

<b>SUBJECT</b>	Approach to Viability
<b>RELEVANT MEMBER</b>	Councillor John Read
<b>RESPONSIBLE OFFICER</b>	Steve Bambrick
<b>REPORT AUTHOR</b>	Mark Jaggard, 01895 837208, <a href="mailto:mark.jaggard@chilternandsouthbucks.gov.uk">mark.jaggard@chilternandsouthbucks.gov.uk</a>
<b>WARD/S AFFECTED</b>	All Wards

## 1. Purpose of Report

To provide Overview & Scrutiny Committee with an update on the Councils' approach to viability in light of the new NPPF and PPG.

### RECOMMENDATION:

#### 1. To note the update.

## 2. Reasons for Recommendations

Overview and Scrutiny committee asked for an update on how the Council is dealing with matters relating to viability on planning matters.

## 3. Content of Report

### 3.1 Background

Government policy places great emphasis on the need to provide affordable housing in order to create 'mixed and balanced communities'. The requirement for affordable housing is not like other measures secured under S106 agreements (planning obligations) which are required to mitigate the impact of development.

Until recently Government policy has supported the development industry, and allowed a reduction in the amount of affordable housing (or change in tenure) if applicant can demonstrate that the full provision of affordable housing would make the site unviable.

#### What is a viability appraisal?

A viability appraisal is an assessment of whether the development of a site would create sufficient value such that both the landowner brings the site to the market, and the developer has sufficient profit to undertake the development.

#### The National Planning Policy Guidance (PPG) on viability

In July 2018 the Government published the new National Planning Policy Framework (NPPF) with updated guidance in the National Planning Policy Guidance (PPG) on viability. A copy of the PPG is attached at Appendix 1.

In the PPG it highlights that *"in decision making viability helps to strike a balance between the aspirations of developers and landowners, in terms of returns against risk,*

*and the aims of the planning system to secure maximum benefits in the public interest through the granting of planning permission".*

The revised NPPF and supporting PPG are clear that it is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage. The weight to be given to a viability assessment is a matter for the decision maker.

The PPG sets out key principles in understanding viability in plan making and decision making, and helpfully runs through a number of the key inputs which should be taken into account when assessing viability.

At the heart of the NPPF and PPG is clearer approach to viability. The aim is that new Local Plans would review viability at the plan making stage, both for development management policies and for site allocations.

### 3.2 Details

The Council's own SPD on affordable housing is consistent with this latest national position. The SPD is clear where an applicant considers that there are constraints that would jeopardise or prevent them from delivering the full affordable housing requirement the Council will consider financial viability.

Ahead of the adoption of the Chiltern and South Bucks Local Plan 2036 the PPG on viability is already leading to clearer discussions about real viability matters.

Until the Local Plan is adopted it is likely that the development industry will continue to seek to challenge the Local Planning Authority on viability matters. It is therefore important that the Councils use all the enhanced powers in the new NPPF and the PPG to provide a robust and open discussion on viability matters, in order to get to the real facts of each case.

### 3.3 Requirement for Shared Ownership homes

The NPPF July 2018 at Paragraph 64 states that where major development involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership on major developments. While this is subject to some exemptions including for Build to Rent and self-build, there is no exemption for viability. This minimum of 10% requirement needs to be delivered as part of the overall affordable housing contribution from the site. Affordable home ownership is taken as Shared Ownership, where an initial share of the house is sold (normally not more than 25%) and a capped rent is charged on the remaining 75% usually at a rent level no more than 2.75%.

### 3.4 Recent dealings with viability for Chiltern and South Bucks

Below is a summary of the recent experience / cases relating to viability in plan making and decision taking.

***Community Infrastructure Levy – Preliminary Draft Charging Schedule***

The Councils consulted on the Preliminary Draft Charging Schedule for Community Infrastructure Levy (CIL) in November 2018. The rates in the charging schedule were supported by viability work undertaken for the Councils by Dixon Searle. This is available on the Councils' websites.

***Strategic Sites in the Chiltern & South Bucks Local Plan 2036***

In accordance with the NPPF and PPG the promoters of all of the strategic sites identified in the emerging Local Plan are being asked to confirm their site is deliverable and viable, taking in to account all of the requirements on the emerging Local Plan, including 40% affordable housing. To date, none of the site promoters have indicated there would be a viability problem with this.

The sites are:

1. Land to the north east of Chesham
2. Holmer Green
3. Land south of London Road West, Amersham Old Town
4. Land south east of Whieldon Street, Amersham Old Town
5. Land south East of Little Chalfont
6. Land at the Epilepsy site, Chalfont St Peter
7. Land south east of Chalfont St Peter
8. Land to the east of Beaconsfield
9. Land north of Denham Roundabout
10. Land to the west of Iver Station
11. Land to the north of Iver Station
12. Land to the east of Ridgeway Business Park, Iver
13. Land adjacent to Taplow Station

***Development Management***

Since July 2018 the following cases have been subject to viability assessments and negotiation with the Councils:

- 7 Gore Road, Burnham
- 19 – 21 Bathurst Walk, Iver
- 25 & 26 Marsham Lane
- Burnham Garage, Stomp Road, Burnham
- Stoke Court
- 153 Amersham Road, Beaconsfield (ref: PL/18/3820/VRC)
- Wilton Park, Beaconsfield

Given most of these sites are current planning applications it is not appropriate to comment further on the details of these applications.

**4. Consultation**

Not applicable.

**5. Options (if any)**

Not relevant.

**6. Corporate Implications**

- 6.1 Financial - The cost of the viability consultants will be met from within existing Planning & Economic Development Service budgets
- 6.2 Legal - None

**7. Links to Council Policy Objectives**

- 7.1 The delivery of an exemplary planning service will assist in the delivery of
- Key Theme 1: Thriving Economy
  - Key Theme 2: Sustainable Environment
  - Key Theme 5: Cohesive and Strong Communities

Key Objectives available here:

<http://www.southbucks.gov.uk/prioritiesandperformance>

**8. Next Steps**

- 8.1 The Council will pursue the Chiltern & South Bucks Local Plan 2036 and the Community Infrastructure Levy. The next stage is the Reg 19 consultation planned for May 2019.
- 8.2 The Council will continue to work actively and collaboratively with the development industry to accurately assess viability matters, and judge their financial viability assessments against the requirements of the July 2018 NPPF and PPG.

<b>Background Papers:</b>	None other than those referred to in this report
---------------------------	--