

Home Builders Federation

Matter 9

BRACKNELL FOREST LOCAL PLAN EXAMINATION

Matter 9: Infrastructure, Transport and Viability

Viability

144. Does the evidence demonstrate that the level of development, including development other than market housing, proposed within Bracknell Forest will be viable and deliverable given the wider policy requirements of the Plan? If not, what are the implications of this to the Plan and how could this be resolved?

The conclusions of the latest Viability Testing Report (LP/Ev/4t) published after the pre-submission local plan was published states at paragraph 7.1a) that at the policy target of 35% some 65% of all residential development would be able to come forward making a full contribution whilst providing a robust land value and developer profit. As such 35% expected development cannot meet the full policy costs set out in this local plan on the basis of the Council's own evidence. However, what is not made clear from the Viability Study is what this proportion relates to. Using table 11 which sets out the base appraisals it would appear that a little over 50% of the of the units expected to come forward are on sites that show significant deficits and will not be able to meet all the policy requirements set by this local plan.

In addition, the Council has not tested all the policies that are set out in this local plan. We note the Council's response to the Inspector's Initial Questions states that all policies were considered and a commentary on each is set out in Annex C. Having reviewed Annex C of the first Viability Testing Report (LP/Ev/4n) we remain concerned, as set out in our representations, that the viability assessment does not take into account either Biodiversity Net Gain (BNG) or Electric Vehicle Charging Points (EVCP). We could find no mention of these requirements, both of which will be statutory requirements that all developers must implement and as such should have been included as costs within each of the Viability Testing Reports. Indeed, BNG will not only be a cost placed on development but could reduce the developable area of a site leading to reduced capacity which could not impact on a sites ability to meet the policy costs placed on development in this local plan but also limit its contribution to the supply of housing over the plan period.



Finally, the plan does not test more generic typologies within the different value areas. As such the Council cannot state that the expected level of windfall across Bracknell Forest will come forward as indicated in the local plan. In particular we are concerned that the typologies for sites above 10 units have not been tested as this form an annual supply of 77 homes for 14 years of the plan period – 1,078 homes in total.

Therefore, the Council cannot on the basis of the evidence presented state that the local plan and the policy requirements it places on development are deliverable. The first step in rectifying this situation is for the Council to undertake further work to assess the viability of those development typologies that are likely to form the windfall supply to ensure that it is viable. This work will also need to assess the impact of both BNG and EVCPs on both the allocated sites and the generic typologies.

The second step will be to consider reducing affordable housing requirements for those developments that are likely to be made unviable by the cumulative impact of the plan's policies. Paragraph 58 of the NPPF is clear that the assumption is that a development can viably meet all the policy costs placed on it. This means that where possible the Council should vary its policies in the local plan to avoid unnecessary negotiations when considering individual planning applications. Whilst the NPPF recognises that there will be circumstances where negotiation will be necessary this is limited to a change of circumstance. Therefore, where a specific development or development typology cannot viably come forward at the required rate of affordable housing delivery the Council should seek to amend its policy accordingly.

145. Are all assumptions, on which the Viability Testing Report relies, transparent, and robust including the setting of the relevant Benchmark Land Value and sales values. Should the sites be tested taking into account the collection of the Community Infrastructure Levy?

As mentioned above and in our representations none of the Viability Testing Reports consider two key policy requirements that are both set out in the local plan, and which will be legal requirements in future. Whilst the HBF did not comment on whether viability testing should take account of CIL it is important, as referenced in paragraph 34 of the NPPF that Plans should set out the contributions expected from development. This should include CIL, which is an important aspect in ensuring infrastructure can be delivered and which will be influenced by the level of affordable housing required.

146. Should typologies be tested as well as specific sites? If not, how has the realism of windfall contributions been tested?

Yes. The Council have chosen not to test a range of typologies and instead focus solely on the sites that are to be allocated in the local plan. However, in focussing solely on specific sites the Council cannot know how the policy requirements in the local plan will impact on other types of development. As set out above typology testing not only examines different types of development but also considers these across the value areas found in the local plan and whether windfall development is likely to be stifled by

the costs being placed on it through the local plan. This is especially important where there is a reliance on windfall in order to meet development needs. At present the Council expect around 1,500 homes to come from windfall with a 1,000 from medium sized sites yet it has made no effort to consider whether the policies are likely to impact on the viability of such development. In order for the plan to be found sound the Council must test a range of development typologies across all value areas.

147. How has sensitivity testing taken place of affordable housing and other policy inputs, together with inflation, interest rates, and sales values. Should this illustrate both increases and falls in values?

The latest VTR (LP/Ev/4t) undertakes sensitivity testing with regard to sales values and build costs with the results set out in table 14 and 15. However, the approach taken lacks any degree of nuance as it fails to consider a range of scenarios. Moving forward there will likely be inflation in both sales values and development costs. Sensitivity testing should therefore consider the impact of different levels of inflation relating to sales values and development costs to understand the potential impact and whether there is sufficient surplus to maintain delivery across the plan period.

148. How has the amendment to the Community Infrastructure Regulations 2010 affected the Council's approach to the delivery of infrastructure? What impact will this have on the timing and viability of the delivery of proposed developments?

For Council.

149. Is the quantum of S106 contributions tested realistic and justified by evidence? Is it appropriate to test individual sites on the basis of site-specific costs rather than generalised policy considerations?

No comment

150. What would be the implication on the plan, if the viability evidence clearly demonstrated, on a plan wide basis, that the development proposed in the Plan was not viable?

The Council would need to reconsider the policy costs it is placing on new development. The focus of any reductions would need to be the affordable housing policy and the 35% requirement which is the most significant burden placed on development by the local plan.

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