

# Mansfield District Council

## Local Plan Examination

### **Main Matter 9**

Whether or not the plan would be viable and deliverable within the plan period and whether the arrangements for monitoring are robust

Mansfield District Council Submission

Date 30 April 2019

[www.mansfield.gov.uk](http://www.mansfield.gov.uk)



**Mansfield**  
District Council



# Mansfield District Council

## Local Plan Examination Matter Statement

May 2019

---

Main Matter 9 – Whether or not the plan would be viable and deliverable within the plan period and whether the arrangements for monitoring are robust

**Q1. 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)?**

1. The Whole Plan Viability Appraisal Update (V2) and Whole Plan Viability Appraisal Addendum – Policy H5 Custom and Self Build (V3) takes account of all relevant costs and values of development proposed in the district. The assessment factors in the impact of all policy costs set out within section 3 of the Whole Plan Viability Study (V2).
2. The appraisal for the baseline conditions indicate that without any affordable housing the development of market housing is generally viable except in relation to three sites (H1i, H1t and H1x) - please see page 57 and 58 of document V2. As noted at para 6.14 of V2, the lack of viability in relation to these sites generally arises due to either higher abnormal development costs or the relative expense of developing smaller sites with clearance costs. In these cases for the development to come forward either the landowner or developer or both will need to accept a reduction in the level of return they may be seeking. All of these sites have either now gained planning permission or have a resolution to permit subject to signing a S106 agreement.
3. The appraisal was then carried out for the level of affordable housing set out in Policy H4 (Option 1) for zones 1 and 2. A second option was also tested in accordance with NPPF 2019 requirements for affordable home ownership placing greater emphasis on starter and intermediate dwellings (option 2) again for zones 1 and 2. The overall results of testing for residential allocations indicates that the thresholds contained in

- Policy H4 are generally reasonable and are unlikely to prejudice the delivery of housing in the district; this is presented in table 6.1 and 6.2 on pages 57 and 58.
4. Similarly the level of planning obligations that will be required under Policy IN1 in relation to education, highways and other S106 obligations is tested and presented within tables 6.1 and 6.2 on pages 57 and 58.
  5. The cumulative impact of affordable housing and other Local Plan policies on the viability of the sites within zone 1 is presented in table 6.3. The results show that based on the cumulative policy position, including affordable housing option 1, nine sites are viable. In relation to the remaining nine unviable allocations the results suggest that there may need to be some relaxation in the requirements to achieve viable development on these sites.
  6. Based on affordable housing option 2 the viability position improves and 11 of the allocations tested are viable based on full planning contribution requirements.
  7. The cumulative impact of affordable housing and policy impacts on the viability of the sites within zone 2 is presented in table 6.4 and shows that all of the sites are viable when tested against both affordable housing options 1 and 2.
  8. An addendum (V3) was prepared in response to representations received to the Regulation 19 consultation over the impact of self-build on viability; this assessment specifically considered the requirements of Policy H5. The results of the viability testing show a slight reduction in the viability of the residential allocations however all of the allocations are still viable save for one H1g, based on the cumulative policy position, page 7 (V2a).
  9. The Whole Plan Community Infrastructure Levy and Viability Assessment (V1) assessed the strategic sites allocations SUE 1 and SUE 2 and commercial development. The study concluded that:

#### SUE1 Pleasley Hill Farm

10. The Pleasley Hill Residential Viability Appraisal indicated negative viability of -£7.5 million. The commercial viability element indicated positive viability of £126,000. Whilst the residential development did indicate negative viability based on policy targets of 10% affordable housing and S106 contributions of £7 million this does not necessarily mean the site is not deliverable. The negative viability of -£7.5 million represents 5% of the overall residential value and as such adjustments to cost allowances, contributions and developer return may enable the scheme to proceed. A revised appraisal with no affordable housing and a reduced developer profit of 17.5% is included within Annex A for the MDC Hearing Statement of Main Matter 5 which demonstrates how the site would be viably delivered.

### SUE2 Jubilee Way

11. The Jubilee Way Residential Viability Appraisal indicated marginal positive viability of £0.17 million and represents a CIL potential of £3sqm and therefore indicates that it would not be viable to introduce any significant charge.

### Employment

12. Food supermarket retail and general retail uses demonstrate positive viability. All of the remaining commercial use class appraisals indicate negative viability. However for consistency a full developer's profit allowance was included in all the commercial appraisals. In reality many employment developments are undertaken directly by the operators, if the development profit is removed from the calculations then much of the employment development would be viable.

### Conclusion

13. The evidence in the Viability Study demonstrates that overall many of the proposed allocations are able to support the full package of plan policy requirements including developer contributions and affordable housing and still deliver a surplus. In some cases the allocations are not able to support the policy level of affordable housing and full package of S106 contributions.
14. To ensure that the delivery of these sites is not prejudiced Policies H4 and IN1 contain some flexibility with a test of viability where specific circumstances or market changes make the proposed policies unviable, there is then the opportunity to submit scheme specific viability assessments as part of any future planning application.
15. It is proposed that the council prepare a Supplementary Planning Document to set out the priorities of the infrastructure delivery plan when seeking developer contributions to aid negotiations where it can be evidenced that a site allocation is not viable.

### **Q2. Will the monitoring framework provide a robust basis for assessing plan outcomes and are the indicators, targets and triggers appropriate?**

16. Appendix 13 sets out which policies contribute towards which objectives, and this illustrates that a particular policy can work towards many objectives. From this the council were able to see that policies were in place to achieve all objectives. The council then established measurable indicators and considered what targets would

be reasonable and in what circumstances would trigger a review of the Local Plan or other remedial actions i.e. prepare further guidance in the form of a Supplementary Planning Document. The council has also considered mechanisms to collect the required data to ensure that the monitoring could be achieved with the resources available.

17. Work is currently underway to put in place mechanisms to ensure the efficient collection of data; this will allow the authority monitoring report to be updated annually.
18. It is considered that the indicators, targets and triggers are appropriate. A modification has been proposed to correct an inconsistency between the monitoring framework and Policy IM1 (M142).

**Q3. Does the plan have sufficient flexibility to respond to changing circumstances? Should there be a policy or statement requiring an early review of the plan?**

19. The council considers that the Local Plan Publication Draft does include flexibility to respond to changing circumstances during the plan period.
20. In terms of housing land supply the updated trajectory (as of 31.03.19) shows a supply of 8,726 dwellings (net) during the plan period. This equates to a buffer of 34% (including the strategic sites at Pleasley (SUE1) and Land off Jubilee Way (Policy SUE 2) above the identified housing requirement of 6500 homes during the plan period (325 dpa). Without the strategic sites the supply during the plan period is 7,557 (net) dwellings; this would be a 16% buffer above the 6,500 dwelling target.
21. This buffer is provided to ensure that the housing target can be met even if a number of the sites anticipated to be developed do not come forward as well as provide a choice and flexibility to the market in the supply of housing land. Further information is set out within the Council's Main Matter 6.
22. The Employment Land Forecasting Study (E1) when identifying the overall requirement for employment space that should be planned for when allocating sites, a modest additional allowance was applied as a safety for margin to factor in delays in some sites coming forward for development.
23. This margin is a contingency factor, providing a modest additional land buffer so that supply is not too tightly constrained matched against estimated demand, and so that a shortage of land does not arise if future demand turns out to be greater than the

forecasts. Such flexibility is sensible given the uncertainties in the forecasting process and the scope for delays in developing employment space.

24. The Local Plan Publication Draft identifies a further xx hectares against the 41 hectare requirement for the plan period. The over provision of employment land allows for flexibility and aims to facilitate development and support existing business. Further information is provided within Main Matter 4.
25. In relation to viability of the sites, flexibility is given in Policies H3 and IN1 which have scope to vary the level of affordable housing and developer contributions if there are viability issues.
26. Policy IM1 sets out that the council will commence a review of the Local Plan no later than five years from the date of adoption. The council will also consider a partial review of the Local Plan, or other actions considered necessary in the following circumstances:
  - the number of homes built falls below 50 per cent of the annual requirement on a three year rolling average;
  - the supply of deliverable housing sites is below four years for three years in a row;
  - significant new evidence becomes available; or
  - significant implementation delays or issues are identified as part of the Authority Monitoring Report.
27. The NPPF 2019 at para 33 states that policies should be reviewed to see if they need updating at least once every five years. However part 2c of Policy IM1 allows for an earlier review if significant new evidence becomes available.
28. The council will keep under review the local housing need figure, as it is anticipated that this will change with the introduction of the Governments revised methodology for calculating the local housing need and as new household projections are published. It is therefore the council's view that there is no need to include a statement requiring an early review of the plan.