



EVERYTHING MATTERS

***PLANNING INTERCHANGE  
DEVELOPMENT  
ECONOMICS WORKSHOP***

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*Friday, 28 October 2011*

*"In a climate of fewer resources there is a need to work collaboratively to maximise impact"*

(Scottish Government Research Paper (GVA Grimley December 2010))

# ***Development viability – a relevant material planning consideration***



*"Scheme viability is a material consideration in the determination of planning applications as it is inherently linked to "delivery""*

(RICS draft guidance note – "Financial Viability in Planning")

*"It is important that all parties in the development process understand the fundamental aspects of development."*

("A Guide to Development Viability" GVA August 2009)

*"What could be significant was not the financial or lack of financial viability of a particular project but the consequences of that financial viability or lack of financial viability"*

(Sosmo Trust Ltd v Secretary of State for the Environment and London Borough of Camden [1983] JPL 806)

# ***Lack of viability as a ground of refusal***



## **Planning Authority must demonstrate:**

- Lack of viability and
- Adverse planning consequence

- Assessing viability/deliverability of land use allocations
- Assessing the viability/deliverability of individual projects

- Strategic environmental assessment
- Action programmes
- Housing needs and demand assessments
- Housing land audit
- Supplementary guidance

*"Responsible Authorities (ie plan, programme or policy makers) are required to prepare a report on the likely significant environmental effects of their public plans programmes or strategies and its reasonable alternatives."*

*"A benefit of the SEA process is that it facilitates the consideration of cumulative effects and provides a means to prevent, reduce and, as fully as possible, offset any adverse environmental effect"*

(SEA Toolkit – Scottish Executive (September 2006))

**Action programmes** set out how the authority proposes to implement the plan

They must set out:

- a list of actions required to deliver each of the plans policies and proposals
- the name of the person who is to carry out the action, and
- the time-scale for carrying out the action

(Regulations 25 and 26 TCP Development Planning (Scotland) Regulations 2008)

- Housing need and demand assessment provides the evidence base for defining housing supply targets in local housing strategies and allocating land for housing in development plans. The Scottish Government's Housing Need and Demand Assessment Guidance sets out the framework that local authorities should follow to develop a good understanding of how local housing markets operate and promotes an integrated approach to assessments by local authority housing and planning services... **Where the housing need and demand assessment is considered robust and credible by the Scottish Government, the approach used will not normally be considered at a development plan examination**

(Para 67 Scottish Planning Policy)

- Ownership
  - Physical
  - Contamination
  - Deficit funding
  - Marketability
  - Infrastructure
  - Land use
- (PAN 2/2010; Housing Land Audit)

- "When drafting development plans and associated guidance planning authorities should work with infrastructure providers, other local authority departments and consultees to **undertake a robust assessment** of infrastructure requirements, the funding implications and the timescales involved."

(Circular 1/2010: Planning Agreements)

# ***Community infrastructure levy guidance (March 2010)***



- "When a charging authority submits its draft charging schedule to the CIL examination, it must provide evidence on economic viability and infrastructure planning (as background documentation for the CIL examination)."

# ***Development management and viability issues***



- "It is essential that planning authorities understand the implications of a planning agreements on the viability of a development"
- "Cashflow can be affected where sums of money have to be paid before a development proceeds or at an early stage in construction"

(Circular 1/2010 Planning Agreements)

- Section 75A – right to apply for a modification or discharge
- Section 75B – right to appeal refusal or non determination
- "There is no scope for a reporter to modify an obligation other than as proposed by the appellant"
- "There is no provision for a planning authority to extend the period of two months by agreement"

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- Site viability – main issues
  - Education contributions
  - Affordable housing

## The importance of the **Pupil Product Ratio**

- 0.27 PS pupils per new housing unit
- 0.42 PS pupils per new housing unit
- Maximum capacity of 1FE PS = 214
- Planned capacity of 1 FE PS =  $214 \times 85\% = 182$
- $0.28 \times 4000$  units = 1120 PS pupils or 5 new FE PSs
- $0.42 \times 4000$  units = 1680 PS pupils or 7.6 new FE PSs

- Land supply v HAG
- Off-Site cumulative impact v Need for affordable housing
- Cascade approach
- Serviced land v Built units

## The Equivalent Value Principle

- "Where it is agreed that an alternative to a contribution of land within the proposed development site is acceptable, the developer will provide either land or homes or a commuted sum of a value equivalent to the cost of providing the percentage of serviced land required by the policy"

(Para 22 PAN 2/2010)