

MATTER 9

Infrastructure, Planning Obligations and Delivery

Issue 1 – The evidence base underpinning the LP

1.1 Does the Local Plan and Site Allocations Viability Study make realistic assumptions about land values, sales values, profit and development costs?

1.1.1 Yes, it does.

1.1.2 The assumptions in the viability assessment are set out Chapter 6 of the Local Plan and Site Allocations Viability Study (ED 24.1). These assumptions are informed by the Evidence Base set out in Section 5 of the study together with the 2016 consultation that was undertaken. The assessment has regard to guidance in the National Planning Practice Guidance and the document entitled 'Viability Testing Local Plans'.

1.1.3 In accordance with the guidance contained in Viability Testing Local Plans the Study has regard to current and credible alternative use values in arriving at an assessment of land value this is informed by the evidence outlined at para 5.71 to 5.73. As a sense check it also has regard to the sales that have taken place of land with residential planning consent (Appendix 3) however these transactions are based on pre-existing policies and hence the Viability Testing Local Plans outlines the correct approach being based on a premium over current and alternative uses. This approach to land value has been adopted in the study.

1.1.4 Table 6.1 (page 63) provides a summary of the range of base input land costs in relation to residential land that have been adopted in the viability testing. Table 6.2 (page 64) provides a summary of land values adopted in relation to commercial developments.

1.1.5 In terms of the residential viability assessments, the best form of evidence to inform the study is that from new build housing developments that have recently taken place and are taking place in the District. The Study contains evidence of sales and asking prices from these developments at Appendix 4 and this is also summarised at Table 5.3. In the absence of new build sales evidence in certain areas sales evidence from the re-sales of modern dwellings has also been considered. Further information is contained at Appendix 5 and as table 5.5. Further justification for the values adopted is also contained at paras 5.37 to 5.44 and a summary at table 5.7.

1.1.6 Tables 5.8 to 5.13 contain an overview of the commercial transactions that have been used to inform the study, this evidence has been obtained from Land Registry and data bases such as Co-star and EGi. This information has then been used to inform the commercial sales values detailed at table 6.7.

1.1.7 For the residential developments the study applies a developer's profit of 20% of GDV both for the market and affordable housing. This is considered to be a very robust position as typically a lower level of profit (at around 6%) will be applied to affordable housing which carries less risk. For the

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small developments tested (5 and 10 dwellings) a profit of 17.5% has been applied reflecting the more limited risk profile of these developments. The viability testing for the speculative commercial developments is based on a developer's profit of 15% on cost which is a typical level and widely applied in the industry.

- 1.1.8 To ensure robustness the construction costs that have been adopted for the site specific and generic testing have been prepared by a Quantity Surveyor and full details relating to their approach and assessment is contained at Appendix 7. These cost assessments are based on current building regulation requirements and are inclusive of substructures, super structures, all external works, incoming services and drainage, preliminaries, professional fees and a contingency at 5% of all costs. In relation to the site specific cost assessments these also include costs associated with known requirements or constraints in relation to a particular site for example dealing with flood risk issues.
- 1.1.9 The Study also includes reasonable, typical industry standard allowances for matters such as finance costs and sales and marketing costs.
- 1.1.10 The assumptions are considered realistic and robust based on best available information. They align with advice in guidance and are typical of similar studies that Keppie Massie consultants have undertaken elsewhere which have been found sound.

Issue 2 – Policy SS12

- 2.1 Will Policy SS12 and the allocation policies of the LP ensure that necessary infrastructure is delivered and in a timely fashion?**
- 2.1.1 Yes. Policy SS12 provides the overarching framework for securing contributions towards infrastructure. Provision for specific infrastructure requirements is then made relevant SS policies and the strategic development sites policies and the Infrastructure Delivery Plan. This framework provides the basis for the consideration of such matters through the planning applications process and the co-ordination of investment by partner organisations such as Staffordshire County Council.
- 2.2 Should Policy SS12 make specific reference to all the legal and policy tests for planning obligations?**
- 2.2.1 Policy SS12 seeks to avoid repeating national policy and regulations which are taken as a given.

Issue 3 – Pooling of Contributions

- 3.1 What are implications arising from the pooling restrictions with the Community Infrastructure Levy (CIL) Regulations for the delivery of infrastructure?**
- 3.1.1 The Council's position was set out in response to the Inspector's preliminary questions (EL001.b, page 41).

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Issue 4 – Infrastructure Delivery Plan (IDP)

4.1 Is the IDP clear as to what infrastructure projects are critical to the delivery of the LP, when infrastructure will be delivered, sources of funding and who is responsible for delivery?

4.1.1 Yes, it is clear.

4.1.2 Section 15 of the IDP (ED 8.2 page 129 onwards) sets out how the level of current, planned and future infrastructure will or could be delivered. It lists infrastructure required, delivery phasing, costs, potential funding sources that the council could explore as well as the lead delivery agency and the likely delivery mechanism.

4.2 Should the IDP be more specific as to which developments will contribute to particular infrastructure projects?

4.2.1 No, it should not.

4.2.2 It is not necessary and means that the IDP remains a flexible framework that relates not only to development through allocations in the Local Plan but any other development that may come forward.

4.3 Does the IDP take into account the likely impact on waste water and surface water infrastructure?

4.3.1 Yes, it does.

4.3.2 Waste water is considered in the Utilities chapter (Section 6) of the IDP. Surface water infrastructure is considered in the Flood Risk and Drainage chapter (Section 8) of the IDP.

Issue 5 – Supplementary Planning Guidance

5.1 What SPD will be prepared to provide guidance and what is the timetable for its production?

5.1.1 As per the Council's proposed additional modification (AM10), a Developer Contributions SPD will be prepared. This will include guidance on all forms of contributions including open space, sport and recreation. The Council is in the process of procuring support for the preparation of the SPD and potentially the Community Infrastructure Levy. The merits of CIL will be considered as part of this exercise. As this commission will need to consider the outcome of the Government's consideration of developer contributions, the precise timescales are to be determined.

5.2 Would the SPD be likely to add additional policy and financial burdens on development?

5.2.1 No. The SPD would only provide additional guidance to support policies in the Local Plan.