

J8 – SUMMARY OF REPRESENTATIONS – RESPONSE TO CRITIQUE OF VIABILITY STUDY October 2023

Rep ID	Respondent	Paragraph/ Section	Summary Representation	Changes sought	Request to be heard?	BCKLWN Response	Proposed changes (Main Modifications) to Plan
TOPIC PAPER							
UPDATED POSITION STATEMENT – RESPONSE TO CRITIQUE OF THE VIABILITY STUDY, JANUARY 2023							
	Maxey Grounds & Co	Whole document	<p>Our position remains that there has been no meaningful consultation on the Viability Study apart from an initial meeting to inform on the process. We have therefore at no time during the Plan Process had the opportunity to look in detail and response on the methods, assumptions and inputs utilised, detail of the modelling and the outcomes, nor to access the electronic models utilised and thus be aware of the background calculations behind the report issued.</p> <p>In our experience it is unprecedented not to have had the Report and all the background information as part of the formal Plan consultation process.</p> <p>It is noted that an allowance for garages is claimed to have been used. Studying the Appendices of the Updated report (2021) and referring to Site 24 Wisbech Fringe as an example I can see no allowance for garages within either the site make up cost page, nor the cash flow summary page (Pages 427 and 438 on the pdf of that document). The cost for garages are not shown within the build cost make up nor as a separate item.</p> <p>As there has not been formal consultation we have been unable to engage with the consultant and verify this by examination of the electronic models, but on the information available to me I have to dispute this response. On this basis we maintain our objection.</p> <p>We are aware that it is customary in high level studies such as for plan preparation to utilise a percentage of basic build cost to reflect external cost. . Using the same example of Site 24 the update report uses 16% or £171/ sq m on an average dwelling size of 91 sq m which equates to £15600 per unit. We thus dispute that the report uses £17650 per unit as claimed. When working on specific site appraisals in the area we find that a cost for external work of at least 20% is appropriate calculated on the basis of a quantities approach, where the specific requirements for roads, drainage other infrastructure, POS and play equipment is calculated. These levels have been accepted in relation (for example) to appraisals of Wisbech fringe sites by those reviewing such reports in connection with the current applications.</p> <p>We remain of the view that an allowance of 15% of basic build cost is insufficient. We can supply costs of our recent accepted reports as evidence if required within our Hearing Statement and would ask that the Councils’s Consultant’s full electronic models are also made available before the resumed hearings.</p> <p>We accept that a view on viability has to be taken at the Plan making stage, but that does not, in our view mean that, in the case of a delayed plan process such as this, that there should not be review of the viability position as the plan making stage concludes, to ensure that the ability to deliver on the allocation of the plan remains unchanged. The April 2021 Viability update based on costs as at January 2021 is now 2 ¼ years out of date, and by the time the plan is adopted will be over 4 years historic. This is during a period of rampant build cost price inflation of in excess of 20% (Median Build cost in the April 2021 report is £1167/ sq m and the equivalent today is £1433 – a 22.8% increase).</p>	Not specified	Yes	<p>Noted. The Viability Assessment [D1] was considered at the initial hearings in December 2022. Officers have considered the concerns previously raised and duly responded to the critique through F53, accordingly.</p> <p>[D1] Viability Update clearly sets out at paragraph 1.4 on page 9 that consultation was undertaken between December 2020 and January 2021. Representatives of the main developers, development site landowners, their agents, planning agents and consultants working in the area and housing associations were invited to comment.</p> <p>As stated in F53 in response to this, the Viability Update [D1] addressed this point at paragraph 7.11.</p> <p>Consultation was undertaken between December 2020 and January 2021</p> <p>Addressed at section 2 of F53.</p> <p>Addressed at section 3 of F53</p>	No change

Rep ID	Respondent	Paragraph/ Section	Summary Representation	Changes sought	Request to be heard?	BCKLWN Response	Proposed changes (Main Modifications) to Plan
			<p>This could be addressed in three ways.</p> <ol style="list-style-type: none"> 1. updated report being prepared prior to the reconvened Hearings to further inform the Council, The Inspectors, Participants and the plan policies. 2. Regular review process for both Affordable Housing Policy levels and CIL charging rates being introduced to the plan and adhered to in accordance with PPG para 9. It should be noted that the levels within the 2011 Core Strategy which provided for such review have never been the subject of review. 3. Even with up to date figures at the adoption of the Plan viability will change, and being willing to assess on a site by site basis, in accordance with Policy LP28 points 11 and 12, that transparent Viability Assessment should be acceptable in situations where the high level Local Plan study report does not reflect the reality of Viability at the time a site is brought forward. <p>Whilst I accept that the overall methodology of PPG has been followed the 4 price levels the Councils document refer to in Table 4.10 ranged from £1807-£1920 per sq m in central Kings Lynn to £3226 - £4505 in the Northern coastal area of the Borough. I agree that the Affordable Housing requirements for Kings Lynn Town should be the lowest but I do not accept one can apply the same requirements for affordable housing and other contributions in the south of the Borough as the North. On the above figures there is a £1500 - £2600 per sq m value difference whereas the CIL level difference is currently around £25 per sq m difference between North and South with zero in in Kings Lynn (£45 below the south). I disagree that this balances the viability across the district to any significant degree.</p> <p>I remain of the view that a greater differential on affordable housing across the Borough is appropriate. A higher proportion could probably be afforded in the Northern Coastal area where pressure on housing supply, because of holiday home use, is greatest.</p> <p>The response to Point 5 from the Council is evidence why a review of CIL charging rates is required, but also misses the point that levels of value are similar in the southern portion of the Borough to those across the border in Fenland where, with the advice of the same Consultant, and where the Council undertook a comprehensive consultation on their Viability Report, the Council have adopted a 10% First Homes and no S106 cash contributions requirement, and also have no CIL adopted by that authority. West Norfolk with the same economic conditions values and costs in the south of the Borough have reached a conclusion that 20% Affordable Housing, average of £2000 S106 cash payments, and in most cases (Wisbech Fringe excepted) around £4500 CIL payment is viable. This creates an approximate £12500 viability difference stepping across the boundary.</p> <p>Affordable Housing Policies and CIL need to be considered jointly because the funding of both come from the same financial pot. If CIL is to remain unreviewed that this reduces the ability to fund Affordable Housing which needs to be reflected in Policy terms or risk a barrier to delivery in the lower value areas.</p> <p>We thus maintain our objection to the affordable housing policy provisions as currently set out in the draft Plan on the basis of Viability</p>			<p>Addressed at section 3 of F53</p> <p>Addressed at section 4 of F53</p> <p>Addressed at section 5 of F53</p>	
	Natural England	Whole document	Natural England does not have any specific comments on your Viability Study.	None	N/A	Noted	N/A