

Stafford Borough Viability and Delivery Assessment

Stafford Borough Local Plan - The Preferred Option

This policies matrix sets out the emerging draft Preferred Option policies and describes how we have incorporated the cumulative impact of the policies into the viability assessment. The matrix 'sign-posts' the reader to particular cost and values evidence which reads across into the financial appraisals. Full consideration of the approved policies and associated details will be made available at the Preferred Option consultation stage during June and July 2022.

*Those policies with a Direct impact on viability include policies such as affordable housing, minimum housing standards etc. that have a quantifiable impact on viability. These have been explicitly factored into our economic viability appraisals through cost and value assumption etc.

Those policies with an Indirect impact have been incorporated into the viability study indirectly through the property market cost and value assumptions adopted e.g. market values, benchmark land value and BICS costs etc. It is important to note that all the policies have an indirect impact on viability. The Stafford Borough Local Plan 2020-2040 sets the 'framework' for the property market to operate within. All the spatial policies have an indirect impact on viability through the operation of the property market (price mechanism).

Some policies are for very narrow specific circumstances of Development Management. These policies have no material impact on the value and cost assumptions for the viability Plan-making viability assessment.

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| 1: Development Strategy | Indirect | <p>This policy may influence land and property values indirectly through the price mechanism. The focus on new developments in specific areas may have an impact on land and property values creating distinct market areas. We have undertaken a thorough market analysis of land values to look into whether there is a variation in both Existing Use Values (EUV) and Market Values (MV) across the district. We have also undertaken property market research into the property values. For the purpose of this report, we have used current values and costs and values and recommend SBC keep viability under review going forward.</p> <p>We have been provided with a schedule of preferred allocations which have informed our development typologies. These typologies have been approved and signed off by Stafford Borough Council (SBC). This is reflective of the pattern of growth within the 2020 – 2040 plan period.</p> |

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| 2: [Commercially sensitive information] | | [Commercially sensitive information] |
| 3: Development in Rural Areas | Indirect | <p>The policy is to support proposals for sustainable economic growth in the countryside and rural areas.</p> <p>It is important that the rural economy is strong as the urban economy is determined, in part, by the catchment / rural hinterland. This policy has no direct impact on viability.</p> <p>We have tested residential windfall sites to reflect development in rural areas.</p> |
| 4: Climate Change | Direct | <p>Our testing will assess the viability of Future Homes Standards and the potential for development to delivered with net zero-carbon emissions.</p> <p>We have incorporated a cost allowance of £12,880 for houses and £7,568 for flats (per unit) to achieve zero carbon. This includes and incorporates the cost to achieve Future Homes Standards.</p> |
| 5: Green Belt | Indirect | <p>Green Belt land is always dealt with in line with national planning policy. Within the Green Belt development will be restricted to those limited types of development which are deemed appropriate (by the NPPF), unless very special circumstances can be demonstrated.</p> <p>This policy may influence land and property values indirectly through the price mechanism. The focus on new developments in specific towns (and not in the Green Belt) may have an impact on land and property values creating distinct market areas. We have undertaken a thorough market analysis of land values to look into whether there is a variation in both Existing Use Values (EUV) and Market Values (MV) across the district. We have also undertaken property market research into the property values. For the purpose of this report, we have used current values and costs and values and recommend SBC keep viability under review going forward.</p> <p>There is no impact of the remainder of this policy on the overall viability of the Plan.</p> |

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| 6: Neighbourhood Plans | Indirect | Neighbourhood Plans are made in accordance with Local Plan policy. We assume that where existing Local Plan policies are changed, deleted or new policies introduced, then these policies will be given more weight in the plan system, where they differ from Neighbourhood Plan policies. Assessing each Neighbourhood Plan is also outside of our scope of study. . |
| 7: Commercially sensitive information | | [Commercially sensitive information] |
| 8: Commercially sensitive information | | [Commercially sensitive information] |
| 9: Commercially sensitive information | | [Commercially sensitive information] |
| 10: North of Stafford | Direct | The North of Stafford Strategic Development Location is an allocation in the adopted Plan for Stafford Borough 2011-2031 with a number of extant planning consents. |
| 11: West of Stafford | Direct | The North of Stafford Strategic Development Location is an allocation in the adopted Plan for Stafford Borough 2011-2031 with a number of extant planning consents. |
| 12: Other housing Land Allocations | Indirect | This policy may influence land and property values indirectly through the price mechanism. The focus on new developments in specific areas may have an impact on land and property values creating distinct market areas. For the purpose of this report, we have used current values and costs and values and recommend SBC keep viability under review going forward. We have created typologies that represent the sites as proposed allocations for housing development in Appendix 2 of the draft Local Plan. These typologies are grouped based on characteristics such as greenfield / brownfield, location, density, yield etc. |
| 13: Employment Land Allocations | Indirect | The allocation of land for employment uses impacts indirectly on the supply of land for residential use (i.e. if a site is allocated for employment use, then it cannot also be allocated for residential use (except in the context of mixed-use schemes)); and therefore, impacts the land value of residential development land due to reduced supply. Similarly, commercial property values are determined by the existing stock of premises and the supply of new development for |

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| | | employment uses. We have sought to utilise appropriate evidenced / justified land and property values within our analysis and we recommend that values are monitored for future reviews. |
| 14: Local Green Space Allocations | Indirect | As above. The designation of land as Green Space prevents it use for residential / commercial development and therefore impacts land values etc through the price mechanism. |
| 15: Penk and Sow Countryside Enhancement Area | No overall Impact | Unless developers are expected to contribute toward the cost of this countryside enhancement area there will be no overall impact on viability. |
| 16: Stone Countryside Enhancement Area | No overall impact | Unless developers are expected to contribute toward the cost of this countryside enhancement area there will be no overall impact on viability. |
| 17: Protection of Employment Land | Indirect | Any change of use employment to residential windfall sites are captured in our brownfield typologies. The allocation of land for employment uses impacts indirectly on the supply of land for residential use (i.e. if a site is allocated for employment use, then it cannot also be allocated for residential use (except in the context of mixed-use schemes)); and therefore, impacts the land value of residential development land due to reduced supply. Similarly, commercial property values are determined by the existing stock of premises and the supply of new development for employment uses. We have sought to utilise appropriate evidenced / justified land and property values within our analysis and we recommend that values are monitored for future reviews. |
| 18: Recognised Industrial Estates | Indirect | As above. |
| 19: Home working and small-scale employment uses | No overall impact | This policy has no overall impact to development viability. The scale of such development falls beneath many policy requirements. |

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| 20: Town Centre and Main Town Centre Uses | Indirect | The vitality of the town centres impacts indirectly on the desirability of that location as a place to live; shop and work, impacting on values. We have had regard to current values as part of our viability appraisals. The vitality of the settlements should continue to be monitored as this will impact future values. |
| 21: Tourism Development | Indirect | This has no direct impact on the viability of housing, however the vibrancy of the town centres is important to maintain in order to maintain the vibrancy of the residential (and other) property markets. |
| 22: Canals | No overall impact | This policy has no overall impact on viability. |
| 23: Affordable Housing | Direct | <p>All residential typologies and proposed strategic sites are assessed initially at a fully policy-compliant level of affordable housing in accordance with Policy 23.</p> <p>We have spoken to Stafford Borough Council regarding their preferred tenure mix based on need evidence, which we will test.</p> <p>Unit sizes have been adopted in accordance with the Technical housing standards – nationally described space standard cross referenced with recent market delivery in the Borough.</p> |
| 24: Housing Technical Standards | Direct | <p>All typologies have been tested to comply with the Future Homes Standards. We have incorporated a cost allowance of £12,880 for houses and £7,568 for flats (per unit) to achieve zero carbon. This includes and incorporates the cost to achieve Future Homes Standards.</p> <p>We have included additional construction costs to assume full compliancy with M4(2) & M4(3) requirements under the Building Regulations as per the policy requirements. We have included an additional cost of £521 per unit in respect of 90% of all affordable housing units to achieve Category M4(2). We have also included an allowance of £22,791 per unit to achieve Cat. M4(3)2b wheelchair accessible, on schemes which provide 10 or more affordable dwellings, the cost is applied to 10% of the AH dwellings.</p> |

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| | | We assume that the relevant outdoor amenity space can be incorporated into the scheme layouts based on the relevant densities etc. |
| 25: Housing for an Ageing Population | No overall impact | <p>We have assumed that all development complies with the Council's preferred tenure mix as far as reasonably possible.</p> <p>We have not appraised any housing for elderly people schemes explicitly. Housing for elderly people can be delivered in various ways from individual self-builder to larger schemes involving enabling development. All our residential typologies are on the basis that land can be acquired and developed into a new unit (including appropriate allowance for profit). Where housing for elderly people involves plot sales and / or part completed units (e.g. foundations, or 'wind and watertight') the working assumption is that the developers' profit is commensurate with the development work undertaken and therefore there is sufficient development surplus to incentivise the builder to complete the unit.</p> <p>We have adopted reasonable densities and yields for the proposed site allocations included in the draft Local Plan to ensure development complies with Policy 29.</p> <p>We will use sensitivity analysis to assess the impacts of density changes in our typologies.</p> <p>Cost and value assumptions and land supply / price should be monitored for future reviews.</p> |
| 26: Rural Exception Sites | No overall impact | These are small scale exceptions sites for affordable housing. This policy has no overall impact on viability. |
| 27: The replacement or extension of dwellings (including householder development) | No overall impact | This policy has no overall impact on viability. |

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| 28: Gypsy and Traveller Accommodation | Indirect | <p>This policy is to maintain an adequate supply of pitches for Gypsies and Travellers and plots for Travelling Showpeople based on current evidence of existing and future need.</p> <p>This is not a large sector of the property market and therefore the supply of these sites will have limited, if any impact, on viability. Cost and value assumptions and land supply / price should be monitored for future reviews.</p> |
| 29: Housing Mix and Density | Direct | <p>We have considered the Council's preferred housing types and have agreed to test an open market housing mix that is reflective of the size of units coming forward in the different areas of Stafford. These needs have been put forward in the Housing and Economic Development Needs Assessment 2020, by Lichfields.</p> <p>We have assumed that all development complies with the Council's preferred tenure mix as far as reasonably possible.</p> <p>We have not appraised any housing for the elderly or self-build schemes explicitly. These housing schemes can be delivered in various ways from individual self-builder to larger schemes involving enabling development. All our residential typologies are on the basis that land can be acquired and developed into a new unit (including appropriate allowance for profit). Where housing for the elderly or self-building involves plot sales and / or part completed units (e.g. foundations, or 'wind and watertight') the working assumption is that the developers' profit is commensurate with the development work undertaken and therefore there is sufficient development surplus to incentivise the builder to complete the unit.</p> <p>We have adopted reasonable densities and yields for the proposed site allocations included in the draft Local Plan to ensure development complies with Policy 29.</p> <p>We will use sensitivity analysis to assess the impacts of density changes in our typologies.</p> |
| 30: Urban Design – Major Developments | Direct | <p>This policy has a direct impact on the design. There is therefore a direct impact on the construction cost. Notwithstanding this, similar design standards have always been required and therefore these costs are reflected in the BCIS costs that we have used within our appraisals. Note also that good design leads to high quality environments which are reflected in the value of real estate. We have used current values (and costs) within our appraisals.</p> |

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| 31: Architectural Design | Direct | As above. Scale and massing have been indirectly considered in our adoption of densities for the residential typologies. |
| 32: Landscape Design | Direct | Public realm and structural landscaping areas are included in our net-to-gross site ratios and local landscaping within the development density assumptions. Costs for these features have been included as external works in our viability appraisals. |
| 33: Improving and extending the green and blue infrastructure network | Direct | Green and blue infrastructure areas are included in our net-to-gross site ratios and within the development density assumptions. Costs for these features have been included as external works in our viability appraisals. |
| 34: Infrastructure to support new development | Direct | Following consultation with the Council, potential infrastructure costs have been included as part of our viability appraisals to account for likely contributions that a developer would have to make. Costs have been included for, sport, education etc. based on the Council's recommendations and comments (see the Typologies Matrix). We have included for 'normal' services connections within the external works allowance. Where connectivity is very remote and / or is abnormal infrastructure, this will need to be negotiated with the provider and / or the planning authority on a site-specific level. Note that the policy is aspirational in that, new development 'should' provide appropriate infrastructure - recognising that this may not always be possible. |
| 35: Protecting community features | Direct | Community facilities make a positive contribution to the vitality of the community and therefore impact positively on values. However, there is no direct impact on viability and we have used current values which reflect the protected community features. (Community uses are not generally subject to CIL charges, as they are part of the social infrastructure). |

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| | | Costs will be included for provisions of community facilities at the proposed strategic sites. These costs are based on assumptions adopted in the overall Masterplans for these sites and also from consultation with the strategic sites' developers and the Council. These discussions are ongoing. |
| 36: Renewable Energy | No overall impact | We have not been engaged to assess proposals for renewable energy infrastructure. |
| 37: Historic Environment | Indirect | <p>We have not considered the impact on the historic environment within our typologies. None of the proposed site allocations include historic assets and the viability assessment is high-level therefore this policy has no overall impact.</p> <p>There is no impact on plan level viability. We anticipate that development involving heritage assets will require site specific viability assessment to agree the optimal viable use and / or any enabling development.</p> <p>Note that there is often a construction cost premium for developments within a Conservation Area, but there is also a corresponding premium on the value of property within a Conservation Area.</p> |
| 38: Flood Risk | Indirect | <p>It is assumed that proposed development sites will not be allocated in flood plains and therefore no additional costs would be required to offset flooding issues in our generic typology testing.</p> <p>Any potential flood costs will be included in the strategic sites analysis where relevant. These discussions are ongoing with the strategic site representative however if relevant we expect them to have been accounted for in any master-planning work.</p> <p>We assume that the cost of a FRA is incorporated into the Planning Application Professional Fees and Reports budgets contained within our appraisal assumptions. Also, where sites have particular flood risk issues, the cost of mitigation (including fees) should be discounted from the value of the land</p> |
| 39: Sustainable Drainage | Direct | <p>We assume that the cost of SuDs design is incorporated into the Planning Application Professional Fees and Reports budgets contained within our appraisal assumptions. We assume that SuDs can be delivered within the net-to-gross site allowance and external works costs assumptions (no additional costs are required).</p> <p>This policy will have been considered in the strategic sites analysis where relevant. These discussions are ongoing with the strategic site representative however if relevant we expect them to have been accounted for in any master-planning work.</p> |

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| 40: Landscapes | No overall impact | Whilst costs have been included for landscaping (e.g. external works costs), the overall visual implications and effect of the quality of landscaping have not been studied in our viability assessment. We assume that any Landscape and Visual Impact Assessment study would be incorporated into the Planning Application Professional Fees and Reports budgets contained within our appraisal assumptions. |
| 41. Cannock Chase Area of Outstanding Natural Beauty (AONB) | No overall impact | None of the allocated sites are located in the Cannock Chase AONB. |
| 42: Protecting Green and Blue Infrastructure | No overall impact | Whilst costs have been included for landscaping (e.g. external works costs), the overall green and blue infrastructure implications and effect of the quality of the natural environment have not been studied in our viability assessment. We assume that any Green and Blue Infrastructure Assessment study, where appropriate, would be incorporated into the Planning Application Professional Fees and Reports budgets contained within our appraisal assumptions |
| 43: Biodiversity | Direct | Biodiversity net gain has been considered in accordance with national policy and costs have been included in our viability appraisals to reflect the requirement for a 10% biodiversity net gain in accordance with the Council's recommendations. We have included an allowance of £1,003 per unit for greenfield sites and £268 for brownfield sites. |
| 44: Special Areas of Conservation (SAC) | Direct | We have applied the cost to mitigate the Cannock Chase SAC in our viability appraisals (£290.58 per unit). We have applied this cost across all development typologies regardless of their proximity to the SAC. This is a conservative approach but considered to be a minimal cost to development viability. |
| 45: Trees | Indirect | This cost of this policy has been included indirectly via cost allowances for external works and biodiversity net gain. |
| 46: Pollution and Residential Amenity | Indirect | We assume that the costs of the relevant professional fees / studies are incorporated into the Planning Application Professional Fees and Reports budgets contained within our appraisal assumptions. Where there is particular pollution or contamination requiring remediation, this cost should be deducted from the site purchase price / BLV based on the 'polluter pays' principle. |

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| 47: Air Quality | Indirect | <p>We assume that the costs of the relevant professional fees / studies are incorporated into the Planning Application Professional Fees and Reports budgets contained within our appraisal assumptions.</p> <p>We have not directly considered the impact on air quality of development and have not included any cost assumptions to account for this policy.</p> <p>Where there is particular air-quality issue, this cost should be deducted from the site purchase price / BLV.</p> |
| 48: Transport | Indirect | <p>We assume that the cost of transport studies (TIAs etc) and highways design is incorporated into the Planning Application Professional Fees and Reports budgets contained within our appraisal assumptions.</p> <p>This policy has only indirect impact on the viability assessment. The locations of the site allocations are already known and this may have been considered by the Council when allocating these sites.</p> <p>Site access and internal roads are included within our external works allowances. Any additional / abnormal costs should be deducted from the price of the land (i.e. a site with no/poor access is not the same value as a site with no access impediments).</p> |
| 49: Parking and electric vehicle charging point standards | Direct | <p>We have adopted cost assumptions for EV charging points as this will become a legal requirement for new build homes in 2022. We have assumed £1,000 per EV charger for houses and £2,500 per EV charger for flats (i.e. a multi-charger for 4 x flats @ £10,000).</p> |