

Second Addendum

West Northamptonshire - Main
Modifications Viability Addendum Report

West Northamptonshire Council



June 2022

1 Introduction

- 1.1 We have been instructed by West Northamptonshire Council (the Council) to produce a short report to identify the impact that the Proposed Schedule of Main Modifications dated May 2022 located in Appendix 1.
- 1.2 We previously reviewed the draft 'main modifications' for the draft Local Plan, dated 9th March 2022 within a 'First' Addendum report dated March 2022. This Second Addendum updates the first with the latest set of modifications.
- 1.3 This report is to be read in conjunction with our whole plan viability report which is titled: Whole Plan Viability Study, issued June 2020, referred to herein as the 'WPV Report'. Throughout this report we will refer back to the WPV Report, which contains many of our appraisal inputs and assumptions. This report was prepared after the WPV Report. We have not been instructed to revise any inputs and assumptions, only respond to the impact of the main modifications and highlight where these impact the viability of the Plan.

2 Methodology

- 2.1 The Council has provided us with a schedule of main modifications. Each modification has been given a reference. We read each modification in the context of the draft Local Plan and identify those which will have a direct impact on viability. For those that have an impact, we have provided narrative in this report explaining how and to what extent viability is impacted.

3 Main Modifications

- 3.1 In this section we outline the main modifications that will bear a direct impact on viability.
- 3.2 A description of the main modification and our narrative response is in outlined in Table 3.1.

Table 3.1 Main Modifications Viability Impact

Reference	Modification summary (change in policy requirement)	AspinallVerdi Comment
MM3	<p>All development should be well designed and of high quality, meeting urban design principles outlined in the Design Companion for Planning and Placemaking, and <u>Active Design</u>, the National Design Guide and the <u>National Model Design Code</u>.</p> <p>The Council also <i>believes</i> [our emphasis] that meeting Building for a Healthy Life criteria helps achieve urban design principles.</p> <p><u>Ensure that new streets are tree lined unless, in specific cases, there are clear, justifiable and compelling reasons why this would be inappropriate.</u></p> <p>C. For proposals for major development, a Building for a Healthy Life assessment, (or an assessment against equivalent criteria,) should be included in the Design and Access Statement to demonstrate that the proposal is capable of achieving a Building for a Healthy Life commendation, or an equivalent standard.</p>	<p>The National Model Design Code places greater emphasis on design. Good design leads add value to places and property assets and therefore there should be no direct impact on viability.</p> <p>The Building for a Healthy Life assessment would be included in the professional fee budget within the appraisals. The policy intends for this to be included within design and access statements.</p> <p>There is an additional cost of street trees, but we consider that these can be included within the external works allowance in our appraisals. The presence of street trees also add value to the place-making and asset values.</p> <p>This provides flexibility for developers to design to the appropriate standard.</p>
MM5	<p>Development may require Embodied Carbon in Construction calculations.</p>	<p>The requirement for Embodied Carbon in Construction calculations would be included in our professional fees. This is included in design and access statements.</p>

Reference	Modification summary (change in policy requirement)	AspinallVerdi Comment
MM6	<p>The design of new developments can have an impact on the community's health and wellbeing, through the shaping of the local environment and influencing the lives of the existing and future residents. It is therefore important to ensure that major development proposals include assessments on the impacts of the schemes on the health and wellbeing of the community. One way in which this can be achieved is through a health impact assessment on major development proposals. The applicant should demonstrate how the scheme promotes the provisions outlined below, and how these would benefit existing and future residents in terms of the impacts on their health and wellbeing.</p> <p>In order that Health Impact Assessments are proportionate to the scale of a scheme, and hence its potential impacts with its partners, the Council has developed a Rapid Health Impact Assessment tool for assessing the likely health impacts of development proposals of up to 100 dwellings. ... Applicants for developments over 100 dwellings will need to complete a full Health Impact Assessment.</p>	<p>The requirement for developers to produce a Health Impact Assessment using the Building for a Healthy Life (BfHL) tool would be included in the professional fee budget within the appraisals.</p>
MM7	<p>A requirement for proposals to demonstrate that flood risks are manageable and not increased elsewhere.</p>	<p>Any abnormal costs regarding flood risk should be accounted for within the Benchmark Land Value, as per our WPV Report.</p>
MM14	<p>On sites of more than 100 dwellings, 3% of plots to be provided as serviced plots for self and custom build.</p> <p>Specialist and Accessible Housing requirements to include:</p>	<p>The requirement to deliver 3% custom self build units does not impact development viability. The Council have identified a need for this product. Developers will be able to deliver serviced plots and sell these at a value that is reflective of the costs and profit allowances required. Therefore, this policy requirement does not have an impact on development viability.</p> <p>In our WPV Report we tested the following housing accessibility standards:</p>

Reference	Modification summary (change in policy requirement)	AspinallVerdi Comment
	<ul style="list-style-type: none"> 4% of all new market dwellings should be constructed to Building Regulations M4(3) (2) (a) and 8% of affordable dwellings, where the Council is responsible for allocating or nominating occupants, should be constructed to Building Regulations Part M4 (3) (2) (b) standards, or their successor, to enable wheelchair adaptability and accessibility. <p>Applicants will need to provide evidence when site constraints prohibit the ability to deliver the required amount of specialist housing. Constraints include sites that are vulnerable to flooding, site topography, instances where the provision of a lift to dwelling entrances is unachievable, and other circumstances which may make a site less suitable for M4(2) and/or M4(3) housing, and <i>where viability considerations would not allow for this provision</i> [our emphasis].</p>	<ul style="list-style-type: none"> 4% of market dwellings to M4(3) (2) (a) standards, and 8% of affordable dwellings to M4(3) (2) (a) standards. <p>The modification increases the policy requirement on affordable units, shifting from the M4(3) (2) (a) standard that we initially tested, to M4(3) (2) (b) standards. There is a greater cost to achieve M4(3) (2) (b) on the affordable units. The additional cost is approximately £300 per unit (for apartment units), but the policy is 'subject to viability considerations'. The cost is greater for houses and the proportion of Part M4 (3) (2) (b) units may need to be reduced to compensate (subject to viability testing at a site-specific basis).</p>
MM28	<p>A requirement for all development proposals to provide a net gain in biodiversity.</p> <p>Development that does not achieve biodiversity net gain, and fragments habitats and links will be refused.</p>	<p>The Environment Bill sets out the legal requirement for at least 10% biodiversity net gain delivery. At the time of our WPV Report, this was not legislated for and we did not cost this requirement.</p> <p>Cost evidence for BNG is outlined below: Greenfield sites: £1,011 per unit Brownfield sites: £287 per unit</p>
MM31	<p>Deletes reference to 'provide electric vehicle charging points in accordance with the standards set out in Appendix I' because this is now covered by the Building Regulations.</p>	<p>At the time of our WPV Report, we did not cost this requirement.</p> <p>Cost evidence for EV charging points is outlined below: Housing: £1,000 per unit Flats: £10,000 per unit</p>

Source: AspinallVerdi, 2021

3.3 The sum total of the additional policy costs that we have identified as a result of the main modifications is:

- M4(3) (2) (b), 8% of affordable housing £300 per unit (for flats)
- Full 10% Biodiversity Net Gain: £1,011 per unit (greenfield)
£287 per unit (brownfield)
- Electric Vehicle Charge Points £1,000 per unit (housing)
£10,000 per unit (flats)

4 Conclusion

- 4.1 Based on the above evidence, we have reviewed the main modifications that we believe have a direct impact on development viability. The modifications result in additional costs which had not previously been included within our development appraisals.
- 4.2 In our WPV Report, thirteen of the generic residential development typologies generated a positive surplus of between £4,314 - £18,742 per unit. There were four generic residential development typologies that were unviable, all brownfield sites and three of which were purely flatted development.
- 4.3 Given the additional policy costs identified in Chapter 4, it is our opinion that these are within with viability surpluses that were identified in our WPV Report. There remain some unviable typologies scenarios, however the bulk of development is still viable when the main modifications are taken into account.
- 4.4 We trust that this short report is in a format suitable for the Council. Should you have any questions or queries, please do not hesitate to contact Ben Aspinall MRICS MRTPI, Managing Director.

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