Environmental Health and Licensing to refine the new ways of working methods which will feed into the ongoing development and delivery of this project
- 10.8 The civic space will be re-decorated and new flexible furniture will be installed to enable greater utilisation of the space. Political groups will no longer have individual meeting space but will be given priority when booking meeting rooms via the booking system. In the same way, individual members will be able to book space for appointments with residents when necessary. Further, a locker and secure space/cloak room facility will be provided for members.
- 11. The Hub - Lower Ground and Ground Floors**
- 11.1 The Hub will comprise a combination of organisations co-locating in a modern accessible building on the Ground Floor, providing customers

who often have similar or related issues a place to resolve or interact. It will provide opportunities for joined up working and seamless referrals, working to modern methods using digital delivery to reduce inefficiencies and enhance the customer journey (where appropriate). It will also provide back office space for groups such as Council for Voluntary Service, Citizens Advice Brentwood and Mind.

- 11.2 Meeting space of different sizes will be provided which will enable privacy. The Service Delivery Hub will allow community interaction and enable further integration with other community groups if and when required.
- 11.3 The space in the Hub will include the Council's front of house services including delivery of:
 - Revenues and Benefits
 - Housing
 - Planning
 - Environment Health and Licensing
- 11.4 Work with those groups involved in the Hub continues and discussions are ongoing as the project develops into the detailed stage as to how operators within the Hub will assist each other.
- 11.5 An indicative outline of space requirements for the users of the Hub have been provided which in turn has enabled the creation of a draft layout plan which forms part of the attached business case appendices.

12. The Town Hall Building - Floors Two and Three

- 12.1 There are primarily two options for the second and third floor.
 - Option 1 considers the development of 19 residential units on the second and third floor which will be rented privately through the Council
 - Option 2 offers the space as commercial let property, creating 19,000sqft rented privately through the Council
- 12.2 Both options stimulate the economy of the town centre and surrounding area by providing employment, creating an economy by day or night and / or assist the Council to deliver against the emerging Local Development Plan (LDP).
- 12.3 **It should be noted** that if a commercial option is pursued, the Council will foremost need to engage with Chromex, a company it has previously been in discussions with on a commercial provision, to see if they will

consider renegotiating the original terms, as recommended by a DTZ report.

13. Overall Breakdown of Space

13.1 The approximate breakdown of useable space in sqft is set out in table 2.0:

| Floor | Organisations | Hub | Council | TBC | Expected Residency Date |
|--------------|--|------------|----------------|------------|--|
| Lower Ground | Police, Council | 4,300 | 2,200 | 0 | Early 2017 |
| Ground | Council, Mind, CVS, JCP, CAB, Other Major Contributor Registrars | 8,000 | 3,000 | 0 | Mind - August 2016 The remainder following redevelopment – April 2019 |
| First | Council including Civic Space | | 14,000 | 0 | Following redevelopment – April 2019 |
| Second | Commercial / Residential TBD | | | 13,500 | Following redevelopment - April 2019 |
| Third | Commercial / Residential TBD | | | 4,500 | Following redevelopment - April 2019 |

Table 2.0 Approximate Breakdown of Space to be Utilised

14. Parking

14.1 Any alterations to the building in its use and capacity will have an impact on the parking requirements.

14.2 The parking for residential or commercial, the Police and Council within this business case are adequate in terms of planning requirements. The existing provision on site meets the proposed demands. This is made possible as the requirement for Council staff parking will reduce from its present number. A revised staff parking policy will be required that considers needs and requirements of the Council. This will be developed and implemented prior to the remodelled Town Hall completion.

14.3 However, the number of visitors to the Town Hall will increase and consideration of visitor parking is required.

- 14.4 The Hub in itself will naturally increase the total number of visitors to the Town Hall. It is anticipated that organisations in the hub will double the number of visits to the building.
- 14.5 None of the organisations within the Hub currently provide visitor car parks, however it does not follow that customers do not drive to other nearby locations to attend their appointments.
- 14.6 Whilst the Town Hall is approximately 300 metres from the end of the High Street and there are bus links in both directions, it must be accepted that some customers will wish to drive to the Hub.
- 14.7 Work is ongoing to predict the present customer parking pinch points; however, it has been noted that weddings often take up a lot of parking when they occur. It is considered that an increase in visitor parking is warranted, which will mirror and be created next to the present visitor parking and increasing this by 100% (14 spaces) which considering the overall increase in likely visitors would seem appropriate.

15. Planning and Building Regulations

- 15.1 Planning permission for change of use from office to residential will be required, if Option 1 is pursued. The Planning Department advise that formal pre-application advice be sought to inform any planning application (if required). The principle of Options 1 and 2 for internal redevelopment of the existing Town Hall building is considered acceptable subject to broad issues identified above.
- 15.2 Initial discussions with Building Control have taken place and will continue through the lifecycle of the project. The proposals include improving efficiencies, reduce carbon emissions, sustainable techniques as well as an overall fire strategy.
- 15.3 Further discussions with Building Control officers will include all aspects of compliance with building regulations.

16. Relocation During Construction Works

- 16.1 During the construction works Council services provided from the Town Hall will need to relocate. There are two options:
- Option A: Relocate to other Council premises and privately rented accommodation during the construction lifecycle of the project
 - Option B: Relocate the majority of services to the South End of the Town Hall building and utilise Council premises and some private

rental accommodation, if needs be, during the construction lifecycle of the project

- 16.2 Both options would require the Civic meeting space to relocate out of the building for a period. Working with the contractors, the disturbance to this end of the building is hoped to be kept to a minimum. Alternative local options are being sought for Council meetings. Likewise, weddings and civil ceremonies which also take place within the civic space will have to cease for a short period from this location and alternatives will be sought. Again, working with the contractor, the disruption will be kept to a minimum.
- 16.3 If option A was agreed, the Council in the foremost would seek to utilise other council offices before private rental office accommodation. It would also, as a priority, seek to retain a front of house (face to face) reception near to the present site or the Town Centre.
- 16.4 Both options have advantages and disadvantages which are set out in table 3 below:

| Option | Advantages | Disadvantages |
|----------|---|---|
| A | Quicker project delivery Use relocation to implement New Ways of Working Revenue streams start earlier Police continue to lease lower ground with little disturbance from Council staff Reduced phasing | Accommodation of rental space costs increase including parking Reception and other groups leasing space within the building will need to relocate |
| B | Less money spent on private rented accommodation. Continuity of focal point of Town Hall for staff, members and the public remain | Revenue from commercial or residential will start later Project will take longer Cost to deliver project will increase Increased phasing Potential health and safety issues |

Table 3.0 Breakdown of Space

17. Financial Analysis of the Options

- 17.1 **Capital Costs** - The estimated capital cost of the options are outlined in Table 4.0.

| Option | Scheme | Capital Cost £'M |
|--------|--|---------------------|
| 1A | Residential and vacate the building | 9.8 |
| 1B | Residential and partially relocate out of the building | 10.15 |
| 2A | Commercial and vacate the building | 9.2 |
| 2B | Commercial and partially relocate out of the building | 9.55 |

Table 4.0 Estimated Capital Cost

17.2 These range from £9.2m to 10.2m, depending on which option is decided.

17.3 It should be noted that if the Council remained partially in the building during the construction (Options 1B & 2B), the works would take longer and in addition cost the Council a further £350k.

17.4 Revenue Implications

17.5 The tables below show the implications for the Council if any of the 4 options are adopted. The growth/(savings) shown for each year are a comparison against the current 2016/17 budget for the Town Hall.

17.6 Option 1A - Residential on upper floors and vacate the building

| | Budget 2016/17 | Forecast | | | | |
|--|---------------------------|--------------------------|--------------------------|--------------------------|--------------------------|----------------------------|
| | | 2017/18 £'000 | 2018/19 £'000 | 2019/20 £'000 | 2020/21 £'000 | Full Year £'000 |
| Gross Expenditure | 589 | 726 | 856 | 929 | 973 | 973 |
| Gross Income | (13) | (31) | (208) | (571) | (636) | (636) |
| Net cash Flow | 576 | 695 | 648 | 358 | 337 | 337 |
| Growth/(Savings) against 2016/17 budget | | 118 | 71 | (219) | (239) | (239) |

Table 5.0: Option 1A – Residential on upper floors and vacate the building

17.7 Option 1B - Residential on upper floors and partially relocate out of the building

| | Budget 2016/17 | Forecast | | | | |
|--|---------------------------|--------------------------|--------------------------|--------------------------|--------------------------|----------------------------|
| | | 2017/18 £'000 | 2018/19 £'000 | 2019/20 £'000 | 2020/21 £'000 | Full Year £'000 |
| Gross Expenditure | 589 | 726 | 858 | 941 | 987 | 987 |
| Gross Income | (13) | (31) | (208) | (377) | (636) | (636) |
| Net cash Flow | 576 | 695 | 650 | 564 | 351 | 351 |
| Growth/(Savings) against 2016/17 budget | | 118 | 73 | (13) | (225) | (225) |

Table 6.0: Option 1B – Residential on upper floors and partially relocate out of the building

17.8 Option 2A - Commercial on upper floors and vacate the building

| | Budget 2016/17 | Forecast | | | | |
|--|-------------------|------------------|------------------|------------------|------------------|--------------------|
| | | 2017/18 £'000 | 2018/19 £'000 | 2019/20 £'000 | 2020/21 £'000 | Full Year £'000 |
| Gross Expenditure | 589 | 726 | 852 | 903 | 918 | 918 |
| Gross Income | (13) | (31) | (208) | (498) | (627) | (627) |
| Net cash Flow | 576 | 695 | 644 | 405 | 291 | 291 |
| Growth/(Savings) against 2016/17 budget | | 118 | 68 | (171) | (285) | (285) |

Table 7.0: Option 2A – Commercial on upper floors and vacate the building

17.9 Option 2B - Commercial on upper floors and partially relocate out of the building

| | Budget 2016/17 | Forecast | | | | |
|--|-------------------|------------------|------------------|------------------|------------------|--------------------|
| | | 2017/18 £'000 | 2018/19 £'000 | 2019/20 £'000 | 2020/21 £'000 | Full Year £'000 |
| Gross Expenditure | 589 | 726 | 854 | 915 | 932 | 932 |
| Gross Income | (13) | (31) | (208) | (427) | (606) | (627) |
| Net cash Flow | 576 | 695 | 646 | 488 | 326 | 305 |
| Growth/(Savings) against 2016/17 budget | | 118 | 70 | (88) | (250) | (271) |

Table 6.0: Option 2B – Commercial on upper floors and partially relocate out of the building

17.10 The above options show that the Council will be in a position to make savings against the Town Hall's current budget from 2019/20 onwards.

17.11 In calculating the options, the following assumptions have been made:

- All costs/income have been calculated at 2016/17 price base.
- Borrowing costs have been assumed at 2.36%. For each 0.5 percentage increase/decrease in the borrowing costs the yearly variation will be plus/minus £50k.
- Gross expenditure includes the cost of borrowing from 2019/20.
- 20% contingency has been allowed for any slippage in the project.
- 3% contingency has been allowed for in the increase in the capital costs.
- All income has been presumed at current market rate.

17.12 During the construction stage, the Council will fund the capital element through 'internal' borrowing. However, as this will not be sustainable in the longer term, it is planned to replenish the internal borrowing by taking out external borrowing when it is appropriate. In this case, it is planned to do it in 2019/20.

17.13 It should be noted that if the Council relocated out of the Town Hall, while the capital works are in progress, the revenue efficiency saving from options 1A and 2A would be significantly higher in 2019/20 than if the Council opted to partially relocate out of the building.

17.14 The additional costs incurred while the project is being implemented in 2017/18 and 2018/19 will be funded from General Reserves. Officers are looking at ways of reducing these costs.

18. Risk Analysis

18.1 There are a number of risks to the project overall and the high level risks are set out in the risk matrix attached to the Business Case at Appendix A.

18.2 However, a major part of the success of the project is the leasing out and revenue achieved from the residential or commercial leases on floors two and three. This is therefore a major risk. Kemsley's, the property experts, suggest that the market for both residential and commercial are presently strong. However, the indications are that during times of economic downturn:

- the market for renting residential property is unlikely to be affected greatly. The present strong housing needs appears likely to continue.
- the market for commercial rented property is affected far more. Commercial property has historically laid unoccupied for longer periods than residential and frequently incentives are given when rented out i.e. rent free periods. Historically, during economic downturns properties have laid idle for at least 12 to 18 months.

18.3 It would appear that the risk is far greater to our income if the Council were to choose the commercial market. This would be especially so during periods of economic uncertainty.

19. Other Property Related Matters

- 19.1 The Council currently lets out parts of the building to other organisations through a formal lease or licence. These groups are:

| Organisation | Location |
|--|--------------------|
| Papworth Trust | Third Floor |
| Foodbank | Third Floor |
| Mind | Second Floor |
| Brentwood Council for Voluntary Services | Ground Floor |
| Registrars | Ground Floor |
| Talking Newspaper | Lower Ground Floor |

- 19.2 CVS, Mind, Talking Newspaper, Registrars and the Police will be part of the remodelled Town Hall building and, as such, every effort will be made to reduce impact. However, this cannot be guaranteed and therefore some groups, except the Police, may need to relocate temporarily.

- 19.3 Discussions with Papworth Trust and Foodbank, will need to be undertaken as they will be required to relocate out of the building.

20. Conclusion

- 20.1 Both options deliver against the scope, objectives and outcomes. They meet the Council's vision, provide a revenue stream and reduce our net spend on the Town Hall, thereby creating a legacy for future generations.
- 20.2 The residential options assist with the Council's delivery of housing quotas in the Local Development Plan (LDP) as well as creating a further community for the Town Centre, with associated economy.
- 20.3 Residential properties, it appears, would provide a sustainable revenue with likely reduced risk of void properties at any length. Residential is thought of to be less risky in that it appears it will be less likely to be affected by an economic downturn. Rent prices could be affected but certainly not to the same extent as commercial leases in an economic downturn.
- 20.4 The commercial option assists with creating local employment opportunities within the Borough and the creation of an economy on top of the Town Hall, albeit at different times of the day and week to that of residential. Commercial provides a sustainable revenue which could be higher than that of residential. However, it is considered that the risk associated to commercial leases is far higher.
- 20.5 During times of economic downturn commercial space can lay unoccupied for long periods. Further, the turnaround period of commercial properties

compared to residential when they are re-let is longer. A 10% void period for residential and 15% for commercial has been built into the financials but this does not take account of any economic downturn.

20.6 Both Options 1 and 2:

- are affordable and will begin to develop a reduction in the Council's expenditure from potentially year three
- deliver improved running costs and build in flexibility for the future
- require relocation of Council Services during the construction works
- are likely to meet planning requirements if needed.

21. Recommendation

21.1 Agree to Option 1A as set out in section 17.6 of the report and methods to relocate out of the Town Hall while construction work is undertaken

21.2 Delegate authority to the Chief Executive and Section 151 Officer in consultation with the Leader, Deputy Leader and the Leaders of the Opposition groups to make decisions at the appropriate procurement points.

21.3 Agree that reports are provided to Policy, Finance & Resources Committee to enable monitoring of the progress of the project and report as appropriate to Council of any major financial variances for the duration of the project.

22. Reasons for Recommendation

22.1 Although Option 1A is not the most economically advantageous, it considers the future risk against likely return. The housing market is strong and there appears no indication that this will alter for the foreseeable future. Option 1A also relocates the services out of the building to reduce the health and safety risk, speed up the process, reduce costs and accelerate the likely point at which the Council will start to generate income.

22.2 It moves the project on to a firm decision which can then be worked up into a full specification and the procurement process with delegated authority to the Chief Executive, Section 151 Officer and Deputy Chief Executive in conjunction with the Leader, Deputy Leader and opposition leaders.

23. Consultation

- 23.1 Following the decision of the Council and development of further draft layout plans of the hub, office space and civic space, consultation will be undertaken with stakeholders to ensure the most appropriate layout is designed.
- 23.2 Consultation will be through open days and presentation to stakeholder groups where necessary including Access Group(s) and will be in addition to statutory consultation as part of any Planning Application process.

24. Implications

Financial Implications

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- 24.1 The financial implications are included in paragraph 17 of this report.

Legal Implications

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- 24.2 Recommendation 2.2 proposes that decisions in relation to the procurement be delegated to the Chief Executive and Section 151 Officer in consultation with the Leader, Deputy Leader and Leaders of Opposition Groups. Decisions in relation to procurement should be undertaken in compliance with existing requirements as set out in the Public Contracts Regulations 2015 (as amended from time to time) and the Council's Constitution; in that regard Legal Services and the Council's procurement officer are available to provide advice and assistance on ongoing processes, in addition to advice on contracts, leases, licences and planning requirements that may arise in relation to the project.
- 24.3 **Other Implications** (where significant) – i.e. Health and Safety, Asset Management, Equality and Diversity, Risk Management, Section 17 – Crime & Disorder, Sustainability, ICT.
- 24.4 Both options (residential and commercial) would create employment and benefit the Town Centre by creating an increased footfall on the edge of town.
- 24.5 The work would seek to be as sustainable as possible and seek to reduce the carbon footprint of the building using modern methods and schemes to reduce inefficiencies or maximise efficiencies. These would be performance measured.

24.6 The residential option would also assist the Council to deliver its local development plan 'Housing' requirements.

25. Background Papers

- Ordinary Council report, July 2011
- Ordinary Council report, July 2012
- Extraordinary Council, September 2013
- Ordinary Council, December 2014
- DTZ report, March 2015
- Carbon Trust report, March 2015
- Policy, Finance and Resources Committee, November 2015
- Ordinary Council, June 2016

26. Appendices to this report

Appendix A - Town Hall Remodelling Business Case

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Town Hall Remodelling

Business Case

October 2016

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1 Introduction - Purpose of this Document

- 1.0 This document progresses the planning and definition of the Town Hall Remodelling project to the decision stage. This business case enables a clear decision on the final option to be taken to enable sign off. This will provide a sound basis on which to move to detailed feasibility, procurement and construction.

2 Background Summary

- 2.1 During 2010 and 2011, the Council reviewed a number of options for its space requirements in order to reduce overheads and to be relevant and sustainable. This included a review of the future of the Town Hall.
- 2.2 Following this consideration, it was apparent the existing space within the Town Hall building was not being used effectively and, because very little had been spent on maintaining the building over the years, the running costs were considerably high. The building was no longer fit for a modern office and was in serious need of refurbishment. This was supported by the report presented at Ordinary Council in July 2011. Further, the Council was also missing out on possible opportunities to create a revenue stream. Having considered various options, the Council decided to retain the Town Hall (Minute 123).
- 2.3 In July 2012, Ordinary Council agreed to pursue an option for part remodelling of the building, allowing for a commercial lease agreement with a third party tenant (Minute 137). By September 2013, further details regarding the selected Outline Business Case option was agreed by Extraordinary Council (Minute 156).
- 2.4 In December 2014, a revised scope to keep the project within the agreed budget was resolved by Ordinary Council (Minute 322). This excluded significant works which were considered necessary to deliver all the required improvements for a modern building. Separate business cases for works outside of this scope were requested in order to obtain a true and accurate cost of the project.
- 2.5 During 2015, a revised approach was launched with the concept of a "community hub". Discussions with key organisations from the public, private and third sector took place. This led to a number of groups agreeing in principal to co-locate which significantly altered the overall make-up of the Town Hall; developing the community space further into what is now termed as a Service Delivery Hub.
- 2.6 Continuing the work to develop the Town Hall project, the possibilities for the space were reviewed, which led to the options within this business case. The project envelope contains four distinct elements:
- Council services
 - Service Delivery Hub
 - Back Office Service Delivery Hub (Police), and
 - Commercial/residential

3 Scope

- 3.1 The scope of the project has been established by the approval to proceed at committee and subsequent approvals at Extraordinary Council in September 2013, Ordinary Council in December 2014 and the Policy, Finance and Resources Committee in November 2015 and Ordinary Council in June 2016.
- 3.2 From these approvals, the headline scope of the project can be identified as:
- Create a Service Delivery Hub that will deliver financial, economic and service benefits to those organisations within the hub, and simpler, speedier service for customers
 - Improve the overall utilisation of the space within the Town Hall building
 - Identify methods to be more sustainable, reduce overheads and create revenue streams
 - Develop, modernise and improve the methods of working by the Council

4 Strategic Fit

- 4.1 The creation of a Hub fits with a number of corporate objectives, as set out in Vision for Brentwood 2016-19:
- Review the Town Hall project to deliver a community Hub, shared by others
 - Consider how Council assets can be utilised to promote sustainable development in the Borough
 - Maximise Council assets to deliver corporate objectives and ensure community benefit
 - Review our asset management governance strategy
 - Develop new ways of working for the Council, improving service delivery and reducing costs and unnecessary bureaucracy
 - Explore alternative methods of service delivery, including shared services and outsourcing

5 Project Objectives

- 5.1 The project's objectives, as defined in the July 2012 Outline Business Case and subsequently in the June 2016 committee report, are:
- Provide a modern, economic civic building
 - Improve the overall utilisation of space within the Town Hall
 - Provision of flexible space for community sector use
 - Availability of flexible commercial office and / or residential space

6 Expected Outcomes

- 6.1 The project expects to deliver the following outcomes:
- Improved customer experience
 - Increased take up of both Council and other services located within the Hub
 - Reduced running costs

- Increased energy efficiency and reduced carbon footprint
- Increased revenue
- Improved utilisation of office space
- Improved working environment for colleagues
- Provision of commercial space and / or residential accommodation

6.2 Outcomes will be measured using benchmarking to be identified before the start of the project during 2017. Reporting and monitoring of indicators by the Council will start after the remodeling work is complete and the building is fully functional and at quarterly intervals thereafter.

7 Current Use

7.1 The number of Council staff working from the Town Hall offices has reduced over the last 10 years, from around 350 employees to approximately 180 employees. The amount of space presently occupied by the Council is spread over four floors and utilises approximately 25,000sqft gross internal area. Efforts have been made over recent years to utilise space better, however it is envisaged much more can be achieved with remodelling, modern space planning, uniform furniture and new technology.

7.2 The three main uses of the Town Hall, which need to be retained and improved are:

- Public access for customer service
- The civic and democratic functions of the Council
- The administrative functions of the Council

8 Current Town Hall Costs

8.1 The Town Hall has had little investment over a number of years. Because of this premise related running costs are considered to be high and are in the region of a little over £310k per annum excluding business rates (with the current usage of the Town Hall). To reduce these costs, this business case proposes work to the structure and infrastructure, alongside better use of the building through more effective and efficient use of space by the Council.

8.2 Improving the Town Hall's structure and the introduction of modern equipment; boilers, lighting, window replacement etc. will enable a far more efficient building that would realise a reduction in utility costs of at least 25%, based on current assumptions. This would also deliver environmental improvements that will reduce our carbon footprint.

9 Floor Area

9.1 An assessment of floor areas was undertaken in January 2012, which confirms the space available within the Town Hall that is useable in its present state as 42,677sqft, as set out in the chart at Appendix A.

- 9.2 The chart identifies:
- The total 'gross space' on each floor, which includes areas for plant, walls, storage space, electric ducts etc.
 - The 'general space', which is the actual space being used for 'work'
 - The 'circulation space', which includes the corridors and access spaces not utilised for office space or being put to work.
- 9.3 This gives an indication of the efficiency of the space within the Town Hall, i.e. the total percentage of space being used for productive work. At present, the total efficiency of space is 68%. This project would seek to increase this considerably. This would be achieved by the alterations proposed to the internal structure and layout. This would significantly reduce the 'gross' and 'circulation' areas, making the use of space much more efficient for the Council services and more attractive to those seeking to occupy the Second and Third Floors.

10 Other Property Related Matters

- 10.1 **Title:** The legal title to the Town Hall is comprised of five separate registered parcels of land; the Council being registered freeholder of each parcel with title absolute. There are a number of subsequent agreements with rights reserved associated with subsequently agreed access arrangements. Also associated with title are a number of known and unknown covenants and unknown rights. The Council may wish to consider an insurance policy against these unknown covenants and rights.
- 10.2 The Council will need to resolve a discrepancy on the land adjacent to the garages in the north car park and the current layout, although it is unlikely to affect any current proposals for the Town Hall.
- 10.3 **Leases and Licences:** The Council currently lets out parts of the building to other organisations through formal leases or licences. These groups are:

| Organisation | Location |
|--|--------------------|
| Papworth Trust | Third Floor |
| Foodbank | Third Floor |
| Mind | Second Floor |
| Brentwood Council for Voluntary Services | Ground Floor |
| Registrars | Ground Floor |
| Talking Newspaper | Lower Ground Floor |

- 10.4 In addition to the above, the Council is working with Essex Police to agree Heads of Terms to occupy part of the Lower Ground Floor.

- 10.5 CVS, Mind, Talking Newspaper, Registrars and the Police will be part of the remodelled Town Hall building and, as such, every effort will be made to reduce impact whilst work is undertaken to the building. However, this cannot be guaranteed and therefore some groups will need to relocate temporarily.
- 10.6 Discussions with Papworth Trust and Foodbank will need to be undertaken as they will be required to relocate out of the building permanently prior to building works commencing.

11 Options

- 11.1 The options set out in this business case achieve the project objectives and outcomes. They have been identified from the work undertaken by the project team, advice from our contracted asset manager, our asset management team and specialist project team, a review of the Council's latest position and of the commercial and residential markets.
- 11.2 **Options 1 and 2:** Offer identical proposals for the Lower Ground, Ground and First Floors. The options differ only in their approach to the Second and Third Floors.
- 11.3 Both options seek to strengthen the core of the Town Hall building by creating a new steel sub-structure to enable structural and non-structural walls to be removed. This will afford the Council the ability to open up each floor to allow best use of space and enable higher income to be achieved. As well as optimum energy efficiency and much reduced running costs, these options afford a high degree of future flexibility for the Council.
- 11.4 Both options include:
- Full remodelling of the Town Hall, including complete replacement of two thirds of the roof, windows and mechanical & electrical infrastructure
 - New central entrance to the Ground Floor
 - Combination of Council front line services within a Service Delivery Hub and serviced community offices on the Ground Floor
 - Remodelled back office and the civic centre for the Borough, retaining the committee area and back office space for Council services on the First Floor
 - Leased office space in the Lower Ground
- 11.5 **Specific to Option 1:**
- Mixed residential accommodation on the Second and Third Floors creating 19 units
- 11.6 **Specific to Option 2:**
- Serviced commercial office accommodation on Second and Third Floors resulting in a net area of approximately 19,000 sqft of office space
- 11.7 **Option 3:** Do nothing.

11.8 Table 1.0 confirms the likely improvements/change each option delivers:

| | Option 1 | Option 2 | Option 3 |
|--|----------|----------|----------|
| Delivers a remodelled Town Hall with new central entrance | ✓ | ✓ | |
| Provides an open plan, remodelled modern reception area | ✓ | ✓ | |
| Creates a Hub with serviced community offices | ✓ | ✓ | |
| Improves the customer experience | ✓ | ✓ | |
| Provides a remodelled civic area creating a modern space using efficient furniture | ✓ | ✓ | |
| Creates a platform lift from the Ground to First Floor, increasing accessibility to the civic area | ✓ | ✓ | |
| Provides a fully open plan working environment with uniform furniture to afford optimal use of space | ✓ | ✓ | |
| Replaces dangerous and damaged windows | ✓ | ✓ | |
| Replaces roof and insulation | ✓ | ✓ | |
| Refurbishes the existing service lifts to modern standards | ✓ | ✓ | |
| Consolidate boilers with energy efficient equipment | ✓ | ✓ | |
| Optimises energy efficiency through use of advanced M&E services using high efficiency heating, lighting, insulation, photovoltaics and window replacement | ✓ | ✓ | |
| Reduces running costs overall | ✓ | ✓ | |
| Provides a sustainable income stream | ✓ | ✓ | |
| Ensures space is flexible for the future | ✓ | ✓ | |
| Creates residential space, with separate access, to assist with Local Development Plan targets | ✓ | | |
| Lower risk of void periods and reduced revenue | ✓ | | |
| Creates commercial office space, with separate access | | ✓ | |
| Maximises potential revenue stream | | ✓ | |

Table 1.0: Improvements by Option

12 Hub – General Overview

- 12.0 Appendix B provides a vision of the Hub and a draft layout plan of the Hub.
- 12.1 The Hub will comprise a combination of organisations co-locating on the Ground Floor of the Town Hall in a modern accessible building, providing customers who often have similar or related issues with a place to resolve or interact. It will create opportunities for joined up working, seamless referrals and speedier transactions for customers. It will further provide back office space for groups such as Council for Voluntary Service, Citizens Advice Brentwood and Mind.
- 12.2 Meeting space of different sizes will be provided that will also enable privacy. The space will allow community interaction for groups and enable further integration with other community groups if and when required.

13 The Council's Operation – General Overview

- 13.1 The Council's back office will be reducing from approximately 25,000sqft to 10,000sqft, as set out in a draft layout plan in Appendix C. Desks will become workspaces allowing the use of both or either PCs or laptops and reduce from over 180 desks to 120 workspaces.
- 13.2 A reduction of such significant numbers can only be achieved if this physical change is matched by equivalent cultural change. This is supported by the project to introduce 'New Ways of Working' and other service delivery projects such as the 'Customer Access Strategy'. These and other projects will develop the agile space culture and working methods that are part of a modern organisation, enabling officers to work remotely or in the field. Features of the modern plan and work are:
- Those staff whose requirement is to be out in the field will be provided with the right equipment and access to workspace at the Town Hall to drop in and utilise when necessary
 - Office space will be open plan with meeting rooms and individual office cells for quiet working
 - There will only be four cellular offices for senior officers
 - A central print area and kitchen facility would also be provided
 - The offices will run a clear desk policy for all which will enable increased desk utilisation
 - Staff working remotely will be able to use any workspace when at the Town Hall
 - New technology and changes in working practices will enable the Town Hall to become 'paper-lite', reducing the storage needs and creating better use of space
- 13.3 From the information and progress achieved through pilots so far, it is considered that these numbers and shift in provision are achievable.

14 Civic Area (Council Chamber & Committee Rooms) – General Overview

- 14.1 The Town Hall building is seen as the civic and administrative centre for the Borough. As such, it is important this facility is retained and its use made more efficient.
- 14.2 Since April 2016, the space has been used for weddings and civil ceremonies. However, it is considered that if moveable furniture was introduced, the space could be more flexible, better utilised and able to attract more income. The remodelling work would therefore include decoration, furniture and audio equipment to allow full participation.
- 14.3 Options 1 and 2 would make the civic and administrative centre more accessible to all by the installation of a platform lift at the south end of the building from the ground to the first floor.
- 14.4 Political groups will no longer have individual meeting space but will be given priority when booking meeting rooms via the booking system. In the same way, individual members will be able to book meeting space for appointments with residents when necessary. Further, a locker and secure space/cloak room facility will be provided for members.

15 The Residential/Commercial Space – General Overview

- 15.1 There are two options for consideration for use of the Second and Third floors; residential or commercial. Both options will provide separate demises from the other areas of the building except in emergency situations. Access and egress will be through their own entrance and serviced by their own maintenance and facilities provider.
- 15.2 Letting of space, whether commercial or residential, will be undertaken by those with the expertise to do so. Therefore, the Council would consider external assistance to deliver this or through an arm's length trading company.
- 15.3 The Council will retain ownership of the residential properties and/or commercial space and use them to generate revenue. The residential option will be rented privately to ensure revenue is maximised and to avoid any conflicts of interest. There will be no provision of social housing within this option as it is not required under Council planning guidelines. Likewise, commercial space will be leased at market rate, regardless of activity or status of the tenant.
- 15.4 Advice from Kemsley's (Premises Advisors) has been received and both options are considered viable in terms of their likely take up. Both markets (residential and commercial) are strong within the area. However, their view is that whilst both

markets are buoyant at present, the impact should the country or region experience an economic downturn is considerably different.

- 15.5 All indications suggest that the private residential market is likely to remain strong at periods of uncertainty as fewer people commit themselves to purchase property; the commercial sector is likely to be hit harder.
- 15.6 Although void periods have been added into the overall calculations of both commercial and residential rental income, this only considers a stable / normal market and minimal time between lettings. The void period during an economic downturn is likely to be far more significant to the point that commercial space could remain empty for up to 12 to 18 months.
- 15.7 Although residential tenancies are shorter term (12 months) to that of commercial (5 to 10 years typically) the risk of a void period to commercial properties is substantially more.
- 15.8 There is also a trend at present in Brentwood that has seen commercial space being converted to less risky residential accommodation, which has been made possible by Government changes to planning permitted development rights nationally.
- 15.9 More detailed options appraisal of both schemes is included at Appendix D.

16 Flexibility of the Design for Future Proofing

- 16.1 The open plan design associated to Options 1 and 2 not only affords the most revenue to be accumulated, it also further improves the future proofing of the building.
- 16.2 If one of the Hub groups fails to come on board, wishes to vacate or the space required by the Council changes, the area can be sub divided to create different spaces to 'right-size' the Hub or back office. This allows flexibility in both the design stage and following completion of the Town Hall works.
- 16.3 This flexibility enables the building to be responsive to allow further space for the Hub, residential or office accommodation, whether servicing the Council's needs or a commercial entity.

17 Location During Building Works

- 17.1 During the construction period the Council will need to relocate from the Town Hall, whether in full or in part. The decision will have an impact on cost and revenue. The Council has two options, A or B:
- 17.2 **Option A:** Relocate to other Council premises and privately rented accommodation during the life cycle of the project. This will not include the Police who will continue to reside in the Lower Ground Floor.

- 17.3 **Option B:** Relocate the majority of Council services to the south end of the building and utilise other Council premises and some private rental accommodation, if needs be, during the life cycle of the construction project.
- 17.4 Both options would require the Civic meeting space to relocate out of the building for a period. Working with the contractors, the disturbance to the north end of the building is hoped to be kept to a minimum. Alternative local options including the use of local school space are being sought for Council meetings. Likewise, weddings and civil ceremonies which also take place within the civic space, will for a short period, have to cease from this location and alternatives will be sought. Again, working with the contractor, the disruption will be kept to a minimum.
- 17.5 The cost to relocate out of the Town Hall has been estimated to be around £400k, with the incentive that the Council could return to the premises 3 to 9 months earlier and that revenue from the letting of residential or commercial areas could start one year earlier.
- 17.6 The capital cost to partially remain in the Town Hall is approximately £350k more expensive and will still cost a further £400k to relocate to the south end of the building or other space. In addition, revenue of between £80k to £200k will be lost.
- 17.7 If option A was agreed, the Council in the foremost would seek to utilise other council offices before private rental office accommodation. It would also, as a priority, seek to retain a front of house (face to face) reception near to the present site or the Town Centre.
- 17.8 Set out in table 2.0 are the two options and their advantages and disadvantages.

| Option | Advantages | Disadvantages |
|----------|---|---|
| A | <ul style="list-style-type: none"> • Quicker project delivery • Use relocation to implement New Ways of Working • Revenue streams start earlier • Police continue to lease lower ground with little disturbance from Council Staff • Reduced phasing | <ul style="list-style-type: none"> • Likely increase in accommodation of rental space • Reception and other groups leasing space within the building will need to relocate |
| B | <ul style="list-style-type: none"> • Less money spent on private rented accommodation • Continuity of focal point of Town Hall for staff, members and the public remain | <ul style="list-style-type: none"> • Revenue from commercial or residential will start later • Project will take longer • Cost to deliver project will increase • Increased phasing • Potential health and safety issues • Abortive accommodation costs incurred to set up office to remain in building |

Table 2.0 Relocation Advantages and Disadvantages

18 Financials

- 18.1 The Council can predict that a yearly efficiency saving against expenditure will either develop in the financial year beginning 2019 or 2020 depending on whether the Council decides to relocate out of the building or remain in the building.
- 18.2 Table 3.0 demonstrates the likely net efficiency saving compared to the current budget, and when this will commence depending on the option 1 or 2 and whether to relocate or whether to partly remain in the building, option A or B.

| Option | Description Brief | (Saving)/ Growth 2019/20 £'000 | (Savings) Full Year £'000 | Comment |
|-----------|--|---|---------------------------------|--|
| 1A | Remodelling with residential, relocating out of the building | (219) | (239) | This includes normal void periods |
| 1B | Remodelling with residential, part relocating out of the building | (13) | (225) | This includes normal void periods |
| 2A | Remodelling with commercial, relocating out of the building | (171) | (285) | This includes normal void periods but not rent free periods which is often the case with commercial lets |
| 2B | Remodelling with commercial, part relocating out of the building | (88) | (271) | This includes normal void periods but not rent free periods which is often the case with commercial lets |

Table 3.0: Likely Reduction in Expenditure

- 18.1 Detailed tables depicting the year on year costs and reduction against expenditure for all four options are shown in the tables 4 to 7 below.
- 18.2 The tables are the financial breakdown of the two options, residential and commercial. There are two charts for each option; one identifies the likely saving if the Council fully relocated and the other is partial relocation.
- 18.3 The saving will alter if the proposed leases and income from them does not materialise. However, a potential efficiency saving against the current budget of around £239k per annum after all outgoings and assumed void periods for residential could be achieved. Likewise, a potential efficiency saving against the current budget of around £285k per annum after all outgoings and assumed void periods for commercial could be achieved.

- 18.4 As can be seen, based on the assumptions and predictions used to create the figures, the commercial options appear most favourable on purely financial basis by some £45k per annum.
- 18.5 Investment for both schemes will require borrowing. The scheme to create residential will cost in the region of £9.8m or £10.2m and the commercial scheme £9.2m or £9.6m including contingencies and all other associated costs. The model assumes that the capital spend will be funded through internal borrowing in 2017/18 and 2018/19. This will be replaced by external borrowing at the end of the 2018/19 financial year.

18.6 **Option 1A - Residential on upper floors and vacate the building**

| | Budget 2016/17 | Forecast | | | | |
|--|-------------------|------------|-----------|--------------|--------------|--------------|
| | | 2017/18 | 2018/19 | 2019/20 | 2020/21 | Full Year |
| | | £'000 | £'000 | £'000 | £'000 | £'000 |
| Gross Expenditure | 589 | 726 | 856 | 929 | 973 | 973 |
| Gross Income | (13) | (31) | (208) | (571) | (636) | (636) |
| Net cash Flow | 576 | 695 | 648 | 358 | 337 | 337 |
| Growth/(Savings) against 2016/17 budget | | 118 | 71 | (219) | (239) | (239) |

Table 4.0: Option 1A - Residential on upper floors & vacate the building

18.7 **Option 1B - Residential on upper floors and partially relocate out of the building**

| | Budget 2016/17 | Forecast | | | | |
|--|-------------------|------------|-----------|-------------|--------------|--------------|
| | | 2017/18 | 2018/19 | 2019/20 | 2020/21 | Full Year |
| | | £'000 | £'000 | £'000 | £'000 | £'000 |
| Gross Expenditure | 589 | 726 | 858 | 941 | 987 | 987 |
| Gross Income | (13) | (31) | (208) | (377) | (636) | (636) |
| Net cash Flow | 576 | 695 | 650 | 564 | 351 | 351 |
| Growth/(Savings) against 2016/17 budget | | 118 | 73 | (13) | (225) | (225) |

Table 5.0: Option 1B - Residential on upper floors and partially relocate out of the building

18.8 **Option 2A - Commercial on upper floors and vacate the building**

| | Budget 2016/17 | Forecast | | | | |
|--|-------------------|----------|---------|---------|---------|-----------|
| | | 2017/18 | 2018/19 | 2019/20 | 2020/21 | Full Year |
| | | £'000 | £'000 | £'000 | £'000 | £'000 |
| Gross Expenditure | 589 | 726 | 852 | 903 | 918 | 918 |
| Gross Income | (13) | (31) | (208) | (498) | (627) | (627) |
| Net cash Flow | 576 | 695 | 644 | 405 | 291 | 291 |
| Growth/(Savings) against 2016/17 budget | | 118 | 68 | (171) | (285) | (285) |

Table 6.0: Option 2A - Commercial on upper floors and vacate the building

18.9 **Option 2B - Commercial on upper floors and partially relocate out of the building**

| | Budget 2016/17 | Forecast | | | | |
|--|-------------------|----------|---------|---------|---------|-----------|
| | | 2017/18 | 2018/19 | 2019/20 | 2020/21 | Full Year |
| | | £'000 | £'000 | £'000 | £'000 | £'000 |
| Gross Expenditure | 589 | 726 | 854 | 915 | 932 | 932 |
| Gross Income | (13) | (31) | (208) | (427) | (606) | (627) |
| Net cash Flow | 576 | 695 | 646 | 488 | 326 | 305 |
| Growth/(Savings) against 2016/17 budget | | 118 | 70 | (88) | (250) | (271) |

Table 7.0: Option 2B - Commercial on upper floors and partially relocate out of the building

- *Note: Assumptions on the financial figures All costs/income have been calculated at 2016/17 price base.*
- *Borrowing costs have been assumed at 2.36%. For each 0.5 percentage increase/decrease in the borrowing costs the yearly variation will be plus/minus £50k.*
- *Gross expenditure includes the cost of borrowing from 2019/20.*
- *20% contingency has been allowed for any slippage in the project.*
- *3% contingency has been allowed for in the increase in the capital costs.*
- *All income has been presumed at current market rate.*

- 18.10 The use of space by residential, commercial, Police and those groups within the hub will also realise a significant reduction in the amount of business rates which have been taken into account
- 18.11 Commercial lets will be subject to VAT in addition to their rental agreement whereas residential properties are exempt from VAT.
- 18.12 During the construction stage, the Council will fund the capital element through 'internal' borrowing. However, as this will not be sustainable in the longer term, it is planned to replenish the internal borrowing by taking out external borrowing when it is appropriate. In this case, it is planned to do it in 2019/20.

19 Work Required to the Town Hall

- 19.1 The following sections describe some detail around the work required to the Town Hall.

20 Architecture

- 20.1 As set out in Appendix E, the architectural report, the architect has begun work by opening up space on all floors, with exception of the Lower Ground which will, in the majority, be leased to Essex Police.
- 20.2 The plans retain a civic space in the building in the same location. A new entrance to the centre of the building has been designed to deliver a focal point presently not provided and make best use of the space within the ground floor. It makes use of the central stairway as a separate entrance for the upper floors and seeks to include a lift to the upper residential/commercial floors, with a new platform lift to the civic space on the first floor from the Hub area.
- 20.3 Importantly, the drawings create a much larger expanse of usable space in order for the Hub on the ground floor and Council back office services on the first floor to be achieved. This improved use of space will be required if the project is to succeed and the Council migrate to new ways of working.
- 20.4 If Option 1A or 1B is agreed, the number of residential properties provided onto the top two floors will be 19 units.
- 20.5 If Option 2A or 2B is agreed the amount of space which will be created for commercial lease is approximately 19,000sqft.

21 Structural Information

- 21.1 Appendix F considers the requirements needed to alter the internal structure of the building in order that the vision, the aspirations of the Hub and the delivery of the objectives of the Council can be achieved. It focuses on strengthening the core using a steel frame and reducing weight on the upper floors.
- 21.2 Importantly, the drawings indicate this can be achieved and are standard methods of alterations to buildings when seeking to expand space.
- 21.3 This method will allow both supportive and non-supportive walls to be removed. Steels will be introduced where necessary. This 'opening up' will assist with the introduction of new mechanical and electrical services that will provide services far more efficiently
- 21.4 **Roof:** The north end and central roof will be replaced and insulation increased significantly. These areas of the roof are in poor condition and in need of total replacement following relative neglect and piecemeal patch repairs over the years. Replacement will result in fewer issues and lower maintenance costs in the future. It will also assist to reduce energy use, future expenditure and the carbon footprint. The design of the roof supports will facilitate a residential or commercial option.
- 21.5 **Structure:** The building will be supported by the installation of a steel framework. The steels will allow supporting and non-supporting walls to be removed, opening up the building from the Ground to Third Floor. This allows both residential and commercial options to be considered for the Second and Third Floors, enables the essential space to accommodate all back office Council Services on the First Floor and creates a Hub with open space on the Ground Floor.
- 21.6 The steels will allow flexibility in the space that is created, enabling variations to the layout and segregation of space if required. Moreover, the addition of steel and the opening up of all floors will allow for future change and development without the need for considerable remedial work.

22 Mechanical and Electrical

- 22.1 M & E (Appendix G) has focused on the internal workings of the building, which have been informed by the architect's and the structural engineer's reports. They have enabled a service strategy to be developed that includes measures to improve the air and temperature circulation, lighting, plant and efficiency of the building. This strategy will be developed as the drawings and requirements are finalised. Any alterations will need to comply with building regulations.
- 22.2 In order to create the space and bring the Town Hall up to a modern standard, the expert advice from structural and mechanical & electrical engineers recommends the following work should be undertaken:

- 22.3 **Windows:** All windows will be replaced as the present stock is in a very poor state. Many are no longer serviceable and, in some cases, present a health and safety risk. Replacement of the windows would see an increase in the thermal efficiency, thereby improving the energy and sustainability performance of the building.
- 22.4 Together with other sustainability initiatives within the envelope of works proposed, such as the roof, boilers and insulation, the replacement of windows will assist to reduce our energy consumption, thereby our carbon emissions. The tangible savings and health and safety improvements will be matched by the intangible benefits such as a more comfortable, safer and more attractive environment.
- 22.5 **Heating and comfort cooling:** All three boilers will be replaced with a modern plant as well as the radiators from the Ground Floor upwards. The present heating and water system within the building is inefficient and has been assessed as likely to fail at some point in the near future. The heating and boilers will be consolidated into the basement. This system allows separation and control of heating on one system throughout the building to the different floors and areas.
- 22.6 Water tanks will be reduced from three to one, right-sizing the provision and making the heating of and delivery more efficient and less prone to illegality. The tank will be situated on a smaller area of the roof space which is easily accessible for maintenance.
- 22.7 **Lifts:** The two service lifts will be refurbished to not only ensure that they are safe and compliant to modern standards, but also to improve the aesthetics.
- 22.8 The above work enables the building to be brought up to modern day standards using latest methods that:
- Improves the building through Consequential Improvements (thicker walls / double glazed windows / 'tighter' building i.e. no draughts) - Increased levels of insulation, helping retain heating / cooling and minimising amount of heating / cooling required.
 - Allows comfort cooling / heating the building through a highly energy efficient system. This enables the office environment to be controlled between 20 and 23 degrees' year round (i.e. cools in summers / heats in winter).
 - Introduces mechanical ventilation - allowing fresh air to be circulated into the office. This system supplies fresh (outside air) and extracts stale (inside office) air and automatically recovers any lost heating / cooling and recirculates it back into the office saving energy.
 - Installs five systems designed to allow segregation / individual metering of spaces should the Council wish to sublet areas.
 - Introduces high efficiency LED lighting designed for computer use and feature lighting to hub area.
- 22.9 Any changes consider the environmental impact. Information from the Carbon Trust Town Hall Energy Improvement Implementation report, March 2015, has been taken

into account. Overall changes to the building will reduce the carbon footprint and will reduce utility costs by approximately 25%.

- 22.10 The work to be undertaken will consolidate the 'plant' in the building to the lower ground or roof area making the most of the space and reducing carbon inefficiencies.
- 22.11 The M & E work forms the largest part of the proposed budget for the remodelling as it reflects and tackles the issues of the lack of investment over the years in the building and the systems. The scheme removes all present M & E and replaces it to enable the suggested running costs and efficiencies to be achieved.

23 Environmental Consideration

- 23.1 As an organisation that supports green sustainable initiatives, the work proposed will include the introduction of items that encourage a reduction in the carbon footprint and therefore benefit the environment. These not only assist the environment now and in the future but help to reduce the overall running costs of the building.
- 23.2 Consideration of the best and most appropriate methods to reduce carbon emissions and improve the efficiency have been considered by all those involved in the design, structure and workings of the proposed remodelled Town Hall. The package of changes delivers the best reductions and improvements appropriate for this development.
- 23.3 The items which will be included in Options 1 & 2 are listed in Table 8.0:

| Area | Item | Comment / Impact |
|----------------|--|--|
| Infrastructure | Heating | Highly energy efficient system - for every 1kW of electricity used 3kW of heating or cooling is achieved |
| | Hot water provision | Boiler fumes drive a turbine which generates electricity which is either used on site or exported to the grid |
| | Roof replacement with increased insulation | Increased levels of insulation to new standards retains heating/cooling and thereby reduces heat emissions |
| | Lighting | High efficiency LED lighting reduces energy consumption |
| | Photovoltaics | 110m ² would generate approx. 15kW with estimated annual output of 12,500kWh (saving 145 tonnes of CO ² over 25 years - approx. worth £24.5k). |
| | Window replacement | Reduce heat emissions and introducing air flow system to reduce need for cooling and other types of ventilation |
| | Toilet accommodation | Reduced water consumption through smaller flush volumes to minimise water wastage and reduce water bills. Energy efficient hand dryers |

| | | |
|--------|--|--|
| ICT | Increased use of Cloud-based servers reducing the use of servers on site | Reduces the space requirement at the Town Hall and the carbon footprint of the building and the requirement to have a Disaster Recovery Site at the Brentwood Centre |
| | Reduced number of PCs in the building | As there are fewer workspaces provided, there will be fewer static PCs |
| | Fewer Multi-Functional Devices | Reducing space occupied and creating one floor of back office will reduce the need for separate printers, scanners and copiers. These items will be fewer and concentrated to reduce emissions and heat generation throughout the building |
| | Paper-light working | Greater impetus for using technology to reduce paper usage, thereby reducing energy consumption and deforestation |
| Office | Remote Working | Fewer vehicle movements will reduce congestion and CO ² emissions. |
| | Cycle storage and showers | Installation of shower facilities and cycle storage to encourage cycling to work |

Table 8.0: Environmental considerations

23.4 These measures, along with the consequential improvements, deliver a far more carbon friendly building. It is envisaged that the introduction of these improvements following standard building practices will significantly increase the Council's Environmental Impact Score.

24 Car Parking

24.1 Any alterations to the building in its use and capacity will have an impact on the parking requirements. Each option is slightly different and therefore the effect on parking of each will differ.

24.2 The parking for residential or commercial, the Police and Council within this business case are adequate in terms of planning requirements. The existing provision on site meets the proposed demands. This is made possible as the requirement for Council staff parking will reduce from its present number. A revised staff parking policy will be necessary that considers needs and requirements of the Council. This will be developed and implemented prior to the remodelled Town Hall completion.

24.3 However, the number of visitors to the Town Hall will increase and consideration of the visitor parking is required.

24.4 The Hub in itself will naturally increase the total number of visitors to the Town Hall. It is anticipated that organisations in the Hub will double the number of visits to the building.

24.5 None of the organisations within the Hub currently provide car parks, however it does not follow that customers do not drive to other locations for their appointments.

- 24.6 Although the Town Hall is approximately 300 metres from the end of the High Street and there are bus links in both directions, it must be accepted that some customers will drive to the Hub.
- 24.7 The present customer parking has been hard to predict when pinch points occur however it has been noted that weddings often take up a lot of parking when they occur. It is considered that an increase in visitor parking is warranted, which will be created by mirroring the present visitor parking and increasing this by 100% (14 spaces), which, considering the overall increase in likely visitors, would seem appropriate.

25 Planning

- 25.1 The recommendation agreed by this authority will impact upon the planning requirements. Planning permission will be required for change of use from office to residential.
- 25.2 The Town Hall (and surrounding land) is allocated as employment-offices in the Council's current development plan (Brentwood Replacement Local Plan, 2005). Any proposed change of use would require submission of a planning application to be determined in line with local and national policy.
- 25.3 Guidance has been sought from the Council's Planning Department. Points of consideration include the building being an existing structure, within the Brentwood Town Centre boundary, and currently designated for office use. Further consideration will be required regarding the design of the building subject to proposed alterations. The Planning Department advise that formal pre-application advice be sought to inform any planning application (if required). The principle of Options 1 and 2 for internal redevelopment of the existing Town Hall building is considered acceptable subject to broad issues identified above.
- 25.4 In terms of a strategic planning view, redevelopment options should consider the context of future development needs. In line with the Council's emerging Local Development Plan for the Borough and current monitoring information, this includes the need to boost new homes and jobs in sustainable locations. Given the Town Hall is located in Brentwood Town Centre, redevelopment options should consider the ways in which new homes can be provided and/or how more efficient use of space can provide additional jobs and local services. It is considered that both Options 1 and 2 can contribute to these strategic planning objectives.

26 Building Regulations

- 26.1 The Architect, Fire Service and our Building Control Officers have met to discuss the overall fire strategy.

26.2 Future options and proposals, including those to improve the efficiency rating of the Town Hall, reduce carbon emissions, improve efficiency and use sustainable techniques and all aspects of compliance with building regulations will be discussed with our building control officers.

26.3 These discussions will be ongoing through the life cycle of the project.

27 Health & Safety

27.1 All aspects of health and safety will be considered at every stage of the project. This includes the final design layout space for customers and staff as well as the temporary relocation space created whilst the work takes place.

28 Risk

28.1 There are a number of risks to the project overall and the high level risks are set out in the risk matrix at Appendix H.

29 Interface with other projects

29.1 As already alluded to in this document, this project does not stand alone and will only be achieved through the development of other projects which include:

- Customer Access Strategy
- Modern ICT or New Ways of Working project
- Shared Services

29.2 These projects will be required to be delivered on time and successfully if the Town Hall remodelling is to achieve its objectives. Strong links between these projects have already been formed and monitoring continues.

30 Delivery Approach

30.1 The next phase of delivery will be procurement requiring detailed specifications to be undertaken which will require the layouts and detail of the fixtures, fittings, M & E to be agreed.

30.2 Following the drafting of the specifications, the purchasing begins which will be through frameworks or a tender process.

31 Timeline

31.1 The projected timeline following a positive decision on either option 1 or 2 is set out at Appendix I. This includes some tentative delivery times for construction and finish. These will be solidified as the project develops.

- 31.2 However, it is considered that construction will commence in Quarter 3 or 4 of 2017 and complete in Quarter 4 of 2018 or Quarter 1 of 2019.

32 Consultation

- 32.1 Following the decision of the Council and development of further draft layout plans of the Hub, office space and civic space, consultation will be undertaken with stakeholders to ensure the most appropriate layout is designed. Consultation will be through open days and presentation to stakeholder groups where necessary including Access Group(s) and will be in addition to statutory consultation as part of any Planning Application process.

33 Summary

- 33.1 Both options deliver against the scope, objectives and outcomes. They meet the Council's vision and create revenue for the Council.
- 33.2 The residential option assists with the delivery of new homes in a sustainable location, contributing to the Borough's housing need and consistent with the Council's emerging strategic objectives set out in the Local Development Plan. In addition, the option will also contribute to the Town Centre economy.
- 33.3 Residential provides sustainable revenue with reduced risk of void periods of any length. Residential is considered to be less risky in that it is less likely to be affected by economic downturns. Rent prices could be affected but certainly not to the extent as commercial properties in an economic downturn.
- 33.4 The commercial option assists with creating local employment opportunities for the Borough and Town Centre. This will contribute to the local economy by providing a more efficient use of space to enable new jobs and better local services. This is consistent with the Council's emerging strategic objectives set out in the Local Development Plan. Commercial provides a sustainable revenue which is higher than that of residential. However, it is considered that the risk associated to revenue for commercial is higher.
- 33.5 During times of economic downturn, commercial space can lay unoccupied for long periods. Further, the turnaround period of commercial properties compared to residential when they are re-let is considerably more. A 10% void period for residential and 15% for commercial has been built into the financials but this would not take account of any economic downturn.
- 33.6 With low interest rates on borrowing, both Options 1 & 2 are affordable and will begin to develop a reduction in the Council's expenditure from potentially year three.
- 33.7 Both these options deliver improved running costs and build in flexibility for the future.
- 33.8 Both options require relocation of Council Services during the construction works.

34 Work Needed Ahead of Implementation

- Design to the relevant RIBA stages and detailed specification of all aspects of works, construction based, space separation for leases etc.
- Agree Heads of Terms with prospective tenants and develop other project management documentation
- Fully identify critical success factors
- Programme in key milestone dates for procurement process
- Programme draft key milestone dates for implementation
- Early engagement with any third party operators for ICT and building solutions
- Complete work streams that will support the programme and the business case

35 Assumptions

35.1 For the project to progress and deliver its outcomes, the following headline assumptions and dependencies have been identified/made:

- Project Board and Member decisions will be made at the right times.
- Any political or management change will not alter the project deliverables.
- Those projects that the Town Hall remodelling is dependent on will be completed on time and successfully, i.e. New Ways of Working project.
- The proposed work to the Town Hall building will return it to a good state of repair as a modern 'fit for purpose' building.
- All groups who have indicated that they will form part of the Hub will remain committed and formally sign up to the Hub at the appropriate time.
- All groups who have indicated that they will form part of the Hub will demonstrate this commitment by actively contributing to the planning and delivery processes as required.
- All resources required, both internal and external to the Council, will be available as necessary.

36 Appendices

- Appendix A - Internal Floor Area
- Appendix B - Visions of the Hub, Preliminary Designs for External Entrance and Draft Layout of the Hub
- Appendix C - Draft Layout of First Floor
- Appendix D - Detailed Options Appraisal
- Appendix E - Architects' Report
- Appendix F - Structural Information and Steel Structure designs
- Appendix G - Mechanical and Electrical Information
- Appendix H - High Level Risk Register
- Appendix I - Headline Project Plan

Internal Floor Areas

| Area | Gross Internal Floor Area m ² | Gross Internal Floor Area ft ² | General M ² | Circulation M ² | General FT ² | Circulation FT ² | Efficiency % |
|--------------|--|---|------------------------|----------------------------|-------------------------|-----------------------------|--------------|
| Lower Ground | 1,040 | 11,198 | 609 | 57 | 6,559 | 614 | 58.57 |
| Ground | 1,437 | 15,471 | 890 | 62 | 9,578 | 671 | 61.91 |
| First | 1,468 | 15,798 | 1,060 | 76 | 11,405 | 821 | 72.19 |
| Second | 1,323 | 14,246 | 957 | 63 | 10,295 | 676 | 72.29 |
| Third | 582 | 6,261 | 450 | 0 | 4,840 | 0 | 77.31 |
| Total | 5,850 | 62,974 | 3,966 | 258 | 42,677 | 2,782 | 68.45 |



INTERNAL PERSPECTIVE



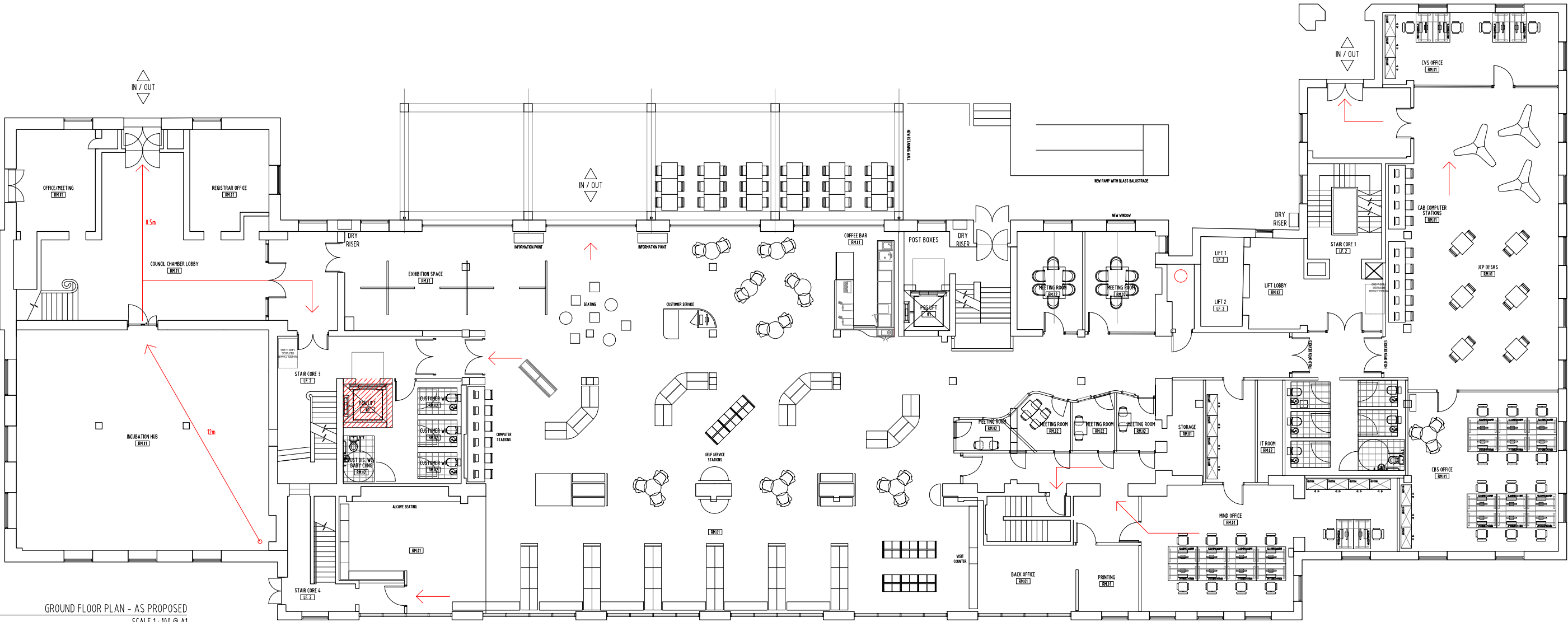
INTERNAL PERSPECTIVE

WORK IN PROGRESS - PRELIMINARY



01
(01)601

GROUND FLOOR PLAN - AS PROPOSED
SCALE 1:100 @ A1

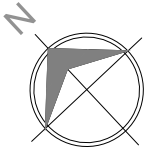
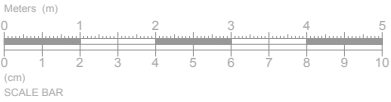


COMMERCIAL AREA SCHEDULE

| ACTIVITY | POLICE | CONTACT CENTRE | CBS OFFICE | MIND | LIBRARY BOH/PRINT | CBS OFFICE | LIBRARY FOH | JCP FOH | MEETING ROOMS (X6) | COMMUNITY FOYER | INCUBATION HUB | REGISTRAR OFFICE | OFFICE/ MEETING | CONFERENC E ROOM 1 | CONFERENC E ROOM 2 | CONFERENC E ROOM 3 | COUNCIL CHAMBER/ MEZZ | OPEN PLAN OFFICE/ BREAKOUT | MEETING ROOM 1 | MEETING ROOM 2 | MEETING ROOM 3 | CEULLAR OFFICE (X3) | BOARDROOM | CHIEF EXEC ROOM |
|-----------------|-------------|----------------|------------|------------|-------------------|------------|-------------|-------------|--------------------|-----------------|----------------|------------------|-----------------|--------------------|--------------------|--------------------|-----------------------|----------------------------|----------------|----------------|----------------|---------------------|------------|-----------------|
| G.I.A. (m²) | 375 m² | 85 m² | 55 m² | 55 m² | 20 m² | 20 m² | 285 m² | 105 m² | 50 m² | 165 m² | 120 m² | 15 m² | 16 m² | 35 m² | 20 m² | 25 m² | 145 m² | 570 m² | 12 m² | 15 M² | 15 M² | 10 M² | 30 M² | 40 M² |
| G.I.A. (sq. ft) | 4035 sq. ft | 910 sq. ft | 590 sq. ft | 590 sq. ft | 215 sq. ft | 215 sq. ft | 3065 sq. ft | 1130 sq. ft | 535 sq. ft | 1770 sq. ft | 1290 sq. ft | 160 sq. ft | 170 sq. ft | 375 sq. ft | 215 sq. ft | 265 sq. ft | 1560 sq. ft | 6135 sq. ft | 125 sq. ft | 160 sq. ft | 160 sq. ft | 105 sq. ft | 320 sq. ft | 430 sq. ft |

RESIDENTIAL NOTES:

- THE RESIDENTIAL SPACE STANDARDS ARE BASED ON 'DEPARTMENT FOR COMMUNITIES AND LOCAL GOVERNMENT' – TECHNICAL HOUSING STANDARDS – NATIONALLY DESCRIBED SPACE STANDARDS MARCH 2015.
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16.09.2016 DRAFT ISSUE FOR COMMENT.
REV | ISSUE DATE | REVISION NOTES

GENERAL NOTES
Do not scale. All written dimensions must be checked on site before work commences on site or in shop. Figured dimensions take preference over those scaled. Discrepancies, where identified, must be reported to the Architect immediately.
Any areas indicated on this drawing are for guidance purposes only. No responsibility is taken for their accuracy.
All work must be carried out in accordance with the Building Regulations and to the satisfaction of the Local Authority.

FEASIBILITY

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CLIENT
Brentwood Council

PROJECT
Brentwood Town Hall
Redevelopment

DRAWING TITLE
General Arrangement
Proposed:
Ground Floor Plan

SCALE
1:100 @ A1 1:200 @ A3
DATE
August 2016

JOB NO.
118
DWG NO.
(01)601
REV.
-

01
(01)602 FIRST FLOOR PLAN - AS PROPOSED
SCALE 1:100 @ A1

OFFICES GENERAL DETAILS:

- OCCUPANCY LEVELS:
- MEANS OF ESCAPE:
 - 1 PERSON/6SQM
 - TOILET PROVISION:
 - 1 PERSON/ 10SQM (BS6465:1-2006)

- OFFICE FITOUT:
- ALLOCATED DESK PROVISION (X95)
 - DESK SIZE: (1400MMX80MM)

- STORAGE:
- 104 TAMBOUR CUPBOARDS
 - 8 END CAP STORAGE CUPBOARDS
 - 24 (X6 COMPARTMENT) PERSONAL LOCKERS

- MEETING/BOARD ROOMS:
- 3NO. 6 PERSON MEETING ROOMS
 - 2NO. 12 PERSON BOARDROOM
 - 1NO. 3 PERSON INFORMAL SPACE
 - 1NO. 8 PERSON INFORMAL SPACE
 - 1NO. 8 PERSON MEETING PODS

- CELLULAR OFFICES:
- 3NO. 1 PERSON OFFICE
 - 1NO. CHIEF EXECUTIVE ROOM.

- WCS' SUPERLOOS:
- (X9) STAFF WC'S
 - (X2) DISABLED WC'S
 - (X1) SHOWER/CHANGING ROOM
 - CLEANERS DRAIN ADDED TO DIS. WC
 - CAPPED-OFF BRANCHES PROVIDED AT EACH WC CORE FOR FUTURE EXTENSION BY TENANT.

OFFICES SPECIFICATION:

- FLOORS – PROPRIETY RAISED 'MICRO RAISED ACCESS FLOORING SYSTEM
- WALLS – INSULATED PLASTERBOARD TO MEET PART L – NEW STUD WALLS TO MEET NR35
- CEILING – NEW PLASTERBOARD COFFERED CEILINGS WITH METAL PLANK CEILING TO MAIN CIRCULATION SPINES. BULKHEADS TO CONTAIN INTEGRAL INTERNAL ACOUSTIC SEPARATION TO ENABLE FUTURE CELLULARISATION WITHOUT CEILING DISRUPTION.
- LIGHTING –SUSPENDE LINEAR LED LIGHTING AND RECESSED LED SPOTLIGHTS TO CIRCULATION SPINES

TO COMPLY WITH THE DESIGN INTENT OF CIBSE LIGHTING GUIDE LG7.

CHAMBER/CONF SPECIFICATION:

- FLOORS – EXISTING SUBSTRUCTURE . NEW FINISHES
- WALLS – INSULATED PLASTERBOARD TO MEET PART L – NEW STUD WALLS TO MEET NR35
- CEILING – NEW PLASTERBOARD COFFERED CEILINGS
- LIGHTING –SUSPENDE LINEAR LED LIGHTING AND RECESSED LED SPOTLIGHTS TO CIRCULATION SPINES TO COMPLY WITH THE DESIGN INTENT OF CIBSE LIGHTING GUIDE LG7.

WCS' SUPERLOOS:

- (X2) CUSTOMER WC'S
- (X1) DISABLED WC'S
- (X1) CLEANERS DRAIN ADDED TO DIS. WC

LIFT:

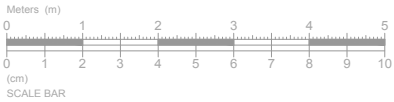
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- (X1) DISABLED WC'S
- (X1) CLEANERS DRAIN ADDED TO DIS. WC

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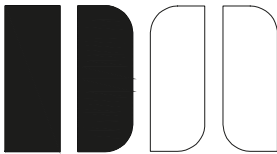
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STATUS

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DICKSON ARCHITECTS

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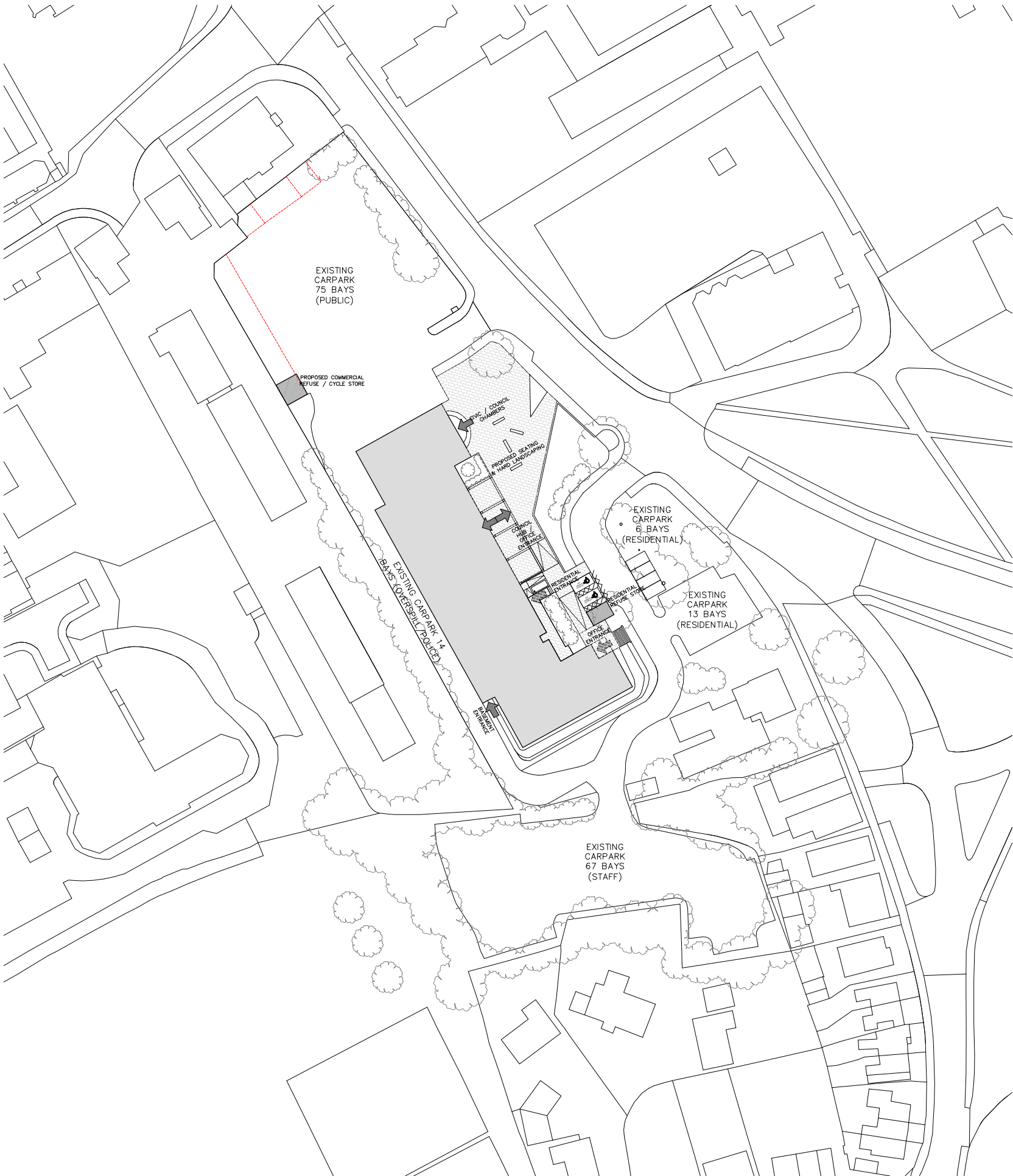
Appendix D Detailed Options Appraisal

The below options appraisal provides an overview of the common benefits and dis-benefits of the options as well as the specific benefits and dis-benefits of each option.

| Option | Description | Strategic Case | Economic Case | Commercial Case | Financial Case | Management Case |
|------------------------------------|--|--|---|--|---|--|
| Included within both Options 1 & 2 | <p>Total remodelling of the Town Hall with fully open plan layout</p> <p>Lower Ground – Police</p> <p>Ground Floor – Council frontline and Hub</p> <p>First Floor – Council back office and civic centre</p> | <p>Supports Vision for Brentwood 2016-19:</p> <ul style="list-style-type: none"> • Delivery of the Town Hall project • Delivery of a community hub • Maximising Council assets • Ensure community benefit <p>Supports:</p> <ul style="list-style-type: none"> • Asset Strategy • New Ways of Working • ICT Strategy • Customer Access Strategy <p>Supports Essex Police's aim to reduce their estate portfolio</p> | <p>Enables the Council and others to operate from a central, town centre location to feed into the local economy</p> <p>Stimulates economic growth at the sites vacated by Hub partners and by developing an office in close proximity to the Town Centre</p> | <p>Provides a modern, economic civic office building</p> <p>Retains the Town Hall as an iconic feature within the Borough</p> <p>Improves the overall utilisation of office space within the Town Hall</p> <p>Maximises revenue streams</p> <p>Creates a single point of entry for our shared customers</p> <p>Improves the customer experience</p> <p>Increases service promotion and</p> | <p>Reduces running costs</p> <p>Supports the Council, Police, Mind, CVS and JCP to reduce running costs</p> <p>Enables partners to deliver more for less</p> <p>Provides savings and efficiencies through better asset utilisation across all Hub partners</p> <p>Provides a regular income for the Council and assists the authority to become self-sufficient</p> | <p>Reduces repairs and emergency maintenance</p> <p>Provides opportunity for planned maintenance</p> <p>Supports new ways of working</p> <p>Brings government agencies together</p> <p>Fosters improved integration of similar services and a joined up approach to service delivery</p> |

| Option | Description | Strategic Case | Economic Case | Commercial Case | Financial Case | Management Case |
|----------------------|--|---|--|---|--|---|
| | | <p>Supports DWP's ambition to reduce its estate and expanding co-location with LAs</p> <p>Secures tenure</p> <p>In line with the Cabinet Office/LGA One Public Estate Programme</p> <p>In line with ECC programme seeking to establish community hubs</p> | | <p>opportunity</p> <p>Creates capital receipts for Hub partners</p> <p>Will assist with channel migration</p> | | |
| Specific to Option 1 | Second Floor and Third Floor – Residential | <p>Assists Council meeting its strategic housing targets</p> <p>Enables the Council to help broaden the range of housing in the Borough to meet the needs of our population now and in the future</p> | Supports the local economy through the development of housing close to the Town Centre | <p>Provides opportunities for housing and job creation</p> <p>Supports the delivery of housing provision, as outlined in the Draft Local Development Plan</p> | Provides sustainable revenue and assists the authority to become self-sufficient | Would require residential property management/agent |
| Specific to Option 2 | Second Floor and Third Floor – Commercial | Promotes a mixed economy, maximising | Supports economic growth and sustainable | Provides opportunities for job creation | Provides revenue and will assist the authority to | Would require commercial property |

| Option | Description | Strategic Case | Economic Case | Commercial Case | Financial Case | Management Case |
|-------------------------|-------------|---|---|--|------------------------|------------------|
| | | focusing on both retail and other commercial opportunities | development Develops conditions for job creation and for helping people back into work | | become self-sufficient | management/agent |
| Option 3 | Do Nothing | Does not support the strategic, economic, commercial, financial or management business case and is therefore not justifiable to continue as an option and should not be considered. | | | | |
| Further Consideration | | | | | | |
| Potential consideration | | Description | | Benefits/Dis-benefits | | |
| Incubation Hub | | Dependent on the final layout plans and the groups involved, who will join and work from the Hub will impact on the space requirement and availability. If the space allows, consideration to the development of an enterprise incubation hub could be considered. This would need to be worked up but could form a short term tenancy for startup businesses with minimal infrastructure or development. | | Supports economic growth Provides opportunities for job creation. Supports local economy. Would be very much dependent upon the space available. Would limit the availability of space for other organisations to join the hub | | |



GENERAL NOTES:

- 1. ALL G.I.A. AREAS HAVE ARE BASED ON EXISTING DRAWINGS PROVIDED BY BRENTWOOD BOROUGH COUNCIL.
- 2. THE RESIDENTIAL SPACE STANDARDS ARE BASED ON 'DEPARTMENT FOR COMMUNITIES AND LOCAL GOVERNMENT' – TECHNICAL HOUSING STANDARDS – NATIONALLY DESCRIBED SPACE STANDARDS MARCH 2015.
- 3. ALL AREAS ARE APPROXIMATE, FOR GUIDANCE ONLY, AND ARE SUBJECT TO DISCREPANCIES AS THESE ARE BASED ON A PDF TRACING. A MEASURED SURVEY WAS NOT COMPLETED AT TIME OF REPORT.
- 4. AREAS ARE MEASURED BASED ON THE RICS GUIDANCE NOTE, A GUIDE FOR PROPERTY PROFESSIONALS, 6TH EDITION CODE OF MEASURING PRACTICE 2007.
- 5. ADDITIONAL PARKING ALLOCATED FOR RESIDENTIAL. TO BE LOCATED AROUND EXISTING TREES. TO BE REVIEWED ONCE MEASURED SURVEY IS AVAILABLE TO DETERMINE VIABILITY.
- 6. CARPARKING NUMBERS MAY BE REDUCED FOLLOWING REVIEW OF MEASURED SURVEY AGAINST SPACE STANDARDS FOR CARPARKING.
- 7. FLEXIBLE CARPARKING STRATEGY TO BE DEVELOPED WITH HIGHWAYS CONSULTANT FOR PLANNING SUBMISSION.
- 8. EXISTING ASPHALT TO BE RETAINED AND MADE GOOD AS REQUIRED. NEW WHITE LINES TO DEMARCAT PARKING BAYS.
- 9. EXISTING SINGLE STOREY GARAGES TO BE DEMOLISHED.
- 10. HARD/SOFT LANDSCAPING TO BE DEVELOPED WITH LANDSCAPE ARCHITECT. LEVELS TO BE DEVELOPED TO ENABLE LEVEL ENTRY THRESHOLD.

| SCHEDULE OF AREAS | | |
|-------------------|-------------|-----------------|
| ACTIVITY. | G.I.A. (m²) | G.I.A. (sq. ft) |
| HUB / OFFICE | 1980 m² | 21312 sq. ft |
| OFFICE CORE | 475 m² | 5112 sq. ft |
| CIVIC / RECEPTION | 284 m² | 3057 sq. ft |
| CHAMBERS | 182 m² | 1959 sq. ft |
| RESIDENTIAL | 1563 m² | 16824 sq. ft |
| RESIDENTIAL CORE | 348 m² | 3745 sq. ft |
| TOTAL AREA | m² | sq. ft |

| CARPARKING PROVISIONS (RESIDENTIAL): | |
|--------------------------------------|-------------------------------|
| COUNCIL HUB / OFFICE (1:30 RATIO) | 82 BAYS |
| RESIDENTIAL (1:1 RATIO) | 19 BAYS |
| BASEMENT | 20 BAYS |
| TOTAL | 121 BAYS |
| ONSITE PARKING BAYS | 175 BAYS (inc. DISABLED BAYS) |

| CARPARKING PROVISIONS (COMMERCIAL): | |
|-------------------------------------|-------------------------------|
| COUNCIL HUB / OFFICE (1:30 RATIO) | 82 BAYS |
| COMMERCIAL (1:30 RATIO) | 52 BAYS |
| BASEMENT | 20 BAYS |
| TOTAL | 154 BAYS |
| ONSITE PARKING BAYS | 175 BAYS (inc. DISABLED BAYS) |

-

16.09.2016

DRAFT ISSUE FOR COMMENT.

REV

ISSUE DATE

REVISION NOTES

GENERAL NOTES

Do not scale. All written dimensions must be checked on site before work commences on site or in shop. Figured dimensions take preference over those scaled. Discrepancies, where identified, must be reported to the Architect immediately.

Any areas indicated on this drawing are for guidance purposes only. No responsibility is taken for their accuracy.

All work must be carried out in accordance with the Building Regulations and to the satisfaction of the Local Authority.

FEASIBILITY

STATUS

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T: 07817 864 470

E: mail@dicksonarchitects.co.uk

W: www.dicksonarchitects.co.uk

CLIENT

Brentwood Borough Council

PROJECT

Brentwood Town Hall

Redevelopment

DRAWING TITLE

General Arrangement

Proposed Site Plan

SCALE 1:500 @ A1

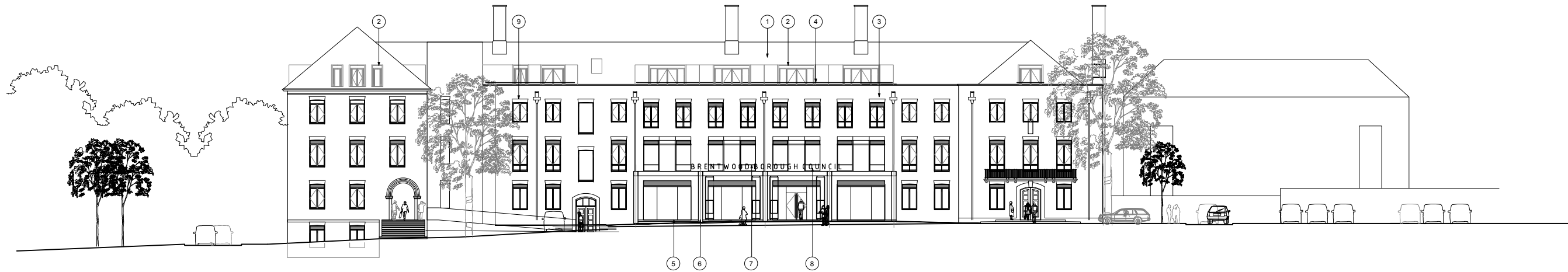
DATE August 2016

JOB NO. 118

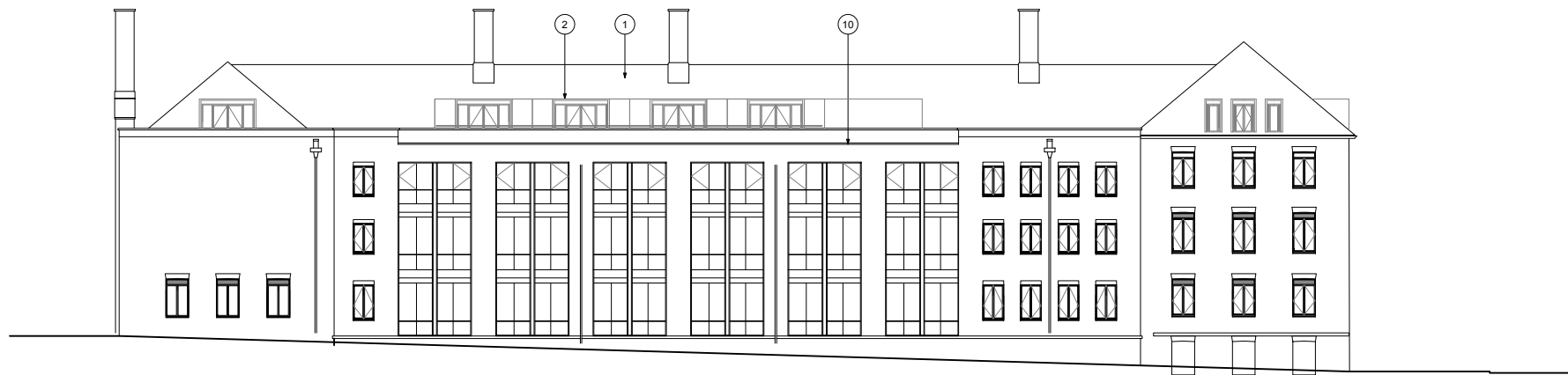
DWG NO. (01)500

REV. -

DICKSON ARCHITECTS



01
(01/700)
EAST ELEVATION - AS PROPOSED
SCALE 1: 100 @ A1



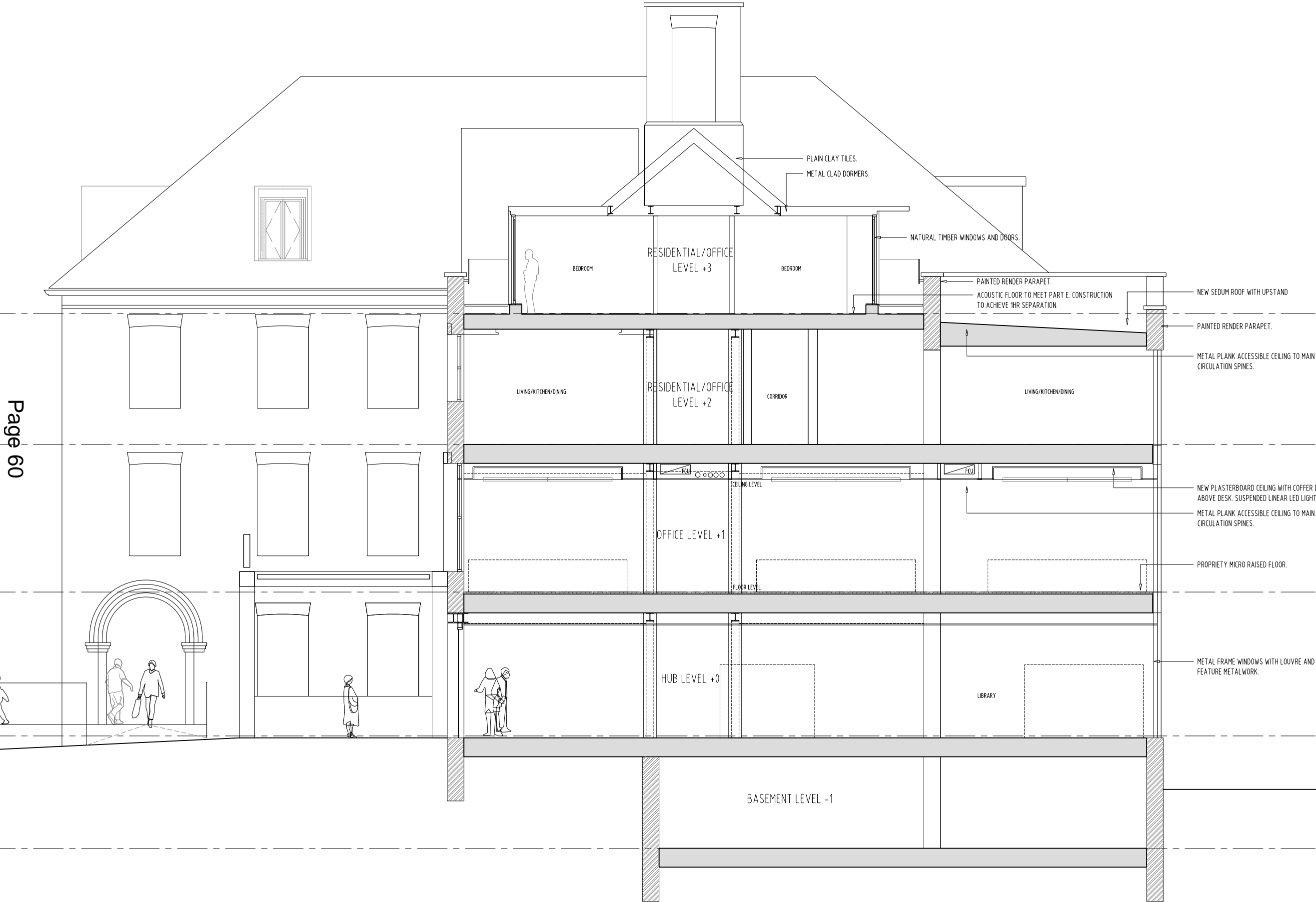
02
(01/700)
WEST ELEVATION - AS PROPOSED
SCALE 1: 100 @ A1



03
(01/700)
SOUTH ELEVATION - AS PROPOSED
SCALE 1: 100 @ A1

- PLAIN CLAY TILES
- METAL CLAD DORMERS
- NATURAL TIMBER WINDOWS AND DOORS
- PAINTED METAL BALCONIES AND/OR RAILINGS
- RECONSTITUTED STONE FRAME WITH FEATURE METAL FRAMES AND GLASS ROOF ENCLOSURE
- METAL FRAMED GLASS SHOPFRONTS WITH LOUVRES
- METAL FRAMED GLASS WINDOWS WITH STREET SURROUND AND FEATURE METALWORK
- METAL BUILDING SIGNAGE
- NEW WINDOWS
- PAINTED RENDER WALLS WITH NEW PARAPET UPSTAND

| | | | | | |
|---|--|--------------------|---------------------------|--|--|
| 16.09.2016 DRAFT ISSUE FOR COMMENT. | | FEASIBILITY | DICKSON ARCHITECTS | CLIENT Brentwood Council | |
| REV ISSUE DATE REVISION NOTES | | | | PROJECT Brentwood Town Hall Redevelopment | |
| GENERAL NOTES Do not scale. All written dimensions must be checked on site before work commences on site or in shop. Figured dimensions take preference over those scaled. Discrepancies, where identified, must be reported to the Architect immediately. Any areas indicated on this drawing are for guidance purposes only. No responsibility is taken for their accuracy. All work must be carried out in accordance with the Building Regulations and to the satisfaction of the Local Authority. | | | | DRAWING TITLE General Arrangement Proposed: ELEVATIONS | |
| STATUS | | | | SCALE 1:100 @ A1 1:200 @ A3 DATE August 2016 | |
| | | | | JOB NO. 118 | |
| | | | | DWG NO. (01)700 | |
| | | | | REV. - | |



16.09.2016 DRAFT ISSUE FOR COMMENT.

GENERAL NOTES
Do not scale. All written dimensions must be checked on site before work commences on site or in shop. Figured dimensions take preference over those scaled. Discrepancies, where identified, must be reported to the Architect immediately.
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FEASIBILITY

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DICKSON ARCHITECTS

CLIENT
Brentwood Borough Council

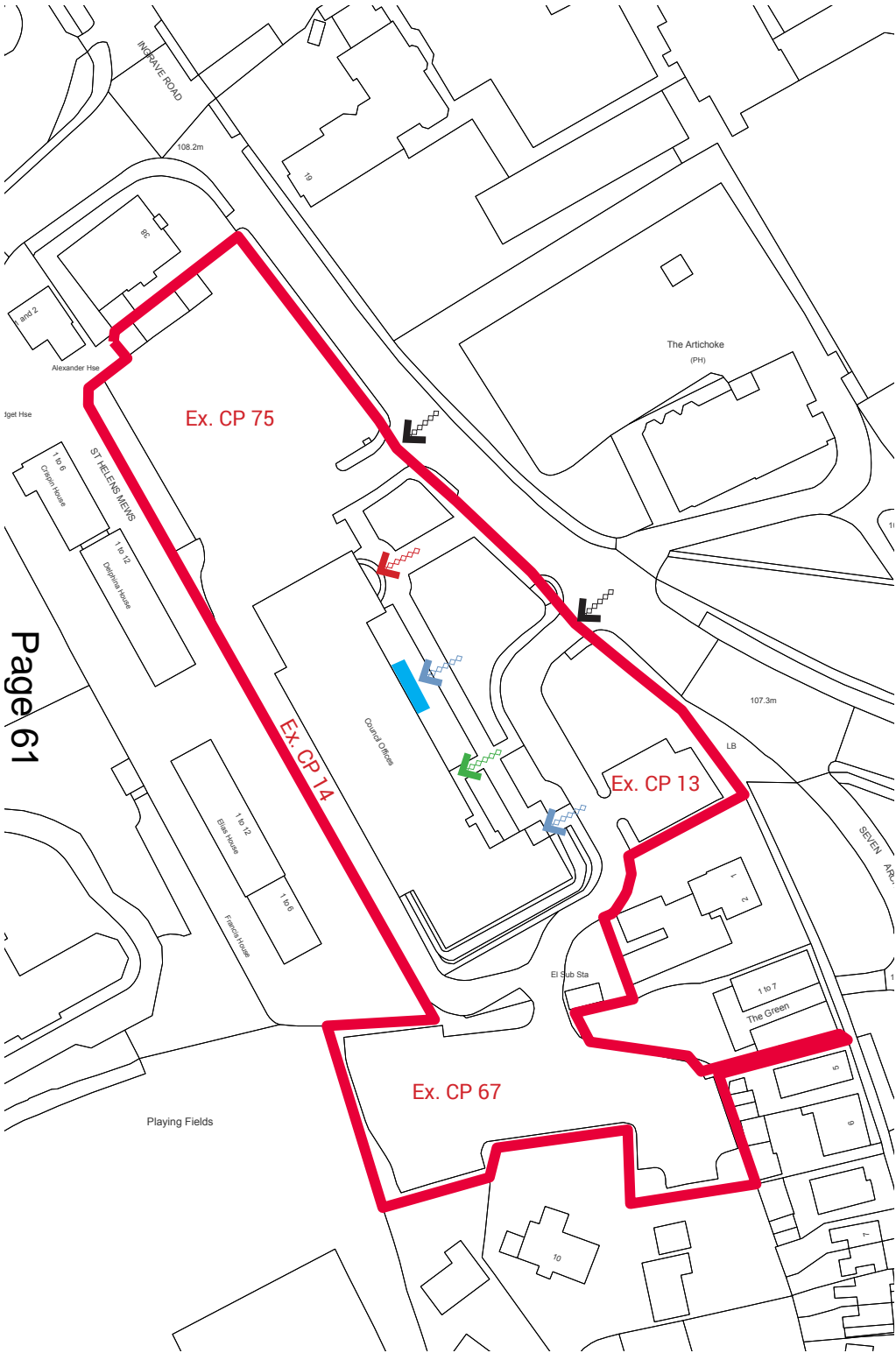
PROJECT
Brentwood Town Hall
Redevelopment

DRAWING TITLE
General Arrangement
Proposed Section A-A

SCALE
1:50 @ A1 1:100 @ A3
DATE
August 2016

JOB NO. 118 DWG NO. (01)800 REV. -

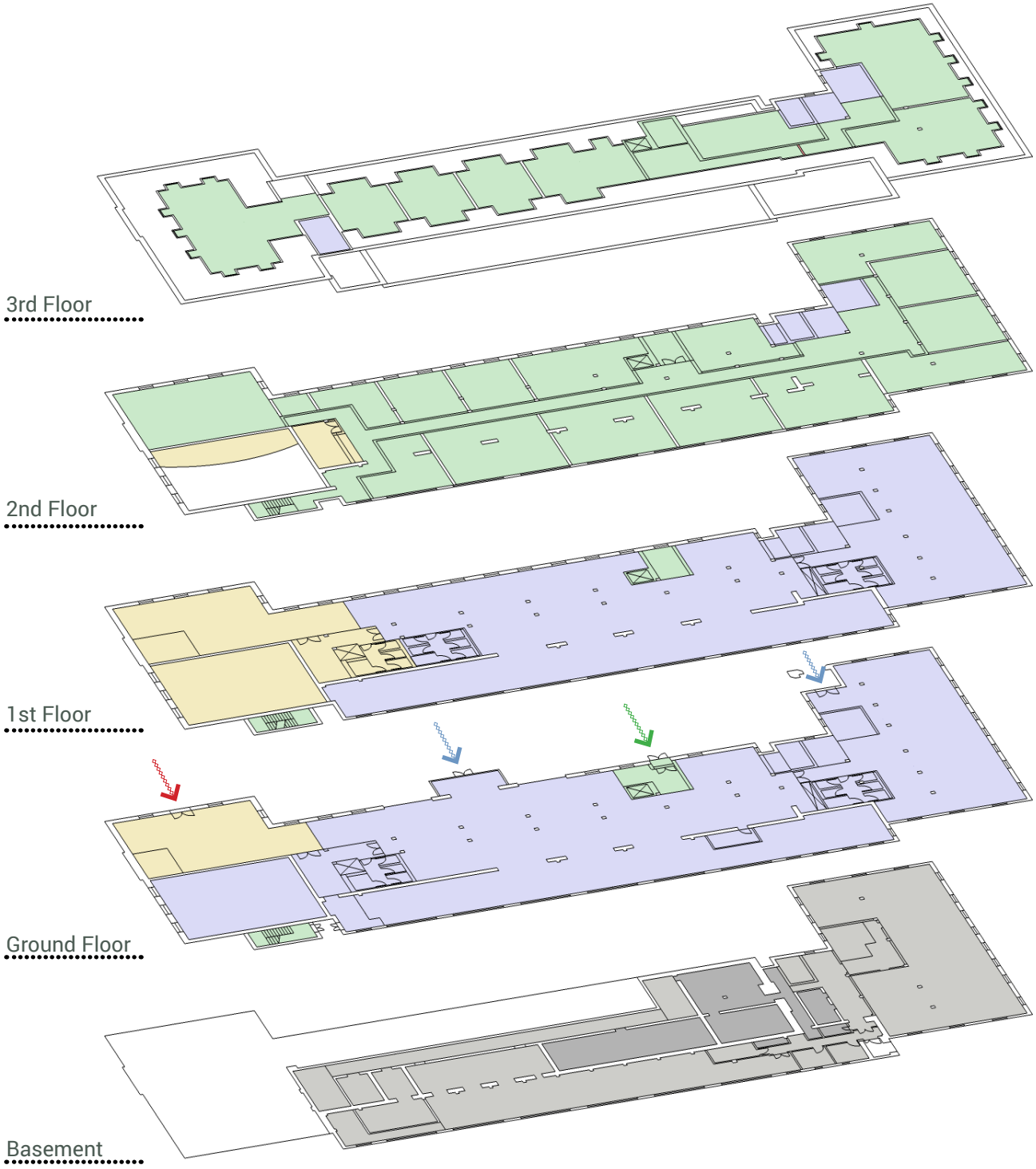
DRAFT OPTION 1 - BRENTWOOD COUNCIL HUB & OFFICE w/ UPPER FLOORS RESIDENTIAL



Page 61

- VEHICULAR ENTRANCE/EXIT
- COUNCIL HUB / OFFICE ENTRANCE
- HUB ENTRANCE
- CIVIC / CHAMBERS ENTRANCE
- RESIDENTIAL ENTRANCE

SITE PLAN



STACKED PLAN

- COUNCIL HUB / OFFICE
- COUNCIL CHAMBERS / CIVIC RECEPTION
- RESIDENTIAL
- BASEMENT

OPTION 1 - GIA SCHEDULE

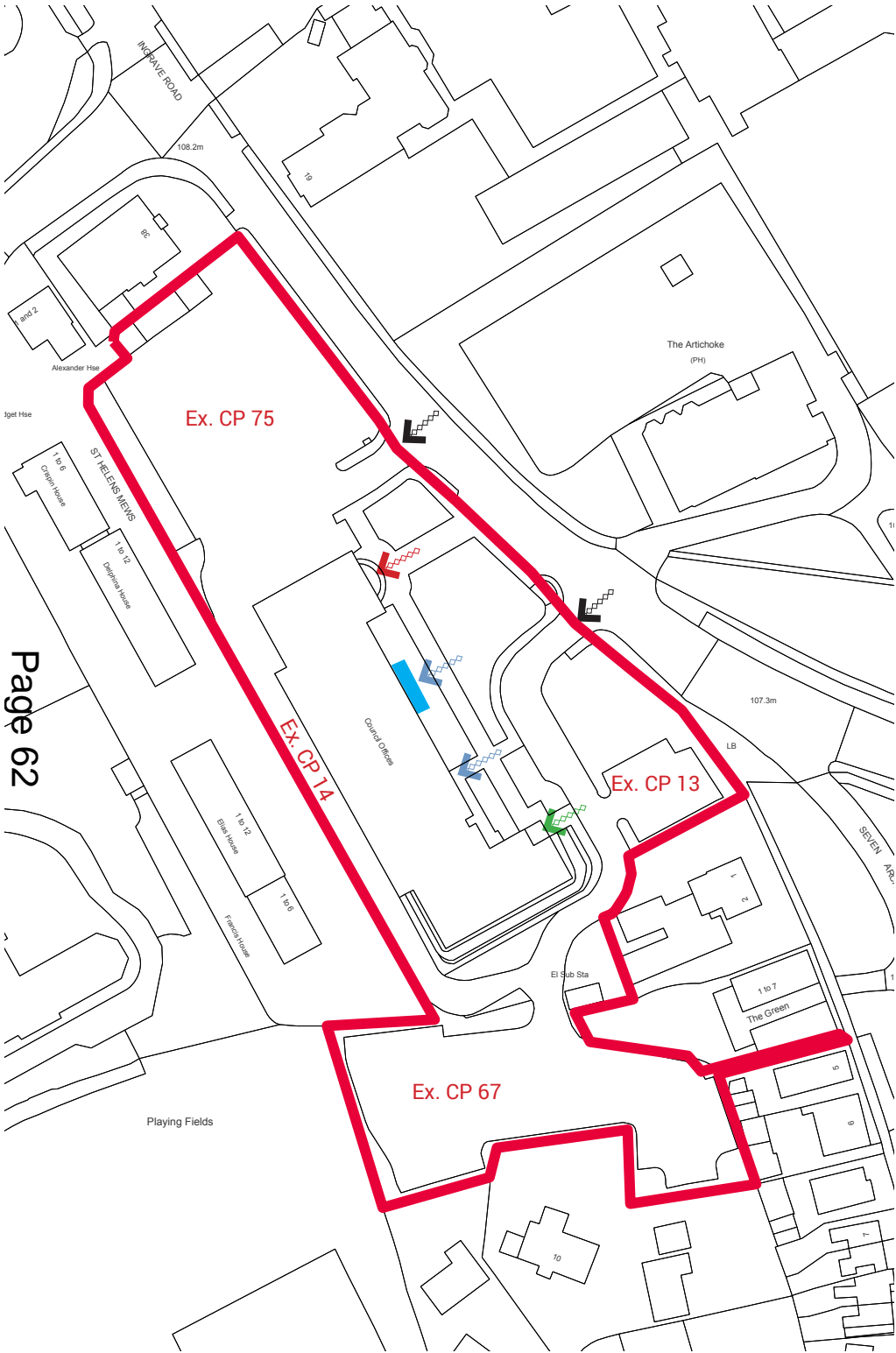
| | |
|------------------------|--------------------------|
| HUB / OFFICE | 1980 sq.m (21312 sq.ft) |
| OFFICE CORE | 475 sq.m (5112 sq.ft) |
| CIVIC / RECEPTION | 284 sq.m (3057 sq. ft) |
| CHAMBERS | 182 sq.m (1959 sq.ft) |
| RESIDENTIAL (19 FLATS) | 1563 sq.m (16824 sq. ft) |
| RESIDENTIAL CORE | 348 sq.m (3745 sq. ft) |

CARPARKING PROVISIONS:

| | |
|-------------------------------|----------------------|
| COUNCIL HUB / OFFICE - (1:30) | 82 Bays |
| RESIDENTIAL - (1:1 FLAT) | 19 Bays |
| BASEMENT PROVISION | 20 Bays |
| TOTAL | 121 Bays required |
| ONSITE CARPARKING BAYS | 169 (inc. Dis. Bays) |

- Notes:
- All GIA areas are based on existing drawings provided by Brentwood Borough Council and are to be reviewed and confirmed following receipt of a full measured survey.
 - Additional fire safety measures may be required due to increased travel distance(s) and change of use. Layout Indicative and to be agreed with Building Control/Fire Engineer in order to comply with BS:9999 or PartB.
 - Additional wc provision may be required to achieve BS:6465. Showers and changing area added in basement.
 - Additional parking provision may be required. Based on following ratio: Residential 1:1. Parking may require removal of trees which may be subject to TPO's. To be agreed with the LPA.

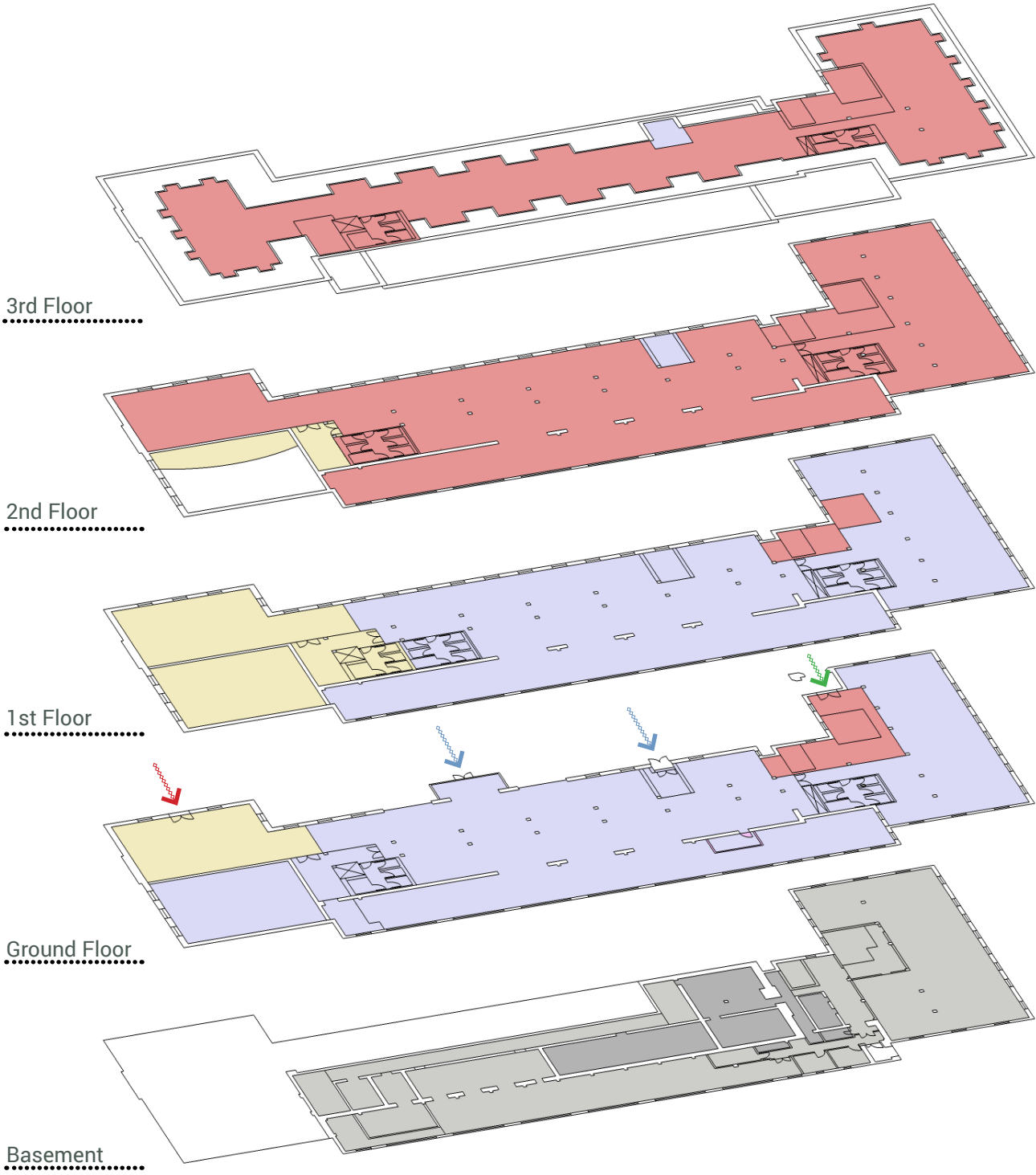
DRAFT OPTION 2 - BRENTWOOD COUNCIL HUB & OFFICE w/ UPPER FLOORS COMMERCIAL



Page 62

- VEHICULAR ENTRANCE/EXIT
- COUNCIL HUB / OFFICE ENTRANCE
- HUB ENTRANCE
- CIVIC / CHAMBERS ENTRANCE
- OFFICE (B1) ENTRANCE

SITE PLAN



STACKED PLAN

- COUNCIL HUB / OFFICE
- COUNCIL CHAMBERS / CIVIC RECEPTION
- OFFICE (B1)
- BASEMENT

OPTION 2 - GIA SCHEDULE

| | |
|-------------------|--------------------------|
| HUB / OFFICE | 1967 sq.m (21173 sq.ft) |
| OFFICE CORE | 356 sq.m (3832 sq.ft) |
| CIVIC / RECEPTION | 284 sq.m (3057 sq. ft) |
| CHAMBERS | 182 sq.m (1959 sq.ft) |
| OFFICE (B1) | 1814 sq.m (19525 sq. ft) |
| OFFICE CORE | 300 sq.m (3229 sq. ft) |

CARPARKING PROVISIONS:

| | |
|-------------------------------|----------------------|
| COUNCIL HUB / OFFICE - (1:30) | 82 Bays |
| OFFICE (B1) - (1:30) | 60 Bays |
| BASEMENT PROVISION | 20 Bays |
| TOTAL | 162 Bays required |
| ONSITE CARPARKING BAYS | 169 (inc. Dis. Bays) |

- Notes:
- All GIA areas are based on existing drawings provided by Brentwood Borough Council and are to be reviewed and confirmed following receipt of a full measured survey.
 - Additional fire safety measures may be required due to increased travel distance(s) and change of use. Layout Indicative and to be agreed with Building Control/Fire Engineer in order to comply with BS:9999 or PartB.
 - Additional wc provision may be required to achieve BS:6465. Showers and changing area added in basement.
 - Additional parking provision may be required. Based on following ratio: Residential 1:1. Parking may require removal of trees which may be subject to TPO's. To be agreed with the LPA.



Brentwood Town Hall

| Revision | Date | Comment |
|----------|------|---------|
|----------|------|---------|

| | | |
|---|----------|----------------|
| A | 16/06/16 | general update |
|---|----------|----------------|

table of contents

1. intro

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| introduction | 2 |
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| proposed works | 6 |
| further studies | 18 |

It is proposed that to improve the working environment and to provide additional bespoke commercial accommodation for council and other employees, extension and refurbishment of the town hall building is to take place.

More open-plan accommodation is to be provided at ground, first and second floor levels whilst additional area is to be gained in the roof space at third floor level.



2. existing building

Brentwood Town Hall is a four-storey plus basement building designed specifically for this purpose.

The structural form to second floor level is one of load bearing masonry, isolated steel beams, columns and concrete floor plates. The exact nature of the floor structure is currently unknown but is expected to be either in situ reinforced concrete or beam and pot or similar.

Above the second floor a traditional timber propped purlin roof has been used in the central part of the building with more open plan steel roof trusses and timber rafters employed in the north and south end wings.

Lateral stability is provided by reinforced concrete shear walls at stair core locations.

Fig. 1: Brentwood Town Hall existing basement architectural floor plan



A more recent two-storey flat roofed extension has been added to the east side with a structural steel frame and concrete floor construction.



Fig. 2: Existing ground floor

2. existing building



Fig. 3: Existing first floor

Some amendment to internal layout has been carried out on ground, first and second floor levels over the years, and a number of walls have been demolished and replaced with isolated steelwork to facilitate a more open plan environment in some locations.

2. existing building



Fig. 4: Existing second floor

The central part of the building at existing third floor level has been fitted out for use by council staff. The north and south end wings are unused except for limited storage.

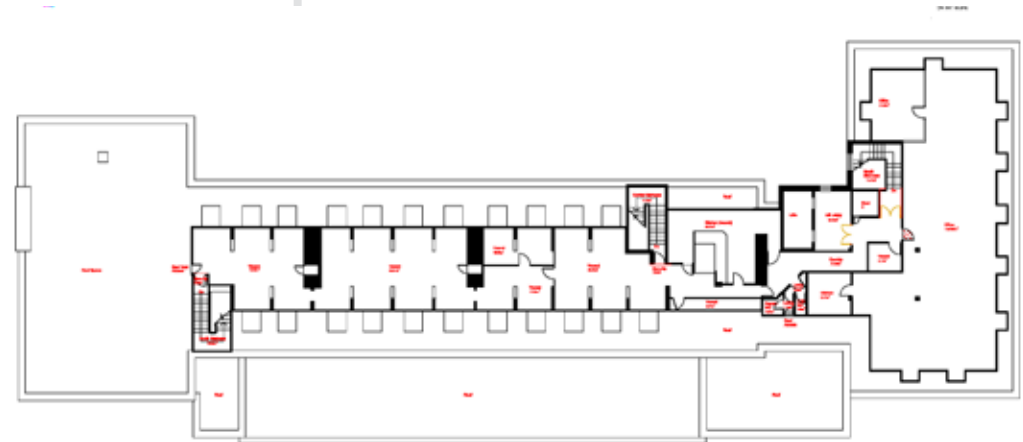
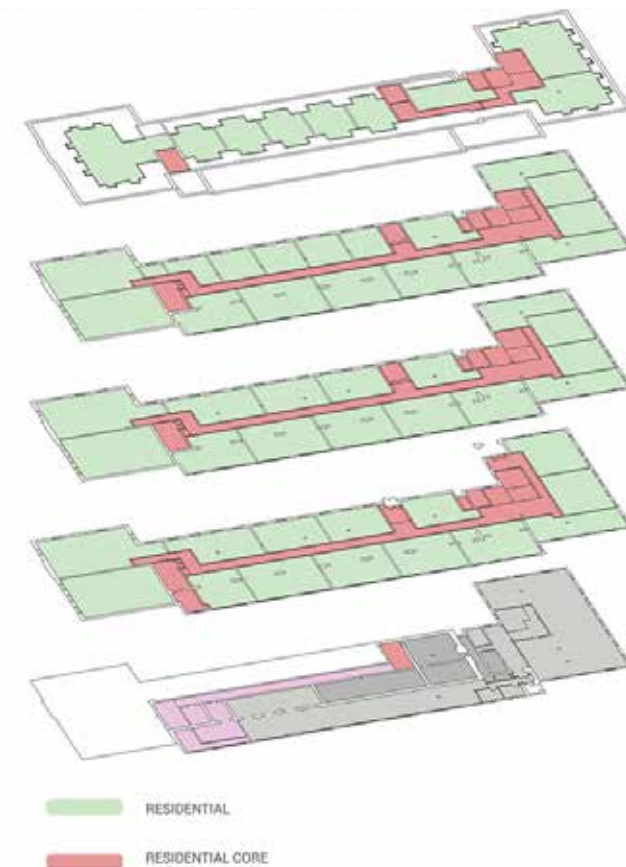


Fig. 5: Existing third floor

3. proposed works

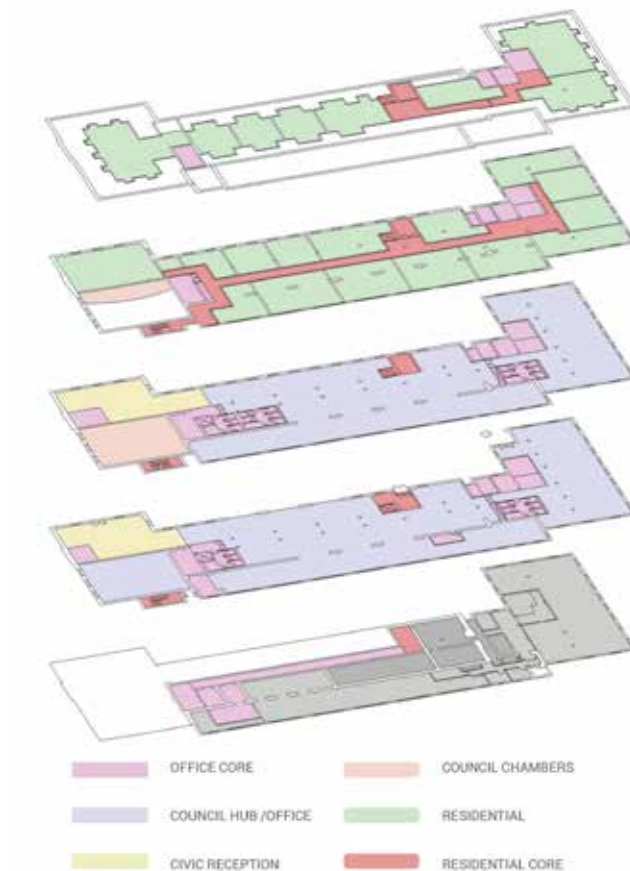
To facilitate the brief at ground, first and second floor levels, the two load-bearing spine walls along the main corridor will be replaced with a series of portal frames that will transfer load from roof and all floors down to the basement spine walls that are to remain. By removal of the walls there should be less load on the primary foundations and therefore no need to carry out remedial works at this level.

The existing roof structure is considered no longer serviceable and will be replaced with a steel frame and timber system that is more conducive to accommodating extended commercial and/or residential use.



STACKED PLAN

3. proposed works



STACKED PLAN - PROGRAMME

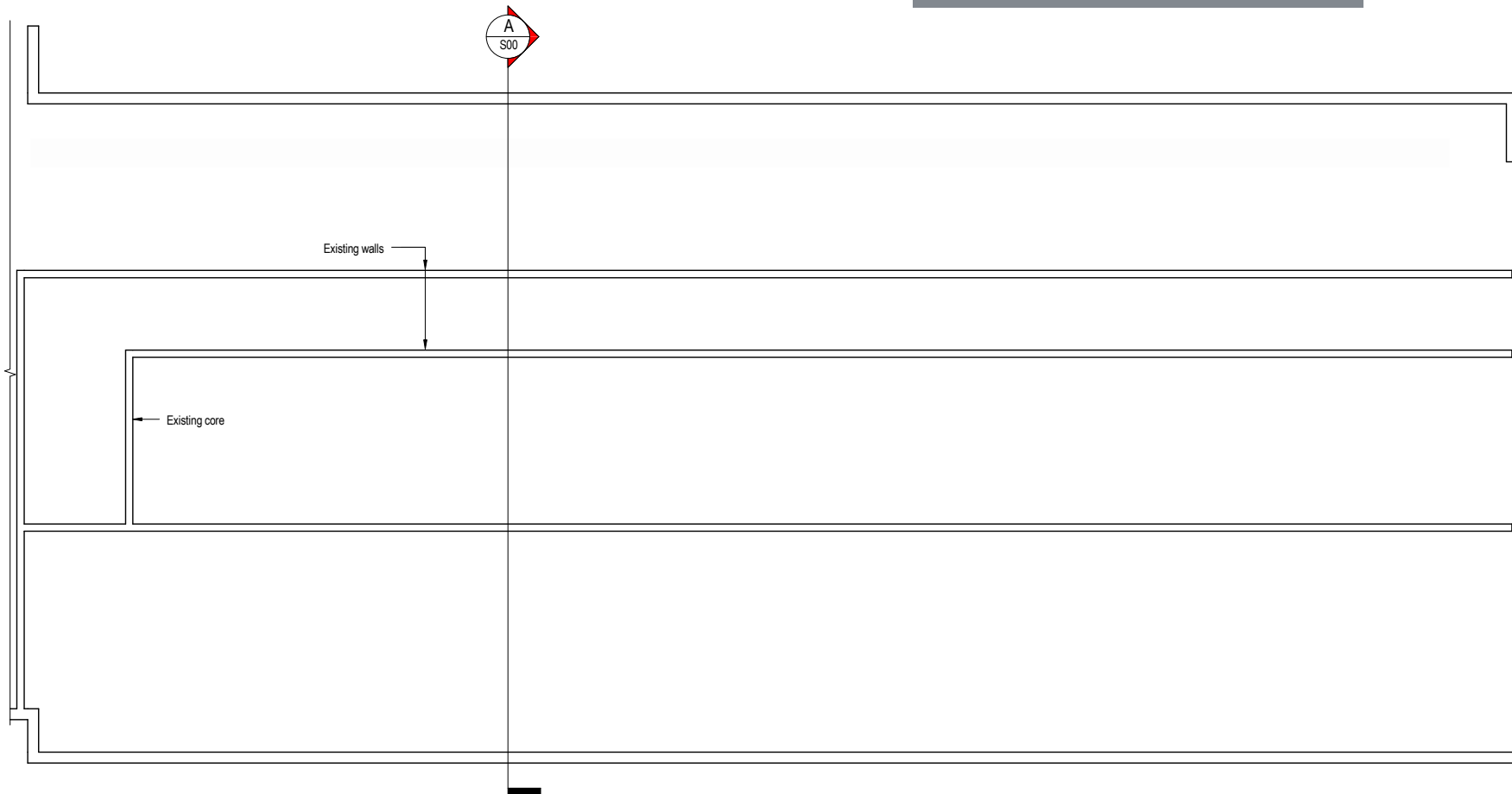
It would be possible to include a mansard roof instead of retaining the existing roof scape using a similar steel and timber structural philosophy.

It has been mentioned that consideration of an additional floor might be included between second floor and roof levels. This proposal has not been considered here as it would attract additional complications associated with planning, rights to light, load-bearing capacity of existing structures, robustness / key element design of existing and new structure e.t.c.

If it is indeed a necessary condition to consider an additional floor, then the significant studies will be required to justify such a requirement.

3. proposed works

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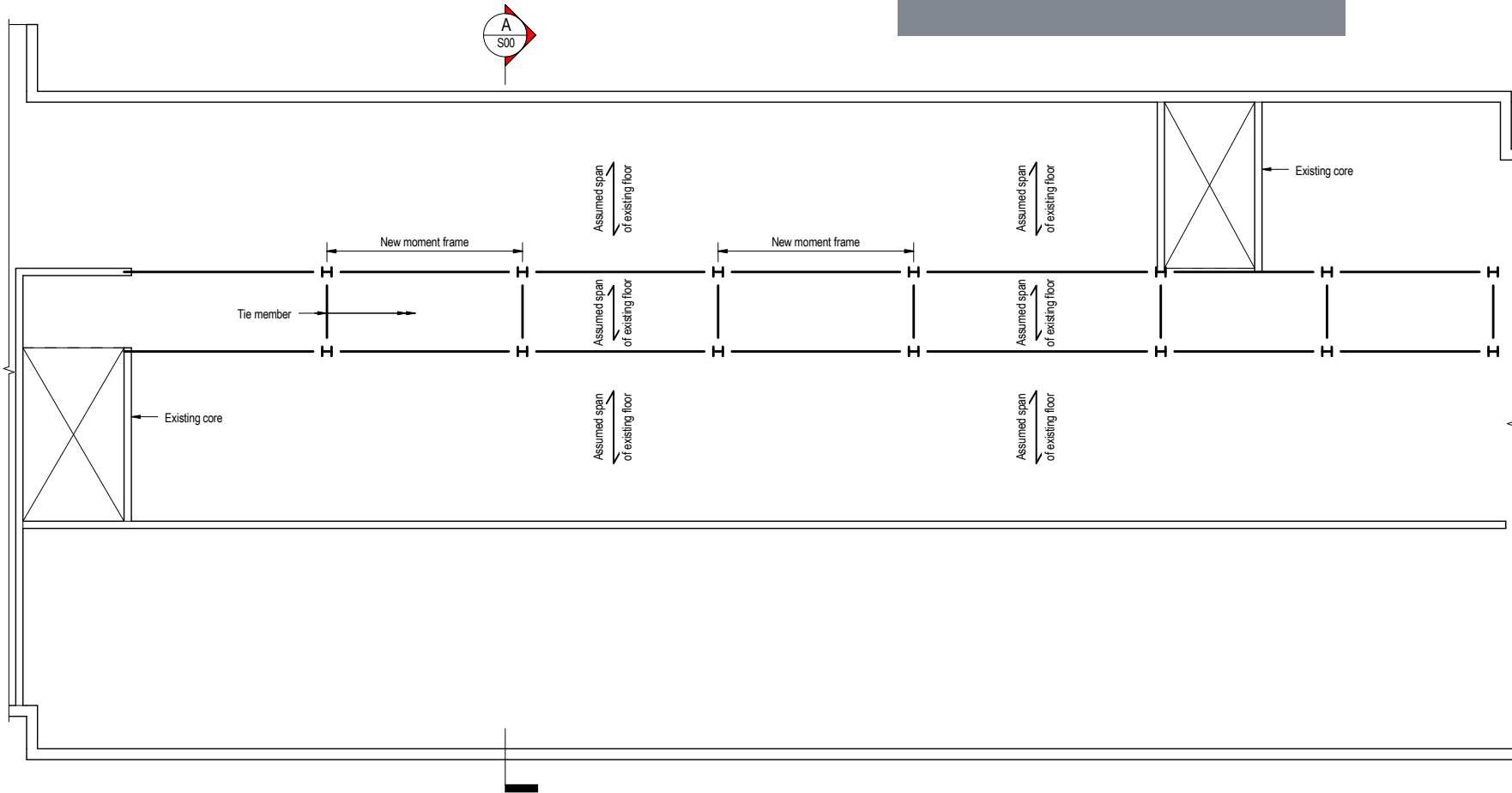


1 Basement Plan
1 : 100



1

3. proposed works

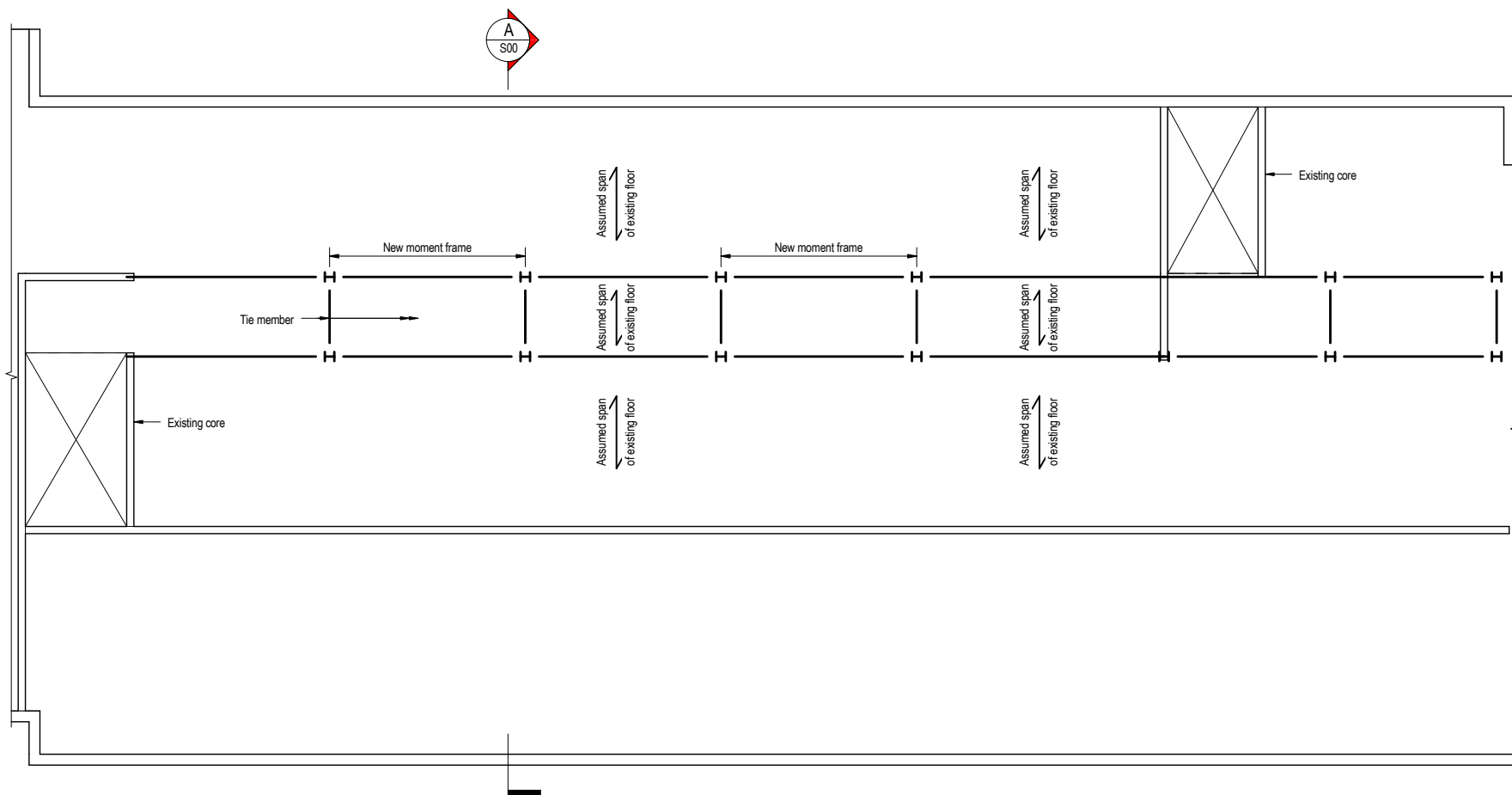


First Floor Plan

1

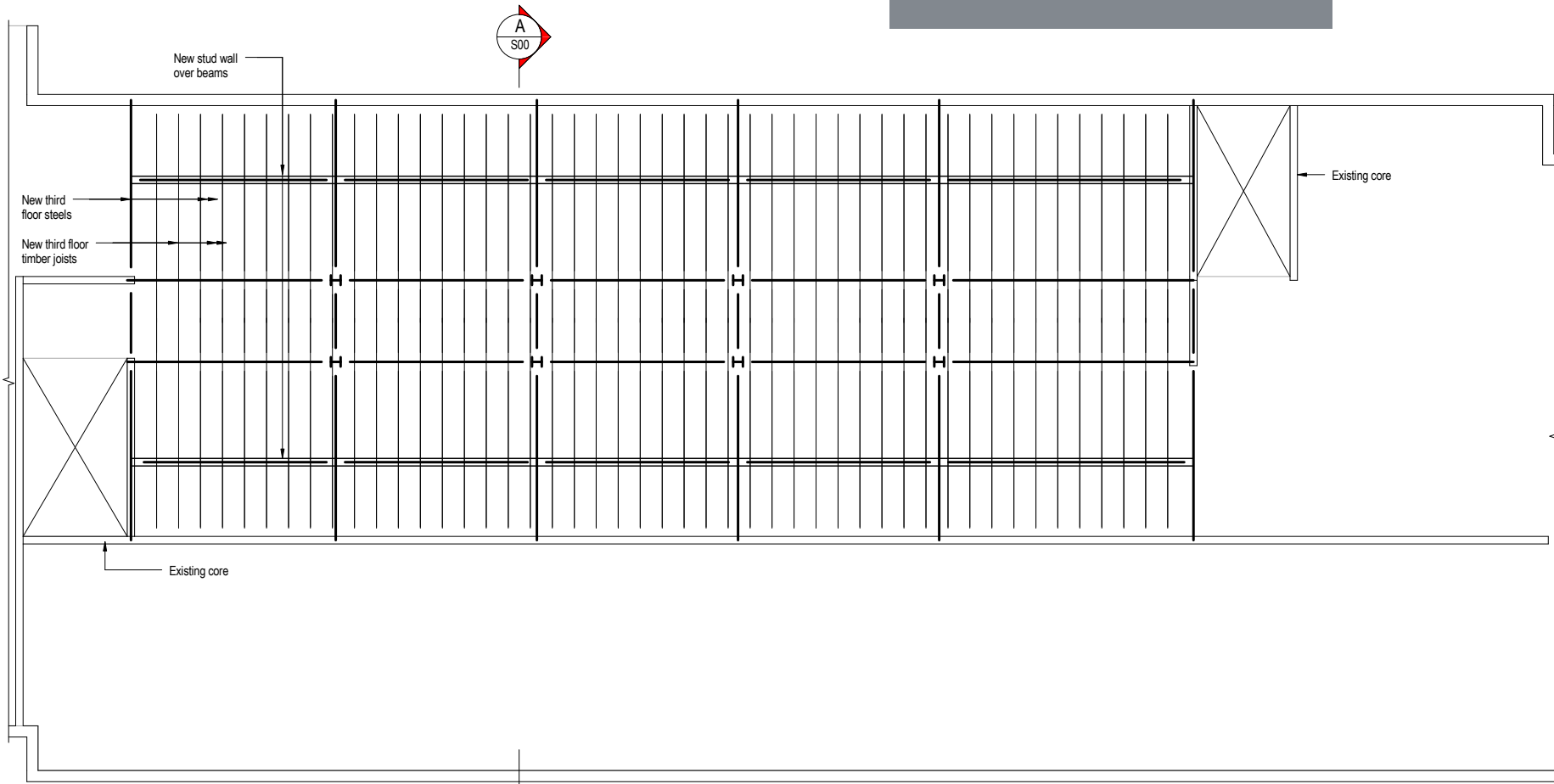
1 : 100

3. proposed works



1 Second Floor Plan
1 : 100

3. proposed works

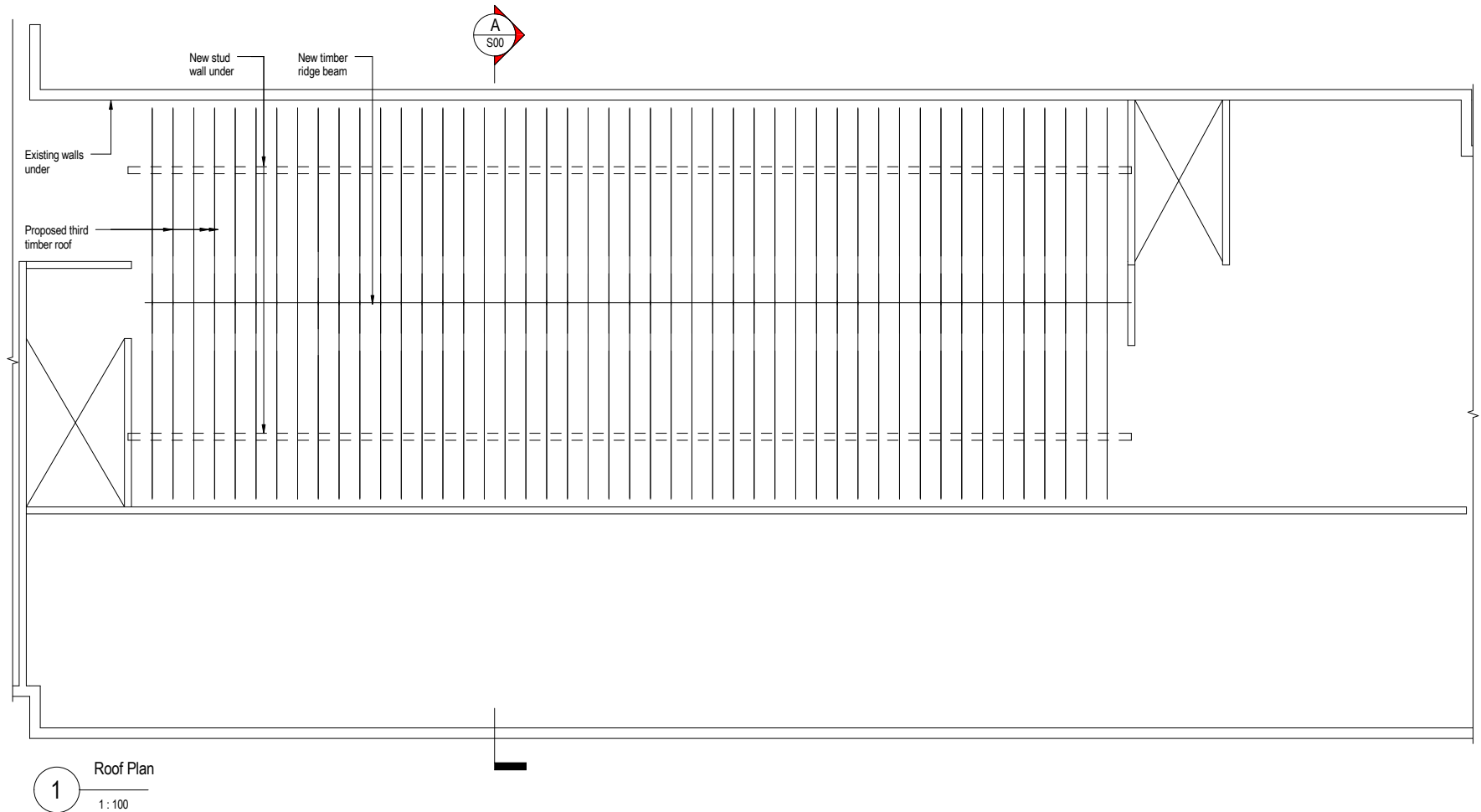


Third Floor Plan

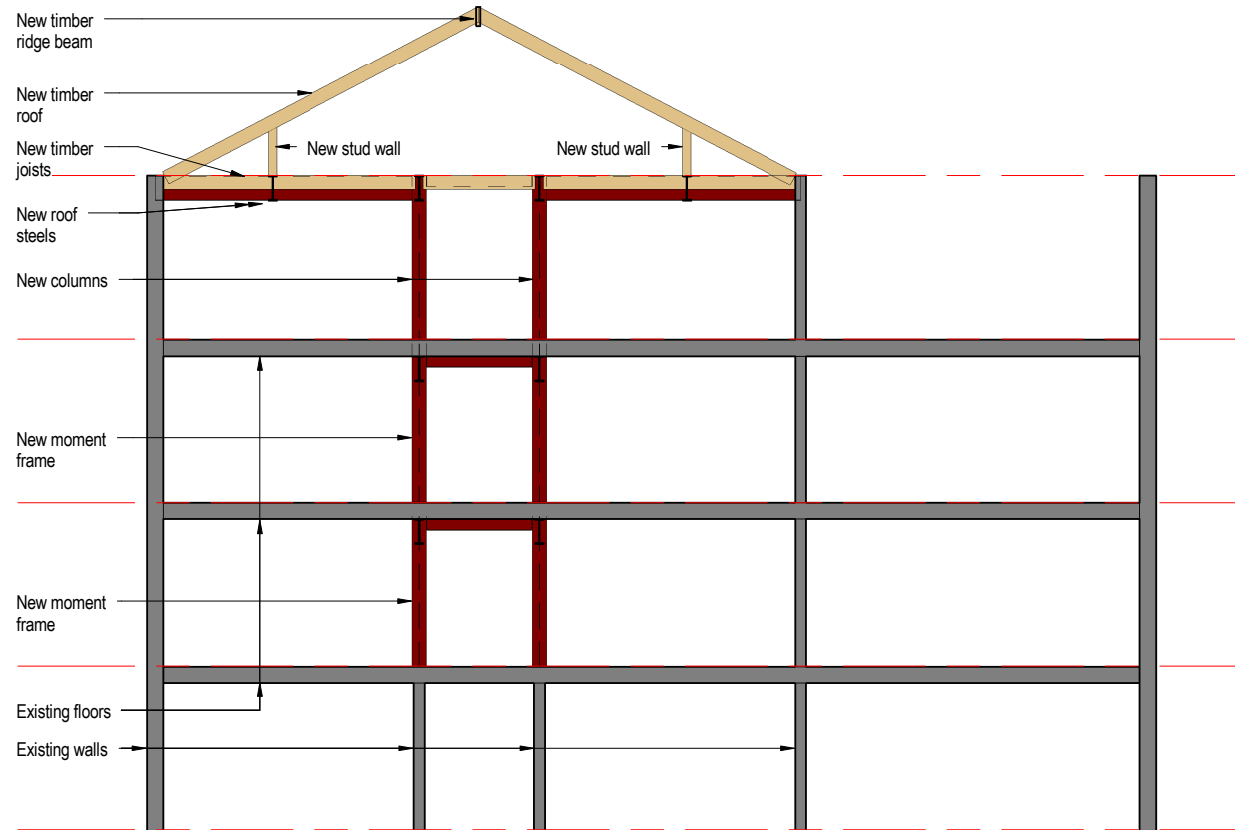
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1 : 100

3. proposed works

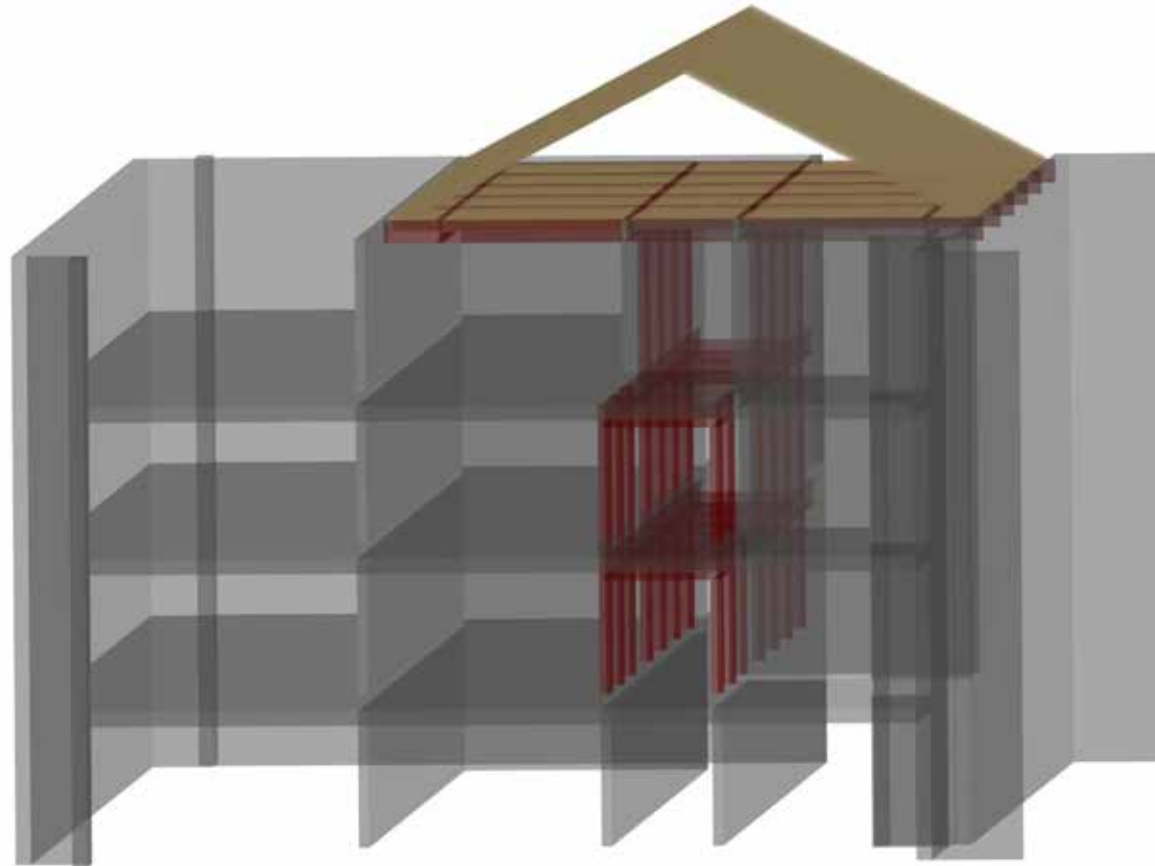


3. proposed works

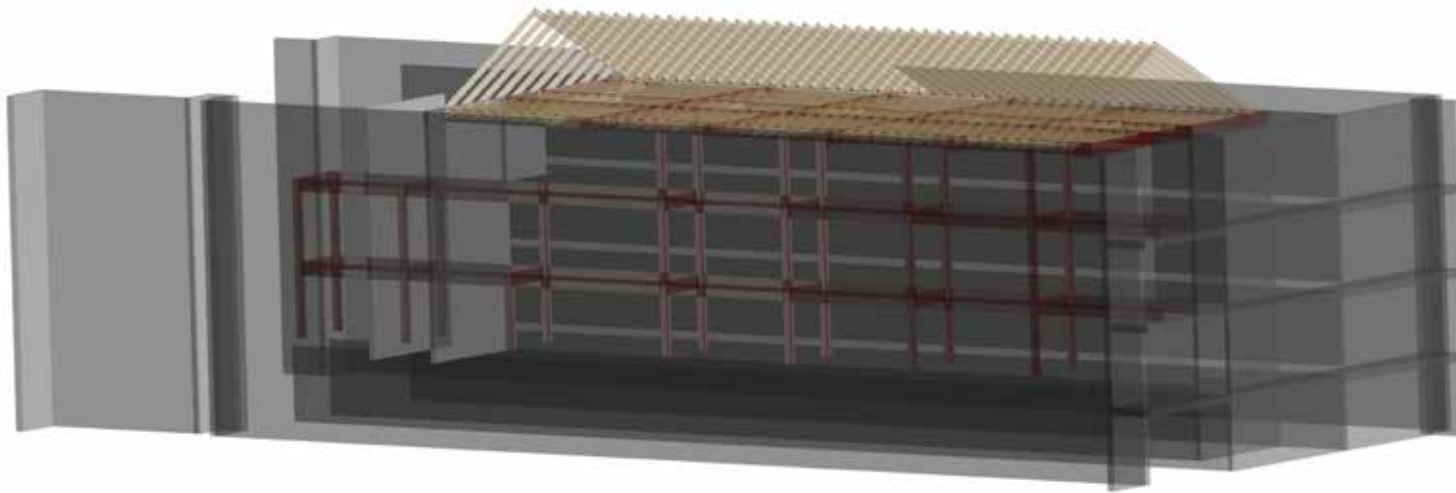


A Section A - A
1 : 100

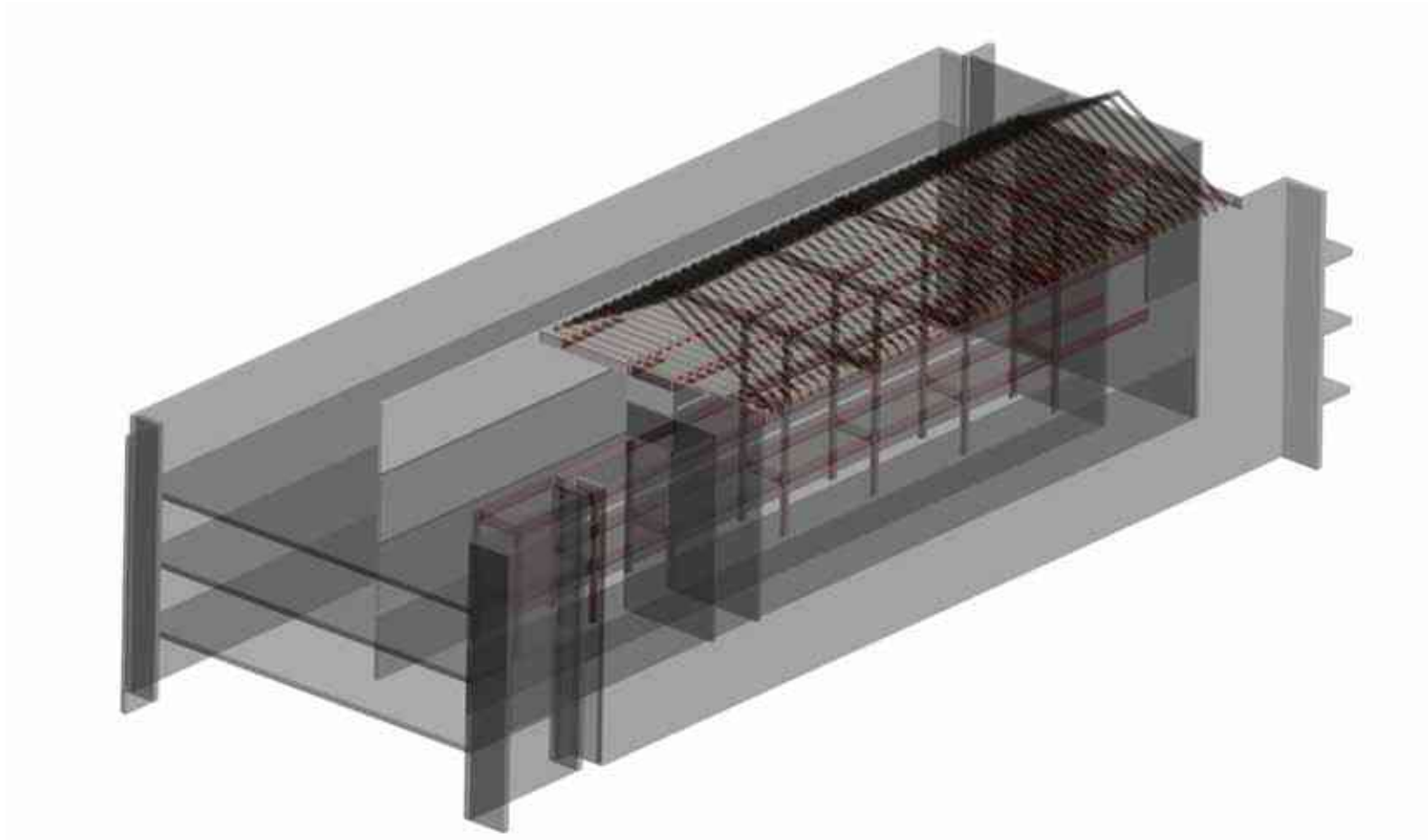
3. proposed works



3. proposed works



3. proposed works



4. further studies

In order that more detailed structural designs can proceed, it will be necessary to carry out a number of additional surveys and studies; these will include:

- Geotechnical investigations
- Opening up works
- Structural survey
- Flood studies
- Below ground statutory services searches
- Below ground drainage CCTU surveys
- Material testing (if necessary)
- Dimensional survey
- Topographical survey

CONCEPTUAL MEP SERVICING STRATEGY

BRENTWOOD TOWN HALL

INGRAVE ROAD, BRENTWOOD, ESSEX CM15 8AY

This report has been conducted by BOCCA Consulting Ltd and has been checked against our Quality Operating Procedures.

Issue: P1

Purpose: Preliminary

Prepared by: Marc Bellamy

Checked by: Marc Bellamy

Date: 20 June 2016

SERVICING STRATEGY FOR BRENTWOOD TOWH HALL 20 JUNE 2016 Iss I

INTRODUCTION:

At the bequest of messr's Millbridge, BOCCA Consulting have been appointed to conduct both a high level review of the existing Mechanical and Electrical Fixed Building Services to Brentwood Borough Councils (BBC) Town Hall in Brentwood Essex and to prepare a Concept Servicing Strategy based on a number of Development Proposal Options.

It is assumed that in reviewing this document the reader is familiar with the building and has availed themselves and understood the Development Proposal Options prepared by Dickson Architects and

Millbridge. It is further assumed that the reader understands that the Building Services currently operating BBC facility within the Town Hall have reached the end of their useable life.

BOCCA Consulting are a local Building Services Consultancy working predominantly in London, the South East of England and across all sectors of the Construction and Building Industry. Core work over the recent past have included several Office Refurbishments and Office to Residential Use projects.

WHAT WE KNOW:

1. The existing building is subject to a number of options for refurbishment, replanning including changes of use.
2. The existing building fabric has not been improved and falls well below current insulation levels. Windows are in a poor state of repair and are 'leaky'. This results in the building services system being cost inefficient, oversized and more costly to run in comparison to today's technologies.
3. The fixed building services serving the existing building have, in the main, been retained since their first installation and are known to be at the end of their usable life (installed 1956/7 circa 50 years old) and have increasing maintenance cycles and are losing resilience, thereby increasing the frequency of failures and localised repairs and costs. Due to their age they operate far less efficiently than plant using the latest technologies.
4. Upgrades to the fixed building services and fabric have been a consideration of BCC for several years.

WHAT WE WILL NEED TO CONSIDER:

1. The aspirations of Brentwood Council,
2. The requirements of Brentwood Council planning,
3. Various Options for refurbishment, as set out in the Dixon Architects Proposals, identifying their operating requirements and load profiles,
4. Compliance with Approved Documents Part L (Conservation of Fuel and Energy), B (Fire), F (Ventilation) & P (Electrical safety).
5. Domestic and Non-Domestic Building Services Compliance Guide.
6. There are no known BBC Planning Requirements for incorporation of Renewable Energy Technologies, but benefit from these shouldn't be discounted if their use has significant benefit.

SERVICING STRATEGY FOR BRENTWOOD TOWH HALL 20 JUNE 2016 Iss I

EXISTING SERVICES

The existing services within BBC Town Hall are in the main the original systems which have been updated and extended periodically. New systems where installed have been installed in compliance with regulatory guidelines at that date, but many are several revisions behind current thinking.

Maintenance costs are increasing and the installed systems add nothing to the building as an asset of BBC.

The existing heating system is gas fuelled boilers, non condensing, located within the basement plantroom.

The systems do not appear to be resilient with breakdown occurring on a regular frequency.

The systems operate slowly, over and under heat the spaces, providing very little in employee environmental comfort, leading to poor morale.

As the existing systems are inefficient, renting space served from this plant would result in higher landlord costs. This may be deemed a negative factor by any possible future investors / tenants interested in the space.

As there is no summer time cooling in the offices overheating is an issue, particularly to the southerly / western facing offices.

SYSTEM PROPOSALS

In the main, the system proposals are to

1. Overcome the problems with the existing services
2. Provide a modern, low energy services installation through the next 25 years of the buildings life, and
3. Provide a solution, combined where possible, to serve the different uses within the building and their own various requirements and operating regimes.

As the services are, in the main, at the end of their usable life, new services are proposed throughout.

This will:

1. Reduce Running, Energy, and Maintenance Costs.
2. Increase resilience,
3. Make the Commercial spaces more attractive to future tenants,
4. Give BBC a lower carbon footprint and contribute to a legacy of sustainability.

SERVICING STRATEGY FOR BRENTWOOD TOWH HALL 20 JUNE 2016 Iss I

RECOMMENDED TECHNOLOGIES

The technologies recommended below:

| Development Proposal for Building / BBC | SYSTEM PROPOSAL 1 | SYSTEM PROPOSAL 2 | Associated Requirements |
|--|--|--|--|
| 1 - Retain existing BBC Town Hall, with BBC accommodating basement and first floors, with conversion of second and third floors to residential use. | New energy Centre within basement of building housing New High Efficiency Gas Boiler Plant for Heating to BBC common areas and Residential section inc CHP for Hot Water Generation to both BBC areas and Residential. VRF Heating / Cooling with MVHR to BBC Office areas. | New energy Centre within basement of building housing New High Efficiency Gas Boiler Plant for Heating to all BBC areas and Residential section inc CHP for Hot Water Generation to both BBC areas and Residential. No Cooling but provide Solar Glazing, in the form of external venetian blind systems to the Western Facade. | Consequential Improvements to Building Fabric in tenanted areas Insulation levels in line with Current Part L to residential areas Shared Plantroom in Basement Zoned & Metered solution for each demise. |
| Budget Services Costs | £1.9m | £2.1m | Plantroom and louvres on first floor for VRF Plant. Solar Glazing on Facade for option 2. |
| 2 - Retain existing BBC Town Hall, with BBC accommodating basement and first floors, with conversion of second and third floors to Commercial Rent Offices | New High Efficiency Gas Boiler Plant for Heating to BBC common areas and Commercial Rent Office Cores. VRF Heating / Cooling with MVHR to Commercial Rent Offices. | New High Efficiency Gas Boiler Plant for Heating and Hot Water throughout. No Cooling but provide Solar Glazing, in the form of external venetian blind systems to the Western Facade. | Consequential Improvements to Building Fabric in tenanted areas Zoned & Metered solution for each demise. Plantroom and louvres on first floor for VRF Plant. |
| Budget Services Costs | £1.7m | £1.9m | Solar Glazing on Facade for option 2. |
| 3 - BBC relocation to purpose built building with existing BBC Town Hall converted to residential throughout with Police Offices at basement level. | New energy Centre within basement of existing BBC Town Hall, housing New High Efficiency Gas Boiler Plant for Heating inc CHP for Hot Water Generation to serve Residential. VRF Heating Cooling with MHVR Ventilation to new BBC Office Building | New energy Centre within basement of existing BBC Town Hall, housing New High Efficiency Gas Boiler Plant for Heating inc CHP for Hot Water Generation to serve Residential. New High Efficiency Gas Boiler Plant for Heating, no cooling. | Insulation levels in line with Current Part L to residential areas Shared Plantroom in Basement Zoned & Metered solution for each demise. |
| Budget Services Costs | £2.2m | £2.1m | |

ADDITIONAL ENERGY EFFICIENT MEASURES TO THE REDEVELOPMENT

LED Lighting throughout - providing significantly lower energy running costs, longevity of installed equipment.

MHVR to residential units - providing extraction and supply of air to spaces and harnessing extracted waste heat and returning into the space via supply ducts.

RUNNING COSTS

A comparative figure of £ 35,000 per annum has been assessed for Development Proposal Option 2 with System Proposal 2, which is the closest to the current building configuration (Retain existing BBC Town Hall, with BBC accommodating basement and first floors, with conversion of second and third floors to Commercial Rent Offices).

RECOMMENDED TECHNOLOGY GLOSSARY

CHP - Combined Heat and Power is a Cogeneration technology where the waste output from boilers producing heat is harnessed to produce electricity which can be used onsite or exported offsite.

Energy Centre - a plant space housing a number of different technologies to produce a single output

VRF Heating / Cooling - Variable Refrigerant Flow, where refrigerant is conditioned by an outdoor condensing unit, which is then circulated to fan coil units within a building which circulate either cooled or heated air.

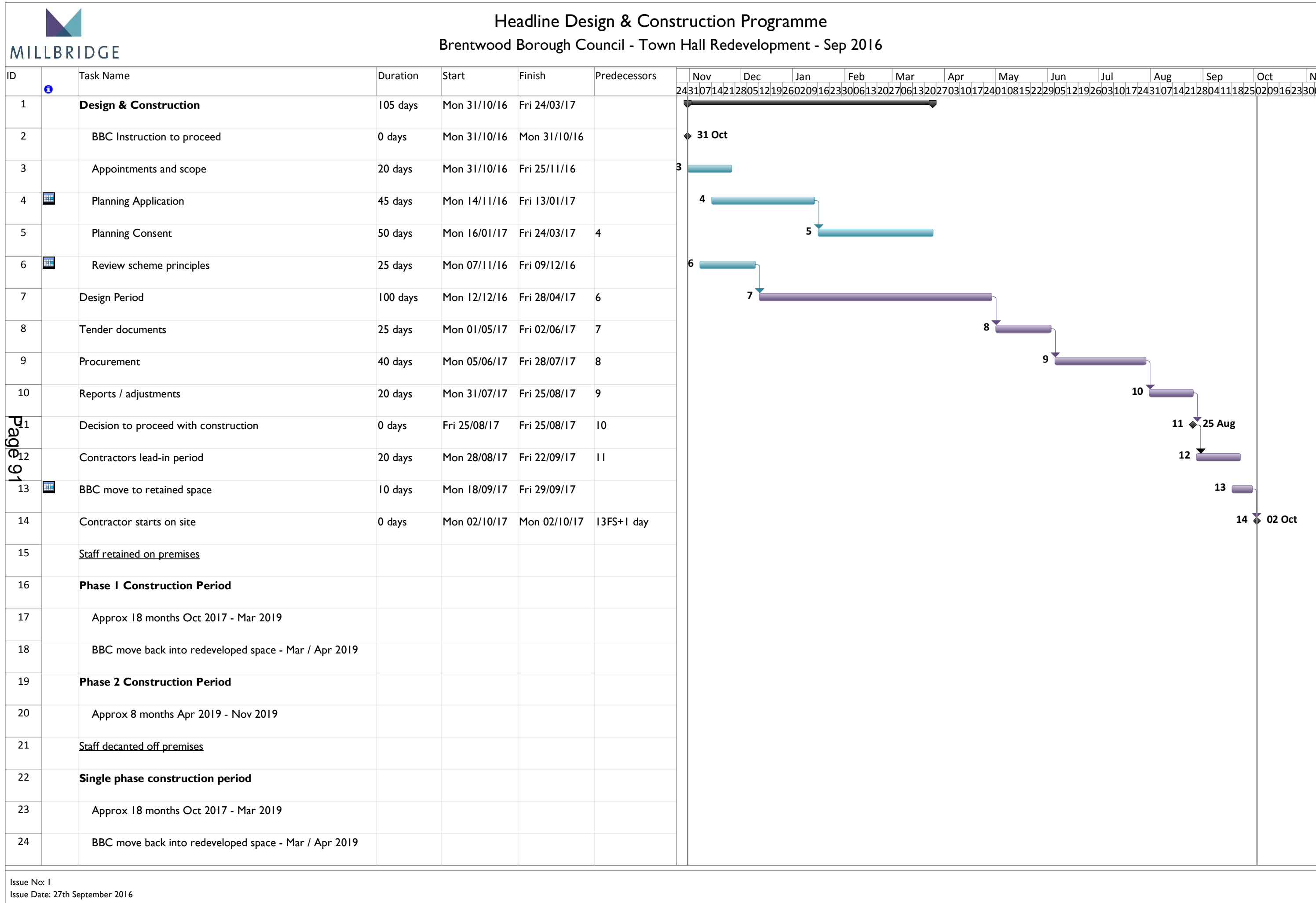
High efficiency Gas Boiler Plant - a number of condensing gas boilers where heat wasted through flue gases are harnessed and transferred back into the heating system.

Appendix H – High Level Risk Register

The below table provides an overview of the high level risks associated with each option.

| Option | Description | Risks | Mitigation |
|--------|---|---|--|
| 1 | Remodelling of the Town Hall Lower Ground – Police Ground Floor – Council frontline and Hub First Floor – Council back office and civic center Second and Third Floor – Residential | Organisations decide not to engage and relocate to the Hub Failure to let property Failure of tenants to pay rent Issues with noisy disruptive tenants | The working group of the Hub continues to meet and relationships have been built so work towards the Hub is on a sure footing. The rental market for property is buoyant at present and forecasts do not foresee this slowing down significantly, however, there will always be a risk. A void percentage has been included in the financial analysis to account for short periods of non-occupancy, however it does not take account of a long term economic downturn. It is assumed that a lack of demand is less likely to affect the residential market and to a lesser amount the private rented market during an economic instability. The lease of these properties will be through a professional management company. Any of issues with tenants would be dealt with through them. The Council would run this service via good contract management practices. The building has been designed to be flexible. Therefore, changes to the building's requirements, whether expansion or decreasing the hub, office, residential or commercial can be undertaken. This will ensure that the building can remain relevant and continue to maximise revenue. |

| Option | Description | Risks | Mitigation |
|--------|---|---|--|
| 2 | <p>Remodelling of the Town Hall</p> <p>Lower Ground – Police</p> <p>Ground Floor – Council frontline and Hub</p> <p>First Floor – Council back office and civic center</p> <p>Second and Third Floor – Commercial</p> | <p>Organisations decide not to engage and relocate to the Hub</p> <p>Failure to let out commercial property (there are already empty commercial properties within Brentwood)</p> <p>Failure of tenants to pay rent</p> <p>Issues with tenants</p> <p>Commercial tenants will want different fit outs etc. requesting non rental period</p> <p>Competition is with other professional serviced accommodation, i.e. Regus</p> | <p>The working group of the Hub continues to meet and relationships have been built so work towards the Hub is on a sure footing.</p> <p>Whilst the commercial property market is subject to economic pressures, a high quality fit out and regular market comparisons will ensure commercial occupancy is maximised.</p> <p>Further, a void percentage has been included in the financial analysis to account for short void periods however the commercial market is considered more susceptible to an economic downturn and could see half the space rented for long periods (12 to 18 months typically).</p> <p>The lease will be through a management company. Any of these type of issues would be dealt with through them. The Council would run this service via good contract management practices.</p> <p>The building has been designed to be flexible. Therefore, changes to the building's requirements, whether expansion or decreasing the hub, office, residential or commercial can be undertaken. This will ensure that the building can remain relevant and continue to maximise revenue.</p> |
| 3 | Do Nothing | Council fail to take opportunity to reduce costs, increase revenue and create a Hub in the Town which provides a great service to the customer | Decide to do something with the Town Hall building/site only mitigation |



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19 October 2016

Ordinary Council

Community Infrastructure Levy – Preliminary Draft Charging Schedule Consultation

Report of: *Phil Drane – Planning Policy Team Leader*

Wards Affected: *All*

This report is: *Public*

1. Executive Summary

- 1.1 This report updates members on progress preparing the Council's Community Infrastructure Levy (CIL) and the proposed first stage of consultation, the Preliminary Draft Charging Schedule.
- 1.2 Viability appraisals have been carried out in relation to residential and commercial development to inform suggested charging rates. Members are requested to agree these rates and areas as the basis for public consultation.

2. Recommendations

- 2.1 **To agree the charging rates detailed in paragraphs 5.5, 5.8 and 5.9, as the basis for the production of the Council's Community Infrastructure Levy Preliminary Draft Charging Schedule.**
- 2.2 **To approve the Preliminary Draft Charging Schedule document, as set out in Appendix B, for a six week public consultation.**

3. Introduction and Background

- 3.1 The CIL is a statutory charge which allows Councils to require mandatory financial contributions from various forms of development within their area, in order to help fund supporting infrastructure.
- 3.2 It effectively replaces much of the existing process of planning obligations known as 'Section 106' agreements. CIL monies are pooled into one

fund, there is no time constraint for the spending of monies collected and it can be used on any infrastructure needed to support new development across the Borough. Whilst 'Section 106' agreements will be used and negotiated to secure site specific related infrastructure e.g. affordable housing and to mitigate the direct impacts of individual developments. Since April 2015 the use of 'Section 106' agreements have been limited to five contributions, for an item of infrastructure that is not intended to be funded by the levy.

- 3.3 Before a CIL Charging Schedule can be adopted it must be subject to two rounds of formal consultation followed by an independent examination. The first formal stage towards the adoption of a Charging Schedule is the production of the Preliminary Draft Charging Schedule for consultation set out the consultation requirements including persons who are a resident or carrying on business in the area.
- 3.4 The second stage is the publication of a final Draft Charging Schedule for representations during a period of at least four weeks. During this period any person may request to be heard by the examiner.
- 3.5 At examination in public, the examiner will approve, modify or reject the Draft Charging Schedule. Once any recommended modifications have been addressed by the Council it may then proceed to adopt the Charging Schedule by a resolution of Ordinary Council. If the Council adopts CIL, it becomes the collector of CIL and is therefore responsible for the delivery of CIL, as a charging authority.
- 3.6 The Council will also need to publish a list of infrastructure projects or types of infrastructure intended to be funded or part-funded by the levy (known as the Regulation 123 list). This will be informed by the Infrastructure Delivery Plan which provides a basis for identifying the priorities for future infrastructure funding.
- 3.7 The CIL Regulations set certain requirements about who the charging authority should consult on a Preliminary Draft Charging Schedule including persons who are resident or carrying out business in the area. No minimum length of consultation is stipulated in the regulations, however, in line with the Council's Statement of Community Involvement (SCI) a six-week period is proposed.

4. Issue, Options and Analysis of Options

- 4.1 The economic viability assessments that accompany the Preliminary Draft Charging Schedule have been prepared by appointed specialist consultants (Nationwide CIL Service, Heb Property Consultants, and Gleeds Property and Construction). The viability assessment work informs the setting of a charging schedule.
- 4.2 The viability assessment study area covers the whole of the Borough and sought to assess the viability of residential and commercial sites.
- 4.3 The report provides an appraisal of the viability of the emerging Brentwood Local Plan in terms of the impact of its policies on the economic viability of development proposed to be delivered by the Plan and the potential for development to yield CIL. The study considers policies that might affect the cost and value of development.
- 4.4 The study involved an assessment of market values for residential and commercial development in Brentwood based on valuation advice from Heb Property Consultants. The study uses the base construction costs and rates based on advice from Gleeds Property and Construction. It first tests mixed residential and commercial development scenarios considered relevant and likely to emerge in the study area to assess the potential to adopt a CIL. It also considers two principal land value benchmarks from which development is likely to emerge, namely greenfield and brownfield.
- 4.5 The Infrastructure Delivery Plan that will accompany the Council's emerging Local Plan has a key relationship with the CIL. The Infrastructure Delivery Plan considers a range of infrastructure groups, establishes an existing baseline, and appraises what infrastructure is required to support new development and the extent to which each is a constraint to the delivery of the Local Plan.
- 4.6 An update note on progress made on the Infrastructure Delivery Plan has been published, as referenced in the background papers chapter of this report (item 9). It is anticipated that a full first draft of the Infrastructure Delivery Plan will be available for consideration alongside the Draft Charging Schedule in January 2017. Key technical work on highways and leisure infrastructure is expected to be complete by December 2016, which will inform final drafting.

5. Reasons for Recommendation

Residential

- 5.1 For residential development, the residential valuation assessment study factors in the authority's affordable housing targets. Affordable housing is exempt from CIL charges and this is factored into the appraisal.
- 5.2 There are other exemptions that will mean not all residential development is liable for CIL. Affordable housing is exempt from CIL and therefore the provision of affordable housing is likely to continue through Section 106 agreements. Due to Brentwood's high residential land values, providing affordable housing via Section 106 agreements is likely to be viable for developers, even in those areas of marginal value. In addition to affordable housing, other exemptions from CIL include people building or extending their own homes (including self build projects). This means that if a person is building a new home or replacement home for them to live in it is not liable for CIL.
- 5.3 The viability study concluded that variations in the values of residential development were not significant enough to warrant differential assumptions being applied to different geographical locations in the study area and that a single value zone approach was appropriate.
- 5.4 Charging authorities must express levy rates as pounds per square metre as CIL will be levied on the gross internal floorspace of the net additional liable development.
- 5.5 In conclusion for residential development, it is recommended that the rate of £200 per square metre be agreed for consultation.

Commercial

- 5.6 It is important to note that CIL Regulations require the same viability test to commercial development as also applied to residential development, in that it relies upon development viability.
- 5.7 For non-residential development, the study recommends that a single zone approach is taken to setting commercial CIL rates.
- 5.8 When appraising the viability of commercial use classes, the evidence would indicate negative viability for most uses except food supermarkets and general retail. However, this does not mean that commercial and employment developments cannot be delivered in Brentwood. Many forms of commercial development may be undertaken direct by occupiers and where the development return can be reduced from a developer's

profit to a margin that reflects occupiers operational or opportunity costs, development could then be economically viable. Therefore, in conclusion for non-residential uses (except retail), it is recommended that a rate of £0 per square metre be agreed for consultation.

- 5.9 General retail A1-A5 and food supermarkets were assessed to be viable and capable of accommodating CIL in both greenfield and brownfield development scenarios. Therefore, it is recommended that two rates be agreed for consultation. These comprise a rate of £125 per square metre for general retail A1-A5 (excluding food supermarkets), and a rate of £200 per square metre for food supermarkets.
- 5.10 The Brentwood Borough Council Whole Plan & CIL Viability Assessment (Nationwide CIL Service) is set out in Appendix A.

6. Consultation

- 6.1 Public consultation on the Preliminary Draft Charging Schedule will enable the Borough's residents, businesses and stakeholders to comment with their views. These will then be considered and reviewed by the Council ahead of the next consultation stage (Draft Charging Schedule).
- 6.2 It is proposed that public consultation take place for a period of six weeks, subject to approval. This is suggested to start on Thursday 27 October and end on Thursday 8 December 2016. The consultation document and supporting evidence will be available on the Council's website to view and comment on. Hard copies will be available at deposit points and the consultation carried out in line with the Council's Statement of Community Involvement.
- 6.3 The proposed Preliminary Draft Charging Schedule consultation document is set out in Appendix B.

7. References to Vision for Brentwood 2016-19

- 7.1 CIL is a locally set charge on new development. The funds raised will be used to provide infrastructure to support new development planned in the emerging Brentwood Local Plan. Two priorities identified in the Council's corporate plan Vision for Brentwood 2016-19 is the need to adopt a Local Plan and implement a planning framework to guide and enable infrastructure delivery. Adopting a CIL will help the Council achieve these corporate priorities, the next stage of which is to carry out public consultation on the Preliminary Draft Charging Schedule.

8. Implications

Financial Implications

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- 8.1 The production of a CIL will enable the Council to require mandatory financial contributions from various forms of development in order to help fund supporting infrastructure. Implementation and administration of CIL will need to be funded. Charging authorities will be able to use funds from the levy to recover the costs of administering the levy, with the regulations permitting them to use up to 5 per cent of their total receipts on administrative expenses to ensure that the overwhelming majority of revenue from the levy is directed towards infrastructure provision.

Legal Implications

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- 8.2 Once adopted and brought into force, CIL will largely replace contributions from Section 106 Agreements for infrastructure associated with development. The Planning Act 2008 and the Community Infrastructure Levy Regulations 2010 (as amended) set out the procedure for introducing CIL.

9. Background Papers

(available to view at www.brentwood.gov.uk/CIL)

- Planning Policy Viability Assessment, Construction Cost Study (March 2016)
- Community Infrastructure Levy, Land and Property Value Appraisal Study (April 2016)
- Infrastructure Delivery Plan Update Note (October 2016)

10. Appendices to this report

- Appendix A: Brentwood Borough Council Whole Plan & CIL Viability Assessment (May 2016)
- Appendix B: Community Infrastructure Levy, Preliminary Draft Charging Schedule (October 2016)

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Brentwood Borough Council Whole Plan & CIL Viability Assessment

May 2016



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Appendix 1 - Heb Surveyors Valuation Report May 2016
(Separate Report)

Appendix 2 – Gleeds Construction Cost Study Update March 2016
(Separate Report)

Executive Summary

Purpose of the Study

1.1 The purpose of the Whole Plan Viability Study is to appraise the viability of Brentwood Borough Council's Local Plan in terms of the impact of its policies on the economic viability of the development expected to be delivered during the Plan period . The study considers policies that might affect the cost and value of development (e.g. Affordable Housing and Design and Construction Standards) in addition to the potential to accommodate Community Infrastructure Levy Charges. The area covered by the study is the Brentwood Borough Council administrative area.

1.2 Section 173 of the National Planning Policy Framework requires that plans should be deliverable ensuring that obligations and policy burdens do not threaten the viability of the developments identified in the plan. An assessment of the costs and values of each category of development is therefore required to consider whether they will yield competitive returns to a willing land owner and willing developer thus enabling the identified development to proceed.

1.3 The study also includes an assessment of the ability of different categories of development within the Local Plan area to make infrastructure contributions via a Community Infrastructure Levy (having taken account of the cost impacts of Affordable Housing delivery and other relevant policies). If there is any additional return beyond these reasonable allowances then this is the margin available to make CIL contributions. This information is provided to enable the Council to make informed decisions on the scope for future introduction of the Levy if supported.

Methodology

1.4 The viability assessment comprises a number of key stages as outlined below:

EVIDENCE BASE – LAND & PROPERTY VALUATION STUDY

1.5 Collation of an area-wide evidence base of land and property values for both residential and commercial property

EVIDENCE BASE – CONSTRUCTION COST STUDY

1.6 Collation of an area-wide evidence base of construction costs for both residential and commercial property

IDENTIFICATION OF SUB-MARKETS

1.7 Sub market identification informed by the valuation evidence gathered at stage one above, Large differences in values across a study area indicate the need to define independent sub areas

Executive Summary

for viability testing purposes and in turn these will inform the creation of different charging zones for Community Infrastructure Levy Purposes.

POLICY IMPACT ASSESSMENT

1.8 Identification of the policies within the plan, which will have a direct impact on the costs of development and hence the viability of development. Typical policy impacts include affordable housing requirements and sustainable construction requirements.

VIABILITY APPRAISAL

1.9 Viability assessment for both residential and commercial development scenarios based on a series of typologies which reflect the development likely to emerge over the plan period. The assessments are conducted for both greenfield and brownfield development as it is recognised this can result in significant difference in viability.

RESULTS

1.10 The viability results for both residential and commercial development typologies have been summarised below. The figures represent the margin of viability per square metre taking account of all development values and costs, plan policy impact costs and having made allowance for a competitive return to the landowner and developer. In essence a positive margin confirms whole plan viability.

RESIDENTIAL VIABILITY

1.11 The assessments of residential land and property values indicated that there were not sufficient differences in value across the Borough to justify the existence of sub-markets or application of differential value assumptions.

1.12 The following table shows the viability margins for the different residential typologies for greenfield and brownfield development

| Maximum Residential CIL Rates | | | | | |
|-------------------------------|-------------------------------|----------------------|-------------------------|----------------------|---------------------------|
| | Mixed Residential Development | Town Centre Location | Edge of Village Housing | Large Family Housing | Small Housing Development |
| 35% Affordable Housing | | | | | |
| Greenfield | £764 | £533 | £803 | £824 | £1,016 |
| Brownfield | £367 | £330 | £405 | £439 | £709 |


Executive Summary

1.13 The testing showed that the Brentwood Borough Local Plan Policies are viable for all forms of housing development and demonstrate that Affordable Housing delivery at the Council's policy target of 35% delivery proposed by the Plan is deliverable.

1.14 Greenfield housing development demonstrates viable CIL rate potential of £533-£1,016 per square metre dependent on the sub-market area. For brownfield housing, the CIL rate potential is lower at £330-709 per square metre. The results are slightly skewed by the 'small housing development' scenario test of 2 units where no affordable housing delivery is assumed.

Commercial

1.15 The initial assessment of commercial land and property values indicate that there are no significant differences in values to justify differential sub-markets based on assumptions or differential CIL charging zones. The commercial category viability results are set out below but demonstrate that only food and non-food retail development categories are considered viable in terms of being able to viably accommodate CIL

|  Maximum Commercial CIL Rates per sq m | | |
|---|-----------------|-----------------------|
| General Zone | | |
| Charging Zone/Base Land Value | Greenfield | Brownfield |
| Industrial (B1b B1c B2 B8) | -£58 | -£247 |
| Office(B1a) | -£287 | -£445 |
| Hotel(C1) | -£957 | -£1,113 |
| Residential Institution (C2) | -£1,081 | -£1,198 |
| Community(D1) | -£1932 | -£2069 |
| Leisure (D2) | -£547 | -£829 |
| Agricultural | -£318 | NA |
| Sui Generis | Car Sales -£603 | Vehicle Repairs -£809 |
| Food Supermarket Retail A1 | £664 | £383 |
| General Retail A1-A5 | £354 | £217 |

Executive Summary

1.16 It can be seen that only food supermarket retail, with CIL potential rate of £383-£664 per square metre, dependent on existing land use and general retail with potential rates of £217-£354 provide a margin to introduce CIL charges. It is therefore recommended on the existing evidence, that all non-retail categories should not be charged CIL based.

1.17 It should be stressed that whilst the generic appraisals showed that most forms of commercial and employment development are not viable based on the test assumptions, this does not mean that this type of development is not deliverable. For consistency a full developer's profit allowance was included in all the commercial appraisals. In reality many employment developments are undertaken direct by the operators. If the development profit allowance is removed from the calculations, then much employment development would be viable and deliverable. In addition, it is common practice in mixed use schemes for the viable residential element of a development to be used to cross subsidise the delivery of the commercial component of a scheme.

SHLAA Sites

1.18 The economic viability of sites identified in the Council's SHLAA have been assessed taking account of site specific abnormal costs and mitigation factors, local plan policy impacts, affordable housing delivery and the impact of potential CIL charges.

1.19 The assessments confirm that Local Plan policies and the 35% Affordable Housing are deliverable on all sites across the plan period and that all residential sites can accommodate the draft CIL charges that are recommended without threatening economic viability.

Conclusions

1.20 The study demonstrates that most of the development proposed by the Local Plan is viable and deliverable taking account of the cost impacts of the policies proposed by the plan and the requirements for viability assessment set out in the NPPF. It is further considered that significant additional margin exists, beyond a reasonable return to the landowner and developer to accommodate CIL charges.

Executive Summary

1.21 In terms of CIL, it is recommended that there are not sufficient variations in residential viability to justify a differential zone approach to setting residential CIL rates across the Brentwood Borough area.

1.22 Taking account of the viability results, the generic nature of the tests, a reasonable buffer to allow for additional site specific abnormal costs, in the event Brentwood Borough Council wish to pursue CIL, we would recommend the following zonal rates. Brentwood Borough envisage a mixed development delivery strategy on brownfield and greenfield sites and so the rates are set within the lower brownfield viability margins with a reasonable viability buffer in excess of the generally accepted margin of 30%.

| Residential CIL | |
|-----------------|---------|
| Housing | £200sqm |

1.23 It is similarly recommended that a single zone approach is taken to setting commercial CIL rates. The viability assessment results indicate that all non-retail commercial uses should be zero rated.

1.24 The retail viability assessment results indicate that differential rates could be legitimately applied to both types of retail use and, in the case of food supermarket development also to scale of development. Based on the viability assessment results and taking account of a reasonable viability buffer and the issues set out in paragraph 1.17, the following Commercial CIL rates are recommended.

| Non-Residential CIL | |
|---|---------|
| Boroughwide | |
| All Non-residential uses (excepting Retail) | £0sqm |
| Boroughwide | |
| General Retail A1-A5 (excluding Food Supermarket) | £125sqm |
| Food Supermarket A1 | £200sqm |

1.25 The study is a strategic assessment of whole plan viability and as such is not intended to represent a detailed viability assessment of every individual site. The study applies the general assumptions in terms of affordable housing, planning policy costs impacts and identified site mitigation factors based on generic allowances. It is anticipated that more detailed mitigation cost and viability information may be required at planning application stage to determine the appropriate level of affordable housing and planning obligation contributions where viability issues are raised. The purpose of the study is to determine whether the development strategy proposed by the Plan is deliverable given the policy cost impacts of the Plan.

Executive Summary

1.26 The study illustrates that all greenfield and brownfield sites in the initial 0-5 year delivery period (i.e. the 5 year land supply) are viable based on the adopted assumptions. Viability improves in both the medium term (6-10 years) and longer term (11-15 years) with all sites demonstrating positive viability.

1.27 In conclusion, the assessment of all proposed residential sites in Brentwood Borough has been undertaken with due regard to the requirements of the NPPF and the best practice advice contained in 'Viability Testing Local Plans'. It is considered that all sites are viable across the entire plan period taking account of the Affordable/Low Cost Housing requirements and all policy impacts of the Local Plan as well as the introduction of CIL in the future.

1.28 It should be noted that this study should be seen as a strategic overview of plan level viability rather than as any specific interpretation of Brentwood Borough Council policy on the viability of any individual site or application of planning policy to affordable housing, CIL or developer contributions. Similarly the conclusions and recommendations in the report do not necessarily reflect the views of Brentwood Borough Council.

2 Introduction

2.1 The purpose of the study is to assess the overall viability of the Brentwood Borough Local Plan and potential to introduce CIL charges by assessing the economic viability of development being promoted by the Plan.

2.2 In order to provide a robust assessment, the study first uses generic development typologies to consider the cost and value impacts of the proposed plan policies and determine whether any additional viability margin exists to accommodate a Community Infrastructure Levy. The study then goes on to assess the viability of the key strategic sites which are key to the overall development strategy. The individual site assessments take account of policies in the plan, affordable housing requirements, mandatory requirements to be introduced during the Plan period such as the National Housing Standards and Sustainable Construction requirements including SUDS, the potential Community Infrastructure Levy and site specific constraints to determine whether the proposed sites are viable and deliverable in the plan period.

The NPPF and Relevant Guidance

2.3 The National Planning Policy Framework 2012 introduces a new focus on viability assessment in considering appropriate Development Plan policy. Paras 173-177 provide guidance on 'Ensuring Viability and Deliverability' in plan making. They state :-

"173. Pursuing sustainable development requires careful attention to viability and costs in plan-making and decision-taking. Plans should be deliverable. Therefore, the sites and the scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened. To ensure viability, the costs of any requirements likely to be applied to development, such as requirements for affordable housing, standards, infrastructure contributions or other requirements should, when taking account of the normal cost of development and mitigation, provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable.

174. Local planning authorities should set out their policy on local standards in the Local Plan, including requirements for affordable housing. They should assess the likely cumulative impacts on development in their area of all existing and proposed local standards, supplementary planning documents and policies that support the development plan, when added to nationally required standards. In order to be appropriate, the cumulative impact of these standards and policies should not put implementation of the plan at serious risk, and should facilitate development throughout the economic cycle. Evidence supporting the assessment should be proportionate, using only appropriate available evidence.....

177. It is equally important to ensure that there is a reasonable prospect that planned infrastructure is deliverable in a timely fashion. To facilitate this, it is important that local planning authorities understand Borough-wide development costs at the time Local Plans are drawn up. For this reason, infrastructure and development policies should be planned at the same time, in the Local Plan. Any affordable housing or local standards requirements that may be applied to development should be assessed at the plan-making stage, where possible, and kept under review."

2 Introduction

2.4 In response to the NPPF, the Local Housing Delivery Group, a cross industry group of residential property stakeholders including the House Builders Federation, Homes and Communities Agency and Local Government Association, has published more specific guidance entitled 'Viability Testing Local Plans' in June 2012.

2.5 The guidance states as an underlying principle, that :-

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

2.6 The guidance recommends the following stages be completed in testing Local Plan viability:-

- 1) Review Evidence Base and align existing assessment evidence
- 2) Establish Appraisal Methodology and Assumptions (including threshold land values, site and development typologies, costs of policy requirements and allowance for changes over time)
- 3) Evidence Collation and Viability Modelling (including development costs and revenues, land values, developers profit allowance)
- 4) Viability Testing and Appraisal
- 5) Review of Outputs

2.7 The guidance is not prescriptive about the use of particular financial assessment models but advises that a residual appraisal approach which tests the ability of development to yield a margin beyond all the test factors to determine viability or otherwise is widely used and accepted. The guidance sets out the key elements of viability appraisal and the factors that need to be considered to ensure robust assessment.

2.8 The current study adheres to the principles of the NPPF and 'Viability Testing Local Plans and sets out its methodology and assumptions in the following sections.

3 Methodology

The Process

There are a number of key stages to Viability Assessment which may be set out as follows.

1) Evidence Base – Land & Property Valuation Study

3.1 Establish an area wide evidence base of land and property values for development in each sub-market area. The evidence base relies on the area wide valuation study undertaken by Heb Surveyors in 2016.

2) Evidence Base – Construction Cost Study

3.2 Establish an area wide evidence base of construction costs for each category of development relevant to the local area. The study will also indicate construction rates for professional fees, warranties, statutory fees and construction contingencies. The evidence base relies on the Construction Cost Study by Gleeds undertaken in 2016. In addition specific advice on reasonable allowances for abnormal site constraints was obtained from Gleeds and is outlined in the report.

3) Identification of Sub Market Areas

3.3 The Heb Valuation Evidence considered the existence of potential sub-markets within the study area which might inform the application of differential value assumptions in the Whole Plan testing or inform the creation of differential Charging Zones as part of the progression of a Community Infrastructure Levy.

4) Policy Impact Assessment

3.4 The study will establish the policies proposed by the plan that have a direct impact on the cost of development and apportion appropriate allowances based on advice from cost consultants, Gleeds, to be factored in the viability assessment. Typically cost impacts will include sustainable construction requirements based on National Housing Standards and BREEAM standards.

3 Methodology

5) Viability Appraisal – Whole Plan Assessment & Generic CIL Tests

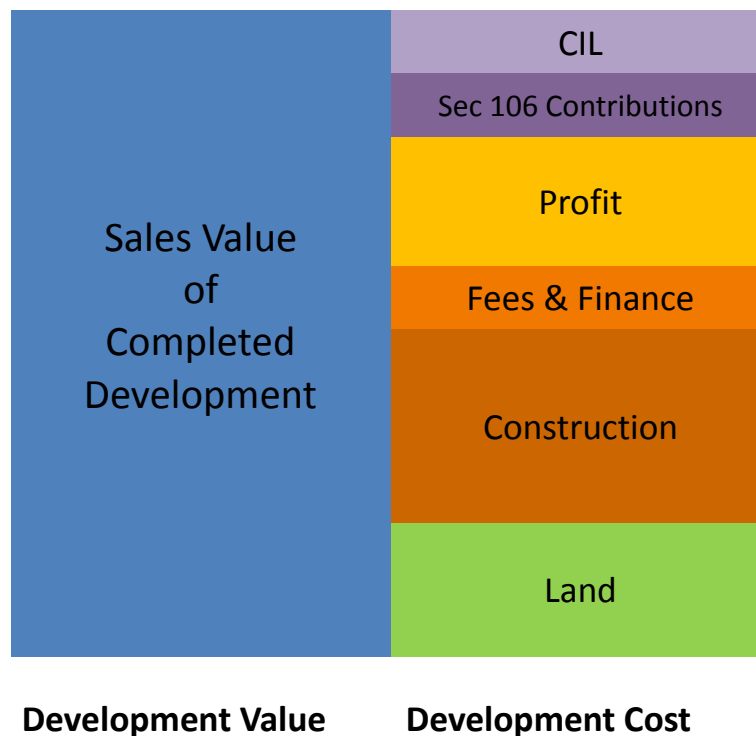
3.5 The study employs a bespoke model to assess Local Plan viability in accordance with best practice guidance (eg Local Housing Delivery group – Viability Testing Local Plans and the RICS – Financial Viability in Planning). The initial generic tests will be based on a series of development typologies to reflect the type of development likely to emerge over the plan period. The purpose of these tests is two-fold – it will firstly assess cumulative impact of the policies proposed by the plan to determine whether the overall development strategy is deliverable. Secondly the model will identify the level of additional margin, beyond a reasonable return for the landowner and developer, which may be available for the introduction of CIL.

6) Site Specific Appraisal

3.6 The proposed allocated sites undergo very similar appraisal as outlined in the above methodology but site specific factors in terms of site area, housing numbers, housing mix, abnormal cost/mitigation factors are also assessed to ensure sites are deliverable. The tests also enable the draft CIL charges to be applied to determine if they are broadly viable in the context of actual site delivery.

3 Methodology

The Development Equation



3.7 The appraisal model is illustrated by the above diagram and summarises the 'Development Equation'. On one side of the equation is the development value i.e. the sales value which will be determined by the market at any particular time. The variable element of the value in residential development appraisal will be determined by the proportion and mix of affordable housing applied to the scheme. Appropriate discounts for the relevant type of affordable housing will need to factored into this part of the appraisal.

3.8 On the other side of the equation, the development cost includes the 'fixed elements' i.e. construction, fees, finance and developers profit. Developers profit is usually fixed as a minimum % return on gross development value generally set by the lending institution at the time. The flexible elements are the cost of land and the amount of developer contribution (CIL and Planning Obligations) sought by the Local Authority.

3.9 Economic viability is assessed using an industry standard Residual Model approach. The model subtracts the Land Value and the Fixed Development Costs from the Development Value to determine the viability or otherwise of the development and any additional margin available for CIL.

3 Methodology

Viability Assessment Model

3.10 The NCS model is based on standard development appraisal methodology, comparing development value to development cost. The model factors in a reasonable return for the landowner with the established threshold value, a reasonable profit return to the developer and the assessed cost impacts of proposed planning policies to determine if there is a positive or negative residual output. Provided the margin is positive (ie Zero or above) then the development being assessed is deemed viable. The principles of the model are illustrated below.

| | |
|---|-------------------|
| Development Value (Based on Floor Area) Eg 10 x 3 Bed 100sqm Houses x £2,200per sqm | £2,200,000 |
| Development Costs | |
| Land Value | £400,000 |
| Construction Costs | £870,000 |
| Abnormal Construction Costs (Optional) | £100,000 |
| Professional Fees (% Costs) | £90,000 |
| Legal Fees (% Value) | £30,000 |
| Statutory Fees (% Costs) | £30,000 |
| Sales & Marketing Fees (% Value) | £40,000 |
| Contingencies (% Costs) | £50,000 |
| Section 106 Contributions/Policy Impact Cost Assumptions/CIL (Strategic Site Testing Only) | £90,000 |
| Finance Costs (% Costs) | £100,000 |
| Developers Profit (% Return on GDV) | £350,000 |
| Total Costs | £2,175,000 |
| Output | |
| Viability Margin | £50,000 |
| Potential CIL Rate (CIL Appraisal only) | £50 sqm |

3.11 The model will calculate the gross margin available for developer contributions. The maximum rate of CIL that could be levied without rendering the development economically unviable is calculated by dividing the gross margin by the floorspace of the development being assessed.

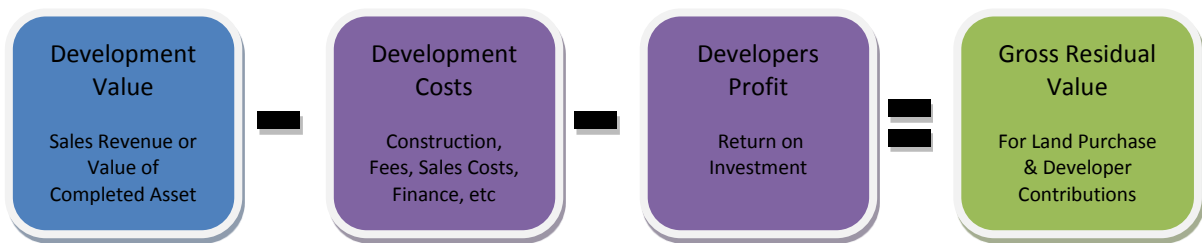
3.12 It is important to note that the model applies % proportions and further % tenure splits to the housing scenarios to reflect affordable housing discounts which will generate fractional unit numbers. The model automatically rounds to the nearest whole number and therefore some results appear to attribute value proportions to houses which do not register in the appraisal. The fractional distribution of affordable housing discounts is considered to represent the most accurate illustration of the impact of affordable housing policy on viability.

3 Methodology

Land Value Assumptions

3.13 It is generally accepted that developer contributions (Affordable Housing, CIL and S106), will be extracted from the residual land value (i.e. the margin between development value and development cost including a reasonable allowance for developers profit). Within this gross residual value will be a base land value (i.e. the minimum amount a landowner will accept to release a site) and a remaining margin for contributions.

Stage 1 – Residual Valuation



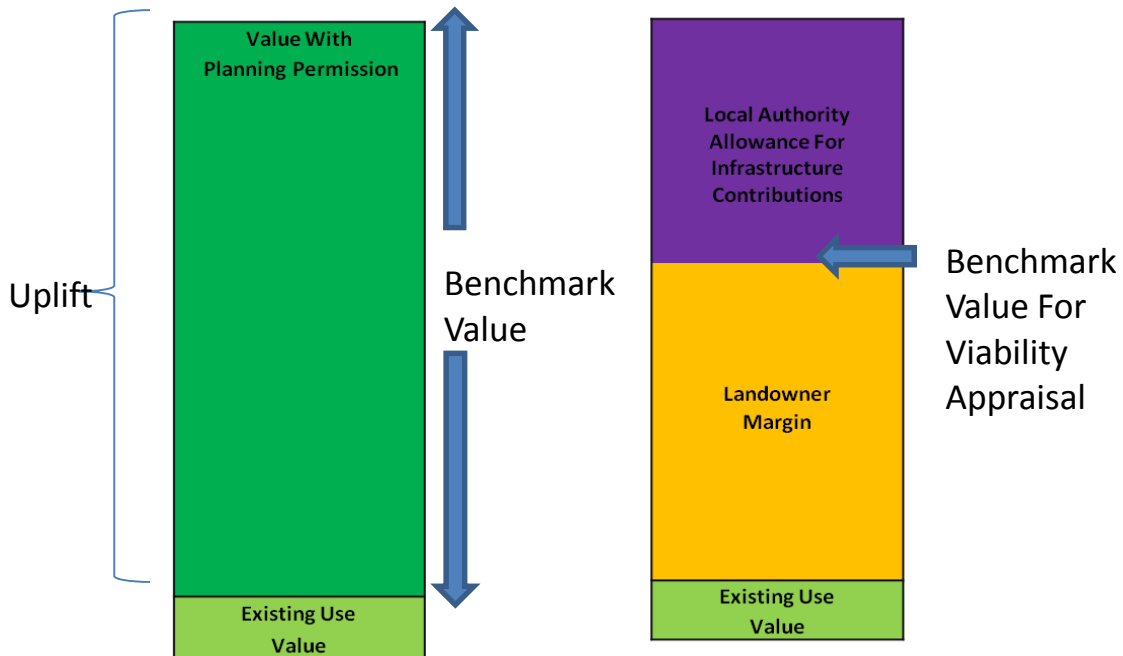
3.14 The approach to assessing the land element of the gross residual value is therefore the key to the robustness of any viability appraisal. There is no single method of establishing threshold land values for the purpose of viability assessment in planning but the NPPF and emerging best practice guidance does provide a clear steer on the appropriate approach.

Stage 2 – Establishing Base Land Value



3 Methodology

Land Value Benchmarking (Threshold Land Values)



3.15 The above diagram illustrates the principles involved in establishing a robust benchmark for land value. Land will have an existing use value (EUV) based on its market value. This is generally established by comparable evidence of the type of land being assessed (e.g. agricultural value for greenfield sites or perhaps industrial value for brownfield sites may be regarded as reasonable existing use value starting points and may be easily established from comparable market evidence)

3.16 The Alternative Use Value is established by assessing the gross residual value between development value and development cost after a reasonable allowance for development profit, assuming planning permission has been granted. The gross residual value does not make allowance for the impact of development plan policies on development cost and therefore represents the maximum potential value of land that landowners may aspire to.

3.17 In order to establish a benchmark land value for the purpose of CIL viability appraisal, it must be recognised that Local Authorities will have a reasonable expectation that, in granting planning permission, the resultant development will yield contributions towards infrastructure and affordable housing. The cost of these contributions will increase the development cost and therefore reduce the residual value available to pay for the land.

3.18 The appropriate benchmark value will therefore lie somewhere between existing use value and gross residual value based on alternative planning permission. This will of course vary significantly dependent on the category of development being assessed.

3 Methodology

3.19 The key part of this process is establishing the point on this scale that balances a reasonable return to the landowner beyond existing use value and a reasonable margin to allow for infrastructure and affordable housing contributions to the Local Authority.

Benchmarking and Threshold Land Value Guidance

3.20 Benchmarking is an approach which the Homes and Communities Agency refer to in 'Investment and Planning Obligations: Responding to the Downturn'. This guide states: *"a viable development will support a residual land value at a level sufficiently above the site's existing use value (EUV) or alternative use value (AUV) to support a land acquisition price acceptable to the landowner"*.

3.21 The NPPF has introduced a more stringent focus on viability in planning considerations. In particular para 173 states:-

"To ensure viability, the costs of any requirements likely to be applied to development, such as requirements for affordable housing, standards, infrastructure contributions or other requirements should, when taking account of the normal cost of development and mitigation, provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable"

3.22 The NPPF recognises that, in assessing viability, unless a realistic return is allowed to a landowner to incentivise release of land, development sites are not going to be released and growth will be stifled. The most recent practical advice in establishing benchmark thresholds at which landowners will release land was produced by the Local Housing Delivery Group (comprising, inter alia, the Local Government Association, the Homes and Communities Agency and the House Builders Federation) in June 2012 in response to the NPPF. 'Viability Testing Local Plans' states :-

"Another key feature of a model and its assumptions that requires early discussion will be the Threshold Land Value that is used to determine the viability of a type of site. This Threshold Land Value should represent the value at which a typical willing landowner is likely to release land for development, before payment of taxes (such as capital gains tax)".

Different approaches to Threshold Land Value are currently used within models, including consideration of:

- *Current use value with or without a premium.*
- *Apportioned percentages of uplift from current use value to residual value.*
- *Proportion of the development value.*
- *Comparison with other similar sites (market value).*

We recommend that the Threshold Land Value is based on a premium over current use values and credible alternative use values. The precise figure that should be used as an appropriate premium above current use value should be determined locally. But it is important that there is evidence that it represents a sufficient premium to persuade landowners to sell".

3 Methodology

NCS Approach to Land Value Benchmarking (Threshold Land Values)

3.23 NCS has given careful consideration to how the Threshold Land Value (i.e. the premium over existing use value) should be established.

3.24 We have concluded that adopting a fixed % over existing value is inappropriate because the premium is tied solely to existing value – which will often be very low - rather than balancing the reasonable return aspirations of the landowner to pursue a return based on alternative use as required by the NPPF. Landowners are generally aware of what their land is worth with the benefit of planning permission. Therefore a fixed % uplift over existing use value will not generally be reflective of market conditions and may not be a realistic method of establishing threshold land value.

3.25 We believe that the uplift in value resulting from planning permission should effectively be shared between the landowner (as a reasonable return to incentivise the release of land) and the Local Authority (as a margin to enable infrastructure and affordable housing contributions). The % share of the uplift will vary dependent on the particular approach of each Authority but based on our experience the landowner will expect a minimum of 50% of the uplift in order for sites to be released. Generally, if a landowner believes the Local Authority is gaining greater benefit than he is unlikely to release the site and will wait for a change in planning policy. We therefore consider that a 50:50 split is a reasonable benchmark and will generate base land values that are fair to both landowners and the Local Authority.

The Shinfield Appeal Decision Wokingham (APP/X0360/A/12/2179141) in January 2013 has provided clear support for this approach to establishing a 'reasonable return the landowner' under the requirements of the NPPF. The case revolved around the level of affordable housing and developer contributions that could be reasonably required and in turn the decision hinged on the land value allowed to the applicant as a 'reasonable return' to incentivise release of the site. The Inspector held that the appropriate approach to establishing the benchmark or threshold land value would be to split the uplift in value resulting from planning permission for the Alternative Use - 50:50 between landowner and the community.

The Threshold Land Value is established as follows :-

Existing Use Value + % Share Of Uplift from Planning Permission = Threshold Land Value

3.26 The resultant threshold values are then checked against market comparable evidence of land transactions in the Authority's area by our valuation team to ensure they are realistic. We believe this is a robust approach which is demonstrably fair to landowners and more importantly an approach which has been accepted at CIL and Local Plan Examinations we have undertaken.

3 Methodology

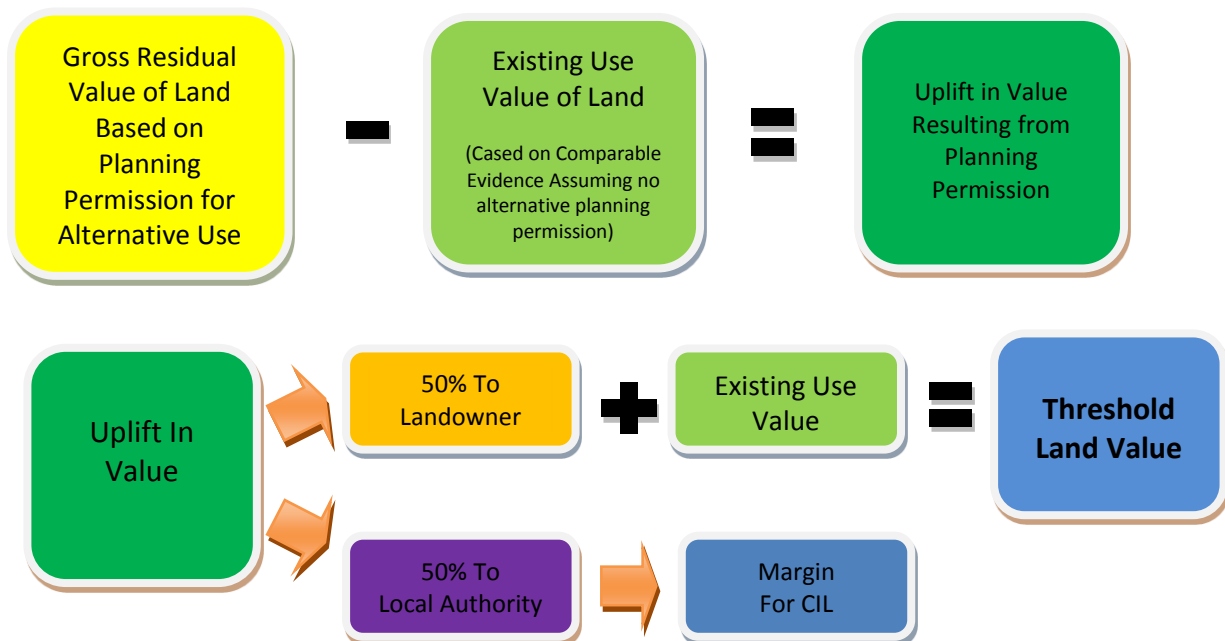
Worked Example Illustrating % over Existing Use vs % Share of Uplift

3.27 A landowner owns a 1 Hectare field at the edge of a settlement. The land is proposed to be allocated for residential development. Agricultural value is £20,000 per Ha. Residential land is being sold in this area for £1,000,000 per Ha. For the purposes of CIL viability assessment what should this Greenfield site be valued at?

Using Fixed % over EUV the land would be valued at £24,000 (£20,000 + 20%)

Using % Share of Uplift in Value the land would be valued at £510,000 (£20,000 + 50% of the uplift between £20,000 and £1,000,000) – realising a market return for the landowner but reserving a substantial proportion of the uplift for infrastructure contribution.

Benchmarking Based on % Share of Uplift in Land Value



3 Methodology

Brownfield and Greenfield Land Value Benchmarks

3.28 In order to represent the likely range of benchmark scenarios that might emerge in the plan period for the appraisal it will be necessary to test alternative threshold land value scenarios. A greenfield scenario will represent the best case for CIL as it represents the highest uplift in value resulting from planning permission. The greenfield existing use is based on agricultural value

3.29 The median brownfield position recognises that existing commercial sites will have an established value. The existing use value is based on a low value brownfield use (industrial). The viability testing firstly assesses the gross residual value (the maximum potential value of land based on total development value less development cost with no allowance for affordable housing, sec 106 contributions or planning policy cost impacts). This is then used to apportion the share of the potential uplift in value to the greenfield and brownfield benchmarks. This is considered to represent a reasonable scope of land value scenarios in that change from a high value use (e.g. retail) to a low value use (e.g. industrial) is unlikely.

3.30 Actual market evidence will not always be available for all categories of development. In these circumstances the valuation team make reasoned assumptions.

Residential

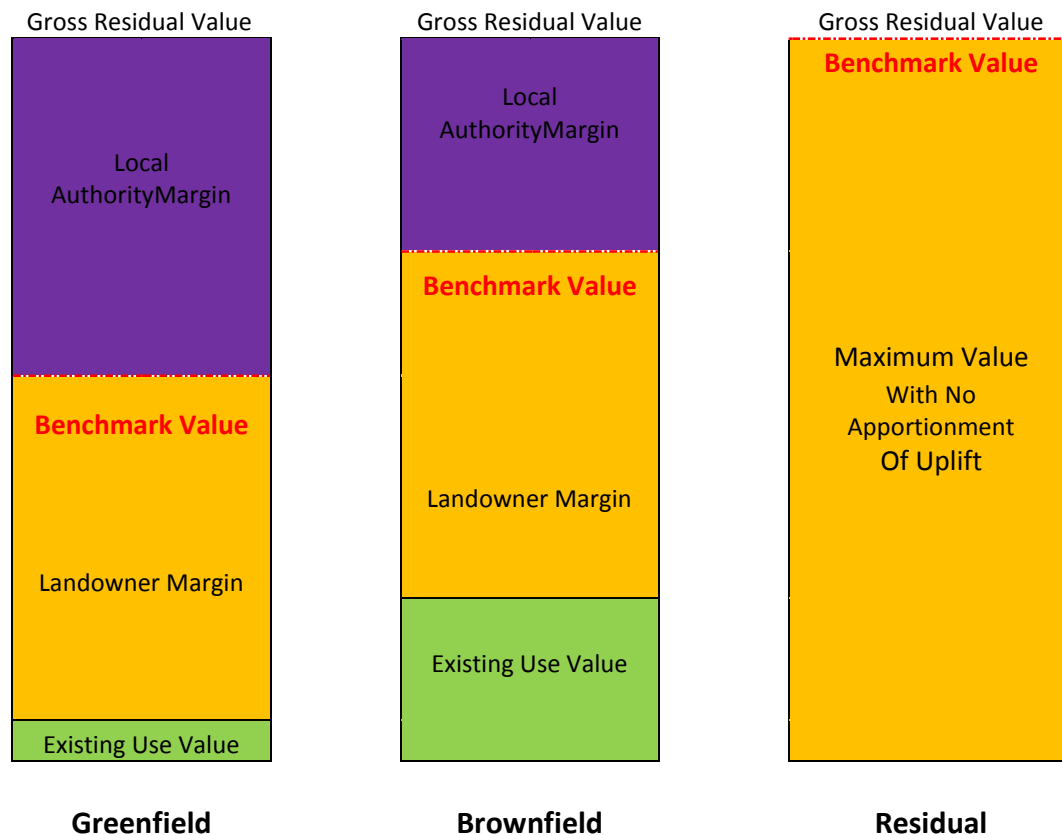
| | | |
|-------------|------------|--|
| Benchmark 1 | Greenfield | Agricultural – Residential (Maximum CIL Potential) |
| Benchmark 2 | Brownfield | Industrial – Residential |

Commercial

| | | |
|-------------|------------|---|
| Benchmark 1 | Greenfield | Agricultural – Proposed Use (Maximum CIL Potential) |
| Benchmark 2 | Brownfield | Industrial – Proposed Use |

3.31 The viability study assumes that affordable housing land has limited value as development costs form a very high proportion of the ultimate discounted sale value of the property. The appraisals apply a 30% proportion of the relevant market plot value to the affordable housing plots.

3 Methodology



3.32 The above diagram illustrates the concept of Benchmark Land Value. The level of existing use value for the three benchmarks is illustrated by the green shading. The uplift in value from existing use value to proposed use value is illustrated by the blue and gold shading. The gold shading represents the proportion of the uplift allowed to the landowner for profit. The blue shading represents the allowance of the uplift for developer contributions to the Local Authority. The Residual Value assumes maximum value with planning permission with no allowance for planning policy cost impacts. This benchmark is used solely to generate the brownfield and greenfield threshold values.

3.33 Whilst brownfield land evaluation with a higher benchmark land value will necessarily indicate that less viability margin exists for CIL, it should be acknowledged that brownfield sites will often contain existing buildings which may be used to claim CIL relief in calculating the net CIL liability. This should be taken into account in setting CIL rates.

4 Appraisal Assumptions

Development Categories

4.1 In order to ensure that the study is sufficiently comprehensive to inform a Differential Rate CIL system, all categories of development in the Use Classes Order will be considered, including a relevant sample of Sui Generis uses to reflect typical developments in the Brentwood Borough Local plan area, as follows :-

Residential (C3) - Based on varying residential development scenarios and factoring in the affordable housing requirements of the Authority. Land values are assessed based on house type plots. Sales values are assessed on per sqm rates.

Commercial - The following categories are considered. Land Values and Gross Development Values are assessed on sqm basis.

Industry (B1(b)B1(c), B2, B8)

Offices (B1a)

Food Supermarket Retail (A1)

General Retail (A1, A2, A3, A4, A5)

Hotels (C1)

Residential Institutions (C2)

Institutional and Community (D1)

Leisure (D2)

Agricultural

Sui Generis - Vehicle Sales

Sui Generis – Car Repairs

Sub Market Areas and Potential Charging Zones

4.2 The Heb valuation study considered evidence of residential land and property values across Brentwood Borough and concluded that there were not sufficient distinctions between sales prices to warrant differential value assumptions being made in the Whole Plan Viability Assessment and, potentially, a differential rate approach to CIL based on geographical zones.

4.3 The variations in commercial values were not considered significant enough across the Borough to justify the application of differential assumptions based on sub-market areas or to indicate a differential charging zone approach to CIL.

4 Appraisal Assumptions

Affordable Housing

4.4 A series of residential viability tests have been undertaken, reflecting affordable housing delivery at the policy level of 35%. The following extract from a generic sample residential viability appraisal model illustrates how affordable housing is factored into the residential valuation assessment. The relevant variables (e.g. unit numbers, types, sizes, affordable proportion, tenure mix etc.) are inputted into the appropriate cells. The model will then calculate the overall value of the development taking account of the relevant affordable unit discounts.

| | | | | | | | |
|--------------------------|--------------|-------------------------------|--------------------|-------------|-----------|------------------------|-------------|
| DEVELOPMENT SCENARIO | | Mixed Residential Development | | | | Apartments | 10 |
| BASE LAND VALUE SCENARIO | | Greenfield to Residential | | | | 2 bed houses | 20 |
| DEVELOPMENT LOCATION | | Urban Zone 1 | | | | 3 Bed houses | 40 |
| DEVELOPMENT DETAILS | | 100 | Total Units | | | 4 bed houses | 20 |
| Affordable Proportion | 30% | 30 | Affordable Units | | | 5 bed house | 10 |
| Affordable Mix | 30% | Intermediate | 40% | Social Rent | 30% | Affordable Rent | |
| Development Floorspace | | 6489 | Sqm Market Housing | | 2,163 | Sqm Affordable Housing | |
| Development Value | | | | | | | |
| Market Houses | | | | | | | |
| 7 | Apartments | 65 | sqm | 2000 | £ per sqm | £910,000 | |
| 14 | 2 bed houses | 70 | sqm | 2200 | £ per sqm | £2,156,000 | |
| 28 | 3 Bed houses | 88 | sqm | 2200 | £ per sqm | £5,420,800 | |
| 14 | 4 bed houses | 115 | sqm | 2200 | £ per sqm | £3,542,000 | |
| 7 | 5 bed house | 140 | sqm | 2200 | £ per sqm | £2,156,000 | |
| | | | | | | | |
| Intermediate Houses | | 60% | Market Value | | | | |
| 3 | Apartments | 65 | Sqm | 1200 | £ per sqm | £210,600 | |
| 5 | 2 Bed house | 70 | Sqm | 1320 | £ per sqm | £415,800 | |
| 2 | 3 Bed House | 88 | Sqm | 1320 | £ per sqm | £209,088 | |
| | | | | | | | |
| Social Rent Houses | | 40% | Market Value | | | | |
| 4 | Apartments | 65 | sqm | 800 | £ per sqm | £187,200 | |
| 6 | 2 Bed house | 70 | sqm | 880 | £ per sqm | £369,600 | |
| 2 | 3 Bed House | 88 | sqm | 880 | £ per sqm | £185,856 | |
| | | | | | | | |
| Affordable Rent Houses | | 50% | Market Value | | | | |
| 3 | Apartments | 65 | sqm | 1000 | £ per sqm | £175,500 | |
| 5 | 2 Bed house | 70 | sqm | 1100 | £ per sqm | £346,500 | |
| 2 | 3 Bed House | 88 | sqm | 1100 | £ per sqm | £174,240 | |
| 100 Total Units | | | | | | | |
| Development Value | | | | | | | £16,459,184 |

It is important to note that the model applies % proportions and further % tenure splits to the housing scenarios which will generate fractional unit numbers. The model automatically rounds to the nearest whole number and therefore some results appear to attribute value proportions to houses which do not register in the appraisal. The fractional distribution of affordable housing discounts is considered to represent the most accurate illustration of the impact of affordable housing policy on viability.

4 Appraisal Assumptions

4.5 The following Affordable Housing Assumptions have been agreed for the purpose of the residential viability appraisals. The assumptions relate to the overall proportion of affordable housing, the tenure mix between Intermediate, Social Rent and Affordable Rent housing types. Finally the transfer values in terms of % of open market value are set out for each tenure type. The transfer value equates to the assumed price paid by the registered housing provider to the developer and is assessed as a discounted proportion of the open market value of the property in relation to the type (tenure) of affordable housing.

| Affordable Housing | | | | |
|--------------------|--------------|--------------|--------------|-----------------|
| | Proportion % | | Tenure Mix % | |
| | | Intermediate | Social Rent | Affordable Rent |
| Affordable Housing | 35% | 15% | | 85% |
| Transfer Values | | 70% | | 45% |

4.7 The affordable assumptions were applied to all residential scenario testing with the exception of the small housing site where the 10 unit Government based threshold was applied. For the smaller unit number tests the proportional and tenure splits result in fractions of unit numbers. In these cases the discounts may be considered to equate to the impact of off-site contributions.

Development Density

4.8 Density is an important factor in determining gross development value and land value. Density assumptions for commercial development will be specific to the development category. For instance the floorplate for industrial development is generally around 50% of the site area to take account of external servicing, storage and parking, Offices will vary significantly dependent on location, town centre offices may take up 100% of the site area whereas out of town locations where car parking is a primary consideration, the floorplate may be only 25% of the site area. Food retailing generally has high car parking requirements and large site areas compared to floorplates.

The land : floorplate assumptions for commercial development are as follows:-

| | |
|--------------------------|--|
| Industrial | 2:1 |
| Offices | 2:1 |
| General Retail | 1.5:1 (shopping parades, local centres etc.) |
| Food retail | 3:1 |
| Leisure | 3:1 |
| Hotels | 2:1 |
| Residential Institutions | 1.5:1 |
| Community Uses | 1.5:1 |
| Other Uses | 2:1 |

4 Appraisal Assumptions

4.9 Residential densities vary significantly dependent on house type mix and location. Mixed housing developments may vary from 10-50 dwellings per Hectare. Town Centre apartment schemes may reach densities of over 150 units per Hectare. We generate plot values for residential viability assessment related to specific house types. The plot values allow for standard open space requirements per Hectare. The densities adopted in the study reflect the assumptions of the Local Authority on the type of development that is likely to emerge during the plan period.

4.10 The density assumptions for house types related to plot values are as follows :-

| | |
|-------------|------------------|
| Apartment | 100 units per Ha |
| 2 Bed House | 40 units per Ha |
| 3 Bed House | 35 units per Ha |
| 4 Bed House | 25 units per Ha |
| 5 Bed House | 20 units per Ha |

House Types and Mix

4.11 The study uses the following standard house types as the basis for valuation and viability testing as unit types that are compliant with National Housing standards and meet minimum Local Plan policy requirements.

| | |
|-------------|---------|
| Apartment | 60 sqm |
| 2 Bed House | 75 sqm |
| 3 Bed House | 90 sqm |
| 4 Bed House | 120 sqm |
| 5 Bed House | 150 sqm |

4.12 Housing values and costs are based on the same gross internal area. However apartments will contain circulation space (stairwells, lifts, access corridors) which will incur construction cost but which is not directly valued. We make an additional construction cost allowance of 15% to reflect the difference between gross and net floorspace.

4 Appraisal Assumptions

Residential Development Scenarios

4.13 The study tests a series of residential development scenarios to reflect general types of development that are likely to emerge over the plan period.

4.14 For residential development, five scenarios were considered. The list does not attempt to cover every possible development in the Borough but provides an overview of residential development in the plan period.

| | |
|--|-----------|
| 1. Mixed Housing (Apartments, 2, 3, 4 & 5 Bed Housing) | 80 Units |
| 2. Town Centre Location (Apartments) | 200 Units |
| 3. Village Edge Housing (3 & 4 Bed Housing) | 15 Units |
| 4. Large Family Housing (4 & 5 Bed Housing) | 12 Units |
| 5. Small Housing Development (2 Bed Housing) | 2 Units |

Commercial Development Scenarios

4.15 The CIL appraisal tests all forms of commercial development broken down into use class order categories. For completeness the appraisal includes a sample of sui generis uses. A typical form of development that might emerge during the plan period, is tested within each use class.

4.16 The density assumptions for commercial development will be specific to the development category. For instance the floorplate for industrial development is generally around 50% of the site area to take account of external servicing, storage and parking. Offices will vary significantly dependent on location, town centre offices may take up 100% of the site area whereas out of town locations where car parking is a primary consideration, the floorplate may be only 25% of the site area. Food retailing generally has high car parking requirements and large site areas compared to floorplates.

4.17 The viability model also makes allowance for net:gross floorspace. In many forms of commercial development such as industrial and retail, generally the entire internal floorspace is deemed lettable and therefore values per sqm and construction costs per sqm apply to the same area. However in some commercial categories (e.g. offices) some spaces are not considered lettable (corridors, stairwells, lifts etc.) and therefore the values and costs must be applied differentially. The net:gross floorspace ratio enables this adjustment to be taken into account.

4.18 The table below illustrates the commercial category and development sample testing as well as the density assumptions and net:gross floorspace ratio for each category. In acknowledgement of consultation responses to initial retail viability work more detailed assessment of retail viability has been undertaken in respect to use and scale of development to reflect the type of general retail (A1-A5) and food supermarket (A1) development considered likely to emerge over the plan period.

4 Appraisal Assumptions

| Commercial Development Sample Typology Unit Size & Land Plot Ratio | | | | | |
|---|-----------------|---------------|------|-----------|-------------------------|
| | | Plot Ratio | | Gross:Net | Sample |
| | | Unit Size Sqm | % | | |
| Industrial | B1b B1c B2 B8 | 1000 | 200% | 1.0 | Factory Unit |
| Office | B1a | 1000 | 200% | 1.2 | Office Building |
| Food Retail | A1 | 3000 | 300% | 1.0 | Supermarket |
| General Retail | A 1 – A5 | 300 | 150% | 1.0 | Roadside Type Shop Unit |
| Residential Inst | C2 | 4000 | 150% | 1.2 | Care Facility |
| Hotels | C3 | 3000 | 200% | 1.2 | Mid Range Hotel |
| Community | D1 | 200 | 150% | 1.0 | Community Centre |
| Leisure | D2 | 2500 | 300% | 1.0 | Bowling Alley |
| Agricultural | | 500 | 200% | 1.0 | Farm Store |
| Sui Generis | Car Sales | 1000 | 200% | 1.0 | Car Showroom |
| Sui Generis | Vehicle Repairs | 300 | 200% | 1.0 | Repair Garage |

Sustainable Construction Standards

4.19 It is acknowledged that the Code for Sustainable Homes are being replaced by changes to the Building Regulations based on the National Housing Standards. The latest government guidance is that forthcoming Building Regulation changes will not impose standards beyond an equivalent of CoSH 4 and the cost rates adopted in the study reflect this.

4.20 The Commercial Viability assessments are based on BREEAM 'Excellent' construction rates.

Construction Costs

4.21 The construction rates will reflect allowances for external works, drainage, servicing preliminaries and contractor's overhead and profit. The viability assessment will include a 5% allowance for construction contingencies.

4.22 The following residential construction rates are adopted in the study to reflect National Housing Standards, Category 2 Dwellings and the water and space standards of Brentwood Borough Council. Whilst the Code for Sustainable Homes standards have been withdrawn, the cost parameters that inform them remain a useful guide to the cost implications of the National Housing standards and are considered within the study.

4 Appraisal Assumptions

| Residential Construction Cost Sqm | | |
|-----------------------------------|------|-----|
| Apartments | 1210 | sqm |
| 2 bed houses | 1031 | sqm |
| 3 Bed houses | 1031 | sqm |
| 4 bed houses | 1031 | sqm |
| 5 bed house | 1031 | sqm |

| Commercial Construction Cost Sqm | |
|----------------------------------|----------------------|
| 552 | Factory Unit |
| 1264 | Office Building |
| 1134 | Supermarket |
| 785 | Roadside Retail Unit |
| 1218 | Care Facility |
| 1715 | Mid Range Hotel |
| 2451 | Community Centre |
| 903 | Bowling Alley |
| 485 | Farm Store |
| 1080 | Car Showroom |
| 962 | Repair Garage |

Abnormal Construction Costs

4.23 Most development will involve some degree of exceptional or 'abnormal' construction cost. Brownfield development may have a range of issues to deal with to bring a site into a 'developable' state such as demolition, contamination, utilities diversion etc. Whole Plan and CIL Viability Assessment is based on generic tests and it would be unrealistic to make assumptions over average abnormal costs to cover such a wide range of scenarios. In reality abnormal cost issues like site contamination are reflected in reductions to land values so making additional generic abnormal cost assumptions would effectively be double counting costs unless the land value allowances were adjusted accordingly.

4.24 It is considered better to bear the unknown costs of development in mind when setting CIL rates and not fix rates at the absolute margin of viability. Nevertheless, for the assessment of the LAPP sites, where there is specific evidence of abnormal site constraint costs, these have been factored into the study. The abnormal assumptions are set out in the LAPP Site Appraisal section.

Policy Cost Impacts & Planning Obligation Contributions

4.25 The study seeks to review Whole Plan Viability and therefore firstly assesses the potential cost impacts of the proposed policies in the plan to determine appropriate cost assumptions in the viability assessments and broadly determine if planned development is viable.

4 Appraisal Assumptions

4.26 CIL may replace some if not all planning obligation contributions. The second purpose of the study is to test the maximum margin available for CIL that is available from various types of development. CIL, if adopted, will represent the first 'slice' of tax on development. Planning Obligations may be used to top up contributions on a site specific basis subject to viability appraisal at planning application stage. Nevertheless the CIL Guidance 2014 (contained in the National Planning Practice Guidance) indicates that Authorities should demonstrate that the development plan is deliverable by funding infrastructure through a mixture of CIL and planning obligation contributions in the event that the Authority does not intend to completely replace planning obligations with CIL.

4.27 Costs have been factored into the viability appraisals to reflect the impact of relevant development plan policy and the residual use of planning obligations for site specific mitigation. Based on historic evidence of planning obligation contributions over the last five years (excluding Affordable Housing which is factored in separately) the following cost allowances have been adopted in the study:-

Residual Planning Obligations for site specific mitigation

**£2000 per dwelling
£20 per sqm commercial**

4.28 Historical evidence demonstrates that where planning obligations have been charged these amount to an average of £1,908 per dwelling and £13 per sqm for commercial development (where Sec 106 contributions have been charged – therefore the true average across all development would be lower, so the figures represent the worst case position). It is likely that CIL will replace a significant part of this funding requirement in the future. Therefore an ongoing allowance of £2000 per dwelling has been made to reflect a worst case for potential future contributions for residential development. The allowance has been rounded up to £20sqm for commercial development.

4.29 Costs have been factored into the viability appraisals to reflect the impact of relevant development plan policies and the residual use of planning obligations for site specific mitigation. The cost impact of these mitigation measures has been assessed by Gleeds and may be summarised as follows :-

ACCESSIBILITY STANDARDS - £20sqm

The appraisals test the impact of requiring all homes to be built to Category 2 standard for accessibility. This is estimated to add £20sqm over National Housing Standards equivalent build cost allowance.

WATER CONSERVATION STANDARDS

The higher optional water standard of 110 lpd is considered to be covered by the adopted construction cost rates (equivalent of CoSH Code 4) and do not require any additional allowance.

4 Appraisal Assumptions

ENERGY

No additional allowance has been made for Zero Carbon costs in view of the Government's recent policy change on this issue.

BREAAM Standards

The construction costs for commercial development make allowance for BREAAM 'Excellent' rating including additional professional fees.

SPACE STANDARDS

The residential unit sizes adopted in the appraisals comply with National Space Standards.

Developers Profit

4.30 Developer's profit is generally fixed as a % return on gross development value or return on the cost of development to reflect the developer's risk. In current market conditions, and based on the assumed lending conditions of the financial institutions, a 20% return on GDV is used in the residential viability appraisals to reflect speculative risk on the market housing units. However it must be acknowledged that affordable housing does not carry the same speculative risk as it effectively pre-sold. There is significant evidence of this 'split profit' approach being accepted as a legitimate approach in Whole Plan Viability and Community Infrastructure Levy Examinations and Affordable Housing Sec 106 BC Appeals.

4.31 In response to representations by house builders the profit allowance on the affordable housing element has been increased from 6% to 10% and is considered to represent a reasonable approach to the 'competitive return' required by the NPPF. It should also be recognised that a 'competitive profit' will vary in relation to prevailing economic conditions and will generally reduce as conditions improve, generally remaining within a 15-20% range for speculative property.

4.32 In the generic commercial development assessments, a 17.5% profit return is applied in recognition that most development will be pre-let or pre-sold with a reduced level of risk. If it is considered that industrial and other forms of commercial are likely to be operator rather than developer led, this allowance may be further reduced to a 5-10% allowance to reflect an allowance for operational/opportunity cost rather than a traditional development risk.

Property Sales Values

4.33 The sale value of the development category will be determined by the market at any particular time and will be influenced by a variety of locational, supply and demand factors as well as the availability of finance. The study uses up to date comparable evidence to give an accurate representation of market circumstances.

4 Appraisal Assumptions

4.34 A valuation study of all categories of residential and commercial property has been undertaken by HEB Chartered Surveyors in July 2015. A copy of the report is attached at Appendix I.

| Residential Sales Values | | | | | |
|--------------------------|------------------|-------|-------|-------|-------|
| Charging Zone | Sales Value £sqm | | | | |
| | Apartment | 2 Bed | 3 Bed | 4 Bed | 5 Bed |
| Boroughwide | 4,600 | 4,600 | 4,400 | 4,400 | 4,300 |

| Commercial Sales Values Sqm | | |
|-----------------------------|-----------------|------|
| Charging Zones | | |
| Area Wide | | |
| Industrial | | 950 |
| Office | | 2000 |
| Food Retail | A1 | 3000 |
| General Retail | A1-A5 | 2000 |
| Residential Inst | | 800 |
| Hotels | | 2400 |
| Community | | 915 |
| Leisure | | 1200 |
| Agricultural | | 350 |
| Sui Generis | Car Sales | 1800 |
| Sui Generis | Vehicle Repairs | 950 |

Land Value Allowances - Residential

4.35 Following the land value benchmarking 'uplift split' methodology set out in Section 3 the following greenfield and brownfield existing residential land use value assumptions are applied to the study. The gross residual value (the maximum potential value of land assuming planning permission but with no planning policy, affordable housing sec 106 or CIL cost impacts). An example for Mixed Housing in the High Value zone is illustrated in the table below.

| | | | | |
|------------|------------|---|--------|-----|
| Land Value | £20000 | Existing Greenfield (agricultural) Per Ha Brownfield (equivalent general commercial) Per Ha Gross Residual Residential Value per Ha | Uplift | 50% |
| | £457,000 | | | |
| | £2,358,065 | | | |

4.36 50% of the uplift in value between existing use and the gross residual value of alternative use with planning permission is applied to generate benchmarked land values per Ha. These land

4 Appraisal Assumptions

values are then divided by the assumed unit type densities to generate the individual greenfield and brownfield plot values to be applied to the appraisals.

| | | | | |
|------------|---|--|---|----------------------|
| EUV | + | 50% of Uplift in Value | = | Threshold Land Value |
| Greenfield | | £20,000 + 50% (2,358,065 - £20,000) | = | £1,189,033 per Ha |
| Brownfield | | £457,000 + 50% (£2,358,065 - £457,000) | = | £1,407,533 per Ha |

| Density Assumptions | Apt | 2 Bed | 3 Bed | 4 Bed | 5 Bed |
|---------------------------|--------|--------|--------|--------|--------|
| | 100 | 40 | 35 | 25 | 20 |
| LAND VALUES (Plot Values) | | | | | |
| | Apt | 2 Bed | 3 Bed | 4 Bed | 5 Bed |
| Greenfield | £11890 | £29726 | £33972 | £47561 | £59452 |
| Brownfield | £14075 | £35188 | £40215 | £56301 | £70377 |

4.37 The complete set of gross residual residential values for all the residential tests from which the benchmarked threshold land value allowances were derived, is set out in the table below. Apartments in the low and medium zones demonstrated negative residual land values so a minimum allowance of £250,000 per Ha was applied.

| Gross Residual Land Value per Ha | |
|----------------------------------|----------|
| Mixed Residential Development | 6960137 |
| Town Centre Location | 12311700 |
| Village Edge Housing | 6637575 |
| Large Family Housing | 6383375 |
| Small Housing Development | 6976605 |

Land Value Allowances - Commercial

4.38 The approach to commercial land value allowances is the same in principle. Obviously there will be a broad spectrum of residual land values dependent on the commercial use. A number of residual land calculations for commercial categories actually demonstrate negative values – which is clearly unrealistic for the purpose of viability appraisal. Therefore where residual values are less than market comparable evidence the market comparable is used as the minimum gross residual figure. In the Brentwood Borough assessments only retail gross residual values exceeded these market comparable benchmarks.

4 Appraisal Assumptions

4.40 The following provides an example threshold land value allowances food supermarket retail

| | EUV | + | 50% of Uplift in Value | = | Threshold Land Value |
|------------|------------|---|-------------------------------|---|----------------------|
| Greenfield | £22,000 | + | 50% (£5,152,165 - £22,000) | = | £2,587,083 per Ha |
| Brownfield | £1,700,000 | + | 50% (£5,152,165 - £1,700,000) | = | £3,426,083 per Ha |

4.41 The greenfield and brownfield land value threshold allowances are all set out within the commercial viability appraisals but in summary the gross residual values on which they are based may be summarised as follows :-

| Commercial Residual Land Values | Area Wide |
|--|-----------|
| Industrial Land Values per Ha | |
| Residual Land Value per Ha | 1700000 |
| Office Land Values per Ha | |
| Residual Land Value per Ha | 1700000 |
| Food Retail Land Values per Ha | |
| Residual Land Value per Ha | 5153165 |
| General Retail Land Values per Ha | |
| Residual Land Value per Ha | 3626000 |
| Residential Institution Land Values per Ha | |
| Residual Land Value per Ha | 1500000 |
| Hotel Land Values per Ha | |
| Residual Land Value per Ha | 2000000 |
| Community Use Land Values per Ha | |
| Residual Land Value per Ha | 1500000 |
| Leisure Land Values per Ha | |
| Residual Land Value per Ha | 2000000 |
| Agricultural Land Values per Ha | |
| Comparable Land Value per Ha | 22000 |

Fees, Finance and Other Cost Allowances

4.42 The following 'industry standard' fee and cost allowances are applied to the appraisals.

4 Appraisal Assumptions

| Residential Development Cost Assumptions | | | | | |
|--|------|------|--------------------|----------------------|----------------|
| Professional Fees | | | 8.0% | Construction Cost | |
| Legal Fees | | | 0.5% | GDV | |
| Statutory Fees | | | 1.1% | Construction Cost | |
| Sales/Marketing Costs | | | 2.0% | Market Units Value | |
| Contingencies | | | 5.0% | Construction Cost | |
| Planning Obligations | | | 2000 | £ per Dwelling | |
| | | | 20 | £ per sqm Commercial | |
| Interest | 5.0% | 12 | Month Construction | 3-6 | Mth Sales Void |
| Arrangement Fee | 1.0% | Cost | | | |

5 Viability Appraisal Results

5.1 The results of the generic Viability Testing are set out in the tables below. In order to reflect the policy position of the Council the residential viability tests were undertaken on the assumption that schemes would deliver 35% Affordable Housing and are based on a 20% profit allowance on the market housing element and a 10% profit allowance on the affordable element.

5.2 Any positive figures confirm that the category of development tested is economically viable in the context of Whole Plan viability and the impact of planning policies. The level of positive viability indicates the potential additional margin for CIL charges in £ per sqm. The commercial table illustrates the potential CIL rates across the whole Authority area.


5.3 Each category of development produces a greenfield and brownfield result in each test area. These results reflect the benchmark land value scenario. The first result assumes greenfield development which generally represents the highest uplift in value from current use and therefore will produce the highest potential CIL Rate. The second result assumes that development will emerge from low value brownfield land.

| Brentwood Borough Residential CIL Appraisal | | | | | |
|---|-------------------------------|----------------------|-------------------------|----------------------|---------------------------|
| | Mixed Residential Development | Town Centre Location | Edge of Village Housing | Large Family Housing | Small Housing Development |
| 35% Affordable Housing | | | | | |
| Greenfield | £764 | £533 | £803 | £824 | £1,016 |
| Brownfield | £367 | £330 | £405 | £439 | £709 |

5.4 It should be recognised that the CIL Rates that have emerged from the study are maximum potential rates, based on optimum development conditions. The viability tests are necessarily generic and do not factor in site specific abnormal costs that may be encountered on many development sites. The tests produce maximum contributions for infrastructure and therefore ultimate CIL charges should consider an appropriate 'viability buffer' to account for additional unforeseen costs and site specific abnormals.

5.5 The results of the viability testing clearly demonstrate that Affordable Housing delivery at the Council's policy target of 35% enables delivery of all housing development proposed by the Plan across the Borough with a substantial viability margin for flexibility and potentially permitting a significant viability margin for CIL.

5 Viability Appraisal Results

|  Maximum Commercial CIL Rates per sq m | | |
|--|-----------------|-----------------------|
| Charging Zone/Base Land Value | General Zone | |
| | Greenfield | Brownfield |
| Industrial (B1b B1c B2 B8) | -£58 | -£247 |
| Office(B1a) | -£287 | -£445 |
| Hotel(C1) | -£957 | -£1,113 |
| Residential Institution (C2) | -£1,081 | -£1,198 |
| Community(D1) | -£1932 | -££2069 |
| Leisure (D2) | -£547 | -£829 |
| Agricultural | -£318 | NA |
| Sui Generis | Car Sales -£603 | Vehicle Repairs -£809 |
| Food Supermarket Retail A1 | £664 | £383 |
| General Retail A1-A5 | £354 | £217 |

5.6 Most of the above commercial use class appraisals indicated negative viability and therefore no margin to introduce CIL charges. Only food supermarket and general retail demonstrated significant positive viability. These results are typical of our experience of most Local Authorities' commercial viability assessments. In order for viability assessment to be consistent between residential and commercial development, full development profit allowances are contained within all appraisals (assuming all development is delivered by third party developers requiring a full risk return). In reality much commercial development is delivered direct by business operators who do not require the 'development profit' element. As such many commercial categories of development are broadly viable and deliverable despite the apparent negativity of the results. In addition, it is common practice in mixed use schemes for the viable residential element of a development to be used to cross subsidise the delivery of the commercial component of a scheme.

6 Site Viability Appraisals

6.1 The study has undertaken specific Viability Appraisals of the residential sites proposed to be allocated by the Local Plan. In addition to the assumptions outlined above additional abnormal site constraint costs associated with the development of the individual sites have been applied to the individual site tests. Advice on cost allowances for these constraints was obtained from Gleeds and is summarised in the table below.

| Abnormal Site Development Costs | Budget Cost £/Hectare |
|---|--------------------------|
| Archaeology Typically, Archaeology is addressed by a recording/monitoring brief by a specialist, to satisfy planning conditions Intrusive archaeological investigations are exceptional and not allowed for in the Budget cost | £10,000 |
| Flood Defence Works Generally involves raising floor levels above flood level, on relevant sites Budget £2,000 per unit x 35 units/Hect, apply to 1 in 3 sites | £25,000 |
| Site Specific Access Works New road junction and S278 works, allowance for cycle path linking Major off-site highway works not allowed for. | £20,000 |
| Land Contamination Heavily Contaminated land is not considered, as remediation costs will be reflected in the land sales values Allow for remediation/removal from site of isolated areas of spoil with elevated levels of contamination | £25,000 |
| Ground Stability Former Mining area. Allow raft foundations to dwellings, on 75% of sites Budget £2000 per unit x 35 units x 25% of sites | £20,000 |
| Utilities Allowance for Infrastructure Upgrade | £80,000 |
| Site Specific Biodiversity Mitigation/Ecology Allow for LVIA and Ecology surveys and mitigation and enhancement allowance. | £20,000 |

6 Site Viability Appraisals

6.2 Draft CIL charges are applied to the allocated site tests as well as the standard cost and value outlined in Section 4. The overall assumptions applied to the allocated site tests may be summarised as follows

ALLOCATED SITE APPRAISAL GENERAL ASSUMPTIONS

Affordable Housing

| | | | | | | |
|-------------------------------|-----|--------------|----|-------------|-----|-----------------|
| Affordable Proportion% | 35% | | | | | |
| Affordable Mix | 15% | Intermediate | 0% | Social Rent | 85% | Affordable Rent |
| Transfer Value (% OMV) | 70% | Intermediate | | Social Rent | 45% | Affordable Rent |

NB – Not Applied to Student Housing

| | | | | | |
|-----------------------|------------|-------|--------------------|------------|----------------|
| Professional Fees @ | | 8.0% | Construction Cost | | |
| Legal Fees | | 0.5% | GDV | | |
| Statutory Fees | | 1.1% | Construction Cost | | |
| Sales/Marketing Costs | | 2.0% | Market Units Value | | |
| Contingencies | | 5.0% | Construction Cost | | |
| Interest @ | 5.0% | 12 | Month Construction | 6 | Mth Sales Void |
| Arrangement Fee | 1.0% | Cost | | | |
| Development Profit | Market Hsg | 20.0% | of GDV | Afford Hsg | 10% of GDV |

CONSTRUCTION COSTS

| | Apt | 2 Bed | 3 Bed | 4 Bed | 5 Bed | |
|-----|------|-------|-------|-------|-------|--|
| Sqm | 1210 | 1031 | 1031 | 1031 | 1031 | |

Abnormal Costs

| Archlogy (Ha) | Flood (Ha) | Access (Ha) | Contam (Ha) | Sec 106 & Policy Costs(unit) | Ground Stability (Ha) | Utilities Upgrade (Ha) | Open Space |
|---------------|------------|-------------|-------------|------------------------------|-----------------------|------------------------|------------|
| 10000 | 25000 | 20000 | 25000 | 1000 | 20000 | 80000 | 10000 |

6 Site Viability Appraisals

ALLOCATED SITE APPRAISAL MIXED HOUSING ASSUMPTIONS

| | | | | | |
|-------------------|-----|-------|-------|-------|-------|
| House Types | Apt | 2 Bed | 3 Bed | 4 Bed | 5 Bed |
| House Sizes (Sqm) | 65 | 75 | 90 | 120 | 150 |

| | | | | | |
|---------------------|-----|-------|-------|-------|-------|
| Density Assumptions | Apt | 2 Bed | 3 Bed | 4 Bed | 5 Bed |
| | 100 | 40 | 35 | 25 | 20 |

| | | | | | |
|-------------|-----|-------|-------|-------|-------|
| Housing Mix | Apt | 2 Bed | 3 Bed | 4 Bed | 5 Bed |
| % Mix | 10% | 20% | 35% | 25% | 10% |

| | | | | | |
|------------------------|-----|-------|-------|-------|-------|
| Affordable Housing Mix | Apt | 2 Bed | 3 Bed | 4 Bed | 5 Bed |
| % Mix | 20% | 70% | 10% | 0% | 0% |

ALLOCATED SITE APPRAISAL APARTMENT ASSUMPTIONS

| | | |
|-------------------|--|-----------|
| House Types | | 2 Bed Apt |
| House Sizes (Sqm) | | 65 |

| | | |
|---------------------|--|-----------|
| Density Assumptions | | 2 Bed Apt |
| | | 100 |

| | | |
|-------------|-----------|-----------|
| Housing Mix | 1 Bed Apt | 2 Bed Apt |
| % Mix | 0% | 100% |

| | | |
|------------------------|------|-------|
| Affordable Housing Mix | Apt | 2 Bed |
| % Mix | 100% | 0% |

6 Site Viability Appraisals

COMMUNITY INFRASTRUCTURE LEVY

200

£ Per Sqm

Delivery Timescale

6.3 The delivery of housing and sites has been considered over a plan period of 15 years and broken down into 5 year delivery periods from 0-5 years, 6-10 years and 11-15 years. Larger sites have assumed phased delivery across all three periods.

6.5 Based on forecasts from industry research the following broad assumption adjustments have been applied to the values and costs in the study in the three appraisal periods. There will obviously be significant fluctuations over a 15 year plan period with higher residential value growth likely in the early part of the cycle but the figures are considered to represent reasonable estimates for the purpose of the Viability Appraisal.

| Assumption Adjustments | | | |
|---------------------------------------|-----------|------------|-------------|
| Residential Values Av Annual Increase | 2015-2030 | 3% | |
| Construction Costs Av Annual increase | 2015-2030 | 2% | |
| Delivery Period | 0-5 Years | 6-10 Years | 11-15 Years |
| Value Adjustment | 0% | 27% | 46% |
| Costs Adjustment | 0% | 17% | 29% |

6.6 No adjustment is applied to current costs and values in the 0-5 year period or the generic CIL appraisals as required by the NPPF and Harman guidance. A period of 8 years of compounded adjustments is applied to the 6-10 year period of the SHLAA appraisals and 13 years for the 11-15 year period. Adjustments are similarly applied to CIL Rates and Abnormal Site Constraint Costs in the SHLAA appraisals.

6.7 The site specific testing indicates whether individual development sites are considered viable on a 'traffic light' red, green, amber approach (having applied draft CIL rates as well as all of the policy cost impacts outlined in Section 4).

Green – Site considered broadly viable having made allowance for all reasonable development impacts, a standard developers profit and return to the landowner.

6 Site Viability Appraisals

Amber – Site considered capable of viable development making allowance for all reasonable development impacts, a standard developers profit but acknowledging that landowners may need to accept land value reductions for abnormal site development costs if development is to proceed.

Red – Site not currently considered viable based on implementation of Council policies and standard returns to landowners. It should be recognised that sites in this category may be viable if (a) the abnormal costs of bringing the site into a developable state (including some up front infrastructure investment) are deducted from the land value, (b) the Council is minded to relax affordable housing or infrastructure contributions or (c) landowner/developers accept some reduced profit return to stimulate the development.

6 Site Viability Appraisals

MIXED HOUSING 0-5 YEAR DELIVERY

| Mixed Housing Viability Results | | | | | 0-5 Year Delivery |
|---------------------------------|---|-------|-------|------------|-------------------|
| Ref | Site | Size | Units | Type | Viability |
| 010 | Sow & Grow Nursery, Ongar Road, Pilgrims Hatch | 1.20 | 37 | Brownfield | £345,291 |
| 022 | Land at Honeypot Lane, Brentwood | 10.90 | 250 | Greenfield | £7,892,433 |
| 032 | Land east of Nags Head Lane, Brentwood | 5.80 | 150 | Greenfield | £5,317,436 |
| 034, 087 & 235 | Officer's Meadow, Alexander Lane, Shenfield | 23.49 | 600 | Greenfield | £20,093,945 |
| 079A | Land adjacent to Ingatestone by-pass (part bounded by Roman Road) | 1.39 | 42 | Greenfield | £1,419,305 |

MIXED HOUSING – 6-10 YEAR DELIVERY

| Mixed Housing Viability Results | | | | | 6-10 Year Delivery |
|---------------------------------|---|-------|-------|------------|--------------------|
| Ref | Site | Size | Units | Type | Viability |
| 001A & 001B | Land north of Highwood Close Including St Georges Court, Brentwood | 1.28 | 52 | Brownfield | £1,277,618 |
| 005 | Essex County Fire Brigade HQ, Rayleigh Road | 1.26 | 50 | Brownfield | £1,355,669 |
| 020, 021 & 152 | West Horndon Industrial Estates, Childerditch Lane and Station Road, West Horndon | 17.06 | 500 | Brownfield | £10,636,270 |
| 044 & 178 | Land at Priests Lane, Brentwood | 5.35 | 130 | Brownfield | £2,900,246 |
| 081 | Council Depot, The Drive | 1.71 | 68 | Brownfield | £1,843,827 |
| 098 | Ingleton House, Stock Lane, Ingatestone | 0.26 | 10 | Brownfield | £303,109 |
| 128 | Ingatestone Garden Centre, Roman Road, Ingatestone | 3.25 | 60 | Brownfield | £1,485,662 |
| 023 | Land off Doddinghurst Road, either side of A12, Brentwood | 7.20 | 250 | Greenfield | £14,812,252 |

MIXED HOUSING – 11-15 YEAR DELIVERY

| Mixed Housing Viability Results | | | | | 11-15 Year Delivery |
|---------------------------------|-----------------------------|--------|-------|------------|---------------------|
| Ref | Site | Size | Units | Type | Viability |
| 200 | Dunton Hills Garden Village | 237.49 | 2500 | Greenfield | £151,278,116 |

6 Site Viability Appraisals

APARTMENTS – 0-5 YEAR DELIVERY

| Viability Results | | | | 0-5 Year Delivery | |
|-------------------|--|------|-------|-------------------|------------|
| Ref | Site | Size | Units | Type | Viability |
| 003 | Wates Way Industrial Estate, Ongar Road, Brentwood | 0.96 | 80 | Brownfield | £2,488,696 |
| 041 | Land at Hunter House, Western Road, Brentwood | 0.22 | 16 | Brownfield | £537,857 |
| 042 | Land at Bell Mead, Ingatestone | 0.22 | 16 | Brownfield | £537,857 |
| 013B | Warley Training Centre, Essex Way, Warley | 0.66 | 50 | Brownfield | £1,592,639 |

APARTMENTS – 6-10 YEAR DELIVERY

| Apartments Viability Results | | | | 6-10 Year Delivery | |
|------------------------------|--|------|-------|--------------------|------------|
| Ref | Site | Size | Units | Type | Viability |
| 039 | Westbury Road Car Park, Westbury Road, Brentwood | 0.27 | 22 | Brownfield | £1,227,950 |
| 040 | Chatham Way, Crown Street Car Park, Brentwood | 0.33 | 26 | Brownfield | £1,461,595 |
| 099 | Victoria Court, Victoria Road, Brentwood | 0.50 | 40 | Brownfield | £2,217,001 |

APARTMENTS – 11-15 YEAR DELIVERY

| Apartments Viability Results | | | | 11-15 Year Delivery | |
|------------------------------|---------------------------|------|-------|---------------------|------------|
| Ref | Site | Size | Units | Type | Viability |
| 100 | Baytree Centre, Brentwood | 1.34 | 200 | Brownfield | £7,940,616 |

7 Conclusions

Residential Viability Assessment

7.1 The Brentwood Borough Local Plan sets out the strategy to deliver housing over the plan period. The Plan Wide Viability assessment illustrated that firstly, in general terms, housing development proposed in all locations in the Brentwood Borough Local Plan are economically viable and, secondly, can accommodate significant CIL charges whilst maintaining the Council's Affordable Housing aspirations. The assessment of residential land and property values indicated that the Authority did not possess significantly different residential sub-markets that warrant differential value assumptions being made in the Whole Plan Viability Assessment or a differential rate approach to CIL.

7.2 The viability results are summarised in the table below. The figures represent the margin of viability per sqm taking account of all development values and costs, plan policy impact costs and having made allowance for a competitive return to the landowner and developer. In essence a positive margin confirms whole plan viability and the level of positive margin represents the potential to introduce additional CIL charges.

Maximum Residential CIL Rates

| | Mixed Residential Development | Town Centre Location | Edge of Village Housing | Large Family Housing | Small Housing Development |
|-------------------------------|-------------------------------|----------------------|-------------------------|----------------------|---------------------------|
| 35% Affordable Housing | | | | | |
| Greenfield | £764 | £533 | £803 | £824 | £1,016 |
| Brownfield | £367 | £330 | £405 | £439 | £709 |


7.3 The results of the viability testing clearly demonstrate that Affordable Housing delivery at the Council's policy target of 35% delivery proposed by the Plan is viable with a substantial margin for flexibility and potentially permitting significant CIL charges.

7.4 The testing showed that the Brentwood Borough Local Plan Policies are viable and all forms of housing development are capable of yielding significant levels of CIL. Greenfield housing development demonstrates viable CIL rate potential of £533-£1,016 per square metre dependent on the sub-market area. For brownfield housing, the CIL rate potential is lower at £330-709 per square metre. The results are slightly skewed by the 'small housing development' scenario test of 2 units where no affordable housing delivery is assumed.

7 Conclusions

Key Findings – Commercial Viability Assessment

7.6 The initial assessment of commercial land and property values indicate that there are no significant differences in values to justify differential sub-markets based on assumptions or differential CIL charging zones. The commercial category viability results are set out below but demonstrate that only food and non-food retail development categories are considered viable in terms of being able to viably accommodate CIL

|  Maximum Commercial CIL Rates per sq m | | |
|--|-----------------|-----------------------|
| General Zone | | |
| Charging Zone/Base Land Value | Greenfield | Brownfield |
| Industrial (B1b B1c B2 B8) | -£58 | -£247 |
| Office(B1a) | -£287 | -£445 |
| Hotel(C1) | -£957 | -£1,113 |
| Residential Institution (C2) | -£1,081 | -£1,198 |
| Community(D1) | -£1932 | -£2069 |
| Leisure (D2) | -£547 | -£829 |
| Agricultural | -£318 | NA |
| Sui Generis | Car Sales -£603 | Vehicle Repairs -£809 |
| Food Supermarket Retail A1 | £664 | £383 |
| General Retail A1-A5 | £354 | £217 |

7.7 It can be seen that only food supermarket retail, with CIL potential rate of £383-£664 per square metre, dependent on existing land use and general retail with potential rates of £217-£354 provide a margin to introduce CIL charges. It is therefore recommended on the existing evidence, that all non-retail categories should not be charged CIL based.

7.8 It should be stressed that whilst the generic appraisals showed that most forms of commercial and employment development are not viable based on the test assumptions, this does not mean that this type of development is not deliverable. For consistency a full developer's profit allowance was included in all the commercial appraisals. In reality many

7 Conclusions

employment developments are undertaken direct by the operators. If the development profit allowance is removed from the calculations, then much employment development would be viable and deliverable. In addition, it is common practice in mixed use schemes for the viable residential element of a development to be used to cross subsidise the delivery of the commercial component of a scheme.

SHLAA Sites

7.9 The viability testing of proposed residential sites in Brentwood Borough has been undertaken, accounting for the following policy impacts and key assumptions :-

- Greenfield or Brownfield Development
- Delivery Timescale
- Affordable Housing Delivery of 35%
- Key Planning Policy Cost Impacts
- Community Infrastructure Levy
- Residual Planning Obligation Allowances
- Site Specific Abnormal Costs and Mitigation Factors

7.10 The assessments confirm that Local Plan policies and the 35% Affordable Housing are deliverable on all sites across the plan period and that all residential sites can accommodate the draft CIL charges that are recommended without threatening economic viability.

CIL Appraisal Conclusions

7.11 The study demonstrates that most of the development proposed by the Local Plan is viable and deliverable taking account of the cost impacts of the policies proposed by the plan and the requirements for viability assessment set out in the NPPF. It is further considered that significant additional margin exists, beyond a reasonable return to the landowner and developer to accommodate CIL charges.

7.12 Taking account of the viability results, the generic nature of the tests, a reasonable buffer to allow for additional site specific abnormal costs, in the event Brentwood Borough Council wish to pursue CIL, we would recommend the following zonal rates. Brentwood Borough envisage a mixed development delivery strategy on brownfield and greenfield sites and so the rates are set within the lower brownfield viability margins with a reasonable viability buffer in excess of the generally accepted margin of 30%.

| Residential CIL | |
|-----------------|----------|
| Housing | £200/sqm |

7 Conclusions

7.13 It is similarly recommended that a single zone approach is taken to setting commercial CIL rates. The viability assessment results indicate that all non-retail commercial uses should be zero rated.

7.14 The retail viability assessment results indicate that differential rates could be legitimately applied to both types of retail use and, in the case of food supermarket development also to scale of development. Based on the viability assessment results and taking account of a reasonable viability buffer and the issues set out in paragraph 1.17, the following Commercial CIL rates are recommended.

| Non-Residential CIL | |
|---|---------|
| Boroughwide | |
| All Non-residential uses (excepting Retail) | £0sqm |
| Boroughwide | |
| General Retail A1-A5 (excluding Food Supermarket) | £125sqm |
| Food Supermarket A1 | £200sqm |

7.15 The study is a strategic assessment of whole plan viability and as such is not intended to represent a detailed viability assessment of every individual site. The study applies the general assumptions in terms of affordable housing, planning policy costs impacts and identified site mitigation factors based on generic allowances. It is anticipated that more detailed mitigation cost and viability information may be required at planning application stage to determine the appropriate level of affordable housing and planning obligation contributions where viability issues are raised. The purpose of the study is to determine whether the development strategy proposed by the Plan is deliverable given the policy cost impacts of the Plan.

7.16 The study illustrates that all greenfield and brownfield sites in the initial 0-5 year delivery period (i.e. the 5 year land supply) are viable based on the adopted assumptions. Viability improves in both the medium term (6-10 years) and longer term (11-15 years) with all sites demonstrating positive viability.

7.17 In conclusion, the assessment of all proposed residential sites in Brentwood Borough has been undertaken with due regard to the requirements of the NPPF and the best practice advice contained in 'Viability Testing Local Plans'. It is considered that all sites are viable across the entire plan period taking account of the Affordable/Low Cost Housing requirements and all policy impacts of the Local Plan as well as the introduction of CIL in the future.

Heb Surveyors Valuation Report May 2016

**Gleeds
Construction Cost Study
March 2016**



Community Infrastructure Levy Preliminary Draft Charging Schedule (PDCS)

October 2016

BASIC UNFORMATTED VERSION, TO BE FORMATTED PRIOR TO CONSULTATION

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Statement of Statutory Compliance

The Community Infrastructure Levy (CIL) Preliminary Draft Charging Schedule has been approved and published in accordance with the Community Infrastructure Levy Regulations 2010 (as amended 2011, 2012, 2013 and 2014) and Part 11 of the Planning Act 2008 (as amended by Part 6 of the Localism Act 2011).

In setting the levy rates, Brentwood Borough Council considers it has struck an appropriate balance between:

- a) The desirability of funding from CIL in whole or in part the actual and estimated total cost of infrastructure required to support the development of its area, taking into account other actual and expected sources of funding; and
- b) The potential effects, taken as a whole, of the imposition of CIL on the economic viability of development across the Brentwood Borough.

This Preliminary Draft Charging Schedule was approved for consultation on **[Insert Date]**

1 Introduction

Charging Schedule Process

- 1.1 This consultation document sets out the Preliminary Draft Charging Schedule (PDCS) for the Brentwood Community Infrastructure Levy (CIL). This document contains the Preliminary Draft Charging Schedule itself (Appendix A) along with the Charging Zone Map (Appendix B).
- 1.2 In 2014, Brentwood Borough Council approved a set of draft charging rates as the basis for production of the Council's Preliminary Draft Charging Schedule. However, this was subsequently not published for public consultation. The evidence base behind the original work has since been reviewed and updated and now forms part of this current consultation stage.
- 1.3 The process and timeline for the preparation and adoption of the charging schedule is set out below:
 - Evidence base to inform draft CIL rates updated (completed May 2016);
 - Preliminary Draft Charging Schedule published for consultation (October 2016);
 - Consultation undertaken and comments received are reviewed (October to December 2016);
 - Council prepares and publishes a Draft Charging Schedule (DCS) for consultation (January 2017);
 - Representations are received and reviewed on the Draft Charging Schedule (February to March 2017);
 - Council submits the Draft Charging Schedule for independent examination;
 - Charging schedule is examined in public;
 - Examiner's recommendations are published and the Council considers the content, and
 - Council decides whether to approve and adopt the charging schedule.

It is estimated that the charging schedule will be approved in Autumn 2017, and so become effective from that time.

National Context

- 1.5 CIL is a tariff system that local authorities can choose to charge on new development in their area by setting a Charging Schedule. The CIL is a charge levied on new buildings and extensions to buildings according to their floor area. In this way money is raised from developments to help the Council pay for infrastructure such as schools, public transport improvements, greenspace, highways, and other facilities to ensure sustainable growth. It

can only be spent on infrastructure needs as a result of new growth and will be a mandatory charge.

- 1.6 CIL will replace the current Section 106 (s106) 'tariff' approaches which are currently used for this purpose because the Council can no longer use s106s in the same way from April 2015 due to a change in government regulations. However, s106s will continue to be used for affordable housing and anything required for the specific development site to make it acceptable in planning terms, further details are outlined in this document. The CIL regulations are clear the CIL should not be set at such a level that it risks the delivery of the development plan, and has to be based on viability evidence.

2 General Principles of CIL

What is CIL?

- 2.1 CIL is a locally set charge on new development that authorities can choose to introduce across their area. It is based on the size and type of development and once set in an area is mandatory to pay and non-negotiable. The funds raised must be used to provide infrastructure which is required to support new development across the area.

What are the benefits of CIL?

- 2.2 CIL provides a simpler and more transparent process than the collection of funds and provision of infrastructure under Section 106 procedures. The Government suggests there are a range of benefits when local authorities introduce the levy. These include:
- CIL collects contributions from a wider range of developments, providing additional funding to allow local authorities to carry out a range of infrastructure projects that not only support growth but benefit the local community;
 - CIL gives authorities greater flexibility to set their own priorities on projects benefitting the wider community affected by development, unlike Section 106 funds which require a direct link between a contributing development and an infrastructure project;
 - CIL provides developers with clarity about the level of contributions which are required from any development and provides transparency for local people;
 - CIL is non-negotiable and therefore should save time by removing the need for negotiations between the local authority and developers as occurs on S106;
 - CIL is fair as it relates the contribution to the size of the development in terms of new floorspace;
 - Parishes where development takes place will receive their own meaningful portion of the CIL to spend on the infrastructure they want. In areas where there is no neighbourhood plan this will be 15%, capped at £100 per existing dwelling. Where a neighbourhood plan is in place the portion is an uncapped 25% as a government incentive to accept development through a Neighbourhood Plan. Unlike the Councils CIL receipts, the Parish Council's meaningful proportion is not tied to the Regulation 123 and does not have to be spent in consultation with Brentwood Borough Council. However Parish Councils do have to spend the meaningful proportion in line with the following CIL regulations:
 - a) "The provision, improvement, replacement, operation or maintenance of infrastructure; or;

b) Anything else concerned with addressing the demands that development places on an area” (Regulation 59C)

What development will be liable for CIL?

- 2.3 Most buildings that people normally use are potentially liable to pay the levy, whether the proposal is for a new building or an extension which results in 100 square metres or more of net increase in gross internal floor space. Development which is less than 100 square metres but which involves the creation of an additional dwelling will be liable. The conversion of a building that has not been in use for some time will also be liable for the levy.

Are there any exemptions from CIL?

- 2.4 The CIL Regulations outline that some development will not be subject to a charge:
- Development by registered charities for the delivery of charitable purposes;
 - Those parts of a development which are to be used as affordable housing;
 - The conversion of any building previously used as a dwelling to two or more dwellings providing there is no increase in floor area;
 - Buildings into which people do not normally go, buildings which people only enter intermittently for the purposes of inspection or maintenance, and structures which are not buildings, such as pylons; and
 - Changes of use which do not involve an increase in floorspace.

Discretionary relief from CIL

- 2.5 The CIL Regulations state that discretionary relief can be made available for charitable investment if the charging authority chooses to make it available in its area and publishes a local policy. To be considered for relief, the whole or greater part of the chargeable development must be held as an investment from which the profits will be applied for charitable purposes.

- 2.6 The CIL Regulations also state that discretionary relief can be made available for ‘exceptional circumstances’. However, relief can only be given where the following eligibility criteria set out in the Regulations are fulfilled:

- The claimant owns a material interest in the land;
- A Section 106 Planning Obligation has been entered into in respect of the planning permission which permits the chargeable development; and

The charging authority considers that:

- The cost of complying with the Section 106 agreement is greater than the charge from the levy payable on the chargeable development;

- Requiring payment of the charge would have an unacceptable impact on the economic viability of the chargeable development; and
- Granting relief would not constitute a notifiable State Aid.

2.7 Brentwood Borough Council has sought to use the evidence it has commissioned on the viability of development proposed in the Draft Local Plan in order to set CIL rates which will be affordable for the development needed to deliver the plan. Accordingly, the Council does not propose to make discretionary relief available for exceptional circumstances.

What is the relationship between CIL and other planning obligations?

2.8 The use of 'Section 106' planning obligations has been scaled back by the Government to ensure there is no overlap between obligations and CIL.

2.9 The CIL Regulations introduced three main restrictions to planning obligations:

- Regulation 122 – a planning obligation must comply with the three statutory tests, requiring the obligation to:
 - (i) be necessary to make the development acceptable in planning terms;
 - (ii) directly related to the development; and be
 - (iii) fairly and reasonably related in scale and kind to the development.
- Regulation 123(2) – a planning obligation must not provide for the funding or provision of 'relevant infrastructure' which is any type of infrastructure or any project of infrastructure which appears in the authority's Regulation 123 list of infrastructure. Any infrastructure entry on the list may be funded in part or exclusively from CIL receipts but there is no obligation on the authority.
- Regulation 123(3) – a planning obligation must not infringe the pooling restriction in Regulation 123(3). This restriction now applies in all areas regardless as to whether CIL has been introduced. A planning obligation cannot be imposed if there has since 6 April 2010 been five or more planning obligations entered into with the authority providing for the provision or funding of the same infrastructure project or type of infrastructure.

2.10 Pooling of obligations from more than five schemes has been restricted since April 2015. This is because CIL is intended to take over the collection and pooling of funds to deal with the cumulative demands on infrastructure caused by development across the Borough.

- 2.11 However, there may be some site-specific infrastructure requirements without which planning permission should not be granted. Some of these needs may be provided with levy funds but some may be very local or specific, perhaps arising only from one or a small group of major developments in an area, such as the proposed Dunton Hills Garden Village in the Draft Local Plan. For this reason, while planning obligations have been scaled back, they have not been abolished.
- 2.12 As noted above, to safeguard developers, authorities cannot charge for the same items through both planning obligations and CIL. Under CIL Regulation 123, they should show which items or types will not be subject to planning obligations by publishing a list of infrastructure projects or types they intend will be or may be funded by CIL. The 'Regulation 123 list' is presented as supporting evidence when the CIL charging schedule is examined, but it is not part of the charging schedule as it can be reviewed and changed independently of it.
- 2.13 The Council is in the process of preparing its Regulation 123 list. This will be made available for consultation alongside the emerging Infrastructure Delivery Plan (IDP) at the next stage of the CIL process; publication of the Draft Charging Schedule for consultation..

Who is liable for the payment of CIL?

- 2.14 The regulations state the registered owner of the land is liable to pay the CIL, unless another party claims liability and declares this to the Council. On adoption of CIL the Council intends to incorporate a section for this into the application. For example a developer may have a contract with the land owner to develop a site and therefore declare they are liable for the CIL payment on the owner's behalf. The regulations and governments intention is that those who benefit financially when planning permission is granted should share some of that gain with the community. That benefit is also transferred when the land is sold with planning permission, which also runs with the land. The CIL can also be paid to the Council 'in kind' through the transfer of land or the provision of infrastructure, however this will be at the Councils discretion and will be tested on a case by case basis.

When is CIL payable?

- 2.15 Liability to pay CIL is triggered by commencement of the development. By default it must be paid within 60 days, but for schemes with phased outline permission payment will be triggered separately for each phase. In addition, authorities can set their own policies allowing all large liabilities to be paid by instalments. To implement this, the Council would be required to publish an instalment policy on its website. Such a policy would not be part of the charging schedule and could be changed independently of it. By law, an

instalment policy would apply to all developments and could contain only the following:

- The number of instalment payments;
- The amount or proportion of CIL payable in any instalment;
- The time from commencement by which the first and subsequent instalment must be paid; and
- Any minimum amount of CIL below which CIL may not be paid by instalment.

- 2.16 The Council is considering introducing an instalment policy and is seeking views on the above points (see consultation questions on Page 13).

Relationship with the Infrastructure Delivery Plan

- 2.17 The Infrastructure Delivery Plan (IDP) accompanies the Council's emerging Local Plan. It considers a range of infrastructure groups and establishes an existing infrastructure baseline and appraises what infrastructure is required to support new development and the extent to which each is a constraint to the delivery of the Local Plan.
- 2.18 Where possible it identifies the cost and delivery route for new infrastructure and whether the infrastructure is critical to the delivery of the strategies.
- 2.19 An update note on progress made on the IDP has been published along with this consultation document. Following the completion of new evidence on highways infrastructure and leisure facilities, the first Full Draft of the IDP will be available for consideration alongside the publication of the next stage of the CIL process (Draft Charging Schedule) in January 2017. For more information please see www.brentwood.gov.uk/CIL.

Evidence Base

Initial Analysis 2013

- 2.20 In 2013 Nationwide CIL Services (NCS) were commissioned to run the production of CIL in conjunction with the Council's Planning Policy Team.
- 2.21 The majority of the work involved preparing the evidence base was completed in late 2013. Work on CIL was temporarily stopped in September 2014. This was due to the work on the Local Plan being revaluated in terms of requirements to meet full Objectively Assessed Needs. Work could not progress on CIL until the strategy and preferred sites were established.
- 2.22 The evidence documents that were produced in 2013 were published on the Council's website. Evidence included a viability assessment, land and

property value appraisal, and viability construction cost study. These documents are available to view online using the Council's Document Library.

Key Headlines 2013

2.23 Key headlines from CIL evidence produced in 2013 are summarised below:

- For residential development the study concluded that variations in the values of residential development were not significant enough to warrant differential assumptions being applied to different geographical locations in the study area and that a single value zone approach was appropriate;
- A rate of £130 per square metre for residential development was recommended;
- For non-residential development a single zone approach was also recommended;
- Commercial developments (excluding retail) were not considered to be viable in Brentwood for the application of CIL charging;
- Food Supermarket and general retail were assessed to be viable and capable of accommodating CIL in both greenfield and brownfield development scenarios. A rate of £80 per square metre for retail A1-A5 uses was recommended; and
- For all other non-residential uses a rate of £0 per square metre was recommended.

New Analysis 2016

2.24 Due to the period of time that had passed since evidence was produced in 2013, it was deemed appropriate to renew studies and provide an up-to-date and robust basis for the Preliminary Draft Charging Schedule.

2.25 NCS have produced new evidence to assess viability and delivery. The assessment appraises the viability of the Brentwood Draft Local Plan in terms of policies on the economic viability of development expected to be delivered during the Plan period (2013-2033). The study considers policies that might affect the cost and value of development in addition to the potential to accommodate CIL charges. The study also includes an assessment of the ability of different categories of development within the Local Plan area to make infrastructure contributions via CIL.

2.26 The documents that have been produced by NCS and partners in 2016 are listed below. These can be viewed on the Council's website at www.brentwood.gov.uk/CIL as well as the Document Library.

- Whole Plan and CIL Viability Assessment, Nationwide CIL Services (May 2016)
- CIL Land and Property Value Appraisal Study, heb Chartered Surveyors (April 2016)
- CIL Viability Construction Cost Study for Brentwood Borough, Nationwide CIL Services and Gleeds (March 2016)

Key headlines 2016

2.27 Key headlines from CIL evidence produced in 2016 are summarised below:

- As was concluded in the previous 2013 study, a single value zone for residential development was considered appropriate;
- The recommended rate for residential development has increased to £200 per square metre;
- For non-residential development a single charging zone was recommended;
- A zero rate for all non-residential development excluding retail was recommended; and
- Two further rates were recommended for General Retail A1-A5 (excluding food supermarkets) at £125 per square metre and for food supermarkets a rate of £200 per square metre.

3 Preliminary Draft Charging Schedule Consultation

Your Views

- 3.1 Brentwood Borough Council's Preliminary Draft Charging Schedule is set out in Appendix A. The Charging Zone Map is set out in Appendix B.
- 3.2 The Preliminary Draft Charging Schedule is available for public comment from **[Insert Date]** to **[Insert Date]**.
- 3.3 The Council would like your views on the Preliminary Draft Charging Schedule and in particular responses to the following questions:
1. Do you feel that the proposed rates are suitably informed by the viability evidence provided in the Local Plan and the Whole Plan and CIL Viability Assessment (May 2016)?
 2. Do you believe the evidence on viability is correct? If not, please provide alternative evidence to support your view.
 3. Do you think the rates proposed strike an appropriate balance between helping to fund infrastructure through CIL and the potential effects of imposing CIL on the viability of development needed to deliver the aspirations of the Local Plan?
 4. Do you believe it is correct for there to be a zero rate for all non-residential developments excluding retail?
 5. On major strategic housing sites, further detailed work is ongoing to further evaluate the actual costs of delivering infrastructure and identifying a clear delivery strategy and where appropriate masterplanning. What approach should be taken to major strategic housing led sites when considering the delivery of infrastructure, CIL payments and Section 106 agreements?
 6. Do you think the Council should introduce an instalments policy to stagger payments?
 7. Do you think the Council should include discretionary relief from CIL for charitable investment or 'exceptional circumstances'?
 8. What infrastructure do you think the Regulation 123 List should include (i.e. where should the Council direct the money raised by the Levy)?
 9. How frequently, and/or what triggers do you think the Council should consider to launch a review of CIL and/or the Regulation 123 list?
 10. Do you have any other comments on the Preliminary Draft Charging Schedule or supporting evidence?

11. Do you have any comments on other aspects of the evidence base?
- 3.4 You can find out more about the Preliminary Draft Charging Schedule and respond directly on the Council's website at www.brentwood.gov.uk/CIL.
- 3.5 Responding online is the quickest and easiest way to comment. Alternatively, you can also respond by email or letter:
- Email us at: planning.policy@brentwood.gov.uk
 - Write to us at: Planning Policy Team, Brentwood Borough Council, Town Hall, Brentwood, Essex, CM15 8AY
- 3.6 Hard copies of the Preliminary Draft Charging Schedule are available to view during normal opening hours at the Town Hall or local libraries (Brentwood, Shenfield and Ingatestone).

Next Steps

- 3.7 Following this consultation, the Council will review the comments received together with any other evidence that emerges and use the findings to inform the next stage.
- 3.8 Once the Council considers that the Draft Charging Schedule is ready for an Examination-in-Public, it will publish the document for consultation. During this period, representations can be made and any person making a representation has the right to be heard at the CIL Examination-in-Public.

Appendix A

Brentwood Borough Council Community Infrastructure Levy (CIL) Charging Schedule Preliminary Draft for Consultation

The Charging Authority

The Charging authority is Brentwood Borough Council.

Date of Approval

This CIL Preliminary Draft Charging Schedule was approved by the Council for consultation on **[Insert Date]**

Statutory Compliance

The CIL Preliminary Draft Charging Schedule has been issued, approved and published in accordance with the Community Infrastructure Levy Regulations 2010 (as amended 2011, 2012, 2013 and 2014) and Part 11 of the Planning Act 2008 (as amended by Part 6 of the Localism Act 2011).

Calculation of the CIL Charge

Calculation

CIL will be applied on the chargeable floor space of all new development apart from that exempt under the Community Infrastructure Levy Regulations 2010 (as amended 2011, 2012, 2013 and 2014) and specifically Part 2 and Part 6.

These exemptions from the CIL rates are:

- a) Where the gross internal area of a new buildings or extensions to buildings will be less than 100 square metres (other than where the development will comprise one of more dwellings);
- b) A building into which people do not normally go;
- c) A building into which people go only intermittently for the purpose of maintaining or inspecting fixed plant or machinery;
- d) A building for which planning permission was granted for a limited period;
- e) Development by charities of their own land to be used wholly or mainly for their charitable purposes;
- f) Social Housing;
- g) Vacant buildings brought back into the same use;

h) Floorspace resulting from change of use development where part of the building has been in continuous lawful use for at least six months in the three years twelve months prior to the development being permitted;

i) Houses, flats, residential annexes and residential extensions which are built by 'self-builders';

j) Mezzanine floors of less than 200 square metres inserted into an existing building unless they form part of a wider planning permission that seeks to provide other works as well.

CIL Rates

The Community Infrastructure Levy charging rates for development across Brentwood Borough Council's area are as follows:

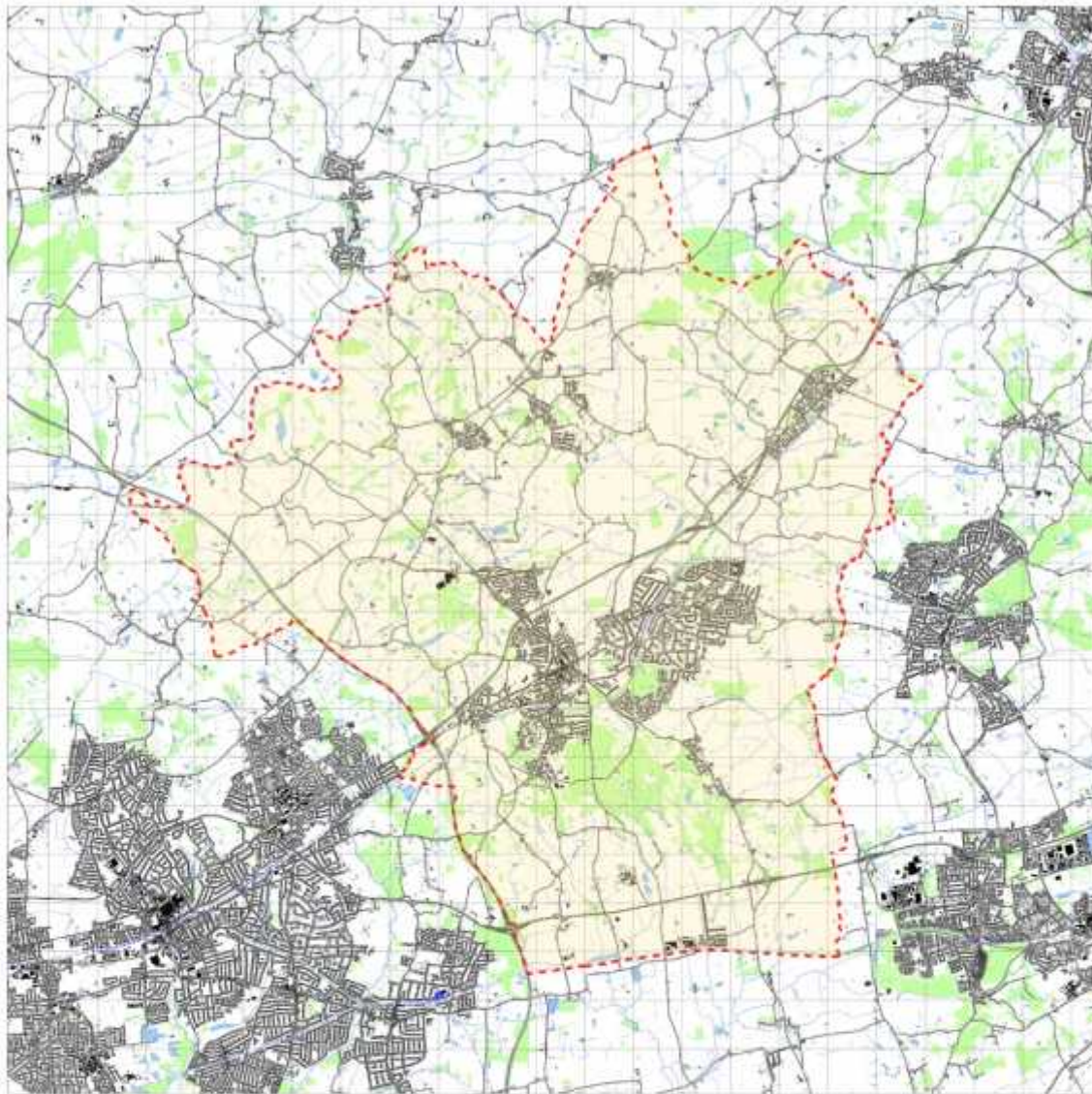
| Development Type | Maximum Rate of CIL |
|---|----------------------------|
| Residential - Housing | £200 per square metre |
| All Non-residential uses (excepting Retail) | £0 per square metre |
| General Retail A1-A5 (excluding Food Supermarket) | £125 per square metre |
| Food Supermarket A1 | £200 per square metre |




The charging zones which these rates apply are set out on the following map which is presented on an OS base as required in the regulations (see Appendix B).

Further Information

More information on CIL and its application in Brentwood Borough is available on the Council's website at www.brentwood.gov.uk/CIL

Appendix B - Brentwood Borough Council - CIL Residential Charging Zones Map



-  Built areas
-  Brentwood borough boundary
-  Single charging zone