# Ashfield District Council Logo

# Ashfield District Local Plan Examination

# Matters, Issues and Questions identified by the Inspectors

# Matter 12:

# Viability

# December 2024

**Ashfield District Council’s response to Inspectors’ Document INS03**

This document is Ashfield District Council’s response to the Matter, Issues and Questions (MIQs) identified for examination by Inspectors Mr. Philip Mileham and Mr Graham Wyatt, of the Planning Inspectorate, as published on the 30th September 2024. This is one of twelve separate papers produced to address the specific matters and issues identified on the front page.

Each response paper includes a number of references to specific evidence which has been relied upon in answering the MIQs. These reference numbers (shown as **[XXXX]**) relate directly to the Examination Library website, where all evidence is published: <https://www.ashfield.gov.uk/local-plan-examination/examination-library/>

The Inspectors’ questions are shown below in ***bold italics***.

The Council’s responses are shown in normal typeface below the Inspector’s questions.

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| --- |
| Proposed Modifications arising from the Inspectors’ MIQs are set out in grey tint boxes. |

## Issue: Whether the cumulative effect of the Local Plan’s policies would result in the overall strategy being viable

## Relevant Policies – Site allocation policies, H3

### Viability

***12.1 How has the presence of contamination and ground stability issues on the proposed site allocations been considered? How might this affect the viability and deliverability of the site allocations?***

Council’s response

12.1.1 Contamination and ground stability issues were picked up as part of the desktop exercise which identified site constraints as part of the SHELAA. The Council used GIS data supplied by The Coal Authority. Officers also consulted with the Council’s internal Environmental Health team in regard to these issues and recorded the responses on the SHELAA reports.

12.1.2 The viability assessment has been undertaken on the basis of residential typologies rather than assessments of individual sites. Where contamination and ground stability issues exist, they will be specific to the individual sites and therefore general allowances are not factored into typology tests.

12.1.3 Para 3 of Planning Practice Guidance on Viability (Updated February 2024) states:

*“****Should every site be assessed for viability in plan making?***

*Assessing the viability of plans does not require individual testing of every site or assurance that individual sites are viable. Plan makers can use site typologies to determine viability at the plan making stage. Assessment of samples of sites may be helpful to support evidence. In some circumstances more detailed assessment may be necessary for particular areas or key sites on which the delivery of the plan relies.”* (PPG Paragraph: 003 Reference ID: 10-003-20180724)

The starting point for viability assessment is that the land is in a developable state, and this is reflected by the benchmark land value allowance.

12.1.4 Para 14 of Planning Practice Guidance on Viability refers to allowances for abnormal costs, stating that:

* *“abnormal costs, including those associated with treatment for contaminated sites or listed buildings, or costs associated with brownfield, phased or complex sites. These costs should be taken into account when defining benchmark land value”.* (PPG Paragraph: 014 Reference ID: 10-012-20240214)

The PPG also states:

*“****What factors should be considered to establish benchmark land value?****’’*

*‘’Benchmark land value should:*

* *reflect the implications of abnormal costs; site-specific infrastructure costs; and professional site fees”.* (PPG Paragraph: 014 Reference ID: 10-014-20190509)
  + 1. As such, it is considered that where significant abnormal costs will be incurred (such as rectifying contamination or site stability issues) in bringing the land into a developable state), these costs will be reflected in a reduction in land value and site purchase price, with overall viability unaffected.

***12.2 Has the viability assessment made any assumptions regarding site remediation? If so, what are they?***

Council’s response

12.2.1 As set out in 12.1 above, the viability assessment has been undertaken on the basis of residential typologies rather than assessments of individual sites. Where site remediation issues exist, they will be specific to the individual sites and therefore general allowances are not factored into typology tests.

***12.3 Is the submitted Plan’s Spatial Strategy viable and deliverable having regard to the extent of previously developed sites or sites requiring remediation identified?***

Council’s response

12.3.1 Yes. As set out in the responses to Questions 12.1 and 12.2 above, it is considered that where sites have significant abnormal costs, the land value and purchase price will be reduced to reflect these costs and that the overall viability of development will remain robust, taking account of the policy impacts of the Plan.

12.3.2 Where the costs of developing these types of sites is such that the costs cannot be reflected in a minimum site value required to release the land, then there is an opportunity to consider site specific viability issues and potential S106 contribution reductions under the terms of Policy H3 and the supporting text of Policy SD5 at application stage (discussed further at MIQ 12.5)

12.3.3 The proportion of proposed housing allocations which are brownfield sites without planning permission is 3%, as set out in Table 20 of Background Paper 1 (BP.01):

***(BP.01) Table 20: Summary of housing allocations from all site selection stages***

|  |  |  |
| --- | --- | --- |
| **Site Selection Stage** | **Estimated Yield (Dwellings)** | **% Supply** |
| Stage 1 - Sites with planning Permission | 1950 | 34% |
| Stage 2 - Sites subject to s106 | 315 | 6% |
| Stage 3 - Brownfield sites without planning permission | 189 | 3% |
| Stage 4 - Greenfield sites without planning permission | 2016 | 35% |
| Stage 5 - Greenbelt sites (brownfield and Greenfield) | 1246 | 22% |
| **Total dwellings from allocations** | **5716** | **100%** |

***12.4 Does Policy H3 recognise the potential impacts of abnormal costs such as ground conditions on greenfield sites in relation to viability?***

Council’s response

12.4.1 As set out in 12.1, 12.2 and 12.3 above, it is expected that abnormal costs will be reflected in a reduction in land value and site purchase price, with overall viability unaffected.

12.4.2 Whilst the text of Policy H3 does not refer to consideration of abnormal costs specifically, para 4 of Policy H3 states:

‘4. Proposals that do not meet the policy requirements must provide a clear justification supported by an independent viability assessment that a different level or mix of affordable housing is required to make the development viable. It must be satisfactorily demonstrated to the Council that any alternatives approach will contribute towards creating mixed and balance communities.’

12.4.3 As such, where significant abnormal ground conditions exist that cannot be reflected in a minimum site value required to release the land then there is an opportunity to consider site specific viability issues and potential Affordable Housing reduction under the terms of Policy H3 at application stage (discussed further at MIQ 12.5).

***12.5 Does Policy H3 provide sufficient flexibility where viability may be challenging? Is the wording of the policy sufficiently clear in this regard?***

Council’s response

12.5.1 Yes, Policy H3 makes it clear that the Council are open to considering viability assessments at planning application stage where it can be demonstrated that viability issues exist.

12.5.2 Policy SD6: Assessing Development Viability and Development Demand sets out clear guidance on the approach that will be adopted to viability assessment at application stage, in Policy SD6 and the accompanying text.

***12.6 Are the requirements for contributions towards any key supporting infrastructure clearly set out in the Plan?***

Council’s response

12.6.1 Yes, Policy H3 sets out the Affordable Housing contributions and tenure mix expected from new residential development. Policy SD5 sets out the categories of infrastructure that are expected to be supported by new development and Policy SD6 explains how contributions will be considered at application stage in the event that viability issues arise.

***12.7 Overall, do the submitted policies clearly set out the contributions expected from development along with other infrastructure, and would these cumulatively not undermine the deliverability of the Plan?***

Council’s response

12.7.1 As set out for Question 12.6 above, Policy H3 sets out the Affordable Housing contributions and tenure mix expected from new residential development. Policy SD5 sets out the categories of infrastructure that are expected to be supported by new development and Policy SD6 explains how contributions will be considered at application stage in the event that viability issues arise.

12.7.2 The impact of these policies has been tested by the Plan Wide Viability Assessment undertaken to support the Plan. These impacts include:

* Affordable Housing (10-25%)
* Infrastructure Contributions and BNG (£8,000 per dwelling allowance)
* Accessible and Adaptable Dwellings (10% Cat 2)
* Sustainable Construction (Part L Carbon Reduction Building Regulations allowance)
* Water Conservation (110 litres per dwelling)

12.7.3 The assessment results demonstrate that all forms of residential development and key forms of employment development tested are viable and deliverable taking account of the cumulative impacts of the policies proposed by the Plan.