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# FREETHS

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## STATEMENT OF REPRESENTATION FOR THE EXAMINATION IN PUBLIC HEARINGS : NORTH WARWICKSHIRE BOROUGH COUNCIL

### MATTER 8: VIABILITY AND DELIVERY

PREPARED ON BEHALF OF HALLAM LAND MANAGEMENT LTD

October 2018

FREETHS LLP

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## **1. INTRODUCTION**

- 1.1. This Statement is prepared by Freeths LLP on behalf of our client Hallam Land Management Ltd (“HLM”) and is submitted as evidence as part of the examination into the North Warwickshire Local Plan.. HLM has made detailed representations on a number of policies throughout the Plan preparation and is promoting site H13 at Land to the west of Robey’s Lane, adjacent to Tamworth.
- 1.2. This Statement relates to Matter 8 of the ‘Phase 1 Matters, Issues and Questions’ note prepared by the Inspector and forming the basis of the Examination Hearings.
- 1.3. Evidence in relation to Question 8.1 only is provided. Appendix A is a letter from Tustain Associates, HLM’s viability consultants in relation to site H13, and they may also attend the relevant hearing session.

## **2. QUESTION 8.1 – APPROPRIATE EVIDENCE TO SUPPORT DELIVERY OF THE LOCAL PLAN**

- 2.1. The Adams Integra ‘Review and Update of the Council’s Affordable Housing Viability Assessment, Local Plan Allocations Viability Assessment and CIL Study’ (Document reference: NWBC13) hereon in “the viability assessment” is the key evidence document for the delivery of the Local Plan, in respect of residential development. HLM wish to comment specifically in regards to affordable housing.
- 2.2. Policy LP9 – Affordable Housing Provision sets that 30% of housing provided on site will be affordable except in the case of Greenfield sites where 40% on-site provision will be required. This policy reflects that of the adopted Core Strategy (October 2014), which has the same percentage requirements at Policy NW6.
- 2.3. The viability assessment has carried out an assessment of the six strategic sites proposed for allocation in the Local Plan (H1, H2, H7, H13, H19 and H20) and these are set out with the projected surpluses in paragraphs 3.6.1 to

3.6.4, based on a contribution of 40% affordable housing. However, these surpluses are required to be taken with extreme caution, because as explained in the viability assessment, no allowance is made for further infrastructure in respect of matters such as off-site highways, services or schools and other public facilities.

- 2.4. **Appendix A** of this statement is a letter from Tustain Associates. This acknowledges the difficulty in carrying out a site specific exercise for each site within an Authority wide Local Plan assessment, but nevertheless identifies that the absence of abnormal costs leaves the viability assessment unable to justifiably support the provision of 40% affordable housing on greenfield sites. The delivery of the six strategic sites will inevitably be crucial to overall affordable housing provision for the Plan period and it is submitted that the evidence before the examination is not sufficient to provide confidence that the levels of affordable housing envisaged by the Plan will be delivered.
- 2.5. The viability appraisal does not appear to contain any analysis on past completions of affordable housing to help justify the requirements of Policy LP9. Given that the Core Strategy has been adopted for 4 years, since October 2014, at the same policy level requirement, some evidence of how sites have delivered against this requirement should be presented.
- 2.6. In conclusion it is not considered that there is sufficient evidence to robustly justify that the affordable housing envisaged by Policy LP9 will be delivered.

**APPENDIX A – LETTER FROM TUSTAIN  
ASSOCIATES**

# TUSTAIN Associates Ltd

Mr M Bassett  
Principle Manager  
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5<sup>th</sup> October 2018

Our Ref: PS0564/01

Dear Mr Bassett

## **Re: North Warwickshire Local Plan Examination**

Further to our recent discussions regarding the North Warwickshire Local Plan Examination, I can make the following comments:

- Tustain Associates Ltd has been instructed by Hallam Land Management Ltd to review The Adams Integra 'Review and Update of the Council's Affordable Housing Viability Assessment, Local Plan Allocations Viability Assessment and CIL Study' of September 2018 Ref 182251, in respect of Matter 8 of the Inspector's Matters Issues and Questions Paper in relation to the examination of the North Warwickshire Local Plan. In addition, by way of background we have also been instructed to provide a detailed development viability review in support of their forthcoming application for development of up to 1,540 dwellings on Land to East of the Former Tamworth Golf Course.

The following points relate only to Q8.1 and Q8.5a included within Matter 8 of the Inspector's Matters Issues and Questions Paper Ref INSP5.

- The Adams Integra 'Review and Update of the Council's Affordable Housing Viability Assessment, Local Plan Allocations Viability Assessment and CIL Study' of September 2018 Ref 182251, by its very nature of serving as an area wide study, provides only a high level review of the viability scenarios for the key strategic sites and further notional sites of varying sizes and types.
- The issue arising from such a study is that only very limited consideration is given to the site specific requirements and abnormal constraints. The Adams Integra viability exercise has approached this issue by providing a residual land value exercise based upon standard development costs, the proposed section 106 requirements and area wide researched sales values. This is presented with the exclusion of any infrastructure or abnormal costs with the surplus land value shown over and above that of the proposed threshold land value. This surplus provides an indication of what abnormal costs could be carried out at the policy compliant affordable housing provision and section 106 obligations. If site H13 is used as an example, this produces a surplus of £9.95m, which equates to £7,835 per plot. For strategic greenfield sites an average of £20k+ would generally be expected to cover the off-site highway and access works, the on-site strategic and non-frontage roads, the abnormal drainage costs, abnormal utility reinforcement and diversion works, sports and play facilities, open space landscaping, ecological and archaeological issues, abnormal foundations, retaining structures and ground remodelling

works. The site specific abnormal costs play a significant part in the viability of any scheme. It is appreciated that an area wide viability exercise would not be in a position to determine accurately without the detailed site specific technical information, nevertheless it must be recognised that this is a fundamental element of the viability process and the absence of such information creates significant uncertainty on the delivery of the proportion of affordable housing, The conclusion therefore is that without a detailed site specific information or justified estimates of abnormal costs , insufficient evidence is available to determine if 40% affordable housing could feasibly be delivered on the strategic greenfield sites. Tustain Associates Ltd has reviewed in detail site H13 only but would consider that the same principle would apply to the other subject sites of a similar size and natures.

- In summary without the full detail of the site specific constraints and the likely abnormal cost requirements for any site, the conclusion as to the affordable housing provision could not be guaranteed.

Yours sincerely

**Matthew Tustain BSc (Hons)**

Director

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