

Copeland Local Plan 2021-2038 Examination

Hearing Statement on behalf of Story Homes (Respondent No. 79)

Matter 19: Implementation and Viability

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

Q19.4 Overall, taking into account the cumulative scale of obligations and policy requirements, is the Plan deliverable

- 1.1 The Stage Two Viability Study was prepared by Keppie Massie (KM) on behalf of Copeland Borough Council (CBC) and published in February 2022 ahead of the Regulation 19 consultation exercise. Cushman & Wakefield (CW) prepared a separate representation to the Regulation 19 consultation in respect of viability on behalf of a developer consortium which included Story Homes. The document is appended to Story's representations and comprises a review of the viability approach and assumptions adopted by KM.
- 1.2 Several of the key and relevant points from the CW representation are summarised as follows:
 - The housing mix assumptions in the KM report do not fully accord with the market evidence and the housing mix and unit sizes are not varied by market area but by "blanket" assumptions applied to all allocations.
 - KM's standard build costs are not transparently defined to enable proper benchmarking. KM have relied on an "in-house" build cost database rather than using transparent market evidence such as the BCIS.
 - The Section 106 Agreement allowance in the KM assessment is assumed to cover highways contributions only (in the absence transparent evidence). This is regarded as inappropriate in the context of emerging Policy DS5PU which lists 13 different categories of infrastructure that will be funded by planning contributions.
 - The Copeland Transport Improvements Study fails to account for junction improvements and as such there is likely to be a significant underestimate of the off-site highway costs applied to all allocations.
- 1.3 Story Homes has addressed viability matters (by reference to the KM and CW viability work) arising in Matters 3, 5 and 14 in respect of the viability testing of emerging Policies on obligations, housing mix and type and development management policies for residential development. The points raised within these Matters seek to highlight where assumptions have been insufficiently evidenced and/or do not reflect a realistic market-facing position for the purposes of assessing the viability of residential development in Copeland at the plan-making stage.

- 1.4 Story Homes do not consider CBC to have prepared sufficiently robust viability evidence upon which to base the emerging Local Plan policy requirements. As a result, the viability of many sites could be overstated as Policy requirements may be set at unrealistic and unachievable levels, compromising deliverability and causing tension with national policy¹. The CW representation highlights, for example, that the lack of evidence provided to support the viability testing is at odds with national guidance aimed to 'frontload' viability to the Plan-making stage. Whilst paragraph 6.3.4 of the Local Plan states that "*viability testing through the Local Plan process, removed the need for further viability assessment at planning application stage...*", KM note at paragraph 6.3.13:

"At the present time there is no substantive information about the quantum of abnormal costs across the various allocations."

- 1.5 There is a clear disparity between the Local Plan and the supporting evidence base in respect of viability, which presents tension with national policy and risks the deliverability of the Local Plan as a whole.
- 1.6 Story Homes is of the view that it is not a prudent approach to adopt unevidenced or unrealistic appraisal inputs so as to demonstrate a viable position based on the emerging policy requirements. Rather, the viability evidence needs to be robust and based on a proportionate assessment of the cumulative cost of all relevant policies, to ensure that there are no adverse implications in respect of site deliverability and land supply based on policy requirements (see Matter 17).
- 1.7 To ensure the deliverability of the Local Plan, Story Homes considers it essential to embed sufficient flexibility into the emerging Policy requirements. To achieve this the Local Plan viability should be reassessed and more viability evidence around the assumptions used by CBC published. Until this has been undertaken, in line with the recommendations with the CW representation, it is unclear if the Local Plan is deliverable or if the policy requirements need to be relaxed, should it be robustly justified on viability grounds.

Word count: 667

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¹ Paragraph 34, National Planning Policy Framework 2021