

Matter 19: Implementation and Viability

Issue- Taking account of the cumulative scale of obligations and policy requirements, is the Plan deliverable?

Relevant policy: DS5PU

19.1 Has Stage 2 Local Plan Viability Study (EVA2) 2022 (and predecessor documents) been subject to consultation/stakeholder engagement to ‘sense check’ the assumptions and approach used? How has any feedback been taken into account?

19.1.1 The Stage 1 Local Plan Viability Study (EB19) was subject to consultation and engagement. Chapter 7 and Appendix 2 of the Study describes the consultation and engagement that took place.

19.1.2 As different consultants were appointed to produce the Stage 2 Viability Assessment, the first thing they did was review and reflect upon the assumptions within the Stage 1 assessment. These assumptions were then taken forward or updated as appropriate for discussion prior to drafting the Stage 2 Viability Assessment.

19.1.3 The Stage 2 Local Plan Viability Study (EB20) has been subject to consultation and engagement. An email was sent to developers, registered providers and agents operating in the area on 1st October 2021, inviting them to a stakeholder event on 19th October 2021 to discuss the Viability Assessment, in particular the proposed methodology and the assumptions within it. Those invited included representatives from the following companies:

- Story Homes
- High Grange
- John Swift Homes
- Gleeson Homes
- Genesis Homes
- SRE Associates
- Persimmon Homes
- Thomas Armstrong
- Home Group
- BEC
- Brookhouse
- Riverside
- Castles and Coasts
- Home Builders Federation
- Homes England
- PFK
- Planning Branch
- Savills
- Turley

19.1.4 Following the event a copy of the detailed presentation given by the consultants was circulated along with a request for feedback. A total of 2 comments were received from

Cushman and Wakefield (on behalf of a consortium of developers) and Persimmon Homes. A copy of the responses can be found in the Viability Study Appendix 2 (EB20).

19.1.5 Paragraph 4.2.7 of the Study sets out how the Council has responded to the comments received.

19.1.6 A draft of the Viability Study was then produced (EB20) and consulted upon alongside the Local Plan Publication Draft (CD1). Comments received on the draft Study during the consultation informed the final version of the Viability Study (EB44). The Viability Study Addendum Report chapter 2 (EB45) contains all comments received, along with details of how they have been responded to.

19.1.7 Paragraph 4.2.8 states: *“In publishing this FVA2 in draft stakeholders have had a further opportunity to feed into the viability process. A number of responses were received to this subsequent consultation and further details are contained in the Addendum Report that has been published alongside this final version of the FVA report. The Addendum Report contains details of our responses to the consultation comments and the changes that have been made to this main report as a result. Where considered appropriate this final version of the FVA2 report has been amended and a footnote included to explain the changes made.”*

19.2 Are the financial appraisal assumptions set out in Section 6 and Tables 6.7 and 6.10 of the EVA2 realistic and based on robust evidence?

19.2.1 Copeland Borough Council believes the financial appraisal assumptions set out within the EVA2 (EB20) to be realistic and robust. These figures have been derived from RICS accredited consultants, and have been secured through the iterative process this framework has undertaken throughout the Local Plan process.

19.2.2 Keppie Massie, on behalf of Copeland Borough Council, conducted a preliminary viability workshop with key stakeholders, such as housing developers and planning agencies as outlined in paragraph 19.1.3 above. This provided these stakeholders with the proposed rationale and methodology that would inform the Local Plan and its approach to viability, including financial appraisal assumptions. The financial appraisal assumptions were then adjusted as appropriate, and this led to the draft EVA (EB20) report that informed the Publication Draft of the Copeland Local Plan.

19.2.3 The Council’s consultants considered all of the responses made to the Draft Viability Study, and has responded to each of them in turn within the Viability Assessment Addendum Report (EB45). This has either resulted in changes to the assumptions or a more detailed explanation of why the assumptions remain and reasons for discounting any alternatives proposed in the representations.

19.2.4 Section 2 of the Addendum Report outlines the assumptions and responses to the consultation, and it is not proposed to repeat it all here in detail as it is quite complex in places and cases of a number of interdependencies between some of the inputs.

19.2.5 The inputs relating to the housing assumptions in Table 6.7 are discussed in paragraphs 2.39 to 2.142 in the Addendum document (EB45), while the proposed adjustments and other conclusions can be found in Section 6. There were no objections to the commercial assumptions and inputs which suggests that they are robust, and it recognises the challenging economic market in Copeland for commercial developments.

19.3 Are the site assessments set out in section 7 robust? How have the costs per dwelling been arrived at?

19.3.1 The Council believes the assessments to be robust, and they have been reviewed again following representations made to the draft Viability Assessment (EB20) that supported the Local Plan Publication Draft.

19.3.2 The Viability Assessment Addendum Report (EB45) reflected upon the original assumptions and inputs and amended them as appropriate in light of the representations made. This process of adjustment and reflection helps ensure the assessment is as robust as possible. The updated Viability Assessment Final Report October 2022 (EB44) provides similar results to the original assessments in the draft Viability Assessment.

19.3.3 Additional sensitivities have also been tested within the Addendum to consider how matters such as education contributions, larger discounts associated with First Homes and alternative residential mixes affect the viability of each of the Housing Allocations in the Plan.

19.3.4 The costs per dwelling in the Draft Viability Report (EB20) have been derived from the inputs outlined in Table 6.7 which are then applied according to knowledge of the individual sites. The details of this for each site are shown in Appendix 11.

19.4 Overall, taking into account the cumulative scale of obligations and policy requirements, is the Plan deliverable?

19.4.1 The draft and final Viability Assessment reports (EB20 and EB44), which support the Copeland Local Plan, conclude that the cumulative scale of obligations and policy requirements do not undermine the deliverability of the Local Plan as a whole. Whilst a number of sites are identified as being unviable, there are sufficient viable sites to deliver the Local Plan strategy over the next 5 years. The Council is required to carry out a Local Plan Review 5 years from adoption and at this time delivery will be reviewed.

19.4.2 A cautious approach has been taken throughout the viability assessment process and anecdotal evidence has shown that housing in the borough has continued to come forward on sites that are not considered to be viable through standard viability modelling. Going forward, developers on sites where there are viability issues (particularly brownfield sites) may be able to seek support from external bodies such as Homes England to help deliver the site where funding is available.

19.4.3 It should also be noted that the Local Plan also provides flexibility regarding planning obligations in specific cases where viability, and therefore delivery, may be threatened, for example Policy DS5 and H8.