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Dear Sir / Madam

CHELMSFORD CITY COUNCIL (CCC) LOCAL PLAN VIABILITY UPDATE – 2026 FURTHER UPDATE NOTE & CHELMSFORD LOCAL PLAN EXAMINATION OPTIONAL HEARING STATEMENT (REP NO. PSQ25-6351)

This letter has been prepared by Turner Morum LLP (TM) to submit as an Optional Hearing Statement to the Chelmsford Local Plan Examination and representations on the CCC Local Plan Viability Update 2026 Further Update Note (April 2026) undertaken by Mr Simon Drummond-Hay of HDH Planning & Development Ltd (HDH) which has been used to inform the policies within the Chelmsford Local Plan which was submitted to the Secretary of State for Independent Examination on 5th June 2026.

The 2026 HDH Further Update Note is to be read as an annex to the Chelmsford City Council Local Plan Viability Update (HDH, August 2023) and the Chelmsford City Council Regulation 19 Viability Note (HDH, November 2024), and is written as an update to those papers.

TM have previously submitted representations in March 2025 on the viability evidence informing the Local Plan on behalf of the Chelmsford Garden Community (CGC) consortium comprising of Ptarmigan Chelmsford A Limited (Ptarmigan), Countryside L&Q (North East Chelmsford) LLP (Vistry) and Halley Developments (the consortium).

TM are instructed on behalf of the consortium to advise on viability. As part of this instruction, and since the adoption of the Local Plan in 2020, we have undertaken site specific viability appraisals for CGC as well as a detailed assessment of the infrastructure costs through the CGC Infrastructure Delivery Plan (IDP). Through this work we have made numerous IDP and viability submissions to CCC who themselves have instructed Newmark to provide independent viability advice.

At the time of writing this letter we can confirm that TM and Newmark have reached an agreement on the appraisal assumptions and overall conclusions for each outline planning application area within CGC. Some of these assumptions have been benchmarked based upon the Local Plan Viability Study work undertaken by HDH in 2018 which informed the adopted Local Plan (2020) and then the subsequent Local Plan Viability Update (LPVU) in August 2023. Other assumptions, such as infrastructure costs, have been confirmed through

detailed research using external consultants such as Arcadis acting for the Consortium and Aecom acting for the Council.

In our previous representations in March 2025, we highlighted 2 specific areas of the plan making viability assessment on CGC that we considered were not being accurately reflected. These are summarised as below:

1. **Biodiversity Net Gain (BNG)** – the HDH assessment was based on a 20% requirement across the whole Council area. We have repeatedly highlighted to HDH however that the application of 20% CGC is contradicting with the approved Development Framework Document (DFD) policy of a minimum of 10% per phase with an aspiration of 20%.
2. **Strategic Site Infrastructure & Mitigation Costs** – HDH have applied an allowance for external costs as a % on top of BCIS and then S106 infrastructure and mitigation costs at £50k per dwelling. However, this excludes the significant infrastructure and abnormal cost burden within CGC which has been agreed with CCC and Newmark through the application stage viability.

In their latest 2026 assessment HDH make specific comment on the BNG approach and refer to the *Viability Assessment of Biodiversity Net Gain in Essex Final Report Essex County Council and Essex Local Nature Partnership* (SQW, Temple, August 2024).

The conclusions of this report suggest that a move from 10% - 20% will not materially impact viability with the largest impact being achieving the 10% (the uplift then to 20% being relatively negligible from a costs perspective).

We are not seeking to engage on or dispute the findings of this report but rather to note that the application of a blanket 20% BNG requirement across all sites including CGC is fundamentally different to the position contained in the DFD and national planning policy.

To confirm the DFD establishes the guiding framework principles, or 'golden rules', that the development within CGC should follow. It also contains the Framework Parameter Plans, an illustrative masterplan, the approach to design coding, delivery and phasing and how the place should be managed in perpetuity. This will ensure the overarching Vision is delivered in a cohesive and comprehensively planned manner. It is therefore important that the HDH plan making viability assessment accurately reflects the specifics of strategic sites such as CGC and therefore should make an adjustment to the assumption on BNG.

On the issue of strategic site infrastructure and mitigation costs HDH have provided a response to our 2025 representations as per the below from the April 2026 Further Update Note:

ii. Strategic Site Infrastructure and Mitigation Costs – it is acknowledged that whilst there is much agreement, there is a difference concerning how site costs, abnormal costs, strategic infrastructure and mitigation costs all relate to the Benchmark Land Value. The PPG is clear (at paragraph 10-013-20240214) that these (and other) costs should be 'taken into account when defining benchmark land value'. However, it is not simply a matter of deducting these costs from the BLV – they need to be considered in the round. The BLV on the Strategic Sites is taken

to be the EUV x10 which is less than the assumption on the greenfield typologies of EUV + £500,000 per ha.

Based on this response we do not consider that HDH have fully appreciated the concerns we have previously raised on this point. As such we have sought to provide some further clarity as below.

In their 2024 assessment of the strategic sites HDH have assumed the following S106 (infrastructure and mitigation costs) for CGC:

Table 8.1 2024 Strategic Sites – Updated Strategic Infrastructure and Mitigation Costs (s106 costs)

	Number of Dwellings	EUV	S106 per unit	Net developable area (Ha)	DPH
Chelmsford Garden Community Location 6	6,250	Strategic Greenfield	£50,000	50%	40

On this basis therefore the plan making assessment has been undertaken assuming a total S106 cost across the whole allocation area of £312.500m.

We previously raised significant concerns in our representations that the combined allowance which HDH have included in their assessment for the S106 costs and site wide infrastructure/abnormal costs is not sufficient when compared to the figures which have been agreed with Newmark as part of the planning application viability assessments on CGC.

The original source document from HDH is the 2023 Local Plan Viability Update (LPVU) (ref: V001) to which updates are applied, as required, in their notes of 2024 (ref: V002) and 2026 (ref: V003). From reviewing these notes it appears that no change has been applied by HDH to the way they assess on site infrastructure and abnormal costs. To confirm, these costs are completely separate to the S106 infrastructure and mitigation costs as outlined above. These costs relate to on-site infrastructure servicing and delivery in addition to any site-specific abnormal costs.

Unfortunately, in none of the recent viability reports by HDH for CCC is there any appraisal model provided for CGC. On this basis we have to assume from the content of the report what HDH have adopted in their appraisal assessment. The below table highlights the significant divergence between the application stage viability and the plan making viability for CGC in specific relation to site wide infrastructure costs.

Build Cost Input	TM/Newmark Application Stage	HDH Plan Making Stage
Externals	(£104,623,005)	(£104,623,005)
IDP Costs	(£258,557,321)	(£312,500,000)
Stewardship	(£24,062,500)	n/a
On site infra & Abnormals	(£282,540,153)	n/a

The consequence of this divergence is that the HDH assessment on viability for CGC shows a conclusion of a £309,904 per ha as a Residual Land Value output measured against a Benchmark Land Value of £250,000 per ha. This indicates a viability surplus of c. **£27.195m** on the basis of delivering 35% affordable housing.

However, we know from the application stage agreements reached on the outline application areas that 35% affordable housing has only been possible on a total of 1,750 dwellings and even then, is only achievable through a CIL recycling mechanism. The remainder of the site equating to 3,500, still with the benefit of CIL recycling, has been determined at a viable level of 19% affordable housing. We highlight these points to try and ensure a consistency between the viability at the plan making and application stage.

Turner Morum LLP

October 2026