Colchester City Council Local Plan Review – Regulation 19 Consultation

Soundness Representations concerning Draft Policy PP37: Land north of Park Lane, Langham

Viability Statement for Langham Parish Council (Report VR1)

1. Introduction

1.1 This representation objects to the inclusion of Policy PP37, Land North of Park Lane, Langham, as a strategic allocation for approximately 900 dwellings.

1.2 The objection is principally based upon the combined implications of the Council's August 2026 evidence on viability, infrastructure capacity, wastewater, education and delivery.

1.3 The concern is not simply that individual infrastructure requirements may require further work at planning application stage. Rather, the Regulation 19 evidence base does not presently demonstrate that the allocation is:

- viable;
- effective;
- infrastructure-led;
- deliverable within the Plan period; or
- capable of providing the infrastructure necessary to make the development acceptable.

1.4 In particular, the August 2026 Newmark Whole Plan Viability Assessment does not demonstrate that PP37 is viable on its principal assumptions. Its base-case appraisal identifies a substantial viability deficit. The alternative scenario under which PP37 becomes only marginally viable depends materially upon an assumed future "placemaking" value premium which Newmark itself acknowledges is not supported by transactional evidence from the allocations concerned.

1.5 At the same time, the August 2026 Infrastructure Audit and Delivery Plan ("IADP") and Water Cycle Study identify a significant and unresolved wastewater capacity problem at Langham Wastewater Recycling Centre ("WRC"). The evidence records no baseline capacity and identifies the need for significant infrastructure intervention.

1.6 These matters are directly interconnected. The infrastructure required to enable PP37 has implications for the cost and viability of the allocation. Conversely, the viability assessment establishes that the site has very limited capacity to absorb additional costs beyond those already tested.

1.7 The evidence therefore falls short of demonstrating that PP37 is an effective and deliverable allocation. The allocation should consequently be deleted unless the Council can provide a properly reconciled, site-specific viability and infrastructure appraisal demonstrating that the allocation can be delivered as proposed.

2. Newmark's base-case viability conclusion

2.1 The August 2026 Newmark viability assessment tests PP37 on the basis of 850 dwellings and 30% affordable housing.

2.2 The resulting residual land value is approximately **minus £17.52 million**, against a benchmark land value of approximately **£6.12 million**.

2.3 This produces a viability deficit of approximately **£23.64 million**.

2.4 Newmark accordingly categorises PP37 as **"Not Viable"** under its principal appraisal scenario.

2.5 This is a material finding. It is not reasonable to characterise the Newmark evidence simply as demonstrating that PP37 is viable. The principal appraisal undertaken by the Council's viability consultant reaches the opposite conclusion.

2.6 The significance of this finding is increased by the fact that the appraisal already incorporates substantial allowances for strategic-site infrastructure and Section 106 contributions.

2.7 Newmark applies an allowance of approximately **£35,000 per dwelling for strategic-site infrastructure** and approximately **£25,000 per dwelling for strategic Section 106 contributions**.

2.8 At 850 dwellings, those assumptions represent approximately £29.75 million and £21.25 million respectively.

2.9 Nevertheless, after incorporating those allowances and the other costs assumed in the appraisal, PP37 remains substantially below its benchmark land value.

2.10 The Council has therefore not demonstrated robust viability for PP37 under its principal appraisal assumptions.

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3. The significance of the placemaking value premium

3.1 The Council may seek to rely upon Newmark's alternative scenario involving a higher-value or "placemaking" premium.

3.2 Under this scenario Newmark applies a 6–7% sales-value premium to large strategic allocations on the basis that such schemes can create their own market through the provision of new facilities and a new place identity.

3.3 Applying that assumption materially improves the PP37 appraisal. However, PP37 remains only **"Marginal"**, with a residual deficit of approximately £7,429 per gross acre.

3.4 More importantly, Newmark expressly identifies the premium as an **assumption concerning future market performance rather than transactional evidence from the allocations themselves**.

3.5 Newmark recommends that the assumption should be verified at application stage against comparable strategic developments in North Essex.

3.6 The premium therefore cannot properly be treated as established evidence that PP37 is currently viable.

3.7 This distinction is particularly important because the premium is decisive to the outcome. Newmark's sensitivity analysis indicates that, with the premium, PP37 can support approximately 29% affordable housing, whereas without the premium the tested position falls to approximately 12%.

3.8 The ability of PP37 to approach the Local Plan's 30% affordable-housing requirement is therefore highly dependent upon a future value assumption which Newmark itself acknowledges is not presently supported by transactional evidence from the allocation.

3.9 It follows that the Council cannot rely upon the placemaking premium as if it were a demonstrated and secured component of PP37's viability.

3.10 This is particularly important when assessing the soundness of the allocation itself. A future planning application cannot be relied upon to establish whether the fundamental assumptions necessary to justify the allocation will eventually prove correct.

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4. The site-specific infrastructure costs remain insufficiently established

4.1 The Newmark assessment recognises that strategic allocations have site-specific infrastructure requirements.

4.2 However, Newmark expressly acknowledges that the current assessment **cannot fully determine the costs of site-specific infrastructure**.

4.3 This is a significant qualification in the case of PP37 because the contemporaneous August 2026 infrastructure evidence identifies an exceptional infrastructure constraint at Langham.

4.4 The Council has therefore not demonstrated that the generic £35,000-per-dwelling infrastructure allowance used by Newmark is sufficient to meet the actual infrastructure requirements of PP37.

4.5 This is not merely a theoretical concern. The August 2026 IADP identifies substantial wastewater capacity constraints at Langham WRC, together with other infrastructure requirements associated with the proposed scale of development.

4.6 The viability assessment should therefore be capable of demonstrating, with reasonable confidence:

- what infrastructure PP37 requires;
- what that infrastructure will cost;
- who will fund it;
- when it will be provided;
- what development phases depend upon it; and
- whether the costs have been incorporated into the viability appraisal.

4.7 The current evidence does not provide that reconciliation.

5. Langham Wastewater Recycling Centre

5.1 The wastewater evidence is of particular significance.

5.2 The August 2026 IADP records that Langham WRC has **no baseline capacity**.

5.3 It identifies permitted flow of approximately 420 m^3/day against measured dry-weather flow of approximately 486 m^3/day, producing a baseline headroom of approximately **minus 66 m^3/day**.

5.4 Following the planned growth assumptions, the IADP identifies estimated flow of approximately 792 m^3/day and headroom of approximately **minus 372 m^3/day**.

5.5 The IADP consequently identifies Langham as a wastewater system requiring intervention to accommodate the proposed growth.

5.6 The evidence indicates that the required solution involves significant treatment infrastructure intervention and that there is no identified investment programme sufficient to demonstrate that the necessary capacity will be available in accordance with PP37's anticipated delivery trajectory.

5.7 This is a fundamental infrastructure issue for a development of approximately 850 dwellings.

5.8 It cannot reasonably be treated as an ordinary planning-application matter where the existence and funding of the necessary infrastructure can simply be assumed.

5.9 The Local Plan must establish that the allocation is capable of being delivered through an infrastructure strategy that is sufficiently certain in terms of capacity, funding, timing and responsibility.

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6. Failure to reconcile the WCS/IADP and viability evidence

6.1 There is a material evidential gap between the infrastructure and viability evidence.

6.2 The IADP identifies a significant wastewater capacity deficit at Langham.

6.3 Newmark, however, applies a generic strategic-site infrastructure allowance and expressly acknowledges that it cannot fully determine site-specific infrastructure costs.

6.4 The Council has not demonstrated what proportion of the £35,000-per-dwelling allowance is attributable to the Langham wastewater solution.

6.5 Nor has the Council demonstrated that the cost of the required wastewater intervention falls within that allowance.

6.6 If the wastewater solution has not been included in full, the Newmark appraisal understates the infrastructure cost required to enable PP37.

6.7 If it has been included, the Council should identify precisely:

- the assumed capital cost;
- the source of that cost;
- the infrastructure works assumed;
- the funding source;
- the delivery body;
- the delivery timetable; and
- the point in the PP37 development trajectory at which sufficient capacity will become available.

6.8 In the absence of that information, the viability and infrastructure evidence cannot be regarded as fully reconciled.

6.9 This is particularly significant because Newmark's own assessment indicates that the strategic sites have little or no capacity to absorb additional policy or infrastructure costs beyond those already tested.

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7. No demonstrated capacity to absorb additional infrastructure costs

7.1 Newmark's assessment indicates that the strategic allocations have limited capacity to absorb costs beyond those incorporated within the appraisal.

7.2 This is particularly important for PP37 because the Langham infrastructure requirements have not been fully established.

7.3 If the actual cost of the required wastewater infrastructure is greater than the allowance assumed by Newmark, the consequences cannot simply be ignored.

7.4 Additional costs would necessarily affect one or more of:

- residual land value;
- affordable housing;
- other planning obligations;
- developer profit;
- development timing;
- public funding requirements; or
- the overall deliverability of the allocation.

7.5 The Council has not demonstrated which of these consequences would arise if the full infrastructure costs exceed the assumptions used by Newmark.

7.6 The resulting uncertainty is incompatible with the proposition that PP37 is presently demonstrated to be an effective and deliverable strategic allocation.

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8. Effectiveness

8.1 The allocation fails the effectiveness test because the evidence does not demonstrate that the infrastructure necessary to support PP37 can be provided at the required time.

8.2 The IADP identifies a wastewater system without baseline capacity.

8.3 The viability assessment identifies a substantial base-case deficit.

8.4 The alternative scenario which brings PP37 close to viability depends upon an unverified future value premium.

8.5 Newmark further acknowledges that the current appraisal cannot fully determine site-specific infrastructure costs.

8.6 These matters are individually significant and, when combined, create a substantial uncertainty regarding the ability of PP37 to deliver the scale of development proposed.

8.7 An effective allocation should provide a realistic framework within which development can proceed. It should not depend upon the future resolution of fundamental infrastructure and viability uncertainties for which the evidence base has not established costs, funding and delivery arrangements.

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9. Deliverability

9.1 The evidence does not demonstrate that PP37 is deliverable within the Plan period on the scale proposed.

9.2 The principal viability assessment concludes that PP37 is not viable.

9.3 The alternative assessment only reaches a marginal position through reliance upon a future market-value premium which Newmark itself recommends should be verified at application stage.

9.4 At the same time, Langham WRC has no baseline capacity and requires infrastructure intervention to accommodate the proposed growth.

9.5 There is no sufficiently robust evidence establishing the complete cost, funding and delivery programme for that intervention in a manner which is demonstrably aligned with PP37's development trajectory.

9.6 The resulting uncertainty is not consistent with a strategic allocation being described as deliverable without substantial qualification.

9.7 This is especially important because the allocation is not a small or incremental development. At approximately 850 dwellings, it would represent a very substantial increase in development at Langham and would place correspondingly substantial additional demands upon infrastructure.

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10. The placemaking premium cannot cure the infrastructure deficit

10.1 It should not be assumed that the placemaking value premium identified by Newmark resolves the infrastructure and deliverability issues.

10.2 The premium is predicated upon the creation of a successful new place incorporating infrastructure and facilities which themselves have to be funded and delivered.

10.3 There is therefore a material distinction between:

(a) the value uplift which might arise once a successful development has been established; and

(b) the financial capacity required to deliver the infrastructure necessary to create that development.

10.4 The Council has not demonstrated that the assumed value premium will be realised at the point when the infrastructure expenditure has to be incurred.

10.5 Nor has it demonstrated that the infrastructure necessary to generate the assumed premium is itself fully costed and deliverable.

10.6 The premium therefore cannot properly be relied upon as a substitute for a robust infrastructure and delivery strategy.

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11. Internal consistency of the evidence base

11.1 The Council's evidence base should be read as a whole.

11.2 Newmark's assessment indicates that PP37 is not viable under the base case.

11.3 The alternative scenario only brings the allocation to a marginal position through an assumed future value premium.

11.4 The IADP and Water Cycle Study identify a substantial existing wastewater capacity constraint at Langham.

11.5 Newmark acknowledges that site-specific infrastructure costs cannot presently be fully determined.

11.6 These findings have not been satisfactorily reconciled.

11.7 The Council cannot simultaneously rely upon:

- a generic infrastructure cost assumption for viability;
- an unresolved site-specific infrastructure requirement;
- a substantial existing wastewater capacity deficit; and
- an assumed future placemaking premium,

without demonstrating how those matters interact financially and temporally.

11.8 The absence of that reconciliation represents a material deficiency in the evidence base supporting PP37.

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12. Required further evidence

12.1 Before PP37 can properly be regarded as sound, the Council should provide a reconciled site-specific appraisal demonstrating:

1. the full infrastructure requirements of PP37;
2. the capital and revenue costs of those requirements;
3. the specific cost of the Langham wastewater solution;
4. the funding source for each major infrastructure item;
5. the responsible delivery body;
6. the anticipated delivery date;
7. the relationship between infrastructure delivery and development phasing;
8. the effect of those costs upon residual land value;
9. the effect upon affordable housing;
10. the effect upon the assumed developer return;
11. the viability of PP37 without relying upon an unverified placemaking premium.

12.2 Without that evidence, the Inspector cannot be satisfied that the allocation is justified, effective and deliverable.

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13. Suggested examination questions

13.1 The following questions are suggested for examination:

(a) What precisely is included within Newmark's £35,000-per-dwelling strategic-site infrastructure allowance for PP37?

(b) Does that allowance include the capital cost of the infrastructure required to resolve the Langham WRC capacity constraint?

(c) If so, what cost has been assumed and what evidence supports it?

(d) If not, how does the Council demonstrate that PP37 is viable once that cost is included?

(e) What is the identified technical solution for Langham WRC?

(f) What is its capital cost?

(g) Who will fund it?

(h) Who will deliver it?

(i) When will it be delivered?

(j) What infrastructure trigger will prevent occupation of PP37 before sufficient wastewater capacity is available?

(k) What is the viability position at the full allocation capacity?

(l) What transactional evidence supports the 6–7% placemaking value premium?

(m) What evidence demonstrates that the premium would be available during the early phases of PP37 rather than only after the development has established itself?

(n) What would be the viability and affordable-housing position if the premium is not achieved?

(o) How does the Council reconcile Newmark's statement that site-specific infrastructure costs cannot presently be fully determined with the proposition that PP37 is an effective and deliverable allocation?

(p) What happens to PP37 if the infrastructure costs exceed those assumed in the viability appraisal?

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14. Conclusion

14.1 The August 2026 evidence does not demonstrate that PP37 is a robustly viable, effective and deliverable allocation.

14.2 Newmark's principal appraisal concludes that PP37 is **not viable**, with an approximately £23.64 million deficit.

14.3 The alternative scenario under which the allocation becomes only marginally viable depends upon a 6–7% placemaking value premium which Newmark expressly identifies as an assumption about future market performance rather than transactional evidence and recommends should be verified at application stage.

14.4 The apparent ability to deliver affordable housing close to the Plan requirement is correspondingly dependent upon that uncertain assumption.

14.5 At the same time, the August 2026 IADP and Water Cycle Study identify a fundamental wastewater infrastructure constraint at Langham. Langham WRC has no baseline capacity and requires infrastructure intervention to accommodate the proposed growth.

14.6 The Council has not demonstrated that the full cost of that intervention has been incorporated into the Newmark appraisal, nor has it demonstrated a sufficiently certain funding and delivery mechanism aligned with PP37's development trajectory.

14.7 Newmark itself acknowledges that the current assessment cannot fully determine site-specific infrastructure costs. This is particularly significant because Newmark also indicates that the strategic allocations have limited capacity to absorb additional costs beyond those tested.

14.8 The result is a material gap between the infrastructure required to make PP37 acceptable and the infrastructure cost, funding and delivery evidence underpinning the viability assessment.

14.9 That gap is sufficiently fundamental that the Council has not demonstrated that PP37 is sound under the tests of **justification and effectiveness**, nor that it is capable of being delivered as proposed.

Requested modification

14.10 The Inspector is respectfully requested to find that Policy PP37 is not presently sound and should be **deleted from the Plan**.

14.11 In the alternative, if the Inspector considers that the allocation should remain in the Plan, it should be **modified before adoption** to require an infrastructure-led and viability-led delivery framework which:

- establishes the full site-specific infrastructure requirements and costs;
- secures the funding and delivery of the necessary Langham wastewater infrastructure;
- provides explicit infrastructure triggers linked to development phases and occupation;
- tests viability against the full approximately 850-dwelling allocation;
- does not rely upon the unverified placemaking premium as established evidence of viability; and
- demonstrates, before the allocation is relied upon to meet the Plan's housing requirement, that the infrastructure necessary to enable the development is funded, deliverable and capable of being provided at the required time.

14.12 In the absence of such evidence and safeguards, the inclusion of PP37 would risk allocating a substantial quantum of housing to a site for which the Council's own evidence does not yet demonstrate a sufficiently robust combination of **viability, infrastructure capacity, effectiveness and deliverability**.