

Local Plan and CIL Economic Viability Appraisal (EVA)

Capability



AspinallVerdi has extensive knowledge and experience in planning policy formulation. We bring together a broad range of planning and development services into one fully integrated property regeneration practice. We are RICS Registered Valuers and Chartered Town Planners.

AspinallVerdi has an extensive track record in planning and development consultancy. We inform the strategic investment priorities of the public sector including: Affordable Housing, Community Infrastructure Levy (CIL), Local Development Orders; and Business Improvement Districts. We are a senior level team used to providing evidence for Planning Hearings and Examinations.

We also negotiate site specific EVAs for Planning Authorities and house-builders. We are regular speakers at RTPI conferences on development economics and viability and we are on the Planning Advisory Service (PAS) panel for economic viability.

Local Plan, Affordable Housing and CIL Viability Studies\

AspinallVerdi works at all levels of planning policy. We are active in the formation of national planning policy and at grass roots working at the neighbourhood level. For example -



- *Sandwell CIL Economic Viability Assessment (Sandwell MBC)* - AspinallVerdi and URS were commissioned to prepare a borough wide development viability assessment to be used as evidence to support the introduction of a Community Infrastructure Levy (CIL) Charging Schedule. The key elements of the study were: an assessment of land values to identify significant variances by location / development type; an assessment of CIL rates including sensitivity testing based on values, use and location; and recommended CIL tariffs/rate to achieve an appropriate balance between delivering infrastructure and the impact on development viability. The viability study was completed within a 6 week period with clear recommendations on proposed CIL rates and Zones based on commercial viability of the proposed schemes/uses. The CIL Charging Schedule was scrutinised by the Inspector but unopposed by developers and therefore adopted by the Council without an examination in public.



**WEST OXFORDSHIRE
DISTRICT COUNCIL**

- *Local Plan and CIL Economic Viability Assessment (West Oxfordshire District Council)*- AspinallVerdi was commissioned to prepare an Economic Viability Appraisal of development across the District to be used as evidence to: (i) inform a Preliminary Draft Charging Schedule (PDCS) for CIL (Community Infrastructure Levy); (ii) assess the cumulative impact of the Draft Local Plan (taking into account CIL and other Plan policies (including Affordable Housing)); and (iii) assess the viability of the proposed Strategic Development Areas (SDA's) – namely North Witney, East Witney, East Carterton and RAF Brize Norton (Carterton). We

undertook the following tasks - District wide familiarization town and settlement visits; Desktop review of available market evidence; Review of Plan policies and Development Monitoring data; Stakeholder workshop to consult on appraisal assumptions; Agreed development typologies to be tested; Prepared a bespoke viability financial model; Sensitivity analysis to test changes in values and costs (e.g. CSH) on viability; Appraisal 'sense check' of the SDA's.



- *Local Plan and Affordable Housing Viability (Hambleton DC)* - AspinallVerdi was retained by Hambleton District Council to undertake a Local Plan and affordable housing viability appraisal and CIL review. The authority had already commissioned a CIL viability appraisal by another consultancy and AspinallVerdi was instructed to review this work and test the viability of the revised affordable housing policy. We researched the property market for land in detail and derived detailed threshold land values assumptions in order to reflect a range of relevant typologies. We made detailed recommendations about the affordable housing thresholds for both greenfield and brownfield sites which reflected the different costs and risks.



- *Pendle Local Plan and CIL Viability Study (Pendle BC)*- AspinallVerdi and Colliers International were commissioned to prepare a borough wide development viability assessment to test the viability of emerging Local Plan policy and assess the potential introduction of a Community Infrastructure Levy. The key elements of the study were an assessment of land and property values to identify significant variances by location / development type; an assessment of the viability of emerging planning policies and an assessment of potential viability for a CIL levy. The viability study provided recommendations on the viability of emerging Local Plan policies and CIL levies in a Borough where development viability is generally challenging.
- *Growth Options and CIL Study (Arun District Council)* – We assisted the Council with evidence for their Development Plan which included the assessment of four growth options. This work included detailed market evaluation and the assessment of infrastructure costs. A financial model was developed which assessed the potential of a prospective Community Infrastructure Levy.
- *Coventry, Solihull and Warwickshire Partnership (CSWP)* – We advised on the mechanisms and sources for funding strategic infrastructure in the context of the residential and employment growth projections in the South West Midlands. This included analysis of the likely charges for Community Infrastructure Levy (CIL).



- *Regeneration Momentum (The Northern Way)* – Working with the University of Leeds, AspinallVerdi led the research into the question, ‘does affordable housing planning policy act as an impediment to housing delivery and is there a better way of regulating the market?’. Our report advocated a fundamental re-think of the financial, institutional and planning systems, to improve the possibility of households gaining access to, and being able to retain their position, in housing. In summary, we advocated: (i) more ‘joined up’ thinking at the highest level – for example, house price regulation via the financial system rather than/instead of the planning system; (ii) a greater understanding of ‘mixed communities’ - the on-site S106 affordable housing requirement has often been implemented without sufficient regard for the particular circumstances for urban communities; and (iii) a simplification of the intermediate sector – the intermediate sector is now the ‘mainstream’, as first time buyers particularly are thwarted by the large deposits required by mortgage lenders.

- *Holbeck Urban Village Planning Framework* – We led a multi-disciplinary team including the Council and Yorkshire Forward to develop and adopt the Holbeck Urban Village Revised Planning Framework SPD. We coordinated the research and feasibility work required to set a realistic S106 per sqm ‘tariff’ which could be sustained by developers and tested appraisals as part of the implementation strategy.



- *The Borough of Pendle No 101 (Nelson (West)) Compulsory Purchase Order (Pendle Borough Council)* – Ben Aspinall prepared an economic model in support of compulsory purchase of some 3.3 hectares, comprising 181 parcels of land including 163 dwellings. The evidence in respect of the Economic Assessment considered two options, namely; (1) Redevelopment using clearance powers, or (2) Refurbishment Group Repair Scheme. The Economic Assessment model was prepared using discounted cashflow methodology to calculate the Net Present Value of each option. Ben presented this evidence at the Inquiry.

- *Chapel Street, Rugby (Rugby Borough Council)* – Parm Dosanjh provided expert advice to the CPO Inquiry in relation to the proposed acquisition of third party land required to enable a major retail development, anchored by a 90,000 sqft food superstore and 40,000 sqft of additional comparison retail to be brought forward. Parm advised on the CPO Statement of Reasons and Case as well as drafting proof of evidence focused on viability issues.

Private Sector Representations\



AspinallVerdi also acts for private sector developers to critique Councils Economic Viability evidence. Examples include -

- *PDCS Representations (Wm Morrisons PLC)* - AspinallVerdi is retained by Morrisons supermarkets to make representations to PDCS's nationally. This involves reviewing the Economic Viability Study and PDCS and critiquing the same. This has given us unprecedented insight to best practice amongst Authorities nationally who are bringing forward CIL. This also gives us specific insight into scheme economics for supermarkets, which are often sensitive in terms of viability and CIL rate setting.

- *Stratford upon Avon Core Strategy Examination in Public (McCarthy and Stone)* - AspinallVerdi was retained by McCarthy and Stone to provide specialist economic viability appraisal advice and representations in respect of the affordable housing and CIL (community infrastructure levy) for Extra-Care Housing. We provided detailed evidence based analysis in respect of the viability of ECH schemes including detailed evidence on room sizes, sales area to gross area ratios, and site density. Ben Aspinall appeared at the Examination in Public to present the evidence to the Inspector.
- *Commercial Estates Group - Harrogate Sites and Policies Examination (CEG)* - AspinallVerdi was retained by Commercial Estates Group to provide a hearing statement for the Harrogate Borough Council Sites and Policies DPD examination – Matter 4: Homes for local people. The evidence centered on the viability of the Council's affordable housing policy. We undertook a forensic review of the Council's viability evidence and demonstrated the inconsistencies between the Council's plan policy requirements and the evidence base provided by the Council's consultants. Shortly after submitting our evidence the Inspector raised fundamental concerns about the Plan. Given the amount of work that would be required in order to address these concerns, the Inspector invited the Council to consider withdrawing the Sites and Policies DPD from the examination which it did.

Best Practice\



AspinallVerdi are regular speakers at RTPI conferences on Infrastructure, Development Economics and Delivery.

Topics include - the principles of macro land economics in the context of land supply, economic rent and taxation; the different micro-economic effects of S106 for both greenfield and brownfield land; the lessons from the Barker Review, Planning Gain Supplement (PGS) and historical betterment taxes; key variables in a development appraisal; the role of the developer in managing the whole process; the risks and cashflow and various measures of development profit; the role of public sector investment in projects; mechanisms for improving the performance of planning in terms of phased S106s, viability reviews and longer consents; quality of development and the built environment.

We are on the PAS panel for economic viability and also the HCA multi-disciplinary panel providing delivery and viability advice.

Some of these themes are discussed on our blog –

<https://aspinalloverdi.wordpress.com/category/cil/>
<https://aspinalloverdi.wordpress.com/category/housing/>

Strategic Sites\



We have worked on EVA's for numerous strategic sites and urban extensions including: 2,500 units at Ashton Green Sustainable Urban Extension (Leicester City Council); 1,950 units at Handforth East Strategic Development Site (Cheshire East Engine of the North); 1,350 units at Claro Barracks, Ripon (Harrogate BC); 2,100 units on four Strategic Development Areas in West Oxfordshire; 650 units at Middle Deepdale (Scarborough BC). We are working on the North Northamptonshire Garden Villages Delivery Plan which comprises six Sustainable Urban Extensions at Corby, Kettering, Rushden and Wellingborough.

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