

Local Plan Panel Meeting	
Meeting Date	2 December 2020
Report Title	Local Plan Review: Whole Plan Viability
Cabinet Member	Cllr Mike Baldock Cabinet Member for Planning
SMT Lead	James Freeman
Head of Service	James Freeman
Lead Officer	Jill Peet
Key Decision	No
Classification	Open
Recommendations	1. Members are asked to provide a steer on the policy priorities that have a cost to development for final testing and inclusion in the emerging Local Plan Review if viable.

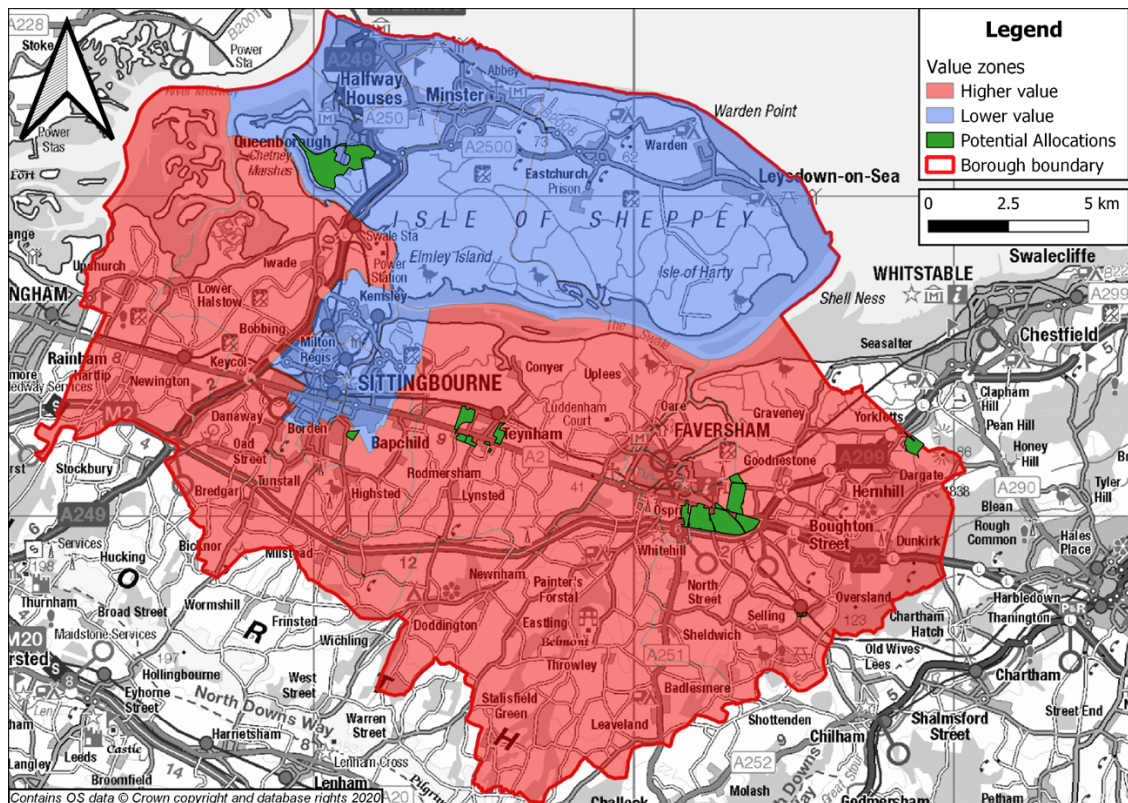
1 Purpose of Report and Executive Summary

- 1.1 The National Planning Policy Framework (NPPF) is clear that local plans are the place to set out the contributions expected from development and that policies that set out the levels and types of contributions sought should not undermine the delivery of the plan. The Council appointed specialist consultants to prepare a 'whole plan' viability assessment of the Local Plan Review.
- 1.2 The purpose of this report is to set out the key findings of the viability evidence so far, as a working document, and to secure a member steer on the policy priorities so that final viability testing may take place in advance of the completion of the Local Plan Review document to be presented to this Panel at a later date.
- 1.3 The consultants will explain how they have tested residential and non-residential development values and how they have arrived at the viability results for development in the Borough. This will be set out fully in their final report that will be available when the Local Plan Review document is presented to Members.
- 1.4 There are a number of specific planning obligation costs such as contributions to health, and those services provided by KCC such as education, libraries and so on. Members will not be asked to consider these as they are statutory and beyond the scope of the local plan. Members will be asked to consider (within the context of the evidence) policy requirements where a choice can be made. This includes affordable housing levels, internal space standards, biodiversity net gain levels, carbon reduction levels, renewable and low carbon energy and accessibility standards for new housing. As the amount of money available to secure these various items is limited, Members will need to provide a steer on what the priorities are and preferred approach. This will then be tested as part of

the final work on whole plan viability to ensure these ‘asks’ can be delivered without undermining the viability of the local plan review.

2 Background

2.1 In terms of land values, there are two distinct ‘zones’ in the Borough. The lower value zone covers the Isle of Sheppey and Sittingbourne town and the higher value zone covers the remainder of the Borough as shown on the map below along with the location of the potential allocations.



2.2 Residential values for the two areas are set out below, demonstrating the variation between the areas for different property sizes.

Typology	Unit size (sq. m.)	Unit price		£ per sq. m.	
		Lower value area	Higher value area	Lower value area	Higher value area
1 bed flat	50	£170,000	£195,000	£3,500	£3,900
2 bed flat	60	£210,000	£235,000	£3,500	£3,916
2 bed house	70	£240,000	£265,000	£3,428	£3,785
3 bed house	90	£330,000	£375,000	£3,666	£4,166

4 bed house	120	£440,000	£500,000*	£3,666	£3,846*
*4 bed house in higher value area unit size of 130 sq. m.					

2.3 Construction costs are broadly uniform across the two value areas as are the costs of initial planning obligations such as contributions to KCC and to the Kent and Medway CCG. Once all costs are taken into consideration (including required profit margins), the surplus that is notionally available for the ‘policy asks’ is as follows:

- Brownfield sites (lower value area) with 30% affordable housing, £4,000 per dwelling
- Brownfield sites (lower value area) with 20% affordable housing, £10,000
- Brownfield sites with 10% affordable housing, £20,000
- Greenfield sites with 40% affordable housing, £15,000 per dwelling
- Greenfield sites with 30% affordable housing, £25,000 per dwelling

2.4 Rushenden South is excluded from the site typologies. It has a very particular set of circumstances that cannot be accurately reflected through the use of a site typology. The site promoters are undertaking their own viability assessment of the site and are confident that the site can deliver 850 dwellings, potentially with a reduced percentage of affordable housing, noting that the current local plan has a 0% affordable housing requirement for the Isle of Sheppey. A specific policy for this site will address its delivery requirements and any future development will need to be subject to a master plan that will address the amount of affordable housing to be provided.

2.5 Members now have an opportunity to provide a steer on the policy priorities that could be achieved through the emerging Local Plan Review. It may be useful to note that the Strategic Housing Market Assessment (July 2020) concluded that the Borough’s affordable housing need is 30% and that an ask of 25% of new dwellings at the M4(3) standard (accessible standards) is justified by the evidence. National guidance would not support an ask of M4(3) above the evidenced figure although Members could choose to increase the ask for affordable housing, noting this could be challenges and would result in less money available for other policy priorities.

3 Proposals

3.1 At the meeting, Members will be asked to provide a steer on the priorities for the Local Plan Review following a presentation from the consultants that will explain in more detail the specifics of the options available. The consultants will then undertake further testing to ensure that the policy requirements can be met without undermining site typologies viability and therefore the plan overall. The results will feed into the final draft of the consultation draft of the Local Plan Review that will be presented to Members in the new year.

3.2 The cost of the various policy ‘asks’ is set out in the table below for greenfield and brownfield site typologies. The cost per dwelling applies to all dwellings on the site.

Policy requirement	Level	Cost per dwelling
Affordable housing	Increase from 30% to 40%	£10,000
M4 (2) national space standards for housing	100%	£1,400
M4 (3) accessible housing standards	25% of all units on site	£2,577
Biodiversity Net Gain	Increase from 10% to 20%	£142
Electric vehicle charging points	1 per dwelling	£500
Carbon reduction	20%	£2,557
Zero carbon	100%	£10,100

3.3 The proposals are that following the presentation (slides attached in appendix i), Members will be asked to provide a steer on the policy priorities that have a cost to development for final testing and inclusion in the emerging Local Plan Review if viable.

4 Alternative Options

4.1 Viability evidence is a key component of a sound local plan and is an iterative process. It is the responsibility of the local planning authority to ensure that the total cumulative cost of all relevant policies will not undermine deliverability of the plan. This cannot be achieved without the specialist evidence of this nature and requires a steer on the priorities. Therefore, there are no realistic alternatives.

5 Consultation Undertaken or Proposed

5.1 This technical work feeds in to the preparation of the Local Plan Review pre-submission document that is programmed to be consulted upon in late January under Regulation 19 of the Town and Country Planning (Local Planning)(England) Regulations 2012 (as amended).

6 Implications

Issue	Implications
Corporate Plan	The proposals would align with: Priority 1: Building the right homes in the right places and supporting quality jobs for all.

	Priority 2: Investing in our environment and responding positively to global challenges.
Financial, Resource and Property	None identified at this stage – the work has been carried out within the Planning Policy budget.
Legal, Statutory and Procurement	Production of the LPR is a statutory requirement
Crime and Disorder	None identified at this stage.
Environment and Sustainability	The new Local Plan will be subject to a Sustainability Appraisal and seeks to deliver sustainable development
Health and Wellbeing	The LPR seeks to deliver sustainable development that includes enhanced opportunities to improve health and wellbeing.
Risk Management and Health and Safety	None identified at this stage.
Equality and Diversity	None identified at this stage.
Privacy and Data Protection	None identified at this stage.

7 Appendices

7.1 The following documents are to be published with this report and form part of the report:

- Aspinal Verdi presentation to Members

8 Background Papers

None.