

MANSFIELD LOCAL PLAN EXAMINATION
MATTER 9 – WHETHER OR NOT THE PLAN WOULD BE VIABLE AND
DELIVERABLE WITHIN THE PLAN PERIOD & WHETHER THE
ARRANGEMENTS FOR MONITORING ARE ROBUST

Inspector’s issues and questions in bold type.

This Hearing Statement is made for and on behalf of the HBF which should be read in conjunction with our representations to the pre submission Local Plan consultation dated 1st November 2018. This representation answers specific questions as set out in the Inspector’s Matters, Issues & Questions document issued on 20th March 2019.

1. Would new employment, housing and other development be able to accommodate the plan’s policy requirements having regard to viability and is this supported by the evidence in the Viability Study (V2)

For the pre-submission consultation the Council’s viability evidence was set out in the Whole Plan & Community Infrastructure Levy (CIL) Viability Assessment Report dated June 2018 by NCS (Document V1). Subsequently this evidence has been updated in the Whole Plan Viability Appraisal Update dated December 2018 by Keppie Massie (Document V2) and the Whole Plan Viability Appraisal Addendum – Policy H5 (Custom & Self Build) dated February 2019 by Keppie Massie (Document V2a).

The original viability evidence concluded that *“testing showed that the Mansfield District Local Plan Policies are broadly viable across most forms of housing development and demonstrate that Affordable Housing delivery is viable across the District subject to differential approaches to delivery in different sub-market areas”* (para 1.14). This differentiated approach was set out in Policy H4.

Subsequently the Whole Plan Viability Update concludes that the three Strategic Urban Extension (SUE) sites at Pleaseley Hill Farm, Jubilee Way and Berry Hill are not viable without a relaxation of policy requirements (para 2.11). The cumulative testing results (see Table 6.3) of the Whole Plan Viability Appraisal Update also show that 50% (9 out of 18) of residential site allocations tested in Zone 1 are not viable. This cumulative testing demonstrates that the affordable housing requirements of Policy H4 combined with the S106 costs for education, highways, open space and other infrastructure under Policy IN1 are not viable. National policy sets out that the cumulative burden of policy requirements should be set so that most development is deliverable without further viability assessment negotiations. In Mansfield District almost all future housing growth is located in the lower value Zone 1 where viability is most challenging therefore viability negotiations will become routine rather than exceptional. The Council’s own evidence confirms that *“the results suggest that there may need to be some*

relaxation in requirements to achieve viable development on these sites” (para 6.28).

It is also important that the Council understands and tests the influence of all inputs on viability. Viability assessment is highly sensitive to changes in its inputs whereby an adjustment or an error in any one assumption can have a significant impact on the viability or otherwise of development. The Council’s assessment contains some assumptions which may be overly optimistic and therefore under-estimate potential impacts on viability. It is noted that :-

The gross to net site area ratio is 75 - 85% in all but three allocations (see Appendix 5) which may not be sufficient for requirements under Policy IN2 : Green Infrastructure, Policy IN4 : New Community Open Space & Outdoor Sports Provision and Policy CC3 : Sustainable Drainage Systems ;

A standard 1 metre foundation is assumed in the build costs for all sites and only one brownfield site allocation H1i has an abnormal foundation cost allowance ;

Any higher costs associated with achieving Building for Life 12 criteria under Policy P1 are assumed to be included in build costs ;

A lower developer profit of 17.5% on market housing is assumed on sites of less than 20 dwellings compared to 20% for market housing on sites of more than 20 dwellings. If smaller sites are developed by local building companies reduced margins may impede the ability to obtain development funding ;

In sensitivity testing of alternative affordable housing tenure mixes the assumed 6% developer profit on affordable housing was not changed. If the number of starter homes or other low cost homeownership products is increased not only does gross development value increase but risk as the properties are sold individually rather than en-masse to a Registered Social Landlord ;

An allowance of £250 per dwelling for an Electric Vehicle Charging Point is included based on 32 amp radial spur with isolator but this specification is not set out in the supporting text of Policy IN10. The Council has not engaged with the main energy suppliers in order to determine network capacity to accommodate any adverse impacts if a proportion of dwellings have a re-charge facility. If re-charging demand became excessive there may be constraints to increasing the electric loading in an area because of the limited size and capacity of existing cables and new sub-station infrastructure may be necessary. The cost of such infrastructure would not be covered by an allowance of £250 per dwelling and may adversely impact on housing delivery ;

There are no costs for Local Labour Agreements under Policy E5.

The Whole Plan Viability Appraisal Addendum – Policy H5 (Custom & Self Build) dated February 2019 by Keppie Massie (Document V2a) also concludes that there is a reduction in viability from the requirements of Policy H5. Eight site allocations of which all except one are located in Zone 1 and the three SUEs are subject to the requirements of Policy H5 for at least 5% reasonably sized serviced plots for self / custom build on sites of 100 or more dwellings. These sites are already shown to be unviable in the Viability Appraisal Update. Again the Council's assessment contains some assumptions which may be overly optimistic and therefore under-estimate potential impacts on viability. It is noted that :-

The assumed value of self / custom build plot is £70,000 in Zone 1 but evidence in Appendix 2 shows much lower building plot values of £40,000 – 50,000 ;

The assumed cost of servicing plots is only £10,000 – 13,000 ;

The affordable housing contribution is assumed to be based on total capacity of the site but under national policy self / custom build are exempt from affordable housing provision requirements ;

If education, highway and other infrastructure financial contributions were collected by Community Infrastructure Levy self / custom build are also exempt.

Local Plans should be underpinned by an understanding of viability. The cumulative cost of policy requirements should not cause development typologies or SUEs to be unviable. It is an iterative process of balancing policy requirements and viability. A failure to incorporate the full estimated costs of policy requirements set out in the Plan will over-state the financial viability of development. If any of the aforementioned assumptions are incorrect an upward re-adjustment of costs will inevitably worsen viability which increases the number of allocated housing sites which are unviable on a policy compliant basis. This means that housing sites are either delayed in negotiations on viability at decision making stage or land owners do not sell land. In conclusion the Council's own latest viability evidence demonstrates that new housing is not able to accommodate the plan's policy requirements.

