

**FYLDE LOCAL PLAN – PUBLICATION VERSION**  
**ECONOMIC VIABILITY ASSESSMENT ADDENDUM REPORT**

**PREPARED ON BEHALF OF**  
**FYLDE COUNCIL**

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**By**



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**AUGUST 2016**

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## 1.0 INTRODUCTION

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- 1.1 Keppie Massie, in conjunction with the WYG Group were commissioned by Fylde Council ('the Council') to establish the economic viability and deliverability implications of Fylde's emerging Local Plan policies. This was to ensure that the emerging Local Plan policies were realistic and could deliver sustainable development without putting the delivery of the Plan at risk. The aim of the study was to satisfy the tests of viability and deliverability laid down in the National Planning Policy Framework ('the Framework'). The Part One Report: Fylde Local Plan Economic Viability Assessment, February 2016 was based on the Draft Fylde Local Plan to 2032: The Revised Preferred Option September 2015.
- 1.2 Consultation took place on the Revised Preferred Option of the plan during the period from October to December 2015. The Part One report was published for consultation at the same time. The Part One report was published in February 2016 following consideration of the consultation response received in relation to the study. It concluded that the overall scale of obligations, standards and policy burdens contained in the emerging Local Plan were not of such a scale that cumulatively they threatened the ability of the sites and scale of development identified in the Plan to be developed viably. It noted that in certain circumstances there would need to be a balance achieved between the requirements for affordable housing, sustainability initiatives and CIL (if introduced), however there was sufficient flexibility in the Plan policies as drafted in relation to affordable housing with a test based on economic viability to allow a relaxation of policy requirements if appropriate.
- 1.3 Consideration of the responses to the Revised Preferred Option consultation, changes to national planning policy, legislative changes including the enactment of the Housing and Planning Act 2016 and further evidence including an update to the Gypsies, Travellers and Travelling Showpeoples Accommodation Assessment have then been used to inform the Publication Version of the Fylde Local Plan. It is intended that the Publication Version of the Plan will be subject to consultation during August and September 2016.

## 1.0 Introduction

1.4 In preparing the Publication Version of the Plan there have been some changes and modifications to the policies. We have considered these changes and modifications and identified those that have implications for viability. Having regard to the policies identified we have considered their impact on viability and updated our viability assessments as appropriate. This has allowed us to reach conclusions about the viability of the Publication Version of the Plan, to ensure that it accords with the requirements of the Framework so that the standards and policy burdens contained in the plan are not of such a scale that cumulatively they threaten the ability of the sites and scale of development identified in the Plan to be developed viably. This Addendum Report should be read alongside the Part One Report – Fylde Local Plan Economic Viability Assessment dated February 2016, and is subject to the same assumptions except where otherwise noted.

1.5 For ease of reference this report is structured based on the following sections:

### Section 2 – Modifications to Local Plan Policies and Revisions to Viability Testing

Here we provide details of the modifications that have been made to the Plan policies, the impact that they have on viability and the additional viability testing that we have undertaken as a result.

### Section 3 – Results of Viability Testing

This section contains the results of our further viability testing and a summary of the outcomes.

### Section 4 – Conclusion

The section contains a brief updated conclusion about the overall viability and deliverability of the Publication Version of the Local Plan.

## 2.0 MODIFICATIONS TO LOCAL PLAN POLICIES

- 2.1 The Publication Version of the Local Plan incorporates a number of changes to the policies contained in the Revised Preferred Options Version. As a result a number of policy references have altered and in some cases there have been changes to the wording of policies. In certain cases some of the policies within the Publication Version contain amendments which may have an impact on viability. In addition there are changes to some of the site allocations, including that for Cropper Road East, Whitehills that formed part of the original viability testing undertaken. This Section therefore considers the impact of these modifications to plan policies on viability.
- 2.2 For ease of reference we have re-produced below table 3.19 from the Part One Report: Local Plan Economic Viability. This summarises the key Preferred Options Local Plan policies that have an impact on viability and how these were dealt with in the viability testing that was undertaken.

**Table 2.1: Implications of Development Management Policies**

Requirements	Viability Consideration	Policy
<b>Compliance with National Technical Standards and National Space Standards for New Homes</b>	WYG's construction cost assessments assume compliance with current building regulation requirements. The dwelling sizes that have been assumed for the purpose of our testing accord to the requirements of the National Space Standards.	GD7 – Achieving Good Design in Development  H4 – Provision of Affordable Housing
<b>Water Measures</b>	The construction cost assessments prepared by WYG include a cost for surface water attenuation. In relation to the requirement for rainwater harvesting we have prepared a specific viability assessment including the cost of rainwater harvesting at £3,000 per dwelling.  The form of development tested and in particular the inclusion of open spaces addresses the requirement for Sustainable Urban Drainage Systems, and the costs assessed by WYG make provision for all associated SUDs costs.	GD7 – Achieving Good Design in Development  CL1 – Flood Alleviation, Water Quality and Water Efficiency  CL2 – Surface Water Run-Off and Sustainable Drainage

## 2.0 Modifications to Local Plan Policies

Requirements	Viability Consideration	Policy
<b>Density and Mix of New Residential Development</b>	<p>We have undertaken testing based on the minimum density requirements of 30 dwellings per hectare net. In accordance with the policy higher densities at 40 dwellings per hectare net have also been considered, as well as apartments.</p> <p>We have assumed a broad mix of house types, and in particular have incorporated provision for 1, 2 and 3 bed house types in the typologies that have been tested.</p>	H2 – Density, Mix and Design of New Residential Development
<b>Elderly Provision</b>	We have undertaken specific testing including an additional cost of £2,650 per dwelling for specific elderly adaptations to 20% of the homes within our viability assessments.	H2 – Density, Mix and Design of New Residential Development
<b>Affordable Housing</b>	Testing has been undertaken at the Policy compliant threshold of 30% affordable housing. In accordance with the emerging Policy we have assumed a target of 80% social rent with the balance intermediate.	H4 – Provision of Affordable Housing
<b>Local Infrastructure Provision and Developer Contributions</b>	<p>Our appraisals are inclusive of S106 contributions. We have assumed contributions ranging from £5,000 to £10,000 per dwelling.</p> <p>We have also undertaken specific testing with a reduced S106 contribution having regard to a potential preliminary draft CIL charging schedule.</p>	<p>INF1 – Service Accessibility.</p> <p>INF2 – Developer Contributions.</p>
<b>Open Space Provision</b>	<p>The development typologies for each site reflect any relevant requirements for public open space, and therefore the construction cost assessments are reflective of this.</p> <p>In addition, we have undertaken specific viability testing inclusive of payments to the delivery and management of offsite provision included as part of a S106 payment.</p>	<p>GD7 – Achieving Good Design in Development</p> <p>ENV5 – Provision of Open Space (the Green Infrastructure network)</p>

2.3 The amended policies in the Publication Draft in so far as they may impact on the viability assessments that we have previously undertaken fall into 4 broad categories, namely:

- Optional National Technical Standard M4(3A) and Elderly Provision;
- Density and housing mix;
- Affordable housing requirements; and
- Site Allocations and in particular the site specific viability testing that we have undertaken for Cropper Road East, Whitehills
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2.4 We have considered the changes to the emerging Local Plan policies, and determined the extent to which the assumptions that were made in our original viability testing already reflect the modified policy requirements.

## 2.0 Modifications to Local Plan Policies

2.5 With reference to the policy requirements contained at table 2.1 the policies contained in the Publication Version of the Local Plan in so far as they relate to water measures, open space provision, local infrastructure provision and developer contributions remain broadly similar. As a result the viability testing that was previously undertaken in relation to these matters is fully reflective of the policy requirements contained in the Publication Version of the Local Plan and hence no further testing is required.

2.6 In terms of the other requirements contained in table 2.1 there have been modifications to the plan policies which need to be considered further and we have outlined these changes under the relevant headings below.

### **National Technical Standards and Elderly Provision**

2.7 **Policy GD7 – Achieving Good Design in Development** still requires that all new homes should comply with the National Technical Standards, however in addition it now requires that new homes designed to specifically accommodate the elderly should comply with optional technical standard M4(3A) in accordance with policy H2.

2.8 **Policy H2 – Density and Mix of New Residential Development** incorporates a new requirement that at least 20% of homes within residential developments of 20 or more homes should be designed specifically to accommodate the elderly, including compliance with optional technical standard M4(3A) (wheelchair-accessible dwellings), unless it can be demonstrated that this would render the development unviable.

2.9 The Revised Preferred Options version of Policy H2 required at least 20% of homes within residential developments of 15 or more homes to be designed specifically to accommodate the elderly. As a result the viability testing that was undertaken for the Preferred Options version of the plan incorporated an allowance of £2,650 per dwelling for specific elderly adaptations to 20% of the homes.

2.10 WYG have considered the requirements of M4(3A) and have assessed an additional cost allowance to meet the requirements of the standard at £3,000 per dwelling. A copy of their cost assessment is contained at Appendix 1. In terms of the dwelling sizes that have been assumed for the purpose of the viability assessment WYG consider that these are sufficient to accommodate any adaptations arising out of M4(3A).

2.11 We have therefore adjusted our viability assessments to include an additional allowance of £3,000 per dwelling to meet the requirements of M4(3A). This is in addition to the allowance of £2,650 per dwelling for elderly adaptations that is already included in our viability assessments, ie. a total allowance of £5,650 applies.

## 2.0 Modifications to Local Plan Policies

### **Density and Mix of New Residential Development**

- 2.12 The Revised Preferred Options version of Policy H2 had a minimum density of 30 homes per hectare net. In relation to land within or adjoining key service centres higher densities of 40-60 homes per hectare net or more were identified. Densities of less than 30 homes per hectare were only permitted where special circumstances were demonstrated. Reflecting the densities identified we undertook viability testing at 30 and 40 homes per net hectare and some limited testing at 20 dwellings per hectare.
- 2.13 The modified plan policy H2 now sets a minimum net residential density of 30 homes per net hectare in all locations. The previous viability testing undertaken is therefore reflective of the density requirements in the Publication Version of the plan.
- 2.14 Policy H2 now contains some specific parameters in terms of dwelling mixes in particular it states that:

*'All developments of 10 or more dwellings will therefore be required to include at least 50% of dwellings that are 1-, 2- or 3-bedroom homes. Developments within or in close proximity to the **Tier 1 Larger Rural Settlements** or **Tier 2 Smaller Rural Settlements** should include at least 33% 1- or 2-bedroom homes.'*

- 2.15 The standard mix that was adopted in the original viability testing was based on the table 3.14 which is reproduced from the Part One Report, February 2016 below at table 2.2.

**Table 2.2: Standard Housing Mix for Testing at 30 and 40 dph**

No Beds	% mix	Size (sq.m)	Size (sq.ft)
<b>1</b>	5%	58	624
<b>2</b>	20%	75	807
<b>3</b>	35%	93	1,001
<b>4</b>	35%	116	1,250
<b>5</b>	5%	158	1,700

- 2.16 The total number of 1, 2, and 3 bed dwellings contained in the mix equates to 60% of the total dwellings. In terms of 1 and 2 bed dwellings the total amount equates to 25%. In the context of the revised policy requirements the mix satisfies the requirement for 50% of the dwellings to be 1, 2 and 3 bed house types. For those developments within or in close proximity to the Tier 1 Larger Rural Settlements or Tier 2 Smaller Rural Settlements the mix contains 25% rather than 33% 1 and 2 bed dwellings.

2.0 Modifications to Local Plan Policies

2.17 Having regard to the revised mix requirements for Tier 1 and 2 Rural settlements we have therefore undertaken additional viability testing for these areas based on the following mix contained at table 2.3 which contains a total of 35% 1 and 2 bed homes.

**Table 2.3: Housing Mix for Tier 1 and 2 Rural Settlements**

<b>Bedrooms</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>No Units</b>	<b>5%</b>	<b>30%</b>	<b>30%</b>	<b>30%</b>	<b>5%</b>

2.18 Based on this adjusted mix WYG have prepared a revised construction cost assessment which is contained at Appendix 2. This cost assessment has been utilised for the viability testing carried out based on the revised mix.

2.19 The previous viability assessments for apartment developments accord with the mix requirements in the modified policy and no adjustment to this mix is required.

2.20 Viability testing was also previously undertaken at 20 homes per net hectare to address the possibility of special circumstances being demonstrated. This is no longer included within Policy H2 and hence further testing at densities of 20 homes per hectare net has not been carried out.

**Affordable Housing**

2.21 Policy H4 of the Revised Preferred Option Local Plan required that all market housing schemes of more than 10 homes would be required to provide 30% affordable housing, subject to viability testing demonstrating that its provision would not prevent the development proceeding.

2.22 The presumption was that affordable housing would be provided on the application site so that it contributed to creating a mix of housing. In terms of affordable housing tenure, the requirements were to be negotiated on a case-by-case basis, having regard to the viability of individual sites and local need. Although the policy noted that at least 80% of the affordable homes should be for housing association rented and the remainder would be a tenure to be agreed with the Council. In undertaking the original viability testing we assumed a policy compliant threshold of 30% affordable housing with a target of 80% social rent and the balance intermediate. The affordable homes were spread pro-rata across the 1, 2 and 3 bed dwellings.

2.23 The modified policy H4 contained in the Publication Version of the Plan has a requirement for all market housing schemes of 10 or more homes to provide 30% affordable housing/starter homes. In terms of the tenure of these homes the policy states that:

## 2.0 Modifications to Local Plan Policies

*'Developers will be required to provide the number of starter homes on site to meet the Starter Homes Requirement in accordance with the proportion of new homes specified in the Regulations. The remainder of affordable housing, to make the total to 30% of all new homes, should be for social rent or affordable rent through a Registered Social Landlord to applicants in housing need, unless otherwise specified by the Council.'*

*'The precise requirements for tenure of affordable homes will be negotiated on a case-by-case basis, having regard to the viability of individual sites, local need and compliance with other policies of the plan.'*

- 2.24 In terms of the size and type of the affordable units the policy states that:  
*'Affordable housing provided for social rent or affordable rent should be 1, 2 or 3-bedroom homes. Starter homes should normally be 1 and 2-bedroom homes. The size and type of affordable housing on an individual scheme should be determined with reference to the SHMA or subsequent housing needs assessments undertaken by or on behalf of the Council'.*
- 2.25 Policy H4 also retains a test of viability were developers consider that the application development is not sufficiently viable to meet the policy requirement for affordable housing.
- 2.26 The viability testing that was undertaken for the Revised Preferred Option Version of the Plan reflected the policy requirements for social rent and intermediate tenures, and hence no viability testing was undertaken in relation to starter homes.
- 2.27 The Housing and Planning Act has introduced 'Starter Homes' and places a general duty on Local Authorities to promote the supply of starter homes. The Act provides that starter homes are to be sold at a discount of at least 20% of the market value to 'qualifying first-time buyers' who are aged at least 23 and not yet 40. There is a price cap of £250,000 outside of Greater London.
- 2.28 The Act outlines the framework within which starter homes will be delivered, whilst in due course the Secretary of State will make regulations covering a range of issues including setting the starter homes requirement that is to be met in order for a Local Planning Authority to grant planning permission. The starter homes consultation document anticipates that this will be a nationwide requirement of 20% which will be applied to sites of 10 units or more or 0.5 hectares or more.

## 2.0 Modifications to Local Plan Policies

2.29 We have discussed the likely future requirements for starter homes with Council Officers and in order to properly assess the viability of the modified plan policy we have undertaken further viability testing assuming that developments greater than 10 dwellings will provide 20% starter homes, comprising 1 and 2 bed dwellings and will be sold at a discount of 20% to market value. The balance of 10% affordable provision has been tested on the basis of affordable rent at 45% of market value.

### **Site Specific Testing of Allocations**

2.30 Our original viability assessment also considered the viability of a number of strategic sites namely:

- EDS, Heyhouses Lane, St Annes
- Cropper Road, West, Whitehills and
- Cropper Road, East, Whitehills

2.31 During the period since the original viability report planning consent has now been approved, subject to s106, for the balance of the EDS site at Heyhouses Lane, St Annes (site ref MUS4) and hence no further viability testing has been carried out.

2.32 There has been no change to the allocation at Cropper Road West (Site ref HSS5), and hence we have simply updated the assessment to include the new affordable housing requirements and the optional technical standard M4(3A).

2.33 The site at Cropper Road East (site ref MUS1) is a mixed site comprising housing and employment. The housing numbers have been adjusted from that originally tested and the amount of employment land reduced slightly. We have therefore prepared a new viability assessment for the site based on the revised allocation of 451 homes and 5.7ha of employment land. Our appraisal has been adjusted to reflect the existing commitment of 251 homes. The appraisal includes the revised affordable housing policy requirements and the requirement for optional technical standard M4(3A).

## 2.0 Modifications to Local Plan Policies

### **Summary**

2.34 Having regard to the plan policy modifications identified we have undertaken further viability testing across all value zones as follows:

- 1) Standard mix at 30 and 40 homes per hectare (original report tables 9.1-9.4, 9.8-9.11 and 9.15-9.18). These viability assessments have been re-run to incorporate the requirements for 20% of the dwellings to achieve Optional Technical Standard M4(3A) together with the modified affordable housing policy based on 20% provision of starter homes and the balance up to 30% as affordable rent.
- 2) Tier 1 and 2 Rural Settlements at 30 and 40 homes per hectare. We have prepared new viability assessments based on policy H2 mix requirements for the total number of 1 and 2 bed dwellings to be a minimum of 33%. This testing is based on the mix contained at Table 2.1 and reflects the revised affordable housing requirements and Optional Technical Standard M4(3A) as identified at 1) above.
- 3) Apartment developments (original report tables 9.7, 9.14 and 9.21). These viability assessments have been re-run to incorporate the requirements for 20% of the dwellings to achieve Optional Standard M4(3A) and the revised affordable requirements as at 1) above. In addition we have also adjusted these appraisals to include an annual ground rent of £250 per dwelling.

2.35 All of the viability assessments have been amended to include the new Stamp Duty Land Tax thresholds introduced in March 2016.

### 3.0 RESULTS OF VIABILTY TESTING

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- 3.1 Section 9 of the Part One report, February 2016, contained the results of the viability testing undertaken based on the cumulative plan policies. We have provided below the updated results tables reflecting the amended and new viability testing identified in the summary to Section 2.
- 3.2 The following tables, 3.1 – 3.27 show the results of this updated testing based on the combination of local plan policies including 30% affordable housing provision (based on the revised requirements including starter homes), provision for the elderly including Optional Technical Standard M4(3A), water measures in the form of rainwater harvesting and S106/S278 contributions of £5,000 and £10,000 per dwelling.
- 3.3 As in the Part One report, February 2016, the tables are presented to show the development surplus per sq.m of new floor-space. For simplicity the cell is coloured red where the result is unviable. For completeness, as a further sense check we have also re-run the financial appraisals with the base input land cost removed. This means that the cost of undertaking the development (excluding land value but including planning policy costs and developers profit) is deducted from the GDV to leave a residual land value. This residual land value can then be benchmarked against the threshold land values identified at table 5.1 and paragraph 5.19 of the Part One report, February 2016, to determine whether the land value is below the threshold figure and hence the development is viable.

**ZONE 1 – COMBINED POLICY VIABILITY RESULTS****Table 3.1: Zone 1 Combined Policies – 30 dph Surplus per sq.m and Residual Land Values Previously developed Sites**

Scheme	S106/S278 Contribution - £5,000 per dwelling			S106/S278 Contribution - £10,000 per dwelling		
	Surplus (per sq.m)	Residual Land Value (per ha)	Residual Land Value (per acre)	Surplus (per sq.m)	Residual Land Value (per ha)	Residual Land Value (per acre)
1 (4 homes)	£154	£1,299,293	£526,030	£102	£1,154,502	£467,410
2 (10 homes)	£283	£1,665,835	£674,427	£234	£1,528,391	£618,782
3 (25 homes)	£5	£879,520	£356,081	-£44	£744,842	£301,555
4 (50 homes)	£50	£1,000,730	£405,154	£3	£869,461	£352,009
5 (75 homes)	£121	£1,026,348	£415,525	£75	£897,661	£363,426
6 (100 homes)	£138	£1,073,728	£434,708	£93	£947,442	£383,580

**Table 3.2: Zone 1 Combined Policies – 30 dph Surplus per sq.m and Residual Land Values Greenfield Sites**

Scheme	S106/S278 Contribution - £5,000 per dwelling			S106/S278 Contribution - £10,000 per dwelling		
	Surplus (per sq.m)	Residual Land Value (per ha)	Residual Land Value (per acre)	Surplus (per sq.m)	Residual Land Value (per ha)	Residual Land Value (per acre)
1 (4 homes)	£311	£1,473,974	£596,751	£260	£1,329,183	£538,131
2 (10 homes)	£423	£1,791,169	£725,170	£374	£1,653,724	£669,524
3 (25 homes)	£137	£975,905	£395,103	£89	£841,227	£340,578
4 (50 homes)	£204	£1,056,892	£427,892	£156	£925,624	£374,747
5 (75 homes)	£211	£1,078,785	£436,755	£165	£950,098	£384,655
6 (100 homes)	£218	£1,097,394	£444,289	£172	£971,108	£393,161
7 (250 homes)	£209	£1,071,445	£433,783	£165	£950,062	£384,641
8 (500 homes)	£199	£1,043,228	£422,359	£160	£934,746	£378,440
9 (1,000 homes)	£151	£912,102	£369,272	£120	£824,034	£333,617

**Table 3.3: Zone 1 Tier 1 and 2 Rural Settlements  
Combined Policies – 30 dph Surplus per sq.m and Residual Land Values Previously developed Sites**

Scheme	S106/S278 Contribution - £5,000 per dwelling			S106/S278 Contribution - £10,000 per dwelling		
	Surplus (per sq.m)	Residual Land Value (per ha)	Residual Land Value (per acre)	Surplus (per sq.m)	Residual Land Value (per ha)	Residual Land Value (per acre)
1 (4 homes)	£154	£1,299,293	£526,030	£102	£1,154,502	£467,410
2 (10 homes)	£206	£1,401,163	£567,272	£152	£1,263,718	£511,627
3 (25 homes)	-£20	£811,856	£328,687	-£71	£677,178	£274,161
4 (50 homes)	£20	£915,485	£370,642	-£29	£784,216	£317,496
5 (75 homes)	£95	£943,780	£382,097	£47	£815,094	£329,997
6 (100 homes)	£115	£998,950	£404,433	£68	£872,621	£353,288

**Table 3.4: Zone 1 Tier 1 and 2 Rural Settlements  
Combined Policies – 30 dph Surplus per sq.m and Residual Land Values Greenfield Sites**

Scheme	S106/S278 Contribution - £5,000 per dwelling			S106/S278 Contribution - £10,000 per dwelling		
	Surplus (per sq.m)	Residual Land Value (per ha)	Residual Land Value (per acre)	Surplus (per sq.m)	Residual Land Value (per ha)	Residual Land Value (per acre)
1 (4 homes)	£311	£1,473,974	£596,751	£260	£1,329,183	£538,131
2 (10 homes)	£367	£1,546,967	£626,303	£313	£1,409,523	£570,657
3 (25 homes)	£116	£903,901	£365,952	£66	£769,223	£311,426
4 (50 homes)	£185	£984,873	£398,734	£136	£853,604	£345,589
5 (75 homes)	£186	£990,775	£401,123	£138	£862,088	£349,023
6 (100 homes)	£196	£1,020,570	£413,186	£149	£894,272	£362,054
7 (250 homes)	£192	£1,009,400	£408,664	£147	£887,973	£359,503
8 (500 homes)	£183	£984,972	£398,774	£143	£876,395	£354,816
9 (1,000 homes)	£138	£862,743	£349,289	£105	£774,456	£313,545

**Table 3.5: Zone 1 Combined Policies – 40 dph Surplus per sq.m and Residual Land Values previously developed Sites**

Scheme	S106/S278 Contribution - £5,000 per dwelling			S106/S278 Contribution - £10,000 per dwelling		
	Surplus (per sq.m)	Residual Land Value (per ha)	Residual Land Value (per acre)	Surplus (per sq.m)	Residual Land Value (per ha)	Residual Land Value (per acre)
1 (4 homes)	£125	£1,325,800	£536,761	£73	£1,133,720	£458,996
2 (10 homes)	£237	£1,746,224	£706,973	£188	£1,564,797	£633,521
3 (25 homes)	-£3	£852,039	£344,955	-£51	£674,605	£273,119
4 (50 homes)	£45	£1,028,261	£416,300	-£3	£852,886	£345,298
5 (75 homes)	£101	£1,060,391	£429,308	£54	£889,265	£360,026
6 (100 homes)	£119	£1,128,982	£457,078	£73	£960,529	£388,878

**Table 3.6: Zone 1 Combined Policies – 40 dph Surplus per sq.m and Residual Land Values Greenfield Sites**

Scheme	S106/S278 Contribution - £5,000 per dwelling			S106/S278 Contribution - £10,000 per dwelling		
	Surplus (per sq.m)	Residual Land Value (per ha)	Residual Land Value (per acre)	Surplus (per sq.m)	Residual Land Value (per ha)	Residual Land Value (per acre)
1 (4 homes)	£255	£1,538,720	£622,963	£204	£1,347,340	£545,482
2 (10 homes)	£364	£1,955,205	£791,581	£315	£1,773,778	£718,129
3 (25 homes)	£102	£964,985	£390,682	£53	£787,552	£318,847
4 (50 homes)	£160	£1,085,929	£439,647	£113	£910,554	£368,645
5 (75 homes)	£169	£1,116,571	£452,053	£123	£945,445	£382,771
6 (100 homes)	£177	£1,147,215	£464,460	£132	£978,762	£396,260
7 (250 homes)	£173	£1,130,725	£457,783	£129	£968,629	£392,158
8 (500 homes)	£170	£1,118,822	£452,964	£130	£973,375	£394,079
9 (1,000 homes)	£134	£988,626	£400,253	£102	£869,550	£352,045

**Table 3.7: Zone 1 Tier 1 and 2 Rural Settlements  
Combined Policies – 40 dph Surplus per sq.m and Residual Land Values previously developed Sites**

Scheme	S106/S278 Contribution - £5,000 per dwelling			S106/S278 Contribution - £10,000 per dwelling		
	Surplus (per sq.m)	Residual Land Value (per ha)	Residual Land Value (per acre)	Surplus (per sq.m)	Residual Land Value (per ha)	Residual Land Value (per acre)
1 (4 homes)	£125	£1,325,800	£536,761	£73	£1,133,720	£458,996
2 (10 homes)	£179	£1,475,542	£597,386	£125	£1,294,115	£523,933
3 (25 homes)	-£24	£778,375	£315,132	-£74	£600,941	£243,296
4 (50 homes)	£19	£928,169	£375,777	-£31	£752,795	£304,775
5 (75 homes)	£77	£962,395	£389,634	£29	£791,270	£320,352
6 (100 homes)	£98	£1,039,206	£420,731	£51	£870,753	£352,532

**Table 3.8: Zone 1 Tier 1 and 2 Rural Settlements  
Combined Policies – 40 dph Surplus per sq.m and Residual Land Values Greenfield Sites**

Scheme	S106/S278 Contribution - £5,000 per dwelling			S106/S278 Contribution - £10,000 per dwelling		
	Surplus (per sq.m)	Residual Land Value (per ha)	Residual Land Value (per acre)	Surplus (per sq.m)	Residual Land Value (per ha)	Residual Land Value (per acre)
1 (4 homes)	£255	£1,538,622	£622,924	£204	£1,347,340	£545,482
2 (10 homes)	£313	£1,670,361	£676,259	£260	£1,488,934	£602,807
3 (25 homes)	£83	£882,804	£357,411	£32	£705,371	£285,575
4 (50 homes)	£138	£981,132	£397,220	£88	£805,758	£326,218
5 (75 homes)	£147	£1,015,079	£410,963	£99	£843,956	£341,682
6 (100 homes)	£157	£1,055,108	£427,169	£110	£886,655	£358,970
7 (250 homes)	£158	£1,057,737	£428,234	£112	£895,574	£362,581
8 (500 homes)	£155	£1,049,890	£425,056	£115	£904,274	£366,103
9 (1,000 homes)	£125	£939,044	£380,180	£91	£819,694	£331,860

**Table 3.9: Zone 1 Combined Policies – Apartments Surplus per sq.m and Residual Land Values**

Scheme	S106/S278 Contribution - £5,000 per dwelling			S106/S278 Contribution - £10,000 per dwelling		
	Surplus (per sq.m)	Residual Land Value (per ha)	Residual Land Value (per acre)	Surplus (per sq.m)	Residual Land Value (per ha)	Residual Land Value (per acre)
13 (15 homes)	-£15	£790,454	£320,022	-£86	£420,451	£170,223
14 (50 homes)	-£177	-£326,853	-£132,329	-£248	-£818,592	-£331,414
15 (50 homes exec)	-£272	-£1,214,137	-£491,554	-£334	-£1,688,924	-£683,775

**ZONE 2 – COMBINED POLICY VIABILITY RESULTS****Table 3.10: Zone 2 Combined Policies – 30 dph Surplus per sq.m and Residual Land Values previously developed Sites**

Scheme	S106/S278 Contribution - £5,000 per dwelling			S106/S278 Contribution - £10,000 per dwelling		
	Surplus (per sq.m)	Residual Land Value (per ha)	Residual Land Value (per acre)	Surplus (per sq.m)	Residual Land Value (per ha)	Residual Land Value (per acre)
1 (4 homes)	£236	£1,770,952	£716,985	£184	£1,626,161	£658,365
2 (10 homes)	£364	£2,142,453	£867,390	£315	£2,005,008	£811,744
3 (25 homes)	£57	£1,272,196	£515,059	£9	£1,137,518	£460,534
4 (50 homes)	£101	£1,389,118	£562,396	£54	£1,257,883	£509,265
5 (75 homes)	£188	£1,406,686	£569,509	£141	£1,278,140	£517,466
6 (100 homes)	£203	£1,448,988	£586,635	£157	£1,322,831	£535,559

**Table 3.11: Zone 2 Combined Policies – 30 dph Surplus per sq.m and Residual Land Values Greenfield Sites**

Scheme	S106/S278 Contribution - £5,000 per dwelling			S106/S278 Contribution - £10,000 per dwelling		
	Surplus (per sq.m)	Residual Land Value (per ha)	Residual Land Value (per acre)	Surplus (per sq.m)	Residual Land Value (per ha)	Residual Land Value (per acre)
1 (4 homes)	£428	£1,944,472	£787,236	£376	£1,800,842	£729,086
2 (10 homes)	£540	£2,263,406	£916,359	£491	£2,125,961	£860,713
3 (25 homes)	£225	£1,368,581	£554,081	£177	£1,233,902	£499,555
4 (50 homes)	£300	£1,445,266	£585,128	£252	£1,314,032	£531,997
5 (75 homes)	£304	£1,459,066	£590,715	£258	£1,330,519	£538,672
6 (100 homes)	£309	£1,472,623	£596,204	£263	£1,346,497	£545,141
7 (250 homes)	£295	£1,433,045	£580,180	£251	£1,311,879	£531,125
8 (500 homes)	£272	£1,369,417	£554,420	£233	£1,261,566	£510,756
9 (1,000 homes)	£204	£1,181,763	£478,447	£173	£1,095,052	£443,341

**Table 3.12: Zone 2 Tier 1 and 2 Rural Settlements  
Combined Policies – 30 dph Surplus per sq.m and Residual Land Values previously developed Sites**

Scheme	S106/S278 Contribution - £5,000 per dwelling			S106/S278 Contribution - £10,000 per dwelling		
	Surplus (per sq.m)	Residual Land Value (per ha)	Residual Land Value (per acre)	Surplus (per sq.m)	Residual Land Value (per ha)	Residual Land Value (per acre)
1 (4 homes)	£236	£1,770,952	£716,985	£184	£1,626,161	£658,365
2 (10 homes)	£278	£1,835,102	£742,956	£224	£1,697,658	£687,311
3 (25 homes)	£28	£1,188,944	£481,354	-£22	£1,054,265	£426,828
4 (50 homes)	£67	£1,286,853	£520,993	£18	£1,155,607	£467,857
5 (75 homes)	£158	£1,309,702	£530,244	£110	£1,181,156	£478,201
6 (100 homes)	£177	£1,362,147	£551,476	£130	£1,235,934	£500,378

**Table 3.13: Zone 2 Tier 1 and 2 Rural Settlements  
Combined Policies – 30 dph Surplus per sq.m and Residual Land Values Greenfield Sites**

Scheme	S106/S278 Contribution - £5,000 per dwelling			S106/S278 Contribution - £10,000 per dwelling		
	Surplus (per sq.m)	Residual Land Value (per ha)	Residual Land Value (per acre)	Surplus (per sq.m)	Residual Land Value (per ha)	Residual Land Value (per acre)
1 (4 homes)	£428	£1,944,472	£787,236	£376	£1,800,842	£729,086
2 (10 homes)	£479	£1,979,733	£801,511	£425	£1,842,288	£745,866
3 (25 homes)	£202	£1,280,989	£518,619	£151	£1,146,310	£464,093
4 (50 homes)	£279	£1,357,921	£549,765	£230	£1,226,687	£496,634
5 (75 homes)	£277	£1,356,644	£549,249	£229	£1,228,098	£497,206
6 (100 homes)	£285	£1,383,739	£560,218	£238	£1,257,555	£509,131
7 (250 homes)	£277	£1,359,385	£550,358	£232	£1,238,181	£501,288
8 (500 homes)	£255	£1,300,752	£526,620	£215	£1,192,855	£482,937
9 (1,000 homes)	£189	£1,123,982	£455,053	£157	£1,037,131	£419,891

**Table 3.14: Zone 2 Combined Policies – 40 dph Surplus per sq.m and Residual Land Values Previously developed Sites**

Scheme	S106/S278 Contribution - £5,000 per dwelling			S106/S278 Contribution - £10,000 per dwelling		
	Surplus (per sq.m)	Residual Land Value (per ha)	Residual Land Value (per acre)	Surplus (per sq.m)	Residual Land Value (per ha)	Residual Land Value (per acre)
1 (4 homes)	£213	£1,893,950	£766,781	£162	£1,705,722	£690,576
2 (10 homes)	£326	£2,320,286	£939,387	£277	£2,138,859	£865,935
3 (25 homes)	£60	£1,328,469	£537,842	£11	£1,151,035	£466,006
4 (50 homes)	£108	£1,506,161	£609,782	£60	£1,330,786	£538,780
5 (75 homes)	£174	£1,526,392	£617,972	£127	£1,355,310	£548,709
6 (100 homes)	£190	£1,551,904	£628,301	£145	£1,383,690	£560,198

**Table 3.15: Zone 2 Combined Policies – 40 dph Surplus per sq.m and Residual Land Values Greenfield Sites**

Scheme	S106/S278 Contribution - £5,000 per dwelling			S106/S278 Contribution - £10,000 per dwelling		
	Surplus (per sq.m)	Residual Land Value (per ha)	Residual Land Value (per acre)	Surplus (per sq.m)	Residual Land Value (per ha)	Residual Land Value (per acre)
1 (4 homes)	£371	£2,103,298	£851,538	£319	£1,915,059	£775,328
2 (10 homes)	£480	£2,529,267	£1,023,995	£431	£2,347,840	£950,543
3 (25 homes)	£192	£1,441,415	£583,569	£143	£1,263,982	£511,734
4 (50 homes)	£256	£1,563,827	£633,128	£209	£1,388,454	£562,127
5 (75 homes)	£262	£1,582,510	£640,692	£216	£1,411,490	£571,453
6 (100 homes)	£268	£1,607,700	£650,891	£223	£1,439,487	£582,788
7 (250 homes)	£260	£1,574,946	£637,630	£216	£1,413,288	£572,182
8 (500 homes)	£245	£1,520,445	£615,565	£206	£1,376,127	£557,136
9 (1,000 homes)	£191	£1,321,877	£535,173	£160	£1,205,219	£487,943

**Table 3.16: Zone 2 Tier 1 and 2  
Combined Policies – 40 dph Surplus per sq.m and Residual Land Values Previously developed Sites**

Scheme	S106/S278 Contribution - £5,000 per dwelling			S106/S278 Contribution - £10,000 per dwelling		
	Surplus (per sq.m)	Residual Land Value (per ha)	Residual Land Value (per acre)	Surplus (per sq.m)	Residual Land Value (per ha)	Residual Land Value (per acre)
1 (4 homes)	£213	£1,893,950	£766,781	£162	£1,705,722	£690,576
2 (10 homes)	£262	£2,001,622	£810,373	£209	£1,820,195	£736,921
3 (25 homes)	£36	£1,235,891	£500,361	-£14	£1,058,458	£428,525
4 (50 homes)	£78	£1,385,115	£560,775	£29	£1,209,740	£489,773
5 (75 homes)	£147	£1,410,716	£571,140	£99	£1,239,591	£501,859
6 (100 homes)	£167	£1,484,926	£601,185	£120	£1,316,713	£533,082

**Table 3.17: Zone 2 Tier 1 and 2  
Combined Policies – 40 dph Surplus per sq.m and Residual Land Values Greenfield Sites**

Scheme	S106/S278 Contribution - £5,000 per dwelling			S106/S278 Contribution - £10,000 per dwelling		
	Surplus (per sq.m)	Residual Land Value (per ha)	Residual Land Value (per acre)	Surplus (per sq.m)	Residual Land Value (per ha)	Residual Land Value (per acre)
1 (4 homes)	£371	£2,103,298	£851,538	£319	£1,915,059	£775,328
2 (10 homes)	£426	£2,196,440	£889,247	£373	£2,015,013	£815,795
3 (25 homes)	£171	£1,340,321	£542,640	£120	£1,162,888	£470,805
4 (50 homes)	£232	£1,438,078	£582,218	£182	£1,262,703	£511,216
5 (75 homes)	£238	£1,463,365	£592,455	£190	£1,292,276	£523,189
6 (100 homes)	£247	£1,500,806	£607,614	£200	£1,332,592	£539,511
7 (250 homes)	£243	£1,487,705	£602,310	£198	£1,325,990	£536,838
8 (500 homes)	£230	£1,438,774	£582,500	£189	£1,294,345	£524,026
9 (1,000 homes)	£178	£1,252,923	£507,256	£145	£1,136,020	£459,927

**Table 3.18: Zone 2 Combined Policies – Apartments Surplus per sq.m and Residual Land Values**

Scheme	S106/S278 Contribution - £5,000 per dwelling			S106/S278 Contribution - £10,000 per dwelling		
	Surplus (per sq.m)	Residual Land Value (per ha)	Residual Land Value (per acre)	Surplus (per sq.m)	Residual Land Value (per ha)	Residual Land Value (per acre)
13 (15 homes)	£85	£1,533,474	£620,840	£13	£1,178,705	£477,208
14 (50 homes)	-£81	£589,017	£238,468	-£151	£117,190	£47,445
15 (50 homes exec)	-£172	-£165,725	-£67,095	-£233	-£637,961	-£258,284

**ZONE 3 – COMBINED POLICY VIABILITY RESULTS****Table 3.19: Zone 3 Combined Policies – 30 dph Surplus per sq.m and Residual Land Values previously developed Sites**

Scheme	S106/S278 Contribution - £5,000 per dwelling			S106/S278 Contribution - £10,000 per dwelling		
	Surplus (per sq.m)	Residual Land Value (per ha)	Residual Land Value (per acre)	Surplus (per sq.m)	Residual Land Value (per ha)	Residual Land Value (per acre)
1 (4 homes)	£405	£2,232,358	£903,789	£353	£2,092,000	£846,963
2 (10 homes)	£534	£2,619,074	£1,060,354	£485	£2,481,629	£1,004,708
3 (25 homes)	£198	£1,664,872	£674,037	£150	£1,530,194	£619,512
4 (50 homes)	£242	£1,777,468	£719,623	£194	£1,646,234	£666,491
5 (75 homes)	£325	£1,786,946	£723,460	£278	£1,658,400	£671,417
6 (100 homes)	£338	£1,824,050	£738,482	£292	£1,697,926	£687,419

**Table 3.20: Zone 3 Combined Policies – 30 dph Surplus per sq.m and Residual Land Values Greenfield Sites**

Scheme	S106/S278 Contribution - £5,000 per dwelling			S106/S278 Contribution - £10,000 per dwelling		
	Surplus (per sq.m)	Residual Land Value (per ha)	Residual Land Value (per acre)	Surplus (per sq.m)	Residual Land Value (per ha)	Residual Land Value (per acre)
1 (4 homes)	£597	£2,401,692	£972,345	£545	£2,261,333	£915,520
2 (10 homes)	£708	£2,735,639	£1,107,546	£659	£2,598,194	£1,051,901
3 (25 homes)	£366	£1,761,257	£713,060	£318	£1,626,578	£658,534
4 (50 homes)	£440	£1,833,616	£742,355	£393	£1,702,382	£689,224
5 (75 homes)	£441	£1,839,326	£744,666	£395	£1,710,779	£692,623
6 (100 homes)	£444	£1,847,685	£748,051	£398	£1,721,561	£696,988
7 (250 homes)	£425	£1,794,291	£726,433	£382	£1,673,283	£677,442
8 (500 homes)	£389	£1,694,730	£686,126	£351	£1,587,299	£642,631
9 (1,000 homes)	£301	£1,449,635	£586,897	£270	£1,363,745	£552,124

**Table 3.21: Zone 3 Tier 1 and 2 Rural Settlements  
Combined Policies – 30 dph Surplus per sq.m and Residual Land Values previously developed Sites**

Scheme	S106/S278 Contribution - £5,000 per dwelling			S106/S278 Contribution - £10,000 per dwelling		
	Surplus (per sq.m)	Residual Land Value (per ha)	Residual Land Value (per acre)	Surplus (per sq.m)	Residual Land Value (per ha)	Residual Land Value (per acre)
1 (4 homes)	£405	£2,232,358	£903,789	£353	£2,092,000	£846,963
2 (10 homes)	£446	£2,269,045	£918,642	£393	£2,131,600	£862,996
3 (25 homes)	£170	£1,566,031	£634,021	£119	£1,431,353	£579,495
4 (50 homes)	£207	£1,658,175	£671,326	£158	£1,526,940	£618,195
5 (75 homes)	£295	£1,675,500	£678,340	£247	£1,546,954	£626,297
6 (100 homes)	£312	£1,725,101	£698,422	£265	£1,598,978	£647,359

**Table 3.22: Zone 3 Tier 1 and 2 Rural Settlements  
Combined Policies – 30 dph Surplus per sq.m and Residual Land Values Greenfield Sites**

Scheme	S106/S278 Contribution - £5,000 per dwelling			S106/S278 Contribution - £10,000 per dwelling		
	Surplus (per sq.m)	Residual Land Value (per ha)	Residual Land Value (per acre)	Surplus (per sq.m)	Residual Land Value (per ha)	Residual Land Value (per acre)
1 (4 homes)	£597	£2,401,692	£972,345	£545	£2,261,333	£915,520
2 (10 homes)	£647	£2,412,495	£976,719	£593	£2,275,050	£921,073
3 (25 homes)	£343	£1,658,076	£671,286	£293	£1,523,398	£616,760
4 (50 homes)	£420	£1,730,965	£700,795	£370	£1,599,731	£647,664
5 (75 homes)	£414	£1,722,443	£697,345	£366	£1,593,897	£645,302
6 (100 homes)	£420	£1,746,694	£707,163	£373	£1,620,570	£656,101
7 (250 homes)	£407	£1,708,979	£691,894	£362	£1,587,940	£642,891
8 (500 homes)	£372	£1,615,658	£654,113	£332	£1,508,164	£610,593
9 (1,000 homes)	£286	£1,383,373	£560,070	£254	£1,297,390	£525,259

**Table 3.23: Zone 3 Combined Policies – 40 dph Surplus per sq.m and Residual Land Values previously developed Sites**

Scheme	S106/S278 Contribution - £5,000 per dwelling			S106/S278 Contribution - £10,000 per dwelling		
	Surplus (per sq.m)	Residual Land Value (per ha)	Residual Land Value (per acre)	Surplus (per sq.m)	Residual Land Value (per ha)	Residual Land Value (per acre)
1 (4 homes)	£370	£2,461,478	£996,550	£318	£2,273,249	£920,344
2 (10 homes)	£482	£2,897,248	£1,172,975	£433	£2,715,821	£1,099,523
3 (25 homes)	£191	£1,807,304	£731,702	£142	£1,629,871	£659,867
4 (50 homes)	£237	£1,986,399	£804,210	£190	£1,811,070	£733,227
5 (75 homes)	£301	£1,994,425	£807,460	£254	£1,823,486	£738,253
6 (100 homes)	£315	£2,051,990	£830,765	£270	£1,883,994	£762,751

**Table 3.24: Zone 3 Combined Policies – 40 dph Surplus per sq.m and Residual Land Values Greenfield Sites**

Scheme	S106/S278 Contribution - £5,000 per dwelling			S106/S278 Contribution - £10,000 per dwelling		
	Surplus (per sq.m)	Residual Land Value (per ha)	Residual Land Value (per acre)	Surplus (per sq.m)	Residual Land Value (per ha)	Residual Land Value (per acre)
1 (4 homes)	£527	£2,664,984	£1,078,941	£475	£2,482,508	£1,005,064
2 (10 homes)	£636	£3,106,229	£1,257,583	£587	£2,924,802	£1,184,130
3 (25 homes)	£322	£1,920,251	£777,430	£274	£1,742,818	£705,594
4 (50 homes)	£386	£2,044,052	£827,551	£339	£1,868,723	£756,568
5 (75 homes)	£389	£2,050,543	£830,180	£343	£1,879,605	£760,974
6 (100 homes)	£393	£2,070,174	£838,127	£348	£1,902,178	£770,112
7 (250 homes)	£380	£2,020,835	£818,152	£337	£1,859,475	£752,824
8 (500 homes)	£354	£1,922,631	£778,393	£315	£1,779,002	£720,244
9 (1,000 homes)	£281	£1,653,743	£669,531	£250	£1,538,524	£622,884

**Table 3.25: Zone 3 Tier 1 and 2 Rural Settlements  
Combined Policies – 40 dph Surplus per sq.m and Residual Land Values previously developed Sites**

Scheme	S106/S278 Contribution - £5,000 per dwelling			S106/S278 Contribution - £10,000 per dwelling		
	Surplus (per sq.m)	Residual Land Value (per ha)	Residual Land Value (per acre)	Surplus (per sq.m)	Residual Land Value (per ha)	Residual Land Value (per acre)
1 (4 homes)	£370	£2,461,478	£996,550	£318	£2,273,249	£920,344
2 (10 homes)	£418	£2,530,358	£1,024,436	£364	£2,348,931	£950,984
3 (25 homes)	£167	£1,695,718	£686,525	£116	£1,518,285	£614,690
4 (50 homes)	£207	£1,844,308	£746,684	£158	£1,668,980	£675,701
5 (75 homes)	£274	£1,860,970	£753,429	£226	£1,690,031	£684,223
6 (100 homes)	£292	£1,932,562	£782,414	£245	£1,764,566	£714,399

**Table 3.26: Zone 3 Tier 1 and 2  
Combined Policies – 40 dph Surplus per sq.m and Residual Land Values Greenfield Sites**

Scheme	S106/S278 Contribution - £5,000 per dwelling			S106/S278 Contribution - £10,000 per dwelling		
	Surplus (per sq.m)	Residual Land Value (per ha)	Residual Land Value (per acre)	Surplus (per sq.m)	Residual Land Value (per ha)	Residual Land Value (per acre)
1 (4 homes)	£527	£2,664,984	£1,078,941	£475	£2,482,508	£1,005,064
2 (10 homes)	£582	£2,725,176	£1,103,310	£528	£2,543,749	£1,029,858
3 (25 homes)	£302	£1,800,148	£728,805	£251	£1,622,716	£656,970
4 (50 homes)	£361	£1,897,258	£768,121	£312	£1,721,929	£697,137
5 (75 homes)	£365	£1,913,598	£774,736	£317	£1,742,660	£705,530
6 (100 homes)	£372	£1,948,421	£788,835	£325	£1,780,425	£720,820
7 (250 homes)	£364	£1,919,226	£777,014	£319	£1,757,809	£711,664
8 (500 homes)	£338	£1,828,132	£740,135	£298	£1,684,425	£681,953
9 (1,000 homes)	£267	£1,574,369	£637,396	£235	£1,458,983	£590,681

**Table 3.27: Zone 3 Combined Policies – Apartments Surplus per sq.m and Residual Land Values**

Scheme	S106/S278 Contribution - £5,000 per dwelling			S106/S278 Contribution - £10,000 per dwelling		
	Surplus (per sq.m)	Residual Land Value (per ha)	Residual Land Value (per acre)	Surplus (per sq.m)	Residual Land Value (per ha)	Residual Land Value (per acre)
13 (15 homes)	£233	£2,261,753	£915,690	£162	£1,909,834	£773,212
14 (50 homes)	£58	£1,483,068	£600,432	-£13	£1,026,812	£415,713
15 (50 homes exec)	-£34	£865,785	£350,520	-£95	£425,561	£172,292

### 3.0 Results of Viability Testing

#### 3.4 Housing

With reference to the above tables, the results for the cumulative policy viability testing show that of the 360 housing typologies tested across the three value zones, 12 were unviable which equates to 3.3% of the total. Of these unviable developments all were in relation to previously developed sites, located in either value Zones 1 or 2, and comprised the 25 or 50 home schemes. Generally the results for the Tier 1 and 2 settlements were slightly less viable than those based on the standard mix.

3.5 In comparison with the results of the testing undertaken for the Revised Preferred Options Version of the Plan, the viability position has improved based on the modified Publication Version Policies. Of the original testing carried out 11.5% of the typologies tested were unviable. The reason for this improvement in viability is primarily due to the modification to the affordable housing policy which now requires the provision of starter homes based on the regulation requirement (anticipated to be 20%) which the balance of 10% to be rented. Starter homes have a more limited impact on viability than the more traditional forms of affordable housing tested as part of the Preferred Options Assessment were we assumed 80% social rent and the balance as intermediate.

#### 3.6 Apartments

Tables 3.9, 3.18 and 3.27 contain the results of our viability testing for apartments. The original viability testing undertaken indicated that generally apartment development was unviable based on the then policy compliant position including 30% affordable housing (80% social rent and 20% intermediate). The new testing based on the Publication Version of the Plan shows a slightly improved viability position. Of the 18 apartment typologies tested, the majority 13 or 72% were unviable. The smallest scheme was shown to be viable in the higher value Zones 2 and 3.

3.7 At paragraph 9.13 of the Part One report, February 2016, we noted that apartment developments could take place along the seafront at St Annes and Lytham. Such developments were identified as being likely to achieve the highest values in the Borough, and hence we undertook some additional testing of apartments at £2,799 per sq.m (£260 per sq.ft) reflecting the values that developments in these locations would be likely to achieve.

3.8 We have updated this testing to reflect the modified policies of the Publication Version of the plan and the results are contained in table 3.28.

**Table 3.28: Seafront (Lytham and St Annes) Highest Value Zone for Apartments Combined Policies – Surplus per sq.m and Residual Land Values**

Scheme	S106/S278 Contribution - £5,000 per dwelling			S106/S278 Contribution - £10,000 per dwelling		
	Surplus (per sq.m)	Residual Land Value (per ha)	Residual Land Value (per acre)	Surplus (per sq.m)	Residual Land Value (per ha)	Residual Land Value (per acre)
13 (15 homes)	£383	£2,993,424	£1,211,912	£311	£2,641,505	£1,069,435
14 (50 homes)	£190	£2,335,064	£945,370	£119	£1,878,808	£760,651
15 (50 homes exec)	£103	£1,841,764	£745,654	£41	£1,403,399	£568,178

### 3.0 Results of Viability Testing

3.9 On the basis of these higher values the viability of the apartment schemes tested improves and all typologies are now viable based on the modified policies.

#### 3.10 Strategic Sites

As part of the original viability testing we undertook 3 site specific assessments, namely the balance of the EDS site at Heyhouses Lane and Cropper Road East and West at Whitehills. Planning consent has now been granted, subject to s106, in relation to the former. We have prepared updated viability assessments for the two Cropper Road sites reflecting the modified affordable housing policy and optional Technical Standard M4(3A). The testing is based on the original standard mix adopted as this meets the requirements of Policy H2. For the Cropper Road East site we have adjusted the housing numbers to reflect the amended allocation as noted at paragraph 2.35 and the existing commitment of 251 homes.

3.11 The results are contained in table 3.29.

### 3.0 Results of Viability Testing

**Table 3.29: Site Specific Viability Results**

Scheme	Assumed Development	Affordable Housing Provision	S106/S278 Contribution - £5,000 per dwelling			S106/S278 Contribution - £10,000 per dwelling		
			Surplus (per sq.m)	Residual Land Value (per ha)	Residual Land Value (per acre)	Surplus (per sq.m)	Residual Land Value (per ha)	Residual Land Value (per acre)
Cropper Road, West	422 dwellings and local centre	30%	£169	£1,071,563	£433,831	£129	£934,642	£378,398
Cropper Road East (Housing)	200 homes	30%	£246	£1,286,864	£547,636	£205	£1,153,287	£490,710
Cropper Road East (Including Employment)	200 homes 25,000 sq.m employment	30%	£6	£445,533	£189,481	-£12	£378,886	£161,078
Cropper Road East (Including Employment)	200 homes 25,000 sq.m employment	20%	£29	£529,519	£225,273	£11	£463,002	£196,926

### 3.0 Results of Viability Testing

3.12 The results for the viability testing for Cropper Road West show that the development is viable with surpluses of £169 and £129 per sq.m respectively assuming S106 contributions of £5,000 and £10,000 per dwellings. This is an improved viability position from our original assessment were the respective surpluses were £109 and £69 respectively.

3.13 In relation to the site at Cropper Road East, the housing element of the allocation is viable in isolation with a surplus of £246 per sq.m assuming a S106/S278 payment of £5,000 per dwelling and £205 per sq.m at £10,000 per dwelling. The inclusion of employment development based on a speculative scheme with a full 20% profit return, means that once this is taken into account the viability position worsens. At 30% affordable provision the scheme is viable and although the surplus is reduced. Based on the overall total floorspace it is £6 per sq.m assuming a S106/S278 contribution of £5,000 and at £10,000 per dwelling the scheme becomes unviable with a small loss of £12 per sq.m based on the total floorspace. If the affordable provision is reduced to 20% then assuming a £10,000 per dwelling S106/S278 contribution then the scheme becomes viable with a surplus equivalent to £11 per sq.m.

3.14 The results show an improved viability position from the original assessment. It should also be noted that the form of testing undertaken assumes a speculative scheme of employment development with a full developers profit return. This is effectively a 'worst case' position as it is highly likely that a significant proportion of the employment development will be brought forward for owner occupation, or by way of design and build with a much lower profit requirement more akin to a contractor's profit at around 6% of cost. This reduced profit position would have the effect of improving overall viability.

#### 3.15 Warton Neighbourhood Plan

The Part One viability report, February 2016, also considered the impact of Neighbourhood Plan Policy BWH1: Managing Housing Growth in Warton. This policy contained a specific requirement that limited the net developable area to 55% in comparison with comparable site typologies that has been tested elsewhere in the Borough at 65%. We understand that this policy has not been carried forward and we have not undertaken further testing on this basis.

### 3.0 Results of Viability Testing

#### 3.16 Housing Conclusions

The additional viability testing that has been undertaken to reflect the modified plan policies that impact on the viability of new housing development shows that viability generally improves as a result of the changes. Although there are additional costs involved in achieving compliance with Optional Technical Standard M4(3A), these costs are offset by the revised affordable housing policy which is still based on 30% but now makes provision for starter homes with the balance of affordable dwellings for rent. As a result of these changes there is an improvement in viability with only 3.33% of housing development typologies tested being unviable as compared with 11.5% in the original viability assessment.

3.17 In terms of apartments the viability results have improved however this form of development is generally unviable in lower value areas based on the policy compliant position. In the higher value areas particularly along the seafront our revised testing indicates that this form of development is likely to be viable based on the modified plan policies.

3.18 In common with the Revised Preferred Option Version of Policy H4 the Publication Version includes a test of viability where 30% provision will prevent development proceeding. Although the viability position has generally improved having regard to the modified affordable housing policy there are still a number of instances on previously developed sites in the lower value area where viability is at issue. As previously noted at paragraph 9.28 of our original report in relation to new housing development in Fylde, the Council may need to balance the requirements for Affordable Housing and S106/CIL contributions so as not to undermine delivery. However, the respective policy in relation to Affordable Housing does allow a degree of flexibility with a test of viability to accommodate this.

#### 3.19 Non-Residential Developments

Having regard to the Policies contained in the Publication Version of the Local Plan in so far as they relate to commercial development, the conclusions of the original report at paragraphs 9.29 to 9.35 remain unchanged.

## 4.0 CONCLUSION

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- 4.1 The National Planning Policy Framework 2012 (the Framework) introduces a focus on viability in considering appropriate Development Plan Policies. In particular Paragraph 173 states that:

*'Pursuing sustainable development requires careful attention to viability and costs in plan-making and decision-taking. Plans should be deliverable. Therefore, the sites and scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened. To ensure viability, the costs of any requirements likely to be applied to development, such as requirements for affordable housing standards, infrastructure contributions or other requirements should, when taking account of the normal cost of development and mitigation, provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable.'*

- 4.2 In addition to the above, the Framework (paragraph 174) states that:-

*'Local Planning Authorities should set out their Policy on local standards in the Local Plan, including requirements for affordable housing. They should assess the likely cumulative impacts on development in their area of all existing and proposed local standards, supplementary planning documents and policies that support the development plan, when added to nationally required standards. In order to be appropriate, the cumulative impact of these standards and policies should not put implementation of the plan at serious risk, and should facilitate development throughout the economic cycle. Evidence supporting the assessment should be proportionate, using only appropriate available evidence.'*

- 4.3 The Part One Report: Local Plan Economic Viability Assessment, February 2016, together with this Addendum Report provide an analysis of the deliverability and economic viability (satisfying the requirements of the Framework) of the future development sites in Fylde, taking into account the policy standards contained within the emerging Local Plan. This Addendum report is based on the most up to date position having regard to the policies contained in the Publication Version of the Plan.

- 4.4 In preparing the viability assessments we have considered the spatial and strategic policies of the emerging Local Plan, the proposed housing and employment allocations on which new development will be based, the development management policies that will guide the form, design, quality of development and the associated planning obligations.

#### 4.0 Conclusion

- 4.5 After a period of recovery the residential property market is now experiencing a degree of uncertainty due to the recent vote to leave the European Union. At this point in time it is too early to say how the housing market will react although commentators report a slowdown in activity and forecasters are suggesting more limited house price growth than had hitherto been forecast.
- 4.6 At Section 8 of the Part One Local Plan Economic Viability Assessment, February 2016, we considered viability based on the differing economic cycles that have been experienced in this Country over the last 3 decades. This modelling showed that the viability testing based on current market circumstances represented a reasonable moderate to low position over the series of modelled economic cycles. Hence we considered that it was a robust basis for policy consideration.
- 4.7 We have considered the impact on viability of changes to the plan policies which are now contained in the Publication Version of the Plan. We remain of the view that subject to the comments made above, the overall scale of obligations, standards and policy burdens contained in the emerging Local Plan are not of such a scale that cumulatively they threaten the ability of the sites and scale of development identified in the Plan to be developed viably. In certain circumstances there will need to be a balance achieved between the requirements for affordable housing, sustainability initiatives and CIL (if introduced), however there is sufficient flexibility in the Plan policies as currently drafted in relation to affordable housing with a test based on economic viability to allow a relaxation of policy requirements if appropriate.

**APPENDIX 1**

**WYG COST ASSESSMENT OPTIONAL TECHNICAL STANDARD M4(3A)**



Appendix 1 - Optional Technical Standard M4 (3A)

EXTERNAL

1.7	Slope restrictions - unlikely to be a problem with Fylde				
1.8	Stop free				
1.7b	Front Minimum width 900mm				
3.45	Rear Minimum width 1050 - COST over 900 basic	COST	2 m2	£40	£80
3.45	Turning circles	COST	2 m2	£40	£80
2.20c	Lighting COST (might be provided anyway - would be for Secured by Design)		1 Nr	£100	£100
2.9f	Gates to be 850 clear				
3.22a	Landings (1500 Square) for ramps -assumed no cost if 1200 wide path	COST	1 m2	£40	£40
3.22b	Canopy to front door	COST	1 Nr	£400	£400
1.34	Accessible thresholds to Front and rear		2 Nr	£25	£50
2.20h	Steps design criteria - no extra - good practice Should not be needed ; Fylde generally flat				
2.11f	Handrail assumed not needed if no steps				
3.12	Parking bay to be 1200 wide (3.6 not 2.4)	COST	6 m2	£40	£240

INTERNAL

Doors no extra cost over normal. power opening ignored as basic door should be <30N

3.22	Lobby may need to be bigger than normal - no extra cost unless extra GFA increases				
3.22k	Door control heights - no cost				
3.22g	Clear opening 850 width - normal practice (except cupboards)				
3.25	Wheel chair storage - 2m2	AREA			
3.25c	Power socket (dedicated)	COST	1 Nr	£75	£75
3.28	Through floor lifting provision (preformed access hatch)	COST	1 Nr	£200	£200
3.28	Knock out bathroom panel	COST	1 Nr	£200	£200
3.29	Lift power socket	COST	1 Nr	£75	£75
Diag 3.8	Kitchen worktops (table 3.3) - 1800 extra clear below	COST	1 Nr	£125	£125
2.24c	LR window cill height assumed no cost				
3.35c	Hoist capable trusses	COST	1 Nr	£100	£100
2.26	Grab rail supports; bathroom	COST	3 m2	£25	£75
2.27c	Level access shower to GF	COST	1 Nr	£750	£750

			£2,590
Design	7%		£181
Contingencies	5%		£139
			£2,910
			<b>£3,000</b>

**Total Cost per Dwelling**

**APPENDIX 2**

**WYG COST ASSESSMENT ADJUSTED HOUSING MIX**



**FYLDE COUNCIL**  
**LOCAL PLAN EVA - TYPICAL COSTS FOR RESIDENTIAL - HOUSES**  
 Revised mix  
**Summary for density 30 dwellings per hectare**

**07 July 2016**

<b>GREEN FIELD SITE - Standard quality</b>				
	Total Cost	Av Cost per dwelling	Av cost per m2	Sales rate and Construction period
Scheme 1 4 dwellings	£ 417,504	£ 104,376	£ 1,107	n/a/m 9 months
Scheme 2 10 dwellings	£ 940,220	£ 94,022	£ 1,033	n/a/m 11 months
Scheme 3 25 dwellings	£ 2,420,872	£ 96,835	£ 1,003	3/m 17 months
Scheme 4 50 dwellings	£ 4,675,324	£ 93,506	£ 967	3/m 26 months
Scheme 5 75 dwellings	£ 6,855,839	£ 91,411	£ 952	3/m 34 months
Scheme 6 100 dwellings	£ 8,960,296	£ 89,603	£ 933	3/m 42 months
Scheme 7 250 dwellings	£ 21,609,956	£ 86,440	£ 899	5/m 59 months
Scheme 8 500 dwellings	£ 42,048,682	£ 84,097	£ 876	5/m 109 months
Scheme 9 1000 dwellings	£ 83,871,423	£ 83,871	£ 874	5/m 209 months

<b>BROWN FIELD SITE - Standard quality</b>				
	Total Cost	Av Cost per dwelling	Av cost per m2	Sales rate and Construction period
Scheme 1 4 dwellings	£ 441,497	£ 110,374	£ 1,171	n/a/m 9 months
Scheme 2 10 dwellings	£ 997,578	£ 99,758	£ 1,096	n/a/m 11 months
Scheme 3 25 dwellings	£ 2,576,812	£ 103,072	£ 1,068	3/m 17 months
Scheme 4 50 dwellings	£ 4,978,682	£ 99,574	£ 1,030	3/m 26 months
Scheme 5 75 dwellings	£ 7,302,217	£ 97,363	£ 1,013	3/m 34 months
Scheme 6 100 dwellings	£ 9,543,672	£ 95,437	£ 994	3/m 42 months
Scheme 7 250 dwellings	£ 24,803,227	£ 95,876	£ 997	5/m 59 months
Scheme 8 500 dwellings	£ 43,845,606	£ 87,691	£ 913	5/m 109 months
Scheme 9 1000 dwellings	£ 87,457,783	£ 87,458	£ 911	5/m 209 months

**FYLDE COUNCIL**  
**LOCAL PLAN EVA - TYPICAL COSTS FOR RESIDENTIAL - HOUSES**

Revised mix

**Summary for density 40 dwellings per hectare**

**07 July 2016**



<b>GREEN FIELD SITE - Standard quality</b>				
	Total Cost	Av Cost per dwelling	Av cost per m2	Sales rate and Construction
Scheme 1 4 dwellings	£ 408,597	£ 102,149	£ 1,084	n/a/m 9 months
Scheme 2 10 dwellings	£ 924,812	£ 92,481	£ 1,016	n/a/m 11 months
Scheme 3 25 dwellings	£ 2,375,057	£ 95,002	£ 984	3/m 17 months
Scheme 4 50 dwellings	£ 4,586,330	£ 91,727	£ 949	3/m 26 months
Scheme 5 75 dwellings	£ 6,724,393	£ 89,659	£ 933	3/m 34 months
Scheme 6 100 dwellings	£ 8,788,408	£ 87,884	£ 915	3/m 42 months
Scheme 7 250 dwellings	£ 21,140,394	£ 84,562	£ 879	5/m 59 months
Scheme 8 500 dwellings	£ 41,132,886	£ 82,266	£ 857	5/m 109 months
Scheme 9 1000 dwellings	£ 82,043,647	£ 82,044	£ 855	5/m 209 months

<b>BROWN FIELD SITE - Standard quality</b>				
	Total Cost	Av Cost per dwelling	Av cost per m2	Sales rate and Construction
Scheme 1 4 dwellings	£ 431,092	£ 107,773	£ 1,143	n/a/m 9 months
Scheme 2 10 dwellings	£ 978,495	£ 97,850	£ 1,075	n/a/m 11 months
Scheme 3 25 dwellings	£ 2,519,734	£ 100,789	£ 1,044	3/m 17 months
Scheme 4 50 dwellings	£ 4,867,801	£ 97,356	£ 1,007	3/m 26 months
Scheme 5 75 dwellings	£ 7,138,425	£ 95,179	£ 991	3/m 34 months
Scheme 6 100 dwellings	£ 9,329,490	£ 93,295	£ 972	3/m 42 months
Scheme 7 250 dwellings	£ 22,563,105	£ 90,252	£ 938	5/m 59 months
Scheme 8 500 dwellings	£ 43,903,539	£ 87,807	£ 915	5/m 109 months
Scheme 9 1000 dwellings	£ 87,602,316	£ 87,602	£ 913	5/m 209 months