

PLANNING APPLICATION FOR ERECTION OF 101 DWELLINGS AND ASSOCIATED WORKS

PLANNING AND VIABILITY STATEMENT

CARLTON ROAD, BARNSELY

ON BEHALF OF KEEPMOAT HOMES

**TOWN & COUNTRY PLANNING ACT 1990 (AS AMENDED)
PLANNING AND COMPULSORY PURCHASE ACT 2004**

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1. INTRODUCTION

- 1.1 This statement has been prepared by Pegasus Group on behalf of the applicant, Keepmoat Homes, in support of the planning application for the erection of 101 dwellings and associated works at Carlton Road, Barnsley.
 - 1.2 As part of this application, a Viability Assessment, prepared by Aspinall Verdi, has been submitted. The Assessment sets out that the financial contributions expected by the Council (affordable housing, off-site works etc) would make the development unviable based on the agreed land price.
 - 1.3 This statement sets out the National and Local Planning Policy and Guidance around viability and how the development meets the requirements of these policies. It concludes that the submitted Viability Assessment meets the requirements of policy and is therefore a material consideration in the decision-making process. The Assessment clearly demonstrates that the development of the site would not be possible from a viability aspect if the Council maintain the requests for affordable housing provision and S106 contributions.
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2. Planning Policy

Legislative Background

- 2.1 This chapter summarises the planning policies and guidance relevant to the viability considerations. Section 38(6) of the Planning and Compulsory Purchase Act 2004 requires that applications for planning permission must be determined in accordance with the development plans, unless material considerations indicate otherwise.
- 2.2 The current development plan consists of the Local Plan (2019) and Policies Map. Barnsley are also currently consulting on a number of SPDs, including on Planning Obligations, Affordable Housing and Financial Contributions to Schools.
- 2.3 The National Planning Policy Framework (2019) provides a material consideration in the assessment of planning applications.

The Development Plan

Local Plan (2019)

- 2.4 Policy HS16 allocates this site for residential development, suggesting an indicative yield of 96 dwellings. The policy also notes that there may be archaeological remains on the site which much be considered as part of the development. Policy H3 states that sites allocated for residential should be developed for that purpose.
 - 2.5 Policy H6 encourages efficient use of land and states that residential developments should include a variety of house sizes, types and tenure appropriate to local needs. The supporting text relating to this policy, at paragraph 9.17, highlights that *"Proposals will be supported where they are consistent with this policy and other policies in the development plan, or where robust supporting evidence can be provided that would be a material consideration of sufficient weight to take precedence."*
 - 2.6 Policy H7 sets out that developments of over 15 dwellings are expected to provide affordable housing, in North Barnsley the expected provision is 10%. The policy goes on to state that *"These percentages will be sought unless it can be demonstrated through a viability assessment that the required figure would render the scheme unviable."*
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- 2.7 Policy H8 identified North Barnsley as a “lower value housing sub market” where regeneration is to be encouraged.
- 2.8 Policies T3 and T4 state that some developments may be required to make financial contributions towards highways upgrades.
- 2.9 Policies BTC4, GS1, GS2 note that the Council may require developers to make financial contributions towards improving public and open spaces, green ways or Public Rights of Way.
- 2.10 Policy I1 highlights that financial contributions towards physical, social, economic and communications infrastructure may be required. The policy goes on to state that *“Where the necessary provision is not made directly by the developer, contributions will be secured through planning obligations.”*

Supplementary Planning Documents

- 2.11 Barnsley are currently consulting on a suite of SPDs which are currently in draft form, the following documents are relevant to the viability argument being put forward in this case:
- Planning Obligations SPD
 - Financial Contributions to Schools SPD
 - Affordable Housing SPD
 - Open Space Provision on New Housing Developments SPD
 - Sustainable Travel SPD

Planning Obligations SPD

- 2.12 The Draft Planning Obligations SPD supports Policy I1 (listed above). It states at paragraph 4.2 that *“Where contributions are required for school places or sustainable travel, these will take precedence and are non negotiable.”*

Financial Contributions to Schools SPD

- 2.13 The Draft Financial Contributions to Schools SPD also supports Policy I1. It states at paragraph 2.4 that *“Developers can make a financial contribution to the Council*
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to provide physical space needed to accommodate new pupil places at the local school that would serve the new housing development."

2.14 At paragraph 3.1 the SPD sets out that: *"A financial contribution will be needed for planning applications for housing developments where:*

- The scheme provides 5 or more homes; and*
- There is insufficient capacity in schools or is likely to be so prior to the end of the plan period taking into account future growth identified on the housing trajectory;*
- and / or There is a need for contributions to ensure schools are in an appropriate condition"*

2.15 The SPD goes on to set out how the contributions would be calculated and secured.

Affordable Housing SPD

2.16 The Draft Affordable Housing SPD supports policy H7 of the Local Plan. Paragraph 5.3 sets out National Guidance on viability assessments and states that *"Should a developer seek to justify affordable housing provision below the Council's requirements, the onus will be on the developer to justify what circumstances have changed and submit sufficient evidence. Any viability appraisal should be carried out in accordance with the approach set out in the latest National Planning Practice Guidance... Within the viability appraisal calculations, the Council considers a suitable developer profit to be a maximum of 20% of gross development value."*

Open Space Provision on New Housing Developments SPD

2.17 This Draft SPD supports Policy GS1 of the Local Plan and states that open space provision will be required on developments of 20 or more units. 15% of the site should be open space however, as stated in paragraph 4.2, *"Where it is impossible to make such provision on land either within or immediately adjacent to the site in a satisfactory and acceptable manner, or where the Council deem it appropriate, suitable off-site open space facilities, remote from the development land, may be acceptable either as new facilities or improvements to those existing."*

2.18 Section 12 of the SPD sets out that contributions for the maintenance of POS may be required.

Sustainable Travel SPD

- 2.19 The Draft Sustainable Travel SPD supports policy T1, T3 and I1 of the Local Plan and highlights that *"Where levels of accessibility through public transport, cycling and walking are unacceptable, we will expect developers to take action or make financial contributions."*

National Policy – The NPPF (2019)

- 2.20 Paragraph 34 of the NPPF states that plans should set out *"the levels and types of affordable housing provision required, along with other infrastructure (such as that needed for education, health, transport, flood and water management, green and digital infrastructure). Such policies should not undermine the deliverability of the plan."*
- 2.21 Paragraphs 54, 56 and 57 of the NPPF (2019) set out guidance on planning obligations and conditions as follows:

Local planning authorities should consider whether otherwise unacceptable development could be made acceptable through the use of conditions or planning obligations. Planning obligations should only be used where it is not possible to address unacceptable impacts through a planning condition.

Planning obligations must only be sought where they meet all of the following tests:

- a) necessary to make the development acceptable in planning terms;*
- b) directly related to the development; and*
- c) fairly and reasonably related in scale and kind to the development.*

Where up-to-date policies have set out the contributions expected from development, planning applications that comply with them should be assumed to be viable. It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage. The weight to be given to a viability assessment is a matter for the decision maker, having regard to all the circumstances in the case, including whether the plan and the viability evidence underpinning it is up to date, and any change in site circumstances since the plan was brought into force. All viability assessments, including any undertaken at the plan-making stage, should reflect the recommended approach in national planning guidance, including standardised inputs, and should be made publicly available.

3. APPRAISAL

- 3.1 It is accepted in Policy H7, the Draft Affordable Housing SPD and Paragraph 57 of the NPPF that there may be instances where viability assessments are necessary at the application stage to demonstrate that certain developer contributions could make a scheme unviable.
- 3.2 In this case, a Viability Assessment has been submitted based on the potential contributions which were set out at the Pre-Application engagement stage. The anticipated contributions are 10% on-site affordable housing and a £130,000 off-site contribution towards Public Open Space.
- 3.3 It should be noted that the site has been offered based on a joint sale between Barnsley Council and Leeds Diocesan Board of Finance. The offer that has been accepted for this site is £1.046m with the developer, Keepmoat, taking on all risk and additional abnormals. We understand that the Council have expressed that they are unwilling to accept a land receipt of less than the agreed amount, including a commuted sum payment of £130,000.
- 3.4 It is also worth highlighting that the proposed scheme is made up of predominantly 2 and 3 bedroom homes which, whilst not falling under the definition of "affordable" (as set out in the NPPF) will provide homes that are accessible to many households.
- 3.5 The various assumptions and detailed methodology behind the Viability Appraisal are set out in the report and accord with Government Guidance for such assessments. The assessment reviews planning policy, the local housing market and the various costs associated with the development. A developer profit of 20% is assumed, as set out in the draft Affordable Housing SPD.
- 3.6 The assessment concludes that when including for 10% affordable housing contribution and the £130,000 off-site contribution, the development would be provided at a loss to the developer. Indeed, removing these contributions means the developer profit would equate to 12.54%, significantly below the assumed 20% required by the draft Affordable Housing SPD.
- 3.7 The assessment concludes at paragraph 5.7 *"We conclude that the scheme is not viable with the current policy requirement for S106 obligations. Our analysis has shown that the scheme cannot support the affordable housing requirement and non-housing s106 contributions whilst also accepting the agreed land price of £1.046m."*
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- 3.8 It is noted that the site lies within an area identified in Policy H8 as a “lower value housing sub market” where regeneration should be encouraged. This site is a combination of greenfield and brownfield land and represents an important site in terms of the regeneration of the wider area. As such the development should be given additional support by the LPA to ensure that it is brought forward, particularly as a Local Plan Allocation.
- 3.9 This is further supported by the Barnsley Affordable Housing Viability Study (August 2010) which identifies “North Barnsley and Royston” as an area where development profits are likely to be lowest, particularly when affordable housing contributions are accounted for (Pages 11-14).
- 3.10 Paragraph 57 of the NPPF states that *“It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage. The weight to be given to a viability assessment is a matter for the decision maker”*. It is considered that in this case the Viability Appraisal should carry significant weight as a material consideration in this planning application as the outcome of the Assessment is significantly below the accepted 20% developer profit threshold. It is clear that even without the suggested affordable and off-site contributions the profit on the development would provide only a small profit for the developer and that with those contributions it would produce a deficit in the land value (£210,177).
- 3.11 With this in mind it is considered that the policy requirements have been met and that the affordable housing and off-site contributions should be waived to enable the development of this site to go ahead.
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4. CONCLUSION

- 4.1 This statement has been prepared in support of Keepmoat's application for 101 dwellings at Carlton Road, Barnsley. As part of the pre-application discussions it has become evident that the Council would expect to see an Affordable Housing contribution of 10% on-site and a financial contribution of £130,000 towards off-site Public Open Space.
- 4.2 The supporting Viability Appraisal sets out the costs and abnormals associated with this development and tests the profit levels associated with the development with and without the contributions set out above. The submission of a Viability Appraisal in cases such as this is supported by Local and National Policy.
- 4.3 The Viability Appraisal concludes that, when accounting for the contributions requested and the land value agreed, the development would be built out at a loss to the developer. Indeed, without these contributions, the Appraisal sets out that the profit to the developer would be 12.5% which is below the accepted threshold of 20%. As a result, it is considered that this Appraisal is a material consideration in the decision-making process and should be given significant weight.
- 4.4 It is also noted that this site, which is allocated for residential development in the Local Plan, is a part brownfield site in an area identified for regeneration by Local Policy. As such it is considered that best efforts should be made by the LPA to ensure that the site is brought forward.
- 4.5 With this in mind it is considered that the policy requirements have been met and that the affordable housing and off-site contributions should be waived to enable the development of this site to go ahead.
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