

Report for Somerset Council and West of England Developments Ltd

# Independent Financial Viability Assessment

Somerset Council and West of England Developments Ltd - Planning Reference 43/23/0056- amended description; *“Outline application with all matters reserved, except for access, for a mixed-use development of up to 200 No. dwellings, employment land (Use Classes E & F), an internal spine road to facilitate a rail halt/station, public open space, drainage & associated infrastructure on land north of Taunton Road, Longforth Park, Wellington (DEPARTURE FROM LOCAL PLAN)”*

**Status; Final Report**

Prepared by Andrew Chamen of Belvedere Vantage Ltd

April 2024

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19/04/2024 (SF) BVL IFVA-planning reference 43/23/0056; amended description; *“Outline application with all matters reserved, except for access, for a mixed-use development of up to 200 No. dwellings, employment land (Use Classes E & F), an internal spine road to facilitate a rail halt/station, public open space, drainage & associated infrastructure on land north of Taunton Road, Longforth Park, Wellington (DEPARTURE FROM LOCAL PLAN)”.*

# Executive Summary

- i. Belvedere Vantage Ltd ('BVL') is an experienced firm of Chartered Surveyors that provides specialist independent advice relating to development viability and affordable housing. BVL advises a range of public and private sector clients, including local authorities, developers, landowners, and others.
- ii. BVL has been jointly commissioned by Somerset Council ('the Council') and West of England Developments Ltd ('the Applicant' or 'WOED') to prepare an Independent Financial Viability Assessment ('IFVA') to provide an independent and objective opinion of development viability, to inform an outline planning application ('The Outline Application') reference 43/23/0056 relating to the above site ('the Application Site') which was received by the Council on 24/05/2023, and registered on 16/06/2023.
- iii. The application description at the time of submission<sup>1</sup> was as follows; *"Outline application with all matters reserved, except for access, for a mixed-use development of up to 220 No. dwellings, employment land (Use Class E & B8) a car park and internal spine road to facilitate a rail halt/station, public open space, drainage & associated infrastructure on land north of Taunton Road, Longforth Park, Wellington"*.
- iv. The application consultation process produced an extensive list of target s.106 Obligations. Amongst other things, these target s.106 Obligations include 25% affordable housing, health and education contributions, active travel, and highway improvements, plus land to facilitate a new railway Halt that is proposed for Wellington. In essence, it appears that the Council and the Statutory Consultees are looking for the development to address a wide range of issues. However, this extensive 'wish list' of target s.106 Obligations would, in the view of the Applicant, render the development unviable.
- v. Accordingly, the Council and the Applicant agreed to jointly commission BVL to undertake an independent and detailed assessment of viability, in order to establish the level of s.106 Obligations that the proposed development is able to support whilst remaining viable, and so that the Council can also make informed decisions as to the *balance* of the various obligations to be included within the development.
- vi. Following a number of ongoing changes to the development proposals and target

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<sup>1</sup> The application description was subsequently amended – see below for details.

19/04/2024 (SF) BVL IFVA-planning reference 43/23/0056; amended description; *"Outline application with all matters reserved, except for access, for a mixed-use development of up to 200 No. dwellings, employment land (Use Classes E & F), an internal spine road to facilitate a rail halt/station, public open space, drainage & associated infrastructure on land north of Taunton Road, Longforth Park, Wellington (DEPARTURE FROM LOCAL PLAN)"*.

s.106 Obligations during the course of the viability work being undertaken<sup>2</sup>, the application was resubmitted in early March 2024, with the following amended description; *“Outline application with all matters reserved, except for access, for a mixed use development of up to 200 No. dwellings, employment land (Use Classes E & F), an internal spine road to facilitate a rail halt/station, public open space, drainage & associated infrastructure on land north of Taunton Road, Longforth Park, Wellington (DEPARTURE FROM LOCAL PLAN)”*

- vii. From a viability perspective, the main amended land areas, (as per the resubmission of the Outline Application recorded on the Planning Portal as being on 7 March 2024) are as follows (based on FOD Dwg No -0740-V4-1006-1 Land Areas Plan – Feb 24 (Rev 0) and FOD Dwg No 0740-V4-1009 GA Employment and Residential NDA – Rev C. 2024-01-24 (updated to suit latest Illustrative Masterplan Plan Rev F).
  - i. The Residential net developable area remains at 4.778Ha (11.806 acres). However, the maximum number of dwellings has now reduced to ‘up to 200’ (previously<sup>3</sup> this was ‘up to 220’).
  - ii. The employment land element is now 0.828Ha (2.046 acres). This was previously<sup>4</sup> 0.96Ha (2.36 acres). The new coverage is envisaged to be; “general employment buildings (gf only) total gross internal areas 2,645.4m<sup>2</sup> (28,475 ft<sup>2</sup>). Note – under the new application description, the proposed employment uses have been amended from E and B8 to E and F.
  - iii. The ‘Mixed Use’ element of the proposals (previously comprising 0.71 Ha, or 1.76 acres - which was not present on the amended plans of 26 January 2024) also does not appear on the March 2024 plans.
  - iv. Additional item - Station square 0.127Ha (0.315 acres).
  - v. Additional item - Mobility hub with a net developable area of 0.012Ha (0.029 acres).
- viii. As the areas noted immediately above are the latest provided (as of 7 March 2024), these form the basis for the viability modelling that informs the IFVA.
- ix. Taking account of the documentation supporting the outline application, and the parameters set out above (i.e. land use/amount, density, building heights and the

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<sup>2</sup> Between late November 2023 and March 2024.

<sup>3</sup> As of 26 January amendments.

<sup>4</sup> As of 26 January amendments.

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affordable housing mix being sought) and also following discussions with FOD, an indicative housing mix for a maximum of 200 dwellings has been applied in the viability modelling.

- x. The Council's Affordable Housing Consultee Response of June 2023 provided a target mix that has been included in the viability modelling. note; there are no flats within the requested affordable mix, which means that any flats will be included within the open market element);
- xi. The IFVA modelling was initially undertaken based on the average of the sales estimates provided by estate agents GTH, Robert Cooney and Bradleys. However, taking an optimistic approach to the financial modelling in order to flex the parameters of the viability modelling as far as possible, the highest of the three agents' figures have now been applied.
- xii. Affordable housing sales are based on advice from Affordable Housing Experts CJH Land who advise that likely achievable sales premiums for the Council's target mix of 60% Social Rent and 40% Shared Ownership, are likely to attract a blended sales rate of up to £150 per ft<sup>2</sup>, with a 'safe' assumption of around £145 per ft<sup>2</sup>.
- xiii. Employment land - BVL approached commercial local commercial agents Chesters Harcourt, Hatfield White and GTH for comment. In summary because Class F generally comprises community type uses (which do not attract very much value) the value of serviced employment land in this location will essentially depend on the range of Use Class E uses that are allowed. If, for example, retail-type<sup>5</sup> uses (or self-storage uses) were allowed, then serviced employment land in this location could potentially sell for up to £500k per acre. However, without these higher value uses, the serviced per-acre sale rate would reduce to between £200k and £300k per acre. However, taking an optimistic approach to the modelling, BVL has applied the maximum per acre rate of £500k x 2.046 acres = £1,023,000 within the viability modelling.
- xiv. Construction cost advice to inform the IFVA was provided by Chartered Quantity Surveyors, TCL, via an Infrastructure Cost Plan and a Standard Build Cost Plan.
- xv. BVL has produced a wide-ranging 'Schedule of Target s.106 Contributions and Other Costs' which has been continually updated over the last few months. This is intended to act as a single, comprehensive, easily updatable schedule of all target obligations/contributions/standards etc.

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<sup>5</sup> For example, a supermarket (unlikely with Lidl close by), Home Bargains, B&M, Screwfix etc.

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- xvi. Land value - In BVL's view, the Existing Use Value ('EUV') for viability modelling purposes is likely to be in the order of (say) £8,500 per acre per acre x 27.35 acres = £232,475. Agricultural land is acknowledged to have a low 'starting point' EUV, and therefore it is difficult to express a suitable landowner premium as a percentage of EUV. Rather, with agricultural land, the approach frequently taken (in respect of sites with varying degrees of abnormal development costs) is to express the premium based on a multiplier in the range of 10 to 20 over base agricultural land value. If, in this instance, a landowner premium of (say) 12 times over EUV is assumed, this would result in a notional benchmark land value of £232,475 x 12 = £2,789,700 equating to £102,000 per acre.
- xvii. However, in considering the appropriate landowner premium, it should be acknowledged that the gross developable area of the site (representing the residential & employment uses) is 12.53 acres + 2.36 acres = 14.89 acres, which represents around 54.62% of the total Application boundary area. This is because the 'other land', including green & blue infrastructure (6.48 acres), strategic green & blue infrastructure (4.49 acres) and other infrastructure (1.4 acres) total 12.37 acres, representing around 45.38% of the total Application boundary area.
- xviii. If the VBLV was to be based solely on the gross developable area, this would equate to around 14.89 acres x £102k per acre = £1,518,780. However, a reduced premium should also be applied to the remaining 'other areas.' Taking this into account, and to test the parameters of the current modelling, BVL has applied an indicative VBLV of £2m within the appraisals.
- xix. The outcomes of the scenarios modelled are as follows;
- xx. Appraisal Scenario 1 is based on a Target 'Fully Policy Compliant' scenario (i.e. full s.106 Obligations, 25% affordable housing<sup>6</sup>, full target s.106 Contributions, and full community infrastructure provision. The outcome of the initial Scenario 1 appraisal of 25 March<sup>7</sup> was a loss of £12.56m. Following an engagement process with Council Officers, amended appraisal assumptions were applied (including reduced cost assumptions) which were reflected in updated Scenario 1a. The outcome of the Scenario 1a updated appraisal was a slightly less severe loss of £10.03m.
- xxi. Scenarios 1 and 1a demonstrate that the target 'full policy compliant' package of community infrastructure and s.106 Contributions being sought is neither viable,

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<sup>6</sup> The published consultation response requesting for 55 affordable dwellings actually represents 27.5% of the reduced residential total of 200 dwellings. This was amended pro-rata in Scenario 1a.

<sup>7</sup> As submitted with the Draft IFVA of 25 March.

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or deliverable. As noted above, this outcome highlights the inherent viability constraints associated with the approved development, and it demonstrates that that<sup>8</sup>, based on market-based, objective, viability modelling criteria, a reduction in affordable housing and s.106 Contributions will be required, on viability grounds, in order to ensure that the proposed development is deliverable.

- xxii. Appraisal Scenarios 2 and 2a are based on nil Affordable Housing, full Social Infrastructure and full s.106 Contributions. These apply identical appraisal parameters to those in Scenario 1, except that a maximum average open market sales rate of £310 per ft<sup>2</sup> is applied to all 200 dwellings (i.e. including affordable housing units). Scenario 2<sup>9</sup> produces a reduced deficit of £3.25m, and updated Scenario 2a<sup>10</sup> a forecast break-even profit of £93k (0.15% of GDV). Although these are an improvement on Scenario 1, they indicate that the removal of the target affordable housing element would not (in itself) be sufficient to return the Proposed Development to deliverability.
- xxiii. Appraisal Scenarios 3 and 3a are based on nil Affordable Housing, full Social Infrastructure, full s.106 Contributions. These apply identical appraisal parameters to those in Scenario 2, except that an assumption is made that the education contributions are reduced to nil. Scenario 3 produces a marginal developer return of £491k (0.82% of GDV) and Scenario 3a produces an improved forecast developer profit of £3.48m (5.95% of GDV). Although these outcomes are a further improvement on Scenario 2, they indicate that even the removal of the target affordable housing element (25%) and all education contributions and would not be sufficient to return the Proposed Development to normally accepted development viability parameters.
- xxiv. Scenarios 1a to 3a demonstrate that, from an objective viability perspective, the removal of affordable housing and all s.106 Contributions would be justified, in order to restore the scheme to viability.
- xxv. The Scenario 4 appraisal follows the engagement process with Council officers, and takes account of various reduced cost assumptions etc. Scenario 4 is presented in an attempt to provide a scenario that could be deliverable in the particular context of WOED and the Proposed Development. Accordingly, it is hoped that Scenario 4 that will form a basis for s.106 heads of terms in this case.

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<sup>8</sup> Unsurprisingly perhaps, given the level of community infrastructure and target s.106 Obligations being applied to the reduced development proposals.

<sup>9</sup> As submitted with the BVL Draft IFVA of 25 March.

<sup>10</sup> Which again includes amended appraisal assumptions agreed with Council Officers.

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- xxvi. Scenario 4 is essentially based on nil affordable housing and a reduced education contribution of £537k, alongside other s.106 Contributions. The total s.106 'package' included in the Scenario 4 appraisal is £1,820,320.
- xxvii. Scenario 4 produces a sub-optimal forecast developer return of 2.7m (4.58% of GDV). Given this marginal profit forecast and the 'inflated'<sup>11</sup> nature of the sales revenue assumptions, this appraisal does not even come close to normally accepted viability parameters. However, for the reasons discussed with officers during the engagement process, WOED has confirmed that it would be willing to proceed on this basis.

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<sup>11</sup> See below for details.

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# 1. Introduction and Background

## INTRODUCTION

- 1.1. Belvedere Vantage Ltd ('BVL') is an experienced firm of Chartered Surveyors that provides specialist independent advice relating to development viability and affordable housing. BVL advises a range of public and private sector clients, including local authorities, developers, landowners, and others.
- 1.2. BVL has been jointly commissioned by Somerset Council ('the Council') and West of England Developments Ltd ('the Applicant' or 'WOED') to prepare an Independent Financial Viability Assessment ('IFVA') to provide an independent and objective opinion of development viability, to inform an outline planning application ('The Outline Application') reference 43/23/0056 relating to the above site ('the Application Site') which was received by the Council on 24/05/2023, and registered on 16/06/2023.
- 1.3. The application description at the time of submission<sup>12</sup> was as follows; *"Outline application with all matters reserved, except for access, for a mixed-use development of up to 220 No. dwellings, employment land (Use Class E & B8) a car park and internal spine road to facilitate a rail halt/station, public open space, drainage & associated infrastructure on land north of Taunton Road, Longforth Park, Wellington"*.
- 1.4. The application consultation process produced an extensive list of target s.106 Obligations. Amongst other things, these target s.106 Obligations include 25% affordable housing, health and education contributions, active travel, and highway improvements, plus land to facilitate a new railway Halt that is proposed for Wellington. In essence, it appears that the Council and the Statutory Consultees are looking for the development to address a wide range of issues. However, this extensive 'wish list' of target s.106 Obligations would, in the view of the Applicant, render the development unviable.
- 1.5. Accordingly, the Council and the Applicant agreed to jointly commission BVL to undertake an independent and detailed assessment of viability, in order to establish the level of s.106 Obligations that the proposed development is able to support whilst remaining viable, and so that the Council can also make informed decisions as to the *balance* of the various obligations to be included within the development.
- 1.6. Following a number of ongoing changes to the development proposals and target

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<sup>12</sup> The application description was subsequently amended – see below for details.

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s.106 Obligations during the course of the viability work being undertaken<sup>13</sup>, the application was resubmitted in early March 2024, with the following amended description; *“Outline application with all matters reserved, except for access, for a mixed use development of up to 200 No. dwellings, employment land (Use Classes E & F), an internal spine road to facilitate a rail halt/station, public open space, drainage & associated infrastructure on land north of Taunton Road, Longforth Park, Wellington (DEPARTURE FROM LOCAL PLAN)”*

1.7. The various changes to the development proposals and to the target s.106 Obligations are considered in more detail below. However, the key changes from a viability point of view are;

1.7.1. A reduction in the maximum number of residential dwellings from 220 to 200.

1.7.2. A reduction in the area of employment land that is proposed, from 2.36 acres to 2.046 acres.

1.7.3. The deletion of a mixed-use element of the Proposed Development which removed some 2,285.1 m<sup>2</sup> (24,596 ft<sup>2</sup>) of ground floor employment space from the proposed development

1.7.4. A continued increase in community infrastructure requirements<sup>14</sup> and also in the target s.106 contributions that are being sought by the Council and other statutory consultees.

1.8. In essence, the various changes noted above have inevitably led to a gradual worsening of the viability position over the last few months. This is considered in more detail below.

1.9. As further set out in Section 2 below, in terms of qualifications and experience to undertake the IFVA; Andrew Chamen ('AC') of BVL is a Chartered Surveyor with more than 35 years post qualification experience. AC specialises in providing independent viability advice for planning purposes, and acts for a range of parties including local planning authorities, developers, landowners, land promoters, and volume house builders. AC therefore able to demonstrate independence and objectivity, whereas many firms that undertake a wider range of work (including providing advice on land purchases and sales) can find more difficulty in demonstrating this independence and objectivity from a viability perspective. (For further information on this point, please also see Section 2 below).

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<sup>13</sup> Between late November 2023 and March 2024.

<sup>14</sup> i.e. up-front provision of a spine road through the development to access a new railway Halt, land for the station car park and a station square and mobility hub etc.

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1.10. In line with Government and RICS Guidance, the IFVA is also informed by expert advice from Jonathan White ('JW') of Chartered Quantity Surveyors and construction cost consultants Terrus Consulting Ltd ('TCL'). JW is a very experienced Chartered Quantity Surveyor that advises a wide range of parties in relation to construction and development costs. JW was commissioned to provide detailed construction cost advice relating to approved development. This consisted of two key reports;

1.10.1. An Infrastructure cost plan and report

1.10.2. A standard build cost plan and report.

1.11. As noted in detail in Section 4 below, TCL's baseline infrastructure budget was updated during a liaison process with Council officers, following their review of the Draft IFVA of 25 March. The detail of the updates is set out below;

1.11.1. Baseline – Infrastructure Cost Plan 1 - the original cost plan dated 20 March, that informed BVL's Draft IFVA of 25 March. This baseline cost plan assumes a target Full policy compliance ('FPC') position of 25% affordable housing.

1.11.2. Updated version – Infrastructure Cost Plan 2 dated 30 March – reflecting cost adjustments made following comments/observations made by Council officers during a meeting on 27 March 2024, and in subsequent emails. This updated Cost Plan 2 also assumes a target Full policy compliance ('FPC') position of 25% affordable housing.

1.11.3. Further updated – Infrastructure Cost Plan 3 – dated 3 April – as per Infrastructure Cost Plan 2, but assuming cost savings associated with nil affordable housing.

1.12. The detail of these three Infrastructure Cost Plans is set out at paragraph 4.2 of the TCL Infrastructure Cost Plan<sup>15</sup>, and also included in a letter from TCL dated 9 April 2024, which was issued to Council officers to confirm the cost adjustments that had been made in response to the liaison process following the issue of the Draft IFVA on 25 March<sup>16</sup>.

1.13. The main role of the IFVA is to consider viability objectively, and in line with Government Guidance and RICS requirements. As noted in more detail below, BVL

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<sup>15</sup> See Section 4 below for details.

<sup>16</sup> Again, see Section 4 below for details.

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is required to undertake the IFVA in line with the viability requirements of the National Planning Policy Framework ("NPPF") and Planning Policy Guidance ('PPG') Viability, which are prescriptive as to how development viability (in the context of planning applications) must be approached and presented. These focus primarily on viability being a tool to ensure delivery of development rather than to preserve developer profits. The IFVA will also look to identify the minimum level of reductions to target s.106 Obligations that are necessary to ensure that the development is viable and deliverable.

1.14. BVL is also required to undertake the IFVA in accordance with the requirements of the Royal Institution of Chartered Surveyors ('RICS') Professional Statement entitled 'Financial Viability in Planning: Conduct and Reporting 1st Edition', (PSFVP) which came into force from 1 September 2019. This sets out prescriptive mandatory requirements for RICS members and RICS-regulated firms when preparing financial viability assessments (FVAs). The IFVA will also need to comply with the RICS Guidance document entitled 'Assessing Viability in Planning Under the National Planning Policy Framework 2019 for England RICS Guidance note, England 1st edition', which was issued by RICS in March 2021, effective from 1 July 2021.

1.15. As per BVL's joint viability instruction from the Council and the Applicant for Land West of Derham Close, Creech St Michael, Somerset (outline planning permission 14/21/0024 and reserved matters application reference 14/23/0017) BVL presented its draft IFVA report to the planning case officer for review and discussion and also to the Council's Housing Enabling Team, who provided the 'sense check' that the data contained within the report concurs with their local knowledge. This engagement took place via several Microsoft Teams meetings with additional points, clarifications and queries being raised in a number of subsequent emails. Further information on this IFVA review and engagement process is included throughout the IFVA report, as relevant. Amendments made to the financial modelling following this engagement process are also detailed in Section 5 below.

1.16. Generally, the approach taken by BVL to 'pin down' development costs for the purposes of the IFVA is to separate costs into 3 main areas;

1.16.1. Construction related costs (including all infrastructure and standard build costs) – included in TCL's cost plans.

1.16.2. Target s.106 Obligations/financial contributions and other costs – these are included in a 'Schedule of Target s.106 Contributions and Other Costs' which was produced by BVL to track the various changes to the target contributions that were requested/discussed during meetings between the Council and WOED

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over the last few months (along with new contributions that have arisen during that period). The idea of BVL's schedule is to provide detailed background to the contributions that are being requested, whilst also acting as a 'live' record of the very latest s.106 obligations being sought in relation to the Outline Application.

1.16.3. Other Costs – land, and other costs and allowances – included in the IFVA generally.

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## 2. IFVA Status and Compliance

2.1. This section sets out the status of the IFVA, and the RICS regulatory requirements that have been taken into account when preparing the IFVA.

### **RICS VIABILITY GUIDANCE AND REPORTING REQUIREMENTS**

2.2. As required by the Royal Institution of Chartered Surveyors ('RICS') the IFVA complies with the principles of the RICS Professional Statement Financial Viability in Planning: Conduct and Reporting 1st edition, May 2019, ('PSFVP') active from 1 September 2019.

2.3. As required by the PSFVP, BVL hereby confirms that;

2.3.1. The IFVA has been undertaken by Andrew Chamen ('AC'), who is a Chartered Surveyor and a 'suitably qualified practitioner,' and therefore able to give an objective, impartial and reasonable viability judgement. AC has over 35 years of post-qualification experience and is very experienced in advising a wide range of parties, on the financial viability of development, understanding the application of inputs into the residual appraisal model from other professional disciplines and having appropriate and up-to-date knowledge of the planning system. AC provides specialist independent advice relating to development viability and affordable housing, and advises a range of public and private sector clients, including local authorities, developers, landowners, and others. (ref. PSFVP paragraph 1.2). AC is therefore able to demonstrate independence and objectivity, whereas some viability advisers that undertake a wider range of work (including providing advice on land purchases and sales) can find difficulty in demonstrating this independence and objectivity from a viability perspective.

2.3.2. The IFVA has been prepared with objectivity, impartially, without interference and with reference to all appropriate available sources of information (ref. PSFVP paragraph 1.2.)

2.3.3. AC has been engaged by the Applicant to provide an independent and objective opinion as to the viability of the development options being reviewed.

2.3.4. No conflict, or risk of conflict of interest exists. (ref. PSFVP Paragraph 2.2).

2.3.5. The Applicant has made no specific requests of AC, either at the start or during the process of preparing the IFVA, and that the Applicant has not made additional requests for testing the viability of the proposed scheme or counterfactual scenarios (ref. PSFVP Paragraph 2.2).

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- 2.3.6. That, in preparing the IFVA, no performance-related or contingent fees have been agreed (ref. PSFVP Paragraph 2.3).
- 2.3.7. That all inputs into appraisals have been reasonably justified (ref. PSVP Paragraph 2.6) and that where relevant, market evidence and other supporting information has been analysed and, as appropriate, adjusted to reflect existing or emerging planning policy and other relevant considerations (ref. PSFVP Paragraph 2.7).
- 2.3.8. Where appropriate, a sensitivity analysis of the results and an accompanying explanation and interpretation of respective calculations on viability, has been provided, having regard to risks and appropriate returns (ref. PSFVP Paragraph 2.9).
- 2.3.9. The IFVA includes an Executive Summary which provides a non-technical summary of the report, which includes key figures and issues that support the conclusions drawn from the assessment and which is also consistent with relevant guidance and good practice. (ref. PSFVP Paragraph 2.11).
- 2.3.10. The IFVA has been formally signed off and dated by the author, along with details of qualifications held (ref. PSFVP Paragraph 2.12).
- 2.3.11. That, where relevant, inputs to the IFVA supplied by other contributors and all contributions to reports relating to assessments of viability, comply with the PSFVP (ref. Paragraph 2.13);
- 2.3.12. In accordance with Section 4 of the PSFVP, BVL confirms that the advice provided in the IFVA represents 'the most effective and efficient way to deliver a reasonable development performance proportionate to the scheme being tested, and that, where relevant, these matters have been given full consideration in the IFVA.

2.4. The IFVA is first and foremost an independent document intended to inform the Application. As per Professional Standard 1 of the RICS Valuation – Global Standards 2019, advice prepared for such purposes does not form part of a formal 'Red Book' valuation and should not be relied upon as such.

#### **RICS GUIDANCE; 'ASSESSING FINANCIAL VIABILITY IN PLANNING'**

2.5. The RICS Guidance Note "Financial Viability in Planning" (1st edition, August 2012) ("the RICS 2012 Viability Guidance") is often referred to in viability assessments and

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viability reviews. However, following the Parkhurst Road High Court Decision<sup>17</sup> in April 2018, the Judge recommended that RICS;

2.6. *".....consider revisiting the 2012 Guidance Note, perhaps in conjunction with MCHLG and the RTPJ, in order to address any misunderstandings about market valuation concepts and techniques, the "circularity" issue and any other problems encountered in practice over the last 6 years, so as to help avoid protracted disputes of the kind we have seen in the present case and achieve more efficient decision making".*

2.7. Following the Judge's recommendation above, and the subsequent issue of the Updated NPPF, updated draft guidance entitled 'Assessing Financial Viability in Planning under the National Planning Policy Framework for England, Guidance Note, 1st edition', was issued by RICS, for consultation, between 13 December 2019 and 9 February 2020.

2.8. The covering notes to the consultation document provide helpful background, as follows;

2.9. *"In July 2018, the government published its revised planning policy and practice guidance for England in the National Planning Policy Framework (NPPF) 2018 and the Planning Practice Guidance (PPG) 2018. Further revisions were made to the PPG in May 2019. One of the areas in which the government changed its policy and practice advice is in relation to the assessment of viability in planning. As a result, the RICS guidance note Financial viability in planning (2012) is no longer applicable.....The purpose of this draft guidance note is to enable practitioners to consistently apply the government's NPPF/PPG 2018/19 on viability. The purpose of this consultation is to obtain feedback from consultees on how well the draft guidance note gives effect to the provisions of the NPPF/PPG 2018/19. We are also seeking feedback on whether our guidance enables the assessment of viability to be conducted in a proportionate way, consistent with the delivery of effective public administration, in response to Mr J Holgate's High Court comments on this."*

2.10. the final RICS guidance note, entitled 'Assessing Viability in Planning Under the National Planning Policy Framework 2019 for England' 1st edition' (referred to below as 'the AVP GN 2021') was issued in March 2021, and was effective from 1 July 2021.

2.11. The AVP GN 2021 essentially seeks to provide updated guidance for RICS Members undertaking FVAs and reviews, that aligns with the NPPF and PPG, and which builds on the reporting and conduct requirements of the PSFVP May 2019. Accordingly, therefore, the IFVA also complies with the approach and principles set

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<sup>17</sup> Parkhurst Road Limited and Secretary of State for Communities and Local Government and The Council of the London Borough of Islington – case reference CO/3528/2017.

19/04/2024 (SF) BVL IFVA-planning reference 43/23/0056; amended description; "Outline application with all matters reserved, except for access, for a mixed-use development of up to 200 No. dwellings, employment land (Use Classes E & F), an internal spine road to facilitate a rail halt/station, public open space, drainage & associated infrastructure on land north of Taunton Road, Longforth Park, Wellington (DEPARTURE FROM LOCAL PLAN)".

out in the AVP GN 2021.

19/04/2024 (SF) BVL IFVA-planning reference 43/23/0056; amended description; *“Outline application with all matters reserved, except for access, for a mixed-use development of up to 200 No. dwellings, employment land (Use Classes E & F), an internal spine road to facilitate a rail halt/station, public open space, drainage & associated infrastructure on land north of Taunton Road, Longforth Park, Wellington (DEPARTURE FROM LOCAL PLAN)”*.

# 3. Viability Policy Context & Guidance

## NATIONAL GUIDANCE - THE NPPF AND PPG VIABILITY

### Viability Requirements for Financial Viability Assessments

- 3.1. The principle of maintaining development viability when setting policy targets and determining planning applications was originally set out at national level within Planning Policy Statement 3 'Housing' (PPS3). The PPS identified a number of specific requirements, but emphasised that policy should be applied flexibly.
- 3.2. The National Planning Policy Framework ('NPPF') was published by the Department for Communities and Local Government on 27 March 2012. The NPPF was an integral part of the Government's planning reforms in England and provided a single policy framework, which replaced and revoked the majority of PPS documents, including PPS3 and PPS12. The NPPF strengthened previous guidance on viability by making specific reference to both developer profit and landowner return.
- 3.3. The Government issued an updated version of the NPPF on 24 July 2018 (this has subsequently been updated several times, including on 20 July 2021 and on 5 September 2023). The Updated NPPF was accompanied by a Planning Practice Guidance ('PPG') document entitled 'Viability,' which has subsequently been updated on 9 May 2019 and 21 September 2019. The Updated NPPF, and 'PPG Viability' set out widespread and significant changes concerning the stages at which, viability should be included in the planning process, and how it must be presented and reviewed. The NPPF and PPG are very prescriptive as to how viability should be approached.
- 3.4. The Government requires that any financial viability assessments that are submitted in relation to planning applications follow the requirements set out in the Updated NPPF and PPG Viability. Paragraph 010 of the PPG say; *"Any viability assessment should follow the government's recommended approach to assessing viability as set out in this National Planning Guidance and be proportionate, simple, transparent and publicly available"*.
- 3.5. PPG Viability sets out a 'standardised inputs' approach that FVAs must follow. PPG paragraph 008 says; - Any viability assessment should reflect the government's recommended approach to defining key inputs as set out in National Planning Guidance.
- 3.6. This approach is adopted by the IFVA and is considered in more detail below.

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## NPPF – Justification for Viability Assessment at Application Stage

3.7. Generally, the Updated NPPF and PPG Viability now put increased onus on the applicant to justify any viability case that is made at the planning application stage. PPG Viability paragraph 006 states as follows;

*3.8. It is the responsibility of site promoters to engage in plan making, take into account any costs including their own profit expectations and risks, and ensure that proposals for development are policy compliant. Policy compliant means development which fully complies with up to date plan policies. A decision maker can give appropriate weight to emerging policies. It is important for developers and other parties buying (or interested in buying) land to have regard to the total cumulative cost of all relevant policies when agreeing a price for the land. Under no circumstances will the price paid for land be a relevant justification for failing to accord with relevant policies in the plan.....Where up-to-date policies have set out the contributions expected from development, planning applications that fully comply with them should be assumed to be viable. It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage. An illustrative list of circumstances where viability should be assessed in decision making is set out below<sup>18</sup>*

3.9. NPPF paragraph 34 states; *“Plans should set out the contributions expected from development. This should include setting out the levels and types of affordable housing provision required, along with other infrastructure (such as that needed for education, health, transport, flood and water management, green and digital infrastructure). Such policies should not undermine the deliverability of the plan”*

3.10. PPG paragraph 002, sets its requirements out in detail as follows;

*3.11. “The role for viability assessment is primarily at the plan making stage. Viability assessment should not compromise sustainable development but should be used to ensure that policies are realistic, and that the total cumulative cost of all relevant policies will not undermine deliverability of the plan.....It is the responsibility of plan makers in collaboration with the local community, developers and other stakeholders, to create realistic, deliverable policies. Drafting of plan policies should be iterative and informed by engagement with developers, landowners, and infrastructure and affordable housing providers.....Policy requirements, particularly for affordable housing, should be set at a level that takes account of affordable housing and infrastructure needs and allows for the planned types of sites and development to be deliverable, without the need for further viability assessment*

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<sup>18</sup> See PPG paragraph 007 below.

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*at the decision-making stage.”*

3.12. PPG Viability paragraph 007; Should viability be assessed in decision taking?

3.13. *“Where up-to-date policies have set out the contributions expected from development, planning applications that fully comply with them should be assumed to be viable. It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage. Policy compliant in decision making means that the development fully complies with up to date plan policies. A decision maker can give appropriate weight to emerging policies.....Such circumstances could include, for example where development is proposed on unallocated sites of a wholly different type to those used in viability assessment that informed the plan; where further information on infrastructure or site costs is required; where particular types of development are proposed which may significantly vary from standard models of development for sale (for example build to rent or housing for older people); or where a recession or similar significant economic changes have occurred since the plan was brought into force”.*

3.14. 57. *Planning obligations must only be sought where they meet all of the following tests:*

3.15. *(a) necessary to make the development acceptable in planning terms;*

3.16. *(b) directly related to the development; and*

3.17. *(c) fairly and reasonably related in scale and kind to the development.*

3.18. Therefore, whilst the NPPF and PPG put the onus on the Applicant to justify any viability case made after the allocation stage, paragraphs 34 and 57 of the Updated NPPF and paragraphs 002 and 007 of the PPG also set out four main ‘starting point’ requirements for Local Planning Authorities (‘LPAs’), as follows;

- Requirement 1 – policies (and therefore the evidence that informs them) should be ‘up to date’.
- Requirement 2 - Plan makers should use viability assessment (primarily at the plan making stage), to ensure that their policies are realistic, and that the total cumulative cost of all relevant policies will not undermine deliverability of their Development Plans.
- Requirement 3 – The LPA’s realistic, deliverable policies must be informed by engagement with developers, landowners, and infrastructure and affordable housing providers.

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- Requirement 4 - Policy requirements, particularly for affordable housing, should be set at a level that..... allows for the planned types of sites and development to be deliverable.

3.19. In summary then, LPA policies (particularly in relation to affordable housing) should be; up to date, realistic, deliverable and fully informed by collaboration and engagement with stakeholders. These 'baseline' requirements set the context for consideration of an applicant's justification for the submission of a viability submission following the allocation stage.

3.20. In principle therefore<sup>19</sup>, the Updated NPPF expects developers and landowners to comply with what they have effectively 'signed up to' at the site allocation stage. However, the NPPF *does* allow viability to be considered at the application stage, having regard to the circumstances of the case, and any changes in site circumstances since the allocation stage.

3.21. NPPF paragraph 57 (Under Section 4 – Decision Making provides further details as follows;

3.22. *"Where up-to-date policies<sup>20</sup> have set out the contributions expected from development, planning applications that comply with them should be assumed to be viable. It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage. The weight to be given to a viability assessment is a matter for the decision maker, having regard to all the circumstances in the case, including whether the plan and the viability evidence underpinning it is up to date, and any change in site circumstances since the plan was brought into force. All viability assessments, including any undertaken at the plan-making stage, should reflect the recommended approach in national planning guidance, including standardised inputs, and should be made publicly available."*

3.23. PPG Viability paragraph 008 – 'How should a viability assessment be treated in decision making?' states as follows;

3.24. *"Where a viability assessment is submitted to accompany a planning application this should be based upon and refer back to the viability assessment that informed the plan; and the applicant should provide evidence of what has changed since then.....The weight to be given to a viability assessment is a matter for the decision maker, having regard to all the circumstances of the case, including whether the plan and viability evidence underpinning the plan is up to date, any change in site circumstances since the plan was brought into force, and the transparency of*

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<sup>19</sup> Where appropriate.

<sup>20</sup> Emphasis added.

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*assumptions behind evidence submitted as part of the viability assessment.....Any viability assessment should reflect the government's recommended approach to defining key inputs as set out in National Planning Guidance".*

3.25. Given that the viability and deliverability of the proposed development (and in particular, the ability of the development to fund the various s.106 Contributions being sought) can only be determined via thorough and objective consideration of development viability, it is clearly essential that the Council's decision in this instance is informed by a current, comprehensive, and detailed, IFVA.

### **NPPF - Quality and Accountability**

3.26. PPG Viability paragraph 020 is headed; *"How should a viability assessment be presented and published in order to ensure accountability"*. It goes on to state as follows;

3.27. *"Complexity and variance is inherent in viability assessment. In order to improve clarity and accountability it is an expectation that any viability assessment is prepared with professional integrity by a suitably qualified practitioner and presented in accordance with this National Planning Guidance. Practitioners should ensure that the findings of a viability assessment are presented clearly. An executive summary should be used to set out key findings of a viability assessment in a clear way. ....the inputs and findings of any viability assessment should be set out in a way that aids clear interpretation and interrogation by decision makers. Reports and findings should clearly state what assumptions have been made about costs and values (including gross development value, benchmark land value including the landowner premium, developer's return and costs). At the decision making stage, any deviation from the figures used in the viability assessment of the plan should be explained and supported by evidence."*

3.28. As noted above, BVL has extensive experience in this field and provides advice relating to viability, housing and development to a range of parties, including local planning authorities ("LPAs"), developers and landowners. BVL does not undertake site valuations, nor does it provide advice relating to site acquisition or disposal. BVL is therefore able to demonstrate experience, independence, and objectivity in its work.

### **NPPF - Confidentiality**

3.29. Under the heading 'Accountability' (paragraph 021) – PPG Viability states as follows; -

3.30. *"Should a viability assessment be publicly available? - Any viability assessment*

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*should be prepared on the basis that it will be made publicly available other than in exceptional circumstances. Even in those circumstances, an executive summary should be made publicly available. Information used in viability assessments is not usually specific to that developer and thereby need not contain commercially sensitive data. In circumstances where it is deemed that specific details of an assessment are commercially sensitive, the information should be aggregated in published viability assessments and executive summaries, and included as part of total costs figures. Where an exemption from publication is sought, the planning authority must be satisfied that the information to be excluded is commercially sensitive. This might include information relating to negotiations, such as ongoing negotiations over land purchase, and information relating to compensation that may be due to individuals, such as right to light compensation. The aggregated information should be clearly set out to the satisfaction of the decision maker.*

3.31. *“An executive summary prepared in accordance with the government’s data format published by government (draft available online<sup>21</sup>) will present the data and findings of a viability assessment more clearly so that the process and findings are accessible to affected communities. As a minimum, the government recommends that the executive summary sets out the gross development value, benchmark land value including landowner premium, costs, as set out in this guidance where applicable, and return to developer. Where a viability assessment is submitted to accompany a planning application, the executive summary should refer back to the viability assessment that informed the plan and summarise what has changed since then. It should also set out the proposed developer contributions and how this compares with policy requirements.”*

3.32. *See related policy: National Planning Policy Framework Paragraph 57*

3.33. Paragraph 010 of the PPG summarises the position as follows; *“Any viability assessment should follow the government’s recommended approach to assessing viability as set out in this National Planning Guidance and be proportionate, simple, transparent and publicly available”.*

3.34. In this instance, although some of the information within the IFVA may be considered to be commercially sensitive, the Applicant has confirmed that it is happy for the IFVA to be made publicly available.

## LOCAL POLICIES AND VIABILITY POLICY REQUIREMENTS

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<sup>21</sup> This does not yet appear to be available on line. The link provided leads to a Developer Contributions CSV file.

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- 3.35. The Planning Statement ('PS') provides helpful background in relation to Local and Neighbourhood Plans locally.
- 3.36. PS page 14 entitled 'Emerging Local Plan and Unitary Status' (paragraph 3.3.3) says; *"The Council were preparing a new Local Plan to the period 2040 and undertook an Issues and Options consultation at the beginning of 2020 alongside a Call for Sites exercise. However, the preparation of the plan has been put on hold pending the formation of the new Somerset Unitary Authority in April 2023. As such the emerging SWT plan has no weight for the consideration of the application."*
- 3.37. PS paragraph 3.2.9 says; "A Neighbourhood Plan Area was designated for Wellington in 2012 but there is currently no made or emerging NHP".
- 3.38. PS Section 3 'Planning Policy' (pages 9 & 10) provides further details of the extensive requirements of 'Policy SS3 Wellington Longforth', which is noted to allocate the Application Site *"for the following development"*:
- 3.39. *"1 - Around 900 new homes at an overall average of 35-40 dwellings per hectare.*
- 3.40. *2 - 25% of new homes to be affordable homes.*
- 3.41. *3 - New local centre with associated social infrastructure including a single form entry primary school, GP surgery, community hall, places of worship, sheltered housing, and local convenience shopping.*
- 3.42. *4 - 11 hectares of employment land for general industrial (B2) and storage and distribution (B8) at the eastern edge of the allocation. This area is designated for the relocation of the two biggest employers in Wellington;*
- 3.43. *5 - Land released by the relocation of the two biggest employers to be used for mixed use development including part of the new local centre, re-opening of Wellington railway station, new homes, and small business start-up units along the railway line;*
- 3.44. *6 - Developer contributions towards*
- 3.44.1. *(a) studies to establish the engineering, operational and commercial feasibility of a railway station for Wellington and,*
- 3.44.2. *(b) subject to approval by the rail industry, towards capital costs;*
- 3.45. *7 - Developer contributions for other infrastructure delivery.*

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- 3.46. 8 - Northern Relief Road in the initial phases of the development between Taunton Road and the existing employment area, alleviating HGV traffic in the town centre and residential areas;
- 3.47. 9 - A local bus loop to provide public transport access to the residential areas and link with the town centre, railway station and inter-urban bus services between Wellington and Taunton;
- 3.48. 10 - A green wedge of 18 hectares between the residential area and the employment area”.
- 3.49. The PS page 13 states (in relation to Community Infrastructure Levy – ‘CIL;) as follows at paragraph 3.2.7 and 3.2.8; *“The Council formally adopted CIL for the former Taunton Dean Borough Council Area in 2014”..... The site falls within the Wellington Charging Zone where the levy rate is £0*”. Given the general infrastructure burden being borne by the proposed development, it is helpful<sup>22</sup> (from a viability perspective) that the CIL liability in this case will be nil.
- 3.50. On page 17 (paragraphs 3.3.11 to 3.3.13), the PS goes on to comment on ‘Phosphates in the Somerset Levels; *“In August 2020 Natural England sent a letter to all Somerset Authorities about high levels of phosphates in the Somerset Levels & Moors Special Protection Area (SPA). This effectively led to a moratorium on housing development with no residential (and in some cases commercial) development being able to progress until appropriate assessment and mitigation measures are in place.....To date the Council has produced a Natural England approved calculator to assesses the level of phosphates generated by proposed developments and a number of options for both on and off-site mitigation solutions have been identified. Outstanding issues to resolve relate to the development of strategic solutions and how mitigation can be secured, particularly where it involves an off-site option.....As the site falls within the Somerset Levels Catchment the development will need to assess and mitigate for phosphates”*
- 3.51. PS page 19 under Section 4, ‘Planning Considerations’ - Principle of Development, paragraph 4.1.1 says: *“The site is allocated as part of a mixed-use development, with a current shortfall of 470 homes remaining pursuant to the Core Strategy requirement for 900 homes. The proposed 220 homes would meet part of this shortfall, in a context where there is an overall housing land supply shortfall within the former SWT district area. The principle of developing the site is therefore firmly established.”*

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<sup>22</sup> And no doubt determined following the Council’s CIL viability testing for this area.

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- 3.52. Page 21 of the PS also confirms that; *"Any reasonable identified infrastructure contributions necessary to make the development acceptable will be considered"*.
- 3.53. PS 'Material Considerations' paragraph 4.1.7 continues; *".....the allocation is currently 470 dwellings short of its 900-dwelling target, and b) SWT cannot demonstrate a 5 year housing land supply, meaning that the 'tilted balance' of NPPF para 11, d, ii, is in play, whereby planning permission should be granted "unless any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole"*.
- 3.54. *On the latter point, there are no adverse impact arising from 'swapping' the mixed-use development to the eastern end of the site. The development can be accommodated without any adverse external impacts (discussed further below) and as the existing factories have no intention or need to relocate there is no risk to employment through developing the eastern end of the allocation.*
- 3.55. • *The scheme will facilitate the delivery of the railway HALT, therefore achieving significant sustainable transport benefits for the town.*
- 3.56. • *There will be important economic benefits arising from both the construction process and the additional employment uses that will be provided."*
- 3.57. PS Section 4.1 'Matters for Approval' states in relation to 'Access;' *"Access for both the residential and commercial developments will be via the approved and recently completed access for the Lidl foodstore off Nynhead Road. The Highway Authority has confirmed that the access provides sufficient capacity to serve the proposed development without any further physical alteration to the access. This initial access to the site is the only aspect of the development to be formally approved by the outline application."*
- 3.58. PS section 4.1 – 'Sustainability' states at paragraph 4.1.2; *"The site itself is located in a sustainable location that reduces reliance upon the car for travel. The development would provide access to a new rail HALT that has the potential to significantly reduce general levels of car based travel in and around Wellington."*
- 3.59. Housing - The Council's website refers to Policy CP 4 'Housing' of the 'Taunton Deane Borough Council Adopted Core Strategy 2011-2028 (which was adopted in circa August 2012)'. Page 36, paragraph 3.5 of the Core Strategy states as follows;
- 3.60. *"The Council will seek to maintain a flexible supply of housing by making provision for the delivery of at least 17,000 new homes over the period 2008 – 2028. This housing should be delivered consistent with the settlement hierarchy*

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*established in Policy SP1 with the Taunton Urban Area acting as the primary focus.....New housing should help to contribute towards the creation of sustainable, mixed communities offering high quality homes providing for a mix of new housing types, sizes and tenures which meet the needs of the Borough. Proposals should aim to make efficient and effective use of land whilst acknowledging varying characteristics and development potential..... The plan will seek to deliver around 4,000 new affordable housing units. A target of 25% of new housing should therefore be in the form of affordable units over the Plan Period. Contributions will be sought on sites of 5 or more dwellings. The prescribed mix of affordable housing to be provided should reflect locally evidenced need in respect of type, size and tenure. In exceptional cases, where scheme viability may be affected, applicants will be expected to provide full development appraisals (at their own cost) demonstrating the level of affordable housing provision that is appropriate.”*

3.61. Page 36, paragraphs 3.63 & 3.64 say; *“An Affordable Housing Viability Study has been undertaken to support the Council's affordable housing position. This Study, again, undertaken by Fordham Research, concludes that an affordable housing target of 25% would be viable and appropriate for adoption based upon current market conditions<sup>23</sup>. In addition to this study, further viability testing has been undertaken for both the Infrastructure Delivery Plan and in order to demonstrate the deliverability of the Plan's proposed urban extensions. All three studies conclude that the 25% target is viable at present and can generally be achieved in combination with a package of developer contributions.....It should be noted that further, more detailed, viability testing will be required to justify the Council's emerging Community Infrastructure Levy (CIL). Such testing will be undertaken to identify the level of CIL which can be sought and whether or not the 25% affordable housing target should be amended”<sup>24</sup>.*

3.62. Paragraph 3.65 states; *“The evidence of need drawn from the LBHP and the assessments of development viability indicate a very close match between the level of affordable housing required and that which is viable. This suggests that the Council does have the ability to meet affordable housing need over the plan period. It is however, acknowledged that any target may need to be revisited in the future in the context of the level of affordable housing delivered and what is viable at a particular point in time.”*

3.63. Paragraph 3.66 provides more detail; *“The viability of providing a certain level of affordable housing provision on sites is a ‘balancing act’ for the Core Strategy.*

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<sup>23</sup> Emphasis added.

<sup>24</sup> Emphasis added.

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*The policy as drafted aims to set a challenging target<sup>25</sup> over the Plan Period which reflects the fact that in addition to contributions towards affordable housing, contributions will be sought towards essential infrastructure to foster and support sustainable communities. Over the lifespan of the Core Strategy, viability will change as values and costs may fluctuate.”*

- 3.64. Of relevance also is the Council's 'Affordable Housing Supplementary Planning Document,' which was adopted in May 2014. Key extracts are as follows;
- 3.65. Page 2- paragraph 1.1 Introduction; *“The purpose of the proposed Supplementary Planning Document (SPD) is to provide greater detail on Policy CP4 Housing in the Council's Core Strategy 2011 - 2028. The guidance within the SPD is intended to be used in decision making relating to planning applications that include residential development, where an affordable housing contribution is to be sought. Policy CP4 aims to ensure that affordable housing is provided as part of all development schemes which provide five or more net additional dwellings. The policy states that 25% of all new housing should be in the form of affordable units.....The type and size of the affordable housing units to be provided should fully reflect the distribution of property types and sizes in the overall development”.*
- 3.66. Paragraph 1.4 Tenure; *“The Council will seek a tenure split of 60% social rented housing and 40% intermediate housing or Affordable Rented on affordable housing provision of 3 affordable dwellings or more. This tenure mix was identified in the evidence base which informed the adopted Core Strategy: Fordhams Locally Balanced Housing Projections (2010, 2011). The 40% can be intermediate housing or Affordable Rented accommodation, in line with the definitions in the NPPF (see Appendix 1)”.*
- 3.67. Page 3, paragraph 1.7 'Site Viability'; *“Policy CP 4 seeks 25% affordable housing provision and states that when assessing proposals the Council will have regard to the economics of provision. In instances where applicants claim that full or partial delivery of the affordable housing as required by CP4 is not possible on viability grounds, the Council, through the Housing Enabling Lead, will consider in the first instance a revised tenure split and unit types for the development. Consideration will also be given to additional costs attributable to meeting the Design, Quality and Sustainability Standards referred to in section 1.11.....*
- 3.68. ....*In the event that viability issues cannot be resolved through changes to the tenure and/or unit type, the applicant will be expected to submit a viability statement. Ideally this should be completed as part of the pre-application process*

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<sup>25</sup> Emphasis added.

19/04/2024 (SF) BVL IFVA-planning reference 43/23/0056; amended description; *“Outline application with all matters reserved, except for access, for a mixed-use development of up to 200 No. dwellings, employment land (Use Classes E & F), an internal spine road to facilitate a rail halt/station, public open space, drainage & associated infrastructure on land north of Taunton Road, Longforth Park, Wellington (DEPARTURE FROM LOCAL PLAN)”.*



*prior to the submission of the planning application. In such development proposals where the applicant considers that full or part delivery of affordable housing is not possible, the Local Planning Authority will expect the application for planning permission to include detailed calculations and submissions to enable an assessment of viability to be carried out. This will prevent delays to determination or the prospect of refusal of planning permission.*

3.69. *.....Applicants should have their figures independently assessed using the services of the Council's preferred independent assessor prior to submitting them to the Council. This open book approach will enable any affordable housing contribution to be assessed and agreed prior to the submission of a formal planning application. In this way data which the applicant may regard as commercially sensitive will remain outside the public domain. Pursuit of this approach by applicants will assist in the efficient consideration of planning applications. The applicant will be expected to meet the costs of the Council's preferred independent assessor."*

3.70. As a joint instruction from the Council and the Applicant, the IFVA differs from the Council's standard policy/procedure set out above. Regardless, the spirit and approach of the Council's policies and requirements are respected within the IFVA.

3.71. Finally, it is worth noting that the Council's "challenging" policy targets for affordable housing and s.106 Contributions were put in place before the full implications (and costs) associated with achieving Nutrient Neutrality became apparent.

19/04/2024 (SF) BVL IFVA-planning reference 43/23/0056; amended description; "Outline application with all matters reserved, except for access, for a mixed-use development of up to 200 No. dwellings, employment land (Use Classes E & F), an internal spine road to facilitate a rail halt/station, public open space, drainage & associated infrastructure on land north of Taunton Road, Longforth Park, Wellington (DEPARTURE FROM LOCAL PLAN)".

# 4. Financial Viability Assessment

## APPRAISAL APPROACH AND METHODOLOGY

- 4.1. Section 4 of the IFVA considers the key elements within the viability modelling, and sets out how the viability appraisal has arrived at an objective value for each of these elements, based on principles set out in the NPPF and the 'standardised inputs' approach required by PPG Viability. The key aim of the IFVA is to produce an overall appraisal that reflects a balanced approach to risk and return, reflecting a development proposal that is commercially fundable and deliverable.
- 4.2. The financial modelling uses the "residual" appraisal method, which is a well-established and widely accepted way of assessing the viability of development projects. In simple terms, the potential gross development value (GDV) of the scheme is determined first, before deducting likely costs, (including an appropriate 'Viability Benchmark Land Value' - 'VBLV'), to arrive at a residual outcome that reflects the forecast developer return for each scenario modelled. Various appraisals were constructed using 'Argus Developer' software, which is a widely used and accepted appraisal software package within the development industry.
- 4.3. In line with accepted good practice in viability modelling, no sales growth or construction cost inflation (beyond the current date) has been included in the appraisals.
- 4.4. Net to gross differential - this is based on gross internal area ("GIA"); The IFVA assumes a 1:1 relationship for houses/bungalows, and (based on advice from TCL), a gross to net deduction of 17.5% has been allowed for flats, to allow for circulation spaces etc.

## MIX OF USES

- 4.5. The mix of uses to be included within the proposed development has been varied twice since the submission of the Outline Application. The main changes to the proposed mix over time are summarised below;

### Mix of uses at the time of the Submission of the Outline Application (May 2023)

- 4.6. Focus On Design ('FOD') drawing 'GA Employment and residential NDA – 0740-V3-1009-Oct 22', stated that the scheme included;
  - 4.6.1. Up to 220 dwellings within a residential net developable area of 4.778ha (11.806 acres).

19/04/2024 (SF) BVL IFVA-planning reference 43/23/0056; amended description; "Outline application with all matters reserved, except for access, for a mixed-use development of up to 200 No. dwellings, employment land (Use Classes E & F), an internal spine road to facilitate a rail halt/station, public open space, drainage & associated infrastructure on land north of Taunton Road, Longforth Park, Wellington (DEPARTURE FROM LOCAL PLAN)".

4.6.2. A mixed-use element with a gross internal area (ground floor only<sup>26</sup>) of 2,285.1 m<sup>2</sup> (24,596 ft<sup>2</sup>).

4.6.3. General employment buildings (ground floor only) (Use Class E & B8) with total gross internal areas of 2,646.2 m<sup>2</sup> (28,484 ft<sup>2</sup>).

#### Amended Mix of Uses – 26 January 2024

4.7. As included in FOD 0740-v4-1006 C- 'Land Budget'-FOD 26 Jan 24, and FOD - 0740-V4-1009 C – 'NDA residential and GIA employment (GF', the amended areas were as follows;

4.7.1. Residential – 220 dwellings on a developable area of 5.07 Ha (12.53 acres) gross, 4.778Ha (11.806 acres) net - remaining unchanged from May 2023.

4.7.2. Employment on 0.96Ha/2.36 acres (this was previously 0.77 Ha, or 1.89 acres, reflecting a marginal increase of 0.19Ha/0.47 acres (Use Class E & B8). The FOD plans also note a marginal difference in the area of the general employment buildings (ground floor only) with an amended total gross internal area of 2,645.4m<sup>2</sup> (28,475 ft<sup>2</sup>).

4.7.3. The 'Mixed Use' element of the proposals (previously comprising 0.71Ha, or 1.76 acres) was not present on the amended plans of 26 January 2024.

#### Amended (Current) Mix of Uses (early March 2024)

4.8. From a viability perspective, the main amended land areas, (as per the resubmission of the Outline Application recorded on the Planning Portal as being on 7 March 2024) are as follows (based on FOD Dwg No -0740-V4-1006-1 Land Areas Plan – Feb 24 (Rev 0) and FOD Dwg No 0740-V4-1009 GA Employment and Residential NDA – Rev C. 2024-01-24 (updated to suit latest Illustrative Masterplan Plan Rev F).

4.8.1. The Residential net developable area remains at 4.778Ha (11.806 acres). However, the maximum number of dwellings has now reduced to 'up to 200' (previously<sup>27</sup> this was 'up to 220').

4.8.2. The employment land element is now 0.828Ha (2.046 acres). This was previously<sup>28</sup> 0.96Ha (2.36 acres). The new coverage is envisaged by FOD to be;

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<sup>26</sup> BVL is informed by Focus on Desig , that the upper floors of this accommodation were originally envisaged to provide for up to 20 residential units (flats).

<sup>27</sup> As of 26 January amendments.

<sup>28</sup> As of 26 January amendments.

19/04/2024 (SF) BVL IFVA-planning reference 43/23/0056; amended description; "Outline application with all matters reserved, except for access, for a mixed-use development of up to 200 No. dwellings, employment land (Use Classes E & F), an internal spine road to facilitate a rail halt/station, public open space, drainage & associated infrastructure on land north of Taunton Road, Longforth Park, Wellington (DEPARTURE FROM LOCAL PLAN)".

“general employment buildings (gf only) total gross internal areas 2,645.4m2 (28,475 ft2). **Note – under the new application description, the proposed employment uses have been amended from E and B8 to E and F.**

4.8.3. The ‘Mixed Use’ element of the proposals (previously comprising 0.71Ha, or 1.76 acres - which was not present on the amended plans of 26 January 2024) also does not appear on the March 2024 plans.

4.8.4. Additional item - Station square 0.127Ha (0.315 acres).

4.8.5. Additional item - Mobility hub with a net developable area of 0.012Ha (0.029 acres).

4.9. As the areas noted immediately above are the latest provided (as of 7 March 2024), these form the basis for the viability modelling that informs the IFVA.

## DENSITY AND RESIDENTIAL UNIT MIX ASSUMPTIONS

4.10. As the proposal is currently in outline, there is no definitive site layout (or house types etc.) at this stage. Accordingly, BVL has reviewed the documentation associated with the Outline Application in order to comprehensive picture as possible, to inform the IFVA modelling, as follows;

### Background

4.11. The site forms part of the Council’s ‘Policy SS3 Wellington Longforth’, which is noted to allocate the site “for the following development”:

4.12. 1. *“Around 900 new homes at an overall average of 35-40 dwellings per hectare”<sup>29</sup>.*

### Site Specific Proposals

4.13. The Design and Access Statement (‘DAS’) dated May 2023, prepared by the Applicant’s Architect ‘Focus on Design (‘FOD’) provides helpful information re the proposed development;

4.14. DAS page 5 says; *“This proposal is a mix-used development composed of up to 220 dwellings, and 0.77 hectares of employment to meet part of the residential shortfall, including rail halt and a car park”.*

4.15. Focusing specifically on the residential element of the proposals;

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<sup>29</sup> Emphasis added.

19/04/2024 (SF) BVL IFVA-planning reference 43/23/0056; amended description; “Outline application with all matters reserved, except for access, for a mixed-use development of up to 200 No. dwellings, employment land (Use Classes E & F), an internal spine road to facilitate a rail halt/station, public open space, drainage & associated infrastructure on land north of Taunton Road, Longforth Park, Wellington (DEPARTURE FROM LOCAL PLAN)”.

- 4.16. Land Use and Amount - DAS Section 5.3 notes as follows; *“Residential areas The scheme will deliver up to 220 residential dwellings distributed within the extent of the areas identified on the illustrative masterplan and land use plans. There will likely be a good mixture of building typologies and sizes ranging from 1 and 2 bed apartments through to 2, 3, 4 and 5 bedroom traditional dwellings.....All homes would comply with the nationally described space stands as a minimum. A percentage of the affordable dwellings would also comply with part M (4)3 of the building regulations”.*
- 4.17. Subsequently, (On 26 January 2024) FOD issued 0740-V4-1005F – Illustrative Masterplan v4, which provides a residential net developable area (NDA) of 4.778Ha, or 11.806Acres. This remains unchanged in the amended mix of uses submitted in early March 2024.
- 4.18. Density - Paragraph 5.6 on page 43 of the DAS notes as follows in relation to density; ‘Potential higher density at station area.’ p.81 *“Following feedback from the DRP and QRP higher density development is proposed on the halt / station approaches as well as around the station square. Similar to the approach to building heights, the density of the scheme has a specific hierarchy that is distributed throughout the development. The highest density is around the entrance gateway and to the station square, offering the opportunity for larger scale buildings (typically apartments) reinforcing these important nodes. Higher density supports the key transport links to the halt/station with medium density to the core residential areas and then lower density, to the registered park and garden edge. Cumulatively the average density of the scheme would be between 40- 45 dwellings per hectare”.*
- 4.19. On 26 January 2024, FOD issued 0740-V4-1007=2C – Principles Plan Density v4’ which has helped to inform the viability modelling.
- 4.20. Building Heights - DAS page 42 notes as follows; *“The plan here demonstrates how the proposed building heights are intended to be distributed. The key transport hub links as well as the employment and mixed-use areas have a flexible ‘up to’ 3 storeys available; to reinforce and strengthen their importance. The residential areas are varied with up to 2.5 storeys to the main core of the scheme, up to 2 storey in the north east responding to the registered park and garden setting. To help create a gateway into Wellington, up 4 storey in the south east is allowed to frame the site entrance and to benefit from the view to the Wellington monument”.*
- 4.21. On 26 January 2024, FOD issued 0740-V4-1007=3C – ‘Principles Plan Building Heights v4’ which has also helped to inform the viability modelling.

#### Indicative Housing Mix Applied in the Modelling

19/04/2024 (SF) BVL IFVA-planning reference 43/23/0056; amended description; *“Outline application with all matters reserved, except for access, for a mixed-use development of up to 200 No. dwellings, employment land (Use Classes E & F), an internal spine road to facilitate a rail halt/station, public open space, drainage & associated infrastructure on land north of Taunton Road, Longforth Park, Wellington (DEPARTURE FROM LOCAL PLAN)”.*

4.22. Taking account of the documentation supporting the outline application, and the parameters set out above (i.e. land use/amount, density, building heights and the affordable housing mix being sought) and also following discussions with FOD, an indicative housing mix for a maximum of 200 dwellings has been applied in the viability modelling.

4.23. The limitations/parameters associated with the indicative housing mix are as follows;

4.24. FOD advised that the reduction to a maximum of 200 dwellings has been driven by the removal of the mixed-use area, which had generated circa 20 apartments on the first and second floors.

4.24.1. The indicative mix should include the affordable housing mix requested by the Council<sup>30</sup>

4.24.2. The indicative mix needs to 'fit' within the parameters of the Outline Application, (which, given the layout, density and building height parameters above, means that it will not be a 'standard' volume housebuilder mix). Rather, it will necessarily include a much higher proportion of flats than would normally be sought by a volume housebuilder.

4.24.3. Furthermore, as no flats are included within the requested affordable mix, this means that 100% of the flats that are necessary (due to the parameters of the Outline Application) must be open market housing (something not recommended by local estate agents questioned<sup>31</sup>).

4.24.4. Based on advice from FOD, it is assumed that all apartments would be in 3-storey blocks, with the remaining dwellings being 2-storey houses (possibly with some 2.5 and 3-storey houses).

4.24.5. The unit numbers and sizes within the indicative housing mix are based on the documents supporting the Outline Application, the target affordable housing mix provided by the Council's Housing Enabling Team on 30 June 2023, and advice from FOD.

4.24.6. The indicative mix is in two parts (affordable housing and open market housing) as set out below.

#### Affordable Housing Mix

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<sup>30</sup> See below for details .

<sup>31</sup> See below for details.

4.24.7. The Council's Development Enabling Team made the following comments on the Outline Application in their response dated 30 June 23;

4.24.8. *"Policy CP4 Housing in the Taunton Deane Core Strategy 2011–2028, the Affordable Housing Supplementary Planning Document (May 2014) and TDBC Decision June 2016 aim to ensure that affordable housing is provided as part of all development schemes which provide eleven or more net additional dwellings. 25% of the new housing should be in the form of affordable homes, with a tenure split of.... 25% First Homes, 60% social rented and 15% intermediate housing in the form of shared ownership....."*

4.24.9. The response goes on to say; *"Affordability of the First Homes tenure is a concern given the rising house prices within the location of this scheme therefore flexibility of the 25% First Homes to change to Shared Ownership would be considered to provide a more affordable low-cost home ownership"<sup>82</sup>.*

4.24.10. The Council's response goes on to highlight further requirements associated with affordable housing provision; *"As the Affordable Housing Planning obligation includes 25 or more affordable homes, the scheme should provide 10% of the total affordable housing provision to be in the form of fully adapted disabled affordable homes in accordance with Part M4, Category 3: Wheelchair user dwellings of the Building Regulations 2010"*. (i.e. fully adapted, rather than being capable of being adapted at a later date).

4.25. The Council's Affordable Housing Consultee Response of June 2023 provided the following target mix; (as noted above, there are no flats within the requested affordable mix, which means that any flats will be included within the open market element);

4.26. Social<sup>33</sup> Rent (33 dwellings- 6 x 1b, 12 x 2b, 10 x 3b, 4 x 4b, 1 x 5b)

4.26.1. - 1 bed (6) - 3 x 1 bed house, 3 x 1 bed fully adapted disabled bungalow or house

4.26.2. - 2 bed (12) - 10 x 2 bed house, 2 x 2 bed fully adapted disabled bungalow or house

4.26.3. - 3 bed (10) - 9 x 3 bed house, 1 x 3 bed fully adapted disabled bungalow or

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<sup>32</sup> At present, the viability modelling has been undertaken on the basis of these units being shared ownership dwellings.

<sup>33</sup> As opposed to Affordable Rent, which attracts a higher purchase premium rate from a Registered Provider (RP).

19/04/2024 (SF) BVL IFVA-planning reference 43/23/0056; amended description; *"Outline application with all matters reserved, except for access, for a mixed-use development of up to 200 No. dwellings, employment land (Use Classes E & F), an internal spine road to facilitate a rail halt/station, public open space, drainage & associated infrastructure on land north of Taunton Road, Longforth Park, Wellington (DEPARTURE FROM LOCAL PLAN)"*.



house

4.26.4. - 4 bed (4) - 4 x 4 bed house

4.26.5. - 5 bed (1) - 1 x 5 bed house

4.27. Shared Ownership (22 dwellings – 11 x 2b, 11 x 3b)

4.27.1. - 11 x 2 bed house

4.27.2. - 11 x 3 bed house

4.28. Note; the requested affordable mix above (55 dwellings) is based on the theoretical maximum of 220 dwellings within the original application description. As noted above, the application description was amended in early March to include a reduced maximum of 200 dwellings.

4.29. Given this relatively recent reduction in dwelling numbers, the starting point for the IFVA modelling in early 2024<sup>34</sup> had therefore been to model the impact of the current<sup>35</sup> (published) affordable housing (and other s.106 contributions/requests) on the viability of the development. However, the requested mix actually now represents an affordable element of 27.5% (rather than the target 25%) of the realistic maximum of 200 dwellings, which has the impact of reducing the open market element to 145 dwellings<sup>36</sup>.

4.30. This matter was discussed with officers, and (given the very limited time frame available in which to complete the IFVA modelling before submission of the IFVA report), rather than delaying matters by seeking a formal revised (reduced) affordable housing request from the Council's Housing Enabling Team, a pro-rata approach was subsequently adopted within the modelling, to inform the IFVA.

4.31. However, initially, the affordable housing mix requested by the Housing Enabling Team on 30 June 2023 was incorporated into the viability modelling mix as follows;

4.32. Social Rent (33 dwellings- 6 x 1b, 12 x 2b, 10 x 3b, 4 x 4b, 1 x 5b);

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<sup>34</sup> Up to early March.

<sup>35</sup> At that time – i.e. based on a maximum of 220 dwellings until the application resubmission of 7 March.

<sup>36</sup> As noted above, a pro-rata affordable mix (relating to 200 dwellings) has also been applied in the modelling for comparison purposes.

19/04/2024 (SF) BVL IFVA-planning reference 43/23/0056; amended description; "Outline application with all matters reserved, except for access, for a mixed-use development of up to 200 No. dwellings, employment land (Use Classes E & F), an internal spine road to facilitate a rail halt/station, public open space, drainage & associated infrastructure on land north of Taunton Road, Longforth Park, Wellington (DEPARTURE FROM LOCAL PLAN)".



4.32.1. - 1 bed (6) - 3 x 1 bed house @ 700 ft2, 3 x 1 bed fully adapted disabled bungalow or house @ 753 ft2.

4.32.2. - 2 bed (12) - 10 x 2 bed house @ 850 ft2, 2 x 2 bed fully adapted disabled bungalow or house @ 969 ft2.

4.32.3. - 3 bed (10) - 9 x 3 bed house @1001 ft2, 1 x 3 bed fully adapted disabled bungalow or house @ 1453 ft2.

4.32.4. - 4 bed (4) - 4 x 4 bed house @ 1152 ft2.

4.32.5. - 5 bed (1) - 1 x 5 bed house @ 1615 ft2.

4.33. Total Social Rent – 33 dwellings @ 31,485 ft2 GIA<sup>37</sup>

4.34. Shared Ownership (22 dwellings – 11 x 2b, 11 x 3b), as follows;

4.34.1. 11 x 2 bed house @ 753 ft2.

4.34.2. 11 x 3 bed house @ 1001 ft2.

4.34.3. Total shared ownership – 22 dwellings @ 19,300 ft2.

4.35. Total AH – 55 dwellings @ 50,785 ft2.

4.36. Section 5.3 of the DAS states that; “All homes would comply with the nationally described space stands (‘NDSS’) as a minimum.” NDSS is defined as; *“NDSS sets out requirements for the Gross Internal (floor) Area (GIA) of new dwellings at a defined level of occupancy as well as floor areas and dimensions for key parts of the home, notably bedrooms, storage and floor to ceiling height. Requirements may be exceeded but at the very least should be met.”*

## OPEN MARKET SALES REVENUE

4.37. PPG Viability paragraph 011 states as follows;

4.38. *“How should gross development value be defined for the purpose of viability assessment? .....for residential development, this may be total sales and/or capitalised net rental income from developments. Grant and other external sources*

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<sup>37</sup> No flats, so no GEA differentiation.

*of funding should be considered.....For viability assessment of a specific site or development, market evidence (rather than average figures) from the actual site or from existing developments can be used. Any market evidence used should be adjusted to take account variations in use, form, scale, location, rents and yields, disregarding outliers. Under no circumstances will the price paid for land be a relevant justification for failing to accord with relevant policies in the plan."*

- 4.39. In this case, BVL is not aware of any grant or other external sources of funding that are, or may be, available for the proposed development and therefore, none have been included in the financial modelling.

#### Open Market Housing Mix:

- 4.40. Research into open market sales revenue included the following;

4.40.1. Statistical data including Land Registry ("LR") published house price statistics, sold house price data from the Land Registry, 'Rightmove' and 'Zoopla' websites and other internet-based research.

4.40.2. Discussions with Chartered Surveyors and estate agents, (including locally based Greenslade Taylor Hunt ('GTH'), Robert Cooney Estate Agents ('Robert Cooney') who are very experienced and very familiar with the Application Site and the local area), and Bradleys, who have both Wellington-specific knowledge and also a wider regional perspective.

4.40.3. Detailed estimated net achievable sales values provided by the above Chartered Surveyors/estate agents, whose sales figures are carefully considered and based on transactional & comparable evidence, and detailed market knowledge.

- 4.41. Based on the unit mix discussed with FOD, the following initial open market mix was modelled;

- 35 x 2b apartment @ 753 ft<sup>2</sup>.
- 9 x 2b house @ 753 ft<sup>2</sup>.
- 58 x 3 bed house @ 1001 ft<sup>2</sup>.
- 43x 4 bed house @ 1184 ft<sup>2</sup>.

4.41.2. Total OM – 145 dwellings @ 142,128 GIA (146,743 GEA assumed). As noted above, this was later adjusted to reflect the reduction from a maximum of 220

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dwellings to a maximum of 200 dwellings.

### Open Market Sales Values Applied in BVL appraisals

4.42. The full detail of the estimated net achievable sales prices provided by GTH, Bradleys and Robert Cooney are set out in detail and analysed in various worksheets in the ADS at **Appendix 1**.

4.43. The agents' individual sales estimates for achievable sales values<sup>38</sup> are summarised below, in ascending order;

4.44. GTH

4.44.1. Gross Development Value (GDV) assuming target full policy compliant affordable housing - 50,082,683 (equating to £260 per ft<sup>2</sup>).

4.44.2. GDV assuming 100% open market housing = £57,760,000 equating to £299 per ft<sup>2</sup>.

4.45. Bradleys

4.45.1. GDV assuming target full policy compliant affordable housing = 50,912,683 equating to £264 per ft<sup>2</sup>.

4.45.2. GDV assuming 100% open market housing £58,935,000 equating to £306 per ft<sup>2</sup>.

4.46. Robert Cooney

4.46.1. Gross Development Value (GDV) assuming target full policy compliant affordable housing<sup>39</sup> = 50,984,052 equating to £264 per ft<sup>2</sup>.

4.46.2. GDV assuming 100% open market housing<sup>40</sup> = £59,803,697 equating to £310 per ft<sup>2</sup>.

4.47. In applying the above sales figures, it is BVL's understanding that none of the open market dwellings within the scheme will be restricted in any way; i.e. via a principal residence restriction, or similar.

4.48. As set out in detail in Section 5 below, BVL's has undertaken a range of financial

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<sup>38</sup> Based on 100% open market sales in the first instance, to allow a like for like comparison overall.

<sup>39</sup> As per the target mix provided by the Housing Enabling Team of June 2023

<sup>40</sup> i.e. also including the requested 55 affordable units as open market units.

19/04/2024 (SF) BVL IFVA-planning reference 43/23/0056; amended description; "Outline application with all matters reserved, except for access, for a mixed-use development of up to 200 No. dwellings, employment land (Use Classes E & F), an internal spine road to facilitate a rail halt/station, public open space, drainage & associated infrastructure on land north of Taunton Road, Longforth Park, Wellington (DEPARTURE FROM LOCAL PLAN)".

modelling that applies the above estimated sales values. The IFVA modelling was initially undertaken based on the average of the sales estimates provided by the agents. However, taking an optimistic approach to the financial modelling in order to flex the parameters of the viability modelling as far as possible, the highest of the three agents' figures have now been applied within the viability modelling<sup>41</sup>.

4.49. In addition to the above, (as also noted in Section 5 below), for completeness, the IFVA modelling also sensitises the baseline appraisal outcomes by applying an 'enhanced sales premium' (see below for full details). The background to this is as follows;

4.50. During the engagement process with Council officers following the issue of the Draft IFVA on 25 March 2024<sup>42</sup>, BVL was asked to speak to the estate agents that have previously contributed to the Draft IFVA, to ascertain whether the presence of a station next to the site would, in their view, add a premium over and above the sales values included in the Draft IFVA. (Officers noted that it will be helpful to capture the views of the agents and add commentary to the IFVA final report). Officers queried whether the existence of the station could perhaps be the unique selling point ('USP') for the flats on this development, for example.

4.51. Following the initial meeting with the Council on 25 March, BVL spoke with the three agents that contributed to the Draft IFVA, (Robert Cooney, GTH & Bradleys) on this point. As BVL had noted previously, generally, all three agents had previously expressed concern about selling flats in this location. Thoughts on the potential for a 'station premium' were as follows;

4.52. Agent 1 - does not believe that there will be a premium in this location – rather, he was worried that purchasers might have concerns about living very close to a railway line in this case. For flats particularly, railway stations tend to add value in more central location that are in close walking distance of many facilities (shops, bars, etc.)

4.53. Agent 2 - There may be a small premium arising from this factor, however, it is impossible to say how much this might be. Fundamentally however, the presence of a station would not change the purchaser demographic – i.e. prices will be very constrained by purchasers' budgets/affordability. Also, there is still a big issue around (the lack of) proximity to facilities - shops, bars etc. For example, if given the

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<sup>41</sup> (The maximum rate for open market OM dwellings in the target FPC mix actually equates to £305 per ft<sup>2</sup>. However, taking an optimistic approach, a rate of £310 per ft<sup>2</sup> has been applied to the open market units for this scenario).

<sup>42</sup> See below for details.

19/04/2024 (SF) BVL IFVA-planning reference 43/23/0056; amended description; "*Outline application with all matters reserved, except for access, for a mixed-use development of up to 200 No. dwellings, employment land (Use Classes E & F), an internal spine road to facilitate a rail halt/station, public open space, drainage & associated infrastructure on land north of Taunton Road, Longforth Park, Wellington (DEPARTURE FROM LOCAL PLAN)*".

choice, most people would want a flat in central Taunton, close to facilities, even though it may not be adjacent to the station. Another issue is that this location would not attract retirees, again due to lack of facilities 'on the doorstep'. Strategically, a better premium uplift would likely be available if the dwellings were generally focussed towards family houses, where people would feel that they were getting 'more for their money' in this location.

4.54. Agent 3 - Not sure whether this location would generate a premium. Normally there *would* be a premium for a station (and there might be a minimal premium here), however, Wellington already has a strong commuter presence (due to the good road system and easy motoring access to Exeter and Taunton for example) and many people buy family houses here because they get 'more for their money' and can live in a greener and less built-up area. Accordingly, the presence of a station was unlikely to 'transform' Wellington as a commuter location by creating a commuter belt that was not there before. Some people may take advantage of the train (rather than driving), however, as the road journeys were straightforward, it was difficult to know how many commuters would decide to 'make the change.' It was therefore difficult to put any specific figure on this, but possibly a minimal premium of circa 1% or so?

4.55. The NPPF (and RICS guidance) requires that current sales revenue and costs are applied in the viability modelling. However, this is an interesting case because the provision of the station could potentially change the current 'baseline' position that is being assessed. BVL therefore tested a 'station premium' uplift to the sales revenue within the updated viability modelling following engagement with Council officers, once various amended cost assumptions arising from this process<sup>43</sup> had been bottomed out.

4.56. As noted in Section 5 below, in order to stretch the viability modelling parameters as far as possible, BVL included a very optimistic potential 'station premium' of 2% of Gross Development Value (GDV) in the updated modelling. However, as noted in Section 5 below, this is not evidence based, but based entirely on 'hope value', and it has been modelled purely to 'sensitise' the appraisals.

### **Current House Price Forecasts**

4.57. To provide a broad picture to inform the IFVA, BVL reviewed a range of recent house price forecasts from the last few months. The main points from these forecasts are summarised below;

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<sup>43</sup> See Section 5 below for details.

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*Which? - What's happening to house prices? (updated 20 Sep 2023) by Joe Wright*

4.58. Key extracts are as follows;

4.59. *"The average UK house price now stands at £289,824. Property prices have fallen from their peak levels - but predictions of a dramatic drop are yet to materialise. In fact, the latest official data from the Land Registry shows three month-on-month increases, with the average UK house price standing at £289,824 in July.....While that marks a 0.6% increase from the same time last year, annual house price growth is now running at a slower rate than before, and prices have decreased from an all-time high of £292,552 in November 2022. Here, Which? analyses what's happening to house prices according to other indices including Halifax and Rightmove, and explains what might come next."*

4.60. Under the heading 'How have house prices changed?'

4.61. *"House prices have risen considerably in the last couple of years, with the pandemic and previous stamp duty holiday bringing about a more volatile market..... The Land Registry's UK House Price Index is the most reliable barometer of what's happening to house prices, as it's based on actual property sales rather than asking prices. It works on a two-month lag, so the most recent figures are for June. ....The Land Registry says the average price of a property in the UK rose by 0.6% (around £2,000) between July 2022 and 2023. In the 12 months prior, house price growth soared by 14.2% - so there has been a marked slowdown in growth over the past year. That's not to say, however, that prices aren't still on the way up. July's average house price of £287,546 marked a £2,278 upturn from June"*

4.62. How do other house price indices compare?

4.63. *"As well as Land Registry data, there are several other property price indices. The portal Rightmove provides the most up-to-date figures, but they're based on asking prices set by sellers rather than confirmed sales. Nationwide and Halifax also publish their own monthly data, based on mortgage lending. All three indices are currently reporting annual price drops - albeit by varying amounts..... Nationwide's latest data reveals house prices dropped 5.3% in the year to August, representing a £14,600 loss on a typical home The high-street lender says rising interest rates threaten a 'significant drag' on the housing market.....Halifax's latest data also shows a £14,000 downturn, with the August fall of 1.9% being the biggest decrease since November 2022"*

4.64. How many homes are being sold?

4.65. *"The property market boomed in 2020-21 as buyers rushed to take advantage*

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*of the temporary cut to stamp duty. This resulted in huge spikes in sales around the deadlines in June (when tax savings of up to £15,000 ended) and September (when savings of up to £2,500 ended). The number of purchases each month has since calmed, and there has been a marked drop-off in 2023. The most recent data from HMRC shows that an estimated 86,190 transactions went through in July - a huge drop of 22% compared to July 2022, and 9% lower than June 2023”.*

4.66. Has the property market been slowing down?

4.67. *“Demand from buyers has fallen over the past 12 months, which has caused the housing market to cool off. Estate agent trade body Propertymark reports that, in July, 81% of property transactions were completed below the original asking price. But despite current economic conditions, demand has increased in recent months.....Propertymark CEO Nathan Emerson said: 'The sales market remains buoyant despite rising mortgage rates, with the number of sales agreed in July broadly in line with what was reported during the busy market period in July 2022. '.....Rightmove says sellers are taking an average of 57 days to secure a buyer. That's a significant increase from the 35 days recorded back in August last year”.*

4.68. What will happen to house prices?

4.69. *“This year, the cost of living crisis and high mortgage rates are affecting the number of homes being sold. Experts predict house prices will continue to fall from their peak, but there are varying forecasts when it comes to the extent of this fall. The estate agency Knight Frank forecasts that prices will drop by 5% in 2023, and the same amount in 2024. Analysts at Capital Economics predict house prices will fall by a total of 12% by mid-2024.....The Office for Budget Responsibility (OBR) expects a 9% decrease between now and autumn 2024, while Rightmove is only anticipating a 2% drop this year. Despite the forecasts, recent house price index figures suggest prices remain resilient, so we may not reach the predicted falls. However, house prices are due to be impacted by spiralling mortgage rates.....Kim Kinnaird, Halifax's director of mortgages, said: 'The continued affordability squeeze will mean constrained market activity persists, and we expect house prices to continue to fall into next year.....Based on our current economic assumptions, we anticipate that being a gradual rather than a precipitous decline.”*

***Times Money Mentor 'Will house prices fall in 2023? - Article by Hannah Smith and Georgie Frost (Updated September 22, 2023).***

4.70. This poses a number of questions, which are then addressed, as follows;

4.71. UK house prices latest: will they fall in 2023?

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4.72. *“UK house prices dropped by around 5% in the year to August, according to data from Halifax and Nationwide. It marks the steepest annual fall since 2009. We explore where they could head next.....The evidence that the UK property market is struggling amid rising mortgage rates and a cost of living crisis is mounting; Nationwide reported a drop in average house prices of 5.3% in the year to August. Halifax’s data for the same period observed a 4.6% decrease. Residential property transactions also fell by 22% in July 2023 compared to the same month in 2022, HMRC figures show.....Asking prices for homes in Britain witnessing the sharpest drop recorded for that month since 2018, according to the property website Rightmove.....The market’s downturn is being blamed on soaring mortgage rates affecting demand for homes, and forcing sellers to cut their prices to ensure a sale. The average two-year fixed mortgage rate has jumped from around 2.3% in 2021 to 6.56% today”.*

4.73. The article goes on to say;

4.74. *“Are house prices going down? The short answer is yes. The average house price fell by 5.3% in the year to August 2023, according to the latest data from Nationwide. This is the most substantial annual drop in house prices since the aftermath of the financial crisis in 2009.....Data from Halifax paints a similar picture; it says that prices had fallen 4.6% in a year, or 1.9% from the month prior.....Rightmove’s August data shows average asking prices for homes fell by 1.9% in the month. This means the average asking price has fallen by £7,000 to £364,895, marking the most significant decrease in asking prices in August since 2018.....Summer is traditionally a slow time for the housing market. But this August marked a larger drop in asking prices than is usual for the month. The fall is believed to be a reflection of sellers responding to the pressure on buyers as a result of soaring mortgage rates and the cost of living crisis.....The lower prices haven’t been enough to encourage people to buy. The number of sales agreed in August was also down compared to the same period four years ago.”*

4.75. However, the article also notes as follows;

4.76. *“It’s worth noting that while average house prices have generally fallen during the last year, they’re still almost 20% higher than they were before the pandemic four years ago. House prices are still very high by historical standards and have been rising much faster than wages. The average price of a UK home has nearly trebled since the turn of the century and increased by more than 60% over the last decade according to Nationwide building society.....A shortage of housing stock and high demand for properties has certainly inflated prices. But a significant factor has been the low interest rates since the financial crash. People were more able to afford mortgages because borrowing money was cheap. This is no longer the case.....Since*

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*December 2021 the Bank of England has increased the base rate 14 times from its record low of 0.1%. The base interest rate now sits at 5.25%. As a result mortgage rates have shot up.”*

4.77. The article then asks; How are mortgage rates affecting house prices?

4.78. *“Higher mortgage rates are making it more expensive to get a mortgage to buy a home. The extra financial pressure on buyers is forcing sellers to re-evaluate their asking prices if they want to make a sale.....Property prices have fallen for five months in a row, according to Halifax. The latest drop recorded by Rightmove was the biggest for the month of August in a half a decade. That figure would probably have been larger were it not for the limited number of available properties on the market, which is down by around 10% compared to 2019”.*

4.79. The article suggests that there are a number of factors that could see house prices fall:

*4.79.1. Further rate rises are expected which could see mortgage repayments increase even further*

*4.79.2. While inflation has been falling, the cost of living crisis is still putting pressure on household budgets*

*4.79.3. First-time buyers are expected to hold off as they wait to see what happens*

4.80. The article goes on to say;

4.81. *The Resolution Foundation think tank has said that if interest rates remain at the current high level then average house prices could plunge by 25%. This would take the average house price from £287,000 today to nearer £215,000.....House prices have increased almost 20% from their pre-pandemic levels, so this would represent around a 5% fall since 2019.....The Resolution Foundation believes the adverse effects of the successive rate rises have yet to be fully felt, particularly by mortgage holders whose fixed term deals come to an end over the coming months”.*

4.82. The article also asks *“How do prices differ for different types of property”?*

4.83. The article notes that the pandemic caused huge shifts in housing preferences and mortgage lenders have continued to see differences in price trends between property types. It also advises that, since the onset of the pandemic, prices of detached, family homes are growing much faster than flats. This is because many workers are continuing to work from home a few days a week, so there is still demand for larger properties with space for a home office. While this hybrid model for

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working continues, so will the trend for larger properties.

4.84. The article also asks if there a greater demand for rural locations;

4.85. *“With working from home a more permanent part of many people’s lives, demand for properties outside cities has jumped. Lockdowns highlighted the value of greenery and space, triggering a surge of interest in properties in rural and coastal areas, according to ONS statistics.....House prices in some hotspots have risen at three times the national rate.”*

4.86. And also *“Will house prices crash in 2023”?*

4.87. *“While we can’t say for sure what the future holds, recent rises in mortgage rates combined with the cost of living crisis have sparked fears that the market might crash. High fuel prices, energy costs and tax rises have put pressure on household budgets.....The Bank of England has raised the base interest rate 14 times in a row since December 2021, from 0.1% to 5.25% with more increases predicted. This is expected to reduce demand among potential buyers and could see people default on their mortgage repayments, causing house prices to fall. While annual house price growth has so far remained high across the board, house prices are now falling month on month. If demand slows down and people have smaller deposits, the rate of house price growth could fall further.....But that’s not to say property prices will crash as demand still tends to outstrip supply of homes in many areas across the UK. Mortgage rates are also falling, meaning buyers are returning to the market. High demand is likely to cushion the blow, meaning house prices could fall rather than crash.”*

**The key points from an RICS press release dated 14 September 2023, were as follows:**

4.87.1. *“House prices under pressure in face of high mortgage rates while immense tenant demand creates imbalance in the lettings market.....*

4.87.2. *Buyer demand along with agreed sales figures fall sharply with mortgage rates deemed the driving factor....*

4.87.3. *Survey respondents’ predictions for the next few months point to little prospect of a turnaround.....*

4.87.4. *Tenant demand continues to outweigh landlord instructions causing shortage of available rental properties....”*

4.88. The press release continues;

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4.88.1. *"The Royal Institution of Chartered Surveyors (RICS) UK Residential Survey for August 2023, portrays a market continuing to slow with house prices remaining on a downward spiral.....The survey indicator for house prices nationally, in terms of net balance, continued to fall from -55 in July, to -68, marking the most negative reading since 2009....."*

4.88.2. *New buyer enquiries declined slightly from the -45 posted last time, to -47, with new sale instructions following a similar trend, slipping from -17 in July to -26 this time round.....Survey respondents reported a decline in newly agreed sales, falling from -45 to -47, which marks the weakest reading for this indicator since the pandemic....."*

4.88.3. *Looking ahead, near-term sales expectations remain subdued, although the net balance has turned marginally less negative, at -38%, compared to last month's reading of -45%. On a twelve-month view, the trend in home sales is anticipated to flatten out, evidenced by the net balance moving from -25% in July to -5% in August....."*

4.88.4. *Looking across to the lettings market, conditions remain more positive than the sales market, with a net balance of +47 of survey respondents noting a rise in tenant demand (+59 in July). However, new landlord instructions fell slightly with a reading of -20 (-19 in July)....."*

4.88.5. *Given this mismatch between demand and supply, a net balance of +60% of contributors foresee rental prices being driven higher over the coming three months".*

4.89. The press release concluded as follows;

4.90. *"RICS Chief Economist, Simon Rubinsohn, commented: The latest round of feedback from RICS members continues to point to a sluggish housing market with little sign of any relief in prospect.....Buyer enquiries remain under pressure against a backdrop of economic uncertainty and the high cost of mortgage finance. Meanwhile, prices are continuing to slip albeit that the relatively modest fall to date needs to be seen in the context of the substantial rise recorded during the pandemic period. Critically, affordability metrics still remain stretched in many parts of the country."*

**'The Independent' Newspaper - Article Dated 6 December 2023, by August Graham**

4.91. This is entitled; *"Housebuilders facing one of toughest periods since 2009 crash, survey suggests"* and noted as follows;

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4.92. *"The UK's construction sector continued its decline last month and undershot expectations, according to a survey which is closely followed by economists. The housebuilding sector was particularly badly hit, slowing at one of its fastest paces since the global financial crisis 14 years ago. The S&P Global/CIPS construction purchasing managers' index (PMI) scored 45.5 in November. Residential construction activity has now decreased in each of the past 12 months and the latest reduction was still among the fastest seen since the global financial crisis in 2009 (based on information from Tim Moore, S&P Global Market Intelligence).*

4.93. *It continues months of difficulties for the UK's construction firms.....The PMI survey assigns a score to different sectors based on questions that companies answer. If that score is less than 50 it means the sector is likely to be shrinking. The further below 50 is scores, the faster it is shrinking.....Since September the construction sector has been shrinking fairly rapidly. September's 45.0 score was the lowest since May 2020, which was the early days of the Covid-19 pandemic.....Although the PMI has recovered a little since then, November's score is the second worst since 2020.....A slump in housebuilding has cast a long shadow over the UK construction sector and there were signs of weakness spreading to civil engineering and commercial work during November.*

4.94. *There were some bright spots in the survey, however; Companies revealed that their purchasing costs fell at the fastest rate since the summer of 2009, as raw material prices dropped. But the housebuilding sector was really in the doldrums. Its PMI score was 39.2 in November, with companies saying the unfavourable market had led to a slowdown in activity.*

4.95. *Tim Moore, economics director at S&P Global Market Intelligence is quoted as saying; "A slump in housebuilding has cast a long shadow over the UK construction sector and there were signs of weakness spreading to civil engineering and commercial work during November. "Residential construction activity has now decreased in each of the past 12 months and the latest reduction was still among the fastest seen since the global financial crisis in 2009".*

4.96. *The article continues; "Elevated mortgage costs and unfavourable market conditions were widely cited as leading to cutbacks on house building projects. There will be no quick fixes next year for the sector."*

4.97. *Dr John Glen, chief economist at the Chartered Institute of Procurement & Supply (CIPS), is quoted as saying; "Despite this, the sector has finally emerged from a period of intense supply chain pressure and prices are now falling across the board, especially for timber and steel. Projects are no longer being delayed due to unexpectedly high material costs, with November seeing the sharpest reduction in*

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*purchasing prices since July 2009. There will be no quick fixes next year for the sector. Lower demand, elevated interest rates and the prospect of an election promise an uncertain start to 2024. This is a challenging moment for suppliers in the sector, who may have tough price negotiations ahead."*

#### **The RICS UK Residential Market Survey January 2024**

4.98. The RICS 'UK Residential Market Survey January 2024' provides the following headlines;

- *"Sales volumes expected to recover further over the coming months*
- *Metrics on buyer demand, agreed sales and new instructions all move out of negative territory*
- *Sales expectations improve further at the three and twelve-month time horizons*
- *House price declines continue to ease, with London seeing a largely stable trend emerge"*

4.99. The body of the update notes as follows;

4.100. *"The January 2024 RICS UK Residential Survey results show another slight improvement across all sales market activity indicators. Moreover, sentiment regarding the outlook for sales volumes over the coming twelve months has turned increasingly positive, supported by expectation that interest rates will ease back to a certain degree as the year progresses.*

4.101. *At the national level, the new buyer enquiries series posted a net balance reading of +7% in January, up from a figure of -3% previously. As such, this is now consistent with a gradual recovery coming through for buyer demand. Although still relatively modest in a longer term context, the latest reading is in fact the most positive since February 2022. In conjunction with this, the agreed sales indicator also edged higher, returning a net balance reading of +5% compared to a value of -5% previously. ..*

4.102. *What's more, respondents foresee activity gaining further momentum over the coming three months, with the three-month sales expectations net balance rising to +14% compared to readings of +11% and +6% in December and November respectively. At the twelvemonth time horizon, a net balance of +44% of survey participants now envisage an improvement in sales volumes (up from an already solid reading of +34% last month). Looking at supply, this month saw a small pick-up in the*

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flow of new instructions being listed on the sales market, evidenced by a net balance reading of +11%. In fact, having been stuck in negative territory over much of the past few year, January's reading marks the most positive return for this measure since March 2021.

4.103. *At the same time, a net balance of +9% of respondents noted that the number of market appraisals undertaken during the month was above that of the previous year (marking the first occasion this series has been out of negative territory since early 2022).*

4.104. *With respect to house prices, the survey's headline gauge of price growth returned a net balance of -18% during January. While this remains below zero and is therefore still symptomatic of some downward pressure being visible, the readings for this metric have now turned less negative in five successive reports. Consequently, this suggests any falls in house prices are decelerating noticeably at the headline level.*<sup>44</sup>

4.105. *.....Going forward, near-term price expectations have now turned more or less flat at the national level (with the net balance moving to -2% from -12% previously). On a twelve-month view, a net balance of +18% of respondents now anticipate a mild increase in house prices (the strongest reading since July 2022). When disaggregated, with the exception of East Anglia and the West Midlands (where net balances stand at -12% and -13%), all other parts of the UK are now expected to see some uplift in house prices over the year to come*<sup>45</sup>.

**Knight Frank UK Residential Outlook – (16 April 2024) 'Slow Recovery for UK Housing Market as it Awaits Political and Economic Clarity'**

4.106. This states as follows;

4.107. *"It feels as though the UK housing market is waiting for something to happen.....The prevailing mood is one of anticipation with both a rate cut and a new Prime Minister on the horizon.....Even recent house price data suggests the current direction of travel is sideways. The monthly growth reported by Nationwide and Halifax in the first two months of the year went into reverse in March.....Frustratingly for buyers, the prospect of the first rate cut since March 2020 seems to move further into the distance with each release of economic data.....Figures from the US have recently caused concern due to a belief the Bank of England won't cut rates before the Federal Reserve.....Strong US inflation figures sent the UK five-year swap rate above 4.3% last week, which is clearly not good news for anyone hoping to agree a*

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<sup>44</sup> Emphasis added.

<sup>45</sup> Emphasis added.

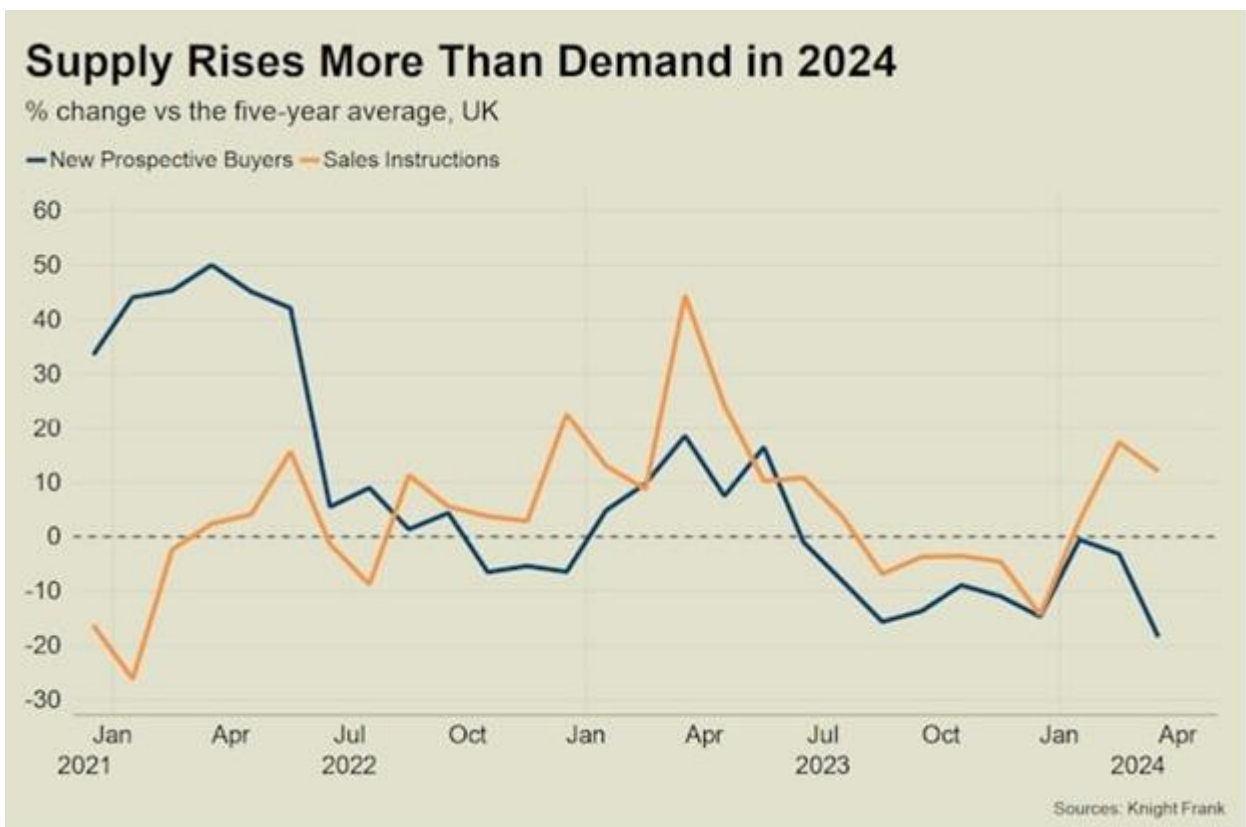


mortgage starting with a '3' any time soon.

4.108. The article goes on to say;

4.109. *"The fact a wave of borrowers are rolling off sub-2% fixed-rate mortgages agreed at the start of 2022 is adding to the financial pressures in the system.....More relief for buyers will come when underlying inflation appears to be under control, so watch the UK numbers closely on Wednesday.....The other reason prices are dipping is rising supply. The positivity that infused the market in the early weeks of this year means more properties are now coming onto the market.*

4.110. The article concludes by saying; *"The latest RICS report shows that supply has risen for four consecutive months, which tallies with Knight Frank data - see graph (immediately below). A dip in demand in March is also visible due to mortgage rates creeping higher."*



**RICS UK Residential Survey, March 2024 (press release dated 11 April 2024)**

4.111. This is entitled; *'Marching ahead: Buyer demand puts spring in the step of the housing market'*

4.112. The 'headlines' are as follows;

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4.112.1. *“Survey results predicting further bounce in housing market in both the near and longer term.*

4.112.2. *New property listings increase for a fourth month with buyer demand also rising.*

4.112.3. *The battle between tenant demand and lack of available rental properties continues, with rental prices expected to rise in the coming months.*

4.112.4. *The latest RICS UK Residential Survey results (March 2024) show a steady improvement in sentiment, with buyer demand and sales expectations going forward seeing a rise in positivity. Meanwhile, stability in house prices has also been reported.*

4.112.5. *According to the survey, buyer demand has continued to rise, with a net balance of +8% of respondents citing an increase in new buyer enquiries during March, making this the most positive result since February 2022.*

4.112.6. *On the property supply front, the flow of new listings coming onto the sales market increased for a fourth successive month, with a net balance of +13% of respondents noticing a pick-up in new instructions in March.*

4.112.7. *Looking at expectations, respondents predict further improvement in activity over the coming months, with a net balance of +13% of respondents predicting sales volumes rising in the next three months, compared to a reading of +6% previously. Similarly, looking ahead to the next twelve-months, a net balance of +46% of respondents predict sales activity rising (up from +42% in February).*

4.112.8. *Interestingly, house price trends have grown less negative for the seventh month in a row, rising from a net balance of -67% in September 2023 to -4% in March. This suggests a stable picture is now in place for house prices across the UK.”*

4.113. The RICS press release concludes with comments from Tarrant Parsons, Senior Economist, at RICS;

4.114. *“Demand continues to recover gradually across the UK housing market, with new buyer enquiries rising for a third month in succession according to the latest survey feedback.....“With the inflation backdrop turning a little less difficult of late, this has led to expectations that the Bank of England will be able to start lowering interest rates later in the year. This should continue to support the market to a certain degree going forward.....“In keeping with this, near-term sales expectations point to*

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*an improving outlook, albeit the scope for an acceleration in activity will still be relatively limited given mortgage rates are set to remain much higher than in 2020/21.*

### **House Price Forecasts – Overall Conclusion**

4.115. In summary, based on the above, current house price forecasts highlight a combination of circumstances that have led to the housing market stalling and then flattening. There is some variation between the forecasts in relation to the level of house price movement over the next year. However, they all agree that any recovery in the housing market will be gradual and any increases in house prices are likely to be very modest.

4.116. Accordingly, the current estimated house prices provided by the local Chartered Surveyors/Estate Agents, and emerging from the research undertaken by BVL are likely to be best case or ‘optimistic’ in terms of where prices will be heading in the medium term.

### **AFFORDABLE HOUSING SALES REVENUE**

4.117. The Applicant has confirmed that it has not yet entered into any discussions with an RP. Therefore, to secure an objective view<sup>46</sup> of the market value of the affordable housing element of the proposed development, BVL approached affordable housing specialists CJH Land. CJH Land provides specialist advice to a range of parties on affordable housing issues and it undertakes a great deal of work in the locality. Accordingly, CJH is very well placed to provide specific and current advice as to the affordable housing premiums that would be achievable from the affordable housing element of the development.

4.118. The key points made by CJH Land are summarised below;

4.118.1. The world for Registered Providers (‘RPs’) has changed significantly in recent months;

4.118.2. Many RPs have no current capacity for development. This is very unusual; usually when open market development ‘dips,’ the RPs step in and are able to develop. Their inability to do so is due to a unique and previously unseen<sup>47</sup> set of circumstances, that ‘turned everything on its head’ at the start of 2023, & which has become worse and worse. This problem is being experienced everywhere in the South West and up to Bristol and beyond.

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<sup>46</sup> For the purposes of the IFVA

<sup>47</sup> In thirty years of CJH’s experience in the sector.

19/04/2024 (SF) BVL IFVA-planning reference 43/23/0056; amended description; “*Outline application with all matters reserved, except for access, for a mixed-use development of up to 200 No. dwellings, employment land (Use Classes E & F), an internal spine road to facilitate a rail halt/station, public open space, drainage & associated infrastructure on land north of Taunton Road, Longforth Park, Wellington (DEPARTURE FROM LOCAL PLAN)*”.

4.119. The factors that have led to this situation are as follows;

4.119.1. Firstly – RPs are experiencing greatly increased maintenance costs. It is costing RPs far more than they had planned to undertake their day to day & cyclical maintenance, due to BCIS cost inflation etc. This in itself reduces the financial resources remaining for new development.

4.119.2. Secondly, many RPs have a ‘full order book’ of existing development commitments, because a significant number of development projects were signed up to by most RPs before the Government’s Mini Budget of 23 September 2022<sup>48</sup>. Many RPs had just signed up to large development programmes just before the impacts of the Mini Budget were fully felt by the financial markets.

4.120. Many RPs locally now say they are fully committed and cannot take on any more development. Also with increased costs of maintenance following the Mini Budget and the Covid 19 Pandemic, RPs need to make their finances go much further.

4.121. In addition to this, following the Mini Budget, the costs associated with refinancing are often prohibitive. Therefore, RPs are very reticent to refinance and in many cases, their business plans require them to stay within current agreed limits. The biggest issue is therefore the current (increased) cost of interest. Sadly, even when rates fall, some RPs will still not be able to develop because things have become so ‘tight.’

4.122. In summary then, CJH Land advise that there has been a ‘power shift’ with less and less cash being available now for RPs, who now need to make what they have go much further. As a result they are concentrating on their core business of managing and maintaining a stock of housing. This leaves significantly reduced capacity to raise funds for development and expansion.

4.123. CJH Land also advised that flats are not popular with RPs, even on large schemes. Unless a scheme includes a minimal number of flats, RPs simply will not bid, because they need an overwhelming number of houses in the mix. Taking account of the current (and foreseeable) market conditions for RPs, CJH Land strongly recommend that the composition of the affordable housing element of any development is agreed with an RP first to ensure that it will meet their requirements.

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<sup>48</sup> Bing Search advises that; “Liz Truss's mini-budget was announced on September 23rd, 2022. The mini-budget included tens of billions of pounds of tax cuts, such as a cut in corporation tax from 25% to 19% and a cut in the basic rate of income tax from 20% to 19%<sup>1</sup>. The announcement caused turmoil on the markets, a fall in the value of the pound, and rises in the cost of UK government borrowing and mortgage rates<sup>2</sup>. Prime Minister Liz Truss subsequently sacked the then chancellor Kwasi Kwarteng and acknowledged that parts of the mini-budget went further and faster than markets were expect”).

19/04/2024 (SF) BVL IFVA-planning reference 43/23/0056; amended description; “Outline application with all matters reserved, except for access, for a mixed-use development of up to 200 No. dwellings, employment land (Use Classes E & F), an internal spine road to facilitate a rail halt/station, public open space, drainage & associated infrastructure on land north of Taunton Road, Longforth Park, Wellington (DEPARTURE FROM LOCAL PLAN)”.

CJH Land suggest that there is no point in agreeing an affordable housing mix with an LPA, if this mix would not be acceptable to RPs. CJH Land underlined this advice by saying; *“It is fundamental for a developer to get the affordable mix right, because it is easier for RPs to say ‘no’ than ‘yes’ at the moment. Even in good locations, developers need to be offering affordable housing schemes that are as attractive as possible at the moment, otherwise RPs just will not take them.”*

4.124. CJH noted that the Housing Enabling Team’s request for a fully disabled adapted 3 bed bungalow is unusual, as this would have a very big footprint. However, in many ways it would be preferable to have a bungalow (rather than a house) in this case, as there would be no need for a lift.

4.125. In relation to Wellington specifically, CJH Land advise that the requested affordable housing mix would generally be attractive to a Registered Provider (RP) mainly because it consists of houses and bungalows (and not flats, for example). CJH advise that RPs would still be interested in new developments in Taunton/Wellington. However, CJH Land would advise that a developer tenders any affordable element. This is because, (with the market for RPs as described above), many have now significantly altered their bidding assumptions, meaning that the difference between two RP bids could be substantial (potentially up to £50 per ft<sup>2</sup>).

4.126. CJH Land advise that likely achievable sales premiums for the Council’s target mix of 60% Social Rent and 40% Shared Ownership will attract a blended sales rate of up to £150 per ft<sup>2</sup>, with a ‘safe’ assumption of around £145 per ft<sup>2</sup>. Ultimately, the achievable rate will depend on timing (i.e. when it will be delivered/available) especially as many RPs have full development programmes & no capacity for development.

4.127. By way of comparison (and in relation to the mix of affordable housing being requested by the Housing Enabling Team), BVL notes that the RP offer of £886,000 made to the Applicant in relation to the Creech St Michael development equated to an average of £184.10 per ft<sup>2</sup> over the 4812 ft<sup>2</sup> for these five affordable dwellings, which comprised 1 x shared ownership (20%) and 4 x **Affordable** Rent (80%). This rate broadly aligns with BVL’s normal expectations for a tenure mix of this type, in this area.

4.128. Whilst there will be a differential between Wellington and Taunton, this implies that (broadly speaking) the financial difference between 80:20 Affordable Rent/Shared Ownership and 60:40 Social Rent/Shared Ownership tenure mix is notionally in the region of) £184.10 per ft<sup>2</sup> - £145 per ft<sup>2</sup> = £39.1 per ft<sup>2</sup>. If this is applied across the affordable element of the proposed development (50,785 ft<sup>2</sup>) the total difference between the two mixes could amount to circa £1,985,694 (say just

19/04/2024 (SF) BVL IFVA-planning reference 43/23/0056; amended description; *“Outline application with all matters reserved, except for access, for a mixed-use development of up to 200 No. dwellings, employment land (Use Classes E & F), an internal spine road to facilitate a rail halt/station, public open space, drainage & associated infrastructure on land north of Taunton Road, Longforth Park, Wellington (DEPARTURE FROM LOCAL PLAN)”.*

under £2m).

- 4.129. BVL has not, at present, modelled the impact of the 40% element being First Homes, sold at a discount from open market value. This is because the stated preference of the Housing Enabling team is for these units to be Shared Ownership, and also because this would be unlikely to make any significant difference to the viability picture, given the outcomes of the viability modelling<sup>49</sup>.
- 4.130. Taking an optimistic approach, the rate that has been applied in the modelling is the maximum rate of £150 per ft<sup>2</sup> (blended) provided by CJH Land for the Council's target 60:40 Social Rent/Shared Ownership tenure mix.
- 4.131. During the engagement process with the Council following the submission of the Draft IFVA on 25 March, officers asked about the basis of the advice provided by CJH Land and whether they had undertaken dialogue with local approved Registered Providers to ascertain the RP position, interest and current rates for Wellington.
- 4.132. BVL responded to this query as follows;
- 4.133. *"Re CJH Land; your colleagues' queries raised are noted, thank you. CJH were not formally commissioned to provide advice to inform the IFVA and therefore the advice that I obtained from them was of a general nature, mainly covering the economic constraints faced by most RPs in the Region. CJH Land also advise that it is very difficult to give a generalised view on likely RP interest/bids for a particular location, due to the 'heterogeneity' of approaches being taken by individual RPs;*
- 4.134. *I spoke with CJH Land again yesterday for an update, and they advise that, if anything, things have become worse, with RPs' programme capacity and approach to bidding now changing for individual RPs on a weekly basis, and with business plan assumptions needing to be amended regularly (for example very recently, apparently Aster had a scheme of circa £10m 'falling away' unexpectedly, meaning that they are now looking to bid for some April 2026 schemes - although they were 'full' (capacity-wise) prior to this happening). In summary, it is very difficult to generalise as to what type of RP would be able to bid in a particular location, and, if they were able to bid, whether this would be on a basis that would be acceptable to a developer.*
- 4.135. *Accordingly, the only way to definitively establish the interest in bidding, and level of bids that would be made, would be to tender the affordable housing element of the proposed development. However, not only would this take several weeks,*

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<sup>49</sup> See below for details.

19/04/2024 (SF) BVL IFVA-planning reference 43/23/0056; amended description; "Outline application with all matters reserved, except for access, for a mixed-use development of up to 200 No. dwellings, employment land (Use Classes E & F), an internal spine road to facilitate a rail halt/station, public open space, drainage & associated infrastructure on land north of Taunton Road, Longforth Park, Wellington (DEPARTURE FROM LOCAL PLAN)".



*but, (in an RP market where a 'decline' is commonplace – it is easier to say no, rather than yes, for most RPs at the moment). Also, where a proposed development is the subject of a viability review, RPs are very unlikely to bid. CJH gave their general advice for Wellington based on their wider experience, and on the very few recent bids that have taken place in nearby locations, including;*

4.136. *South Somerset, 15 dwellings, 70% Social Rent, 5% Shared Ownership – rate achieved - £127.84 per ft2.*

4.137. *Tiverton – 70 dwellings, 60% Affordable Rent, 40% Shared Ownership, bids awaited now, but numerous 'declines' have already been received from RPs.*

4.138. *As noted in the Draft IFVA, taking account of the location and their knowledge of RPs in the Region generally, CJH Land suggested that a figure of circa £145 per ft2 (up to £150 per ft2) could potentially be achievable for the proposed development, if an RP had the capacity to bid.*

4.139. *I mentioned the recent bid made by a local RP in relation to Creech St Michael, in my Draft IFVA Report. However, if your housing colleagues have any other local comparable bid results, or information that could help to inform the IFVA in this regard, this would be gratefully received.*

4.140. *However, I should say that, given the results of the Draft IFVA (i.e. that all of the target affordable housing element is likely to need to be foregone to create a deliverable scheme) an adjustment to the blended premium rate for affordable housing is unlikely to make a significant impact on viability. Also, as noted above (and discussed at our meeting), current economic conditions for Registered Providers (RPs) mean that it could be difficult to find an RP to take the affordable element of this development at the moment, in any event."*

4.141. *The Housing Enabling Team responded to BVL's comments by saying; "Note - CJH Land have had no dealings in the Former Somerset West and Taunton area for many years. Their commentary is not incorrect, however the RPs operating in the Wellington area have expressed an interest in bidding for affordable homes in Wellington and remain active in this area."*

4.142. *The Housing Enabling Team also noted that local RPs were also interested in pursuing land-led opportunities. This option was also discussed at the engagement meeting of 10 April. However, it was difficult to see how this could helpfully be applied in the case of the Application Site.*

## EMPLOYMENT LAND

19/04/2024 (SF) BVL IFVA-planning reference 43/23/0056; amended description; "Outline application with all matters reserved, except for access, for a mixed-use development of up to 200 No. dwellings, employment land (Use Classes E & F), an internal spine road to facilitate a rail halt/station, public open space, drainage & associated infrastructure on land north of Taunton Road, Longforth Park, Wellington (DEPARTURE FROM LOCAL PLAN)".



4.143. As noted in more detail above, there have been various changes in the proposed commercial elements of the proposed development since the submission of the Outline Application. These can be summarised as follows;

**Mix of commercial uses at the time of the Submission of the Outline Application (May 2023):**

4.144. A mixed-use element with a gross internal area (ground floor only<sup>50</sup>) of 2,285.1 m<sup>2</sup> (24,596 ft<sup>2</sup>).

4.145. General employment buildings (ground floor only) (Use Class E & B8) with total gross internal areas of 2,646.2 m<sup>2</sup> (28,484 ft<sup>2</sup>).

**Amended Mix of Commercial Uses – 26 January 2024:**

4.146. Employment on 0.96Ha/2.36 acres (this was previously 0.77 Ha, or 1.89 acres, reflecting a marginal increase of 0.19Ha/0.47 acres (Use Class E & B8). The FOD plans also note a marginal difference in the area of the general employment buildings (ground floor only) with a reduced total gross internal area of 2,645.4m<sup>2</sup> (28,475 ft<sup>2</sup>).

4.147. The 'Mixed Use' element of the proposals (previously comprising 0.71Ha, or 1.76 acres) was not present on the amended plans of 26 January 2024.

**Current) Mix of Commercial Uses (early March 2024)**

4.148. As noted above, the removal of the mixed-use element has not only removed some 2,285.1 m<sup>2</sup> (24,596 ft<sup>2</sup>) of ground floor GIA from the proposed development, it has also reduced the maximum number of residential units from 'up to 220' to 'up to 200'. (As noted above, around 20 residential dwellings were envisaged on the first and second floors of the mixed-use space).

4.149. The employment land is now 0.828Ha (2.046 acres). This was previously<sup>51</sup> 0.96Ha (2.36 acres), reflecting a reduction of 0.314 acres. The new coverage is envisaged by FOD to be; *"general employment buildings (gf only) total gross internal areas 2,645.4m<sup>2</sup> (28,475 ft<sup>2</sup>)"*.

4.150. Note – under the new application description, the proposed employment uses have been amended from E and B8 to E and F. The Applicant's Planning Consultants, Carney Sweeney note that *"In reality this will probably just result in traditional former B1 uses coming forward (which are now included in the new Class E use class)"*.

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<sup>50</sup> BVL is informed by Focus on Design, that the upper floors of this accommodation were originally envisaged to provide for up to 20 residential units (flats).

<sup>51</sup> As of 26 January amendments.

19/04/2024 (SF) BVL IFVA-planning reference 43/23/0056; amended description; *"Outline application with all matters reserved, except for access, for a mixed-use development of up to 200 No. dwellings, employment land (Use Classes E & F), an internal spine road to facilitate a rail halt/station, public open space, drainage & associated infrastructure on land north of Taunton Road, Longforth Park, Wellington (DEPARTURE FROM LOCAL PLAN)"*.

- 4.151. For the purposes of the IFVA modelling, it is assumed that the 2.046 acres of employment land will be sold on a serviced basis.
- 4.152. BVL approached commercial local commercial agents Chesters Harcourt, Hatfield White and GTH for comment. The detail of the ongoing conversations currently being held will be included in the Final IFVA report. However, in summary because Class F generally comprises community type uses (which do not attract very much value) the value of serviced employment land in this location will essentially depend on the range of Use Class E uses that are allowed. If, for example, retail-type<sup>52</sup> uses (or self-storage uses) were allowed, then serviced employment land in this location could potentially sell for up to £500k per acre. However, without these higher value uses, the serviced per-acre sale rate would reduce to between £200k and £300k per acre.
- 4.153. However, taking an optimistic approach to the modelling, BVL has applied the maximum per acre rate of £500k x 2.046 acres = £1,023,000 within the viability modelling.

## DEVELOPMENT COSTS

- 4.154. PPG Viability paragraph 012 states as follows; *“How should costs be defined for the purpose of viability assessment?.....assessment of costs should be based on evidence which is reflective of local market conditions. As far as possible, costs should be identified at plan making stage.....Costs include;*
- *Build costs based on appropriate data, for example, that of the Build Cost Information Service.*
  - *Abnormal costs, including those associated with treatment for contaminated sites or listed buildings, or costs associated with brownfield, phased or complex sites. These costs should be taken into account when defining benchmark land value.*
  - *Site specific infrastructure costs, which might include access roads, sustainable drainage systems, green infrastructure connection to utilities and decentralised energy. These costs should be taken into account when defining benchmark land value.*
  - *The total cost of all relevant policy requirements including contributions towards affordable housing and infrastructure, CIL charges and any other relevant policies or standards. These costs should be taken into account*

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<sup>52</sup> For example, a supermarket (unlikely with Lidl close by), Home Bargains, B&M, Screwfix etc.

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*when defining benchmark land value.*

- *General finance costs including those incurred through loans*
- *Professional project management, sales, marketing and legal costs incorporating organisational overheads associated with the site. Any professional site fees should also be taken into account when defining benchmark land value.*

4.155. *Explicit reference to project contingency costs should be included in circumstances where scheme specific assessment is deemed necessary, with a justification for contingency relative to project risk and developer's return."*

4.156. Considering these cost areas in turn;

### **Cost Areas 1-3 Build Costs, Abnormal Costs & Site-Specific Infrastructure Costs**

4.157. As noted above, Chartered Quantity Surveyors, TCL were asked by BVL to provide independent construction cost advice and statistical information to inform the IFVA.

4.158. In accordance with RICS 'Red Book' requirements, TCL separates construction costs into two main areas;

4.158.1. Development Infrastructure Costs.

4.158.2. Standard Plot Build Costs.

4.159. Following its review of the information supporting the Application, TCL initially produced two draft reports on 7 February 2024. These were followed up by two further reports as follows;

4.159.1. Terrus Infrastructure Cost Plan (initially dated 20 March 2024 and subsequently updated on 12 April 2024 (see below for details). See **Appendix 2**.

4.159.2. Terrus Standard Build Cost Plan dated 20 March 2024. See **Appendix 3**.

4.160. These reports were subsequently updated to reflect viability modelling undertaken following a liaison process with Council officers - see below for further details).

4.161. For convenience, the key elements of TCL's reports are summarised below;

#### **Terrus Infrastructure Cost Plan**

19/04/2024 (SF) BVL IFVA-planning reference 43/23/0056; amended description; "Outline application with all matters reserved, except for access, for a mixed-use development of up to 200 No. dwellings, employment land (Use Classes E & F), an internal spine road to facilitate a rail halt/station, public open space, drainage & associated infrastructure on land north of Taunton Road, Longforth Park, Wellington (DEPARTURE FROM LOCAL PLAN)".

4.162. Paragraph 1.2 notes that; *“Terrus Consulting is commissioned to provide an objective construction cost report to inform an Independent Financial Viability Assessment (IFVA) being prepared by Belvedere Vantage Ltd (BVL) in relation to the above development which is being undertaken by West of England Developments Ltd.”*

4.163. And at paragraph 1.3;

4.164. *“The Infrastructure Cost Plan identifies the infrastructure and abnormal costs to service the site on a typical ‘Red Book’ basis. These costs include land preparation, S278 highways works, S38 primary routes, associated drainage, utilities, archaeology, ecology, and plot specific abnormalities”.*

4.165. TCL Para 1.5 says; *“This cost report considers the approved 200 dwelling application scheme, which comprises:*

4.165.1. *200 dwellings.*

4.165.2. *A network of open spaces including parkland and footpaths for informal recreation.*

4.165.3. *New roads, parking areas, accesses, and paths.*

4.165.4. *Provision within the scheme for the spine road and enabling infrastructure to support the development of a rail halt/station.*

4.165.5. *Other ancillary activities; Including engineering operations, site preparation, ground works, the installation or improvement of services and infrastructure; the creation of drainage attenuation basins, improvements/works to the highway network and other ancillary works and activities.*

4.165.6. TCL paragraph 1.8 states; *The Cost Plan contains the following:*

- *Vegetation clearance, protection, and management*
- *Earthworks*
- *General site clearance & enabling works.*
- *On-site highway infrastructure / Off-site highway works*
- *Foul and surface drainage along the development roads*
- *Foul water and Surface water / SuDs strategy*

19/04/2024 (SF) BVL IFVA-planning reference 43/23/0056; amended description; *“Outline application with all matters reserved, except for access, for a mixed-use development of up to 200 No. dwellings, employment land (Use Classes E & F), an internal spine road to facilitate a rail halt/station, public open space, drainage & associated infrastructure on land north of Taunton Road, Longforth Park, Wellington (DEPARTURE FROM LOCAL PLAN)”.*

- *Service supply connections, diversions, and distribution.*
- *Landscaping*
- *Archaeological and ecological mitigation*
- *Fees & contingency*

4.166. Under Section 4 – ‘Infrastructure’ TCL advises as follows;

4.167. Paragraph 4.1 – “While standard plot build costs include the roads and services along the frontage of the individual properties together with all associated works within the curtilage of the property, it is necessary to include the other development costs in order to provide an accurate assessment of overall construction costs. Accordingly, this section of the report outlines infrastructure and abnormal costs for the proposed development. As such, this section includes costs that lie out with standard house building costs. When read in conjunction with the TCL Standard Build Cost report dated 20th March 2024, this report gives an indication of the costs associated with developing the site for viability purposes.

4.168. Paragraph 4.2<sup>53</sup> states; “During the viability review process there have been a number of iterations of the infrastructure cost plan as follows;

4.168.1. Baseline - The current baseline cost plan is dated 20th March 2024, this assumes 25% affordable housing, 200 new homes, new junction at Nynehead Road and all other infrastructure etc. as per the most recent planning application submission (registered on 7th March 2024)”.

4.168.2. Second cost plan update - The second update cost plan is dated 30th March 2024, still based on the full target provision of 25% affordable housing, This is an update following a Teams call with Council officers on 27th March and subsequent emails, which reduces the play area and ‘play on the way’ allowances, and removes the works associated with the Toucan crossing (as this was identified as a double counted item with the active travel contribution). The utilities diversions associated with these works were also removed. All other elements remain as the baseline cost plan. To ensure consistency with the third update (see below) an alternative version of the second update (Cost Update 2a) has been produced to reflect the reduced nutrient neutrality costs that WOED confirmed (on 3rd April) that they have been able to secure.

4.168.3. Third cost plan update - The third update dated 3rd April 2024, builds

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<sup>53</sup> Together with sub paragraphs 4.2.1 – 4.2.3.

19/04/2024 (SF) BVL IFVA-planning reference 43/23/0056; amended description; “*Outline application with all matters reserved, except for access, for a mixed-use development of up to 200 No. dwellings, employment land (Use Classes E & F), an internal spine road to facilitate a rail halt/station, public open space, drainage & associated infrastructure on land north of Taunton Road, Longforth Park, Wellington (DEPARTURE FROM LOCAL PLAN)*”.

on the 30th March update but now assumes 0% affordable homes, and as such removes bike stores and the Cat 2 and 3 housing standards, this update now also reflects the reduced nutrient neutrality costs which WOED have now been able to secure.

Summary Sheet	Baseline (20/3/24)	2 <sup>nd</sup> Update (30/3/24)	3 <sup>rd</sup> Update (3/4/24)
Land Preparation and Enabling Works	£ 923,644	£ 923,644	£ 923,644
S106 requirements and works	£ Excluded	£ Excluded	£ Excluded
Highway Works	£ 4,262,462	£ 4,164,542	£ 4,164,542
Flood Risk and Drainage	£ 2,948,065	£ 2,948,065	£ 2,948,065
Utilities	£ 1,114,658	£ 1,089,658	£ 1,089,658
Landscaping	£ 1,782,713	£ 1,645.833	£ 1,645.833
Archaeology and Ecology	£ 1,718,550	£ 1,718,550	£ 1,336.600
Plot Abnormals	£ 3,171,402	£ 3,171,402	£ 2,889,402
Professional Fees	£ 1,754,622	£ 1,726,044	£1,653,009
Risk and Contingency	£ 1,624,724	£ 1,598,744	£ 1,532,349
<b>Total</b>	<b>£ 19,300,840</b>	<b>£ 18,986,482</b>	<b>£ 18,183,102</b>
<b>Cost per dwelling</b>	<b>£ 96,504</b>	<b>£ 94,932</b>	<b>£90,916</b>

4.169. TCL paragraph 4.4 – *“The final iteration of the total infrastructure and abnormal costs of £ 18,183,102 amounts to £ 90,916 per plot”.*

4.170. At paragraph 4.5, TCL say; *“At £ 90,916 per plot, the total of infrastructure works requirements and abnormal costs lie within the top end of the range typical for a development of this nature, given the additional infrastructure carried by each plot”.*

4.171. Paragraph 4.6 provides a summary of the Abnormal costs associated with the Application Site; *“The abnormal elements on this site which are over and above ‘typical abnormals’ include the site clearance, including demolition, earthworks, foul pumped rising main to the off-site Point of Connection (PoC), surface water system of attenuation basins and swales, deepened and piled foundations and beam and block flooring and working to the relevant Building Regulations standards. A further element above ‘typical abnormals’ is the high-quality palette of materials that are being used on both the dwellings themselves and also the street scene to meet the aspirations of the Local Planning Authority.”*

4.172. TCL Paragraph 4.7 headed ‘Cost Heading Commentary’ (items 1-94) provides detailed commentary on each of the various elements in TCL’s cost schedule at Appendix 1 to TCL’s report.

### **Terrus Standard Build Cost Plan**

19/04/2024 (SF) BVL IFVA-planning reference 43/23/0056; amended description; *“Outline application with all matters reserved, except for access, for a mixed-use development of up to 200 No. dwellings, employment land (Use Classes E & F), an internal spine road to facilitate a rail halt/station, public open space, drainage & associated infrastructure on land north of Taunton Road, Longforth Park, Wellington (DEPARTURE FROM LOCAL PLAN)”.*

- 4.173. This report is also dated 20 March 2024. As noted above, the full report is attached at **Appendix 3**, but key points are summarised below;
- 4.174. At paragraph 1.7 of its written report, TCL advises that its Build Cost Plan contains the following:
- 4.175. *Standard BCIS build cost plus allowance for plot externals, to be read in conjunction with the TCL Red Book cost plan for Abnormal Site Infrastructure.*
- 4.176. *Enhanced finishes.*
- 4.177. *Where relevant the above include contingency."*
- 4.178. Immediately below paragraph 1.7, TCL notes that *"Infrastructure and site-specific Abnormal Costs are covered in a separate report,"* and at paragraph 4.1, TCL states that; *"This report should be read in conjunction with the TCL Abnormal Infrastructure Cost Plan which has been prepared on an RICS Red Book basis."*
- 4.179. TCL paragraph 4.2 – *"This report covers the build cost of the dwelling itself, with an allowance for its own plot costs, such as private drives, paths, patios, fencing, plot drainage and landscaping. In addition, where appropriate, the plot cost will also cover the applicable costs of the estate road onto which the dwelling faces along with the relevant foul-, surface- water drainage and utilities distribution infrastructure associated with that fronted road."*
- 4.180. TCL paragraph 4.3 says– *"When read in conjunction with the TCL Abnormal Infrastructure Cost Plan this report gives an indication of the costs associated with developing the site for viability purposes."*
- 4.181. Under Section 4.4, Item 2, TCL deals with build costs, as follows;
- 4.182. *"Build Cost: BCIS build costs have been obtained for the locality of the development, Taunton Deane, and are based on 1<sup>st</sup> Quarter 2024, which is being taken as the valuation date for the purposes of this report. The BCIS output is included at Appendix 2..... The Median value has been taken from the BCIS schedule since this development being partially delivered by a regional SME housebuilder and is considered to an applicable base build cost for a development of this nature. However, the report also includes details of the BCIS 'Lower Quartile' value, for comparison purposes.*
- 4.183. TCL includes its build cost schedule, based on Median BCIS cost data, at Appendix 1 to its report. TCL also says; *"As noted above, Lower Quartile BCIS cost data is also included for comparison purposes."*

19/04/2024 (SF) BVL IFVA-planning reference 43/23/0056; amended description; *"Outline application with all matters reserved, except for access, for a mixed-use development of up to 200 No. dwellings, employment land (Use Classes E & F), an internal spine road to facilitate a rail halt/station, public open space, drainage & associated infrastructure on land north of Taunton Road, Longforth Park, Wellington (DEPARTURE FROM LOCAL PLAN)"*.



- 4.184. TCL then goes on to say; *“A 10% uplift<sup>54</sup> is then added to the BCIS base build cost to account for as private drives, paths, patios, fencing, plot drainage and landscaping. In addition, where appropriate, the plot cost will also cover the applicable costs of the estate road onto which the dwelling faces along with the relevant foul-, surface- water drainage and utilities distribution infrastructure associated with that fronted road.”*
- 4.185. TCL will then note that it has added a 5% contingency for unforeseen elements.
- 4.186. TCL’s initial Standard Build Cost Plan (dated 7 February 2024) provided the following ‘net’ figures for BCIS ‘Taunton Deane’ – 810 Housing-Mixed Developments for Q124;
- 4.186.1. Median rate (excluding garages - £136.94 per ft2.
- 4.186.2. Lower Quartile rate (excluding garages - £122.72 per ft2.
- 4.186.3. Garages (based on 50 x single and 17 x double for 220 residential dwellings) - £653,448.
- 4.187. The TCL cost plan of 20 March 2024 provides updated values for;
- 4.187.1. Lower Quartile rate – which has now reduced fractionally to £122.63 per ft2.
- 4.187.2. Garages –(based on 45 x single and 15 x double for 200 residential dwellings) - £565,756.
- 4.188. Generally, TCL’s standard build and development infrastructure cost assumptions form the basis for the construction cost assumptions in BVL’s appraisals. For clarity within the BVL appraisals, base plot costs, external and infrastructure costs are shown as separate items.
- 4.189. Given the poor viability outcomes of the current modelling, and to optimise the appraisal inputs as far as possible, BCIS Lower Quartile values<sup>55</sup> have been applied in the appraisals.

## THE TOTAL COST OF ALL RELEVANT POLICY REQUIREMENTS.

### Community Infrastructure Levy (CIL)

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<sup>54</sup> TCL notes that a 15% uplift should be applied if the BCIS Lower Quartile is used.

<sup>55</sup> Plus a 15% allowance for external costs.

19/04/2024 (SF) BVL IFVA-planning reference 43/23/0056; amended description; *“Outline application with all matters reserved, except for access, for a mixed-use development of up to 200 No. dwellings, employment land (Use Classes E & F), an internal spine road to facilitate a rail halt/station, public open space, drainage & associated infrastructure on land north of Taunton Road, Longforth Park, Wellington (DEPARTURE FROM LOCAL PLAN)”.*

- 4.190. Background - in response to the following questions, the Council's website advises as follows;
- 4.191. What is the Community Infrastructure Levy (CIL)?
- 4.192. *"The CIL was introduced by the Planning Act 2008 and is a standard charge to help pay for the provision, improvement, replacement, operation and maintenance of infrastructure. It is charged at a set amount per square metre of additional floor area and increases each year on 1 January, using the value published by the Royal Institution of Chartered Surveyors. We will collect the charge, co-ordinate how funding is spent and report this to the community each year.*
- 4.193. Does CIL apply to my development and how much is it?
- 4.194. *"From 1 April 2023, Somerset Council became a CIL charging authority and administers the CIL for three geographical areas: the former Sedgemoor, South Somerset and Taunton Deane district areas. Somerset Council does not operate CIL in the former Mendip area or West Somerset area and mitigation required to support the needs of new development is secured through section 106 legal agreements.....CIL applies to new floor space and charges are based on the size, type and location of the new development. Charges are calculated on gross internal floor area of development. Developments under 100 sqm of additional floor space are not liable for CIL unless a new dwelling will be created. Payment of CIL is triggered by the start of development and can be made in cash, land or infrastructure subject to the Council's agreement. CIL is also payable on retrospective planning applications where any CIL liability is payable immediately once planning approval is given.*
- 4.195. The website goes on to comment on 'Taunton Deane CIL;'
- 4.196. *"This information only applies to development in the former Taunton Deane district. Charging of CIL in Taunton Deane commenced on new developments granted permission from 1 April 2014. CIL is liable on planning applications inside areas on the charging zones map, that.....create new homes (including rural workers homes, holiday lets and student accommodation)."*
- 4.197. Pages 2 to 3 of the 'Taunton Deane Borough Council Community Infrastructure Levy Charging Schedule April 2014' provide; - 'Evidence to support the proposed levels of CIL'.
- 4.198. *"The evidence to support this Charging Schedule is available on the Council's website at [www.tauntondeane.gov.uk/corestrategy/cil](http://www.tauntondeane.gov.uk/corestrategy/cil). Other links are given at the*

19/04/2024 (SF) BVL IFVA-planning reference 43/23/0056; amended description; "Outline application with all matters reserved, except for access, for a mixed-use development of up to 200 No. dwellings, employment land (Use Classes E & F), an internal spine road to facilitate a rail halt/station, public open space, drainage & associated infrastructure on land north of Taunton Road, Longforth Park, Wellington (DEPARTURE FROM LOCAL PLAN)".

*end of this document. The viability appraisal to support the proposed charges was prepared on behalf of the Council by Three Dragons and Peter Brett Associates. The viability appraisal looks at notional and actual housing development sites in Taunton Deane, and also considers non-residential uses. It recommends rates of CIL that can be charged without putting the majority of development proposed at risk. The evidence indicates that for residential development, CIL would not render the majority of development unviable in most of Taunton Deane. For non-residential uses the only type of development which could support CIL and remain viable, at present, is retailing outside the town centres of Taunton and Wellington.”*

4.199. The Charging Schedule goes on to say, in relation to the Levy;

4.200. *“The Charging Schedule attached has been prepared in accordance with Part 11 of the Town and Country Planning Act 2008 and the Community Infrastructure Levy Regulations 2010 (as amended). The Council has sought to strike a balance between ensuring appropriate development comes forward and the impact of CIL on development viability. It has also sought to balance costs between aspects of site specific infrastructure which will continue to be secured through Section 106 planning obligations and those that will be funded through CIL.*

4.201. *The CIL rates proposed are set out in the Charging Schedule and are derived from the assessment of the viability of development in different parts of the Borough carried out by the Council's consultants. The Regulations recognise that the CIL charge may make some development unviable and that CIL should not be set at such a low rate as to ensure that every development remains viable. Viability evidence suggests that there is no scope to charge CIL on residential development within Taunton town centre and Wellington urban area, nor on retail development within Taunton and Wellington town centres in Taunton Deane. Employment development in the Borough is also not able to support CIL. The rates in the Charging Schedule will be indexed to account for inflation using a nationally recognised index (BCIS). They will be regularly reviewed to take account of changes in viability, and any proposed changes to the Charging Schedule will be submitted for further examination.”*

4.202. The Charging Schedule goes on to cover ‘CIL Relief’

4.203. *“The CIL Regulations provide for full relief from the CIL charge for any part of a development which is affordable housing (and includes social and affordable rent and shared ownership); for self-build housing, residential annexes and extensions.....*

19/04/2024 (SF) BVL IFVA-planning reference 43/23/0056; amended description; “Outline application with all matters reserved, except for access, for a mixed-use development of up to 200 No. dwellings, employment land (Use Classes E & F), an internal spine road to facilitate a rail halt/station, public open space, drainage & associated infrastructure on land north of Taunton Road, Longforth Park, Wellington (DEPARTURE FROM LOCAL PLAN)”.

4.204. *If a development is initially granted CIL relief and then circumstances change, there is a claw-back period within which the development will become liable for CIL. Relief can also be given in exceptional circumstances, subject to the Council publishing a policy to this effect. Such exceptional circumstances will only apply where there is a Section 106 planning obligation in place and where the addition of CIL would make the development unviable; additionally the amount of relief granted must not be sufficient to qualify as notifiable state aid under EU law.<sup>1</sup> The fact that an application may be unviable is unlikely, in itself, to constitute an exceptional circumstance in terms of the CIL Regulations. At the time of adopting its CIL proposals, the Council decided not to offer exceptional circumstances relief, although it will review the position from time to time.”*

4.205. The Charging Schedule goes to set out how CIL should be calculated and the amount of the levy;

4.206. *“How the CIL charge will be calculated In accordance with the Regulations; where applicable the Council will issue a Liability Notice that states the chargeable amount on grant of planning permission or as soon as possible after the grant of planning permission. The Council will calculate the amount of CIL chargeable using the formulae set out in the Regulations.”.....“How much is the levy? CIL will be charged at the rates shown on the Charging Schedule and in accordance with the Charging Zones:.....*

4.207. The Charging Schedule goes on to say;

4.208. *“Payment of Community Infrastructure Levy - CIL becomes payable on commencement of development, in accordance with our instalment policy.....  
.....Community Infrastructure Levy Indexation; “CIL payments must be index linked from the year that CIL was introduced (2014) to the year that planning permission is granted. The index used up until December 2019 was the national All-in Tender Price Index published by the Build Cost Information Service (BCIS). From January 2020 the RICS CIL Index is used to calculate CIL liability in accordance with Schedule 1 of the CIL Regulations 2010 (as amended)”.*

4.209. The Charging Schedule then confirms the following indexation rates which should be applied

- RICS All-in Tender Price Index for 2014 ( CIL implementation) was 235.
- The RICS CIL Index for 2020 was 334.
- The RICS CIL Index for 2021 was 333.

19/04/2024 (SF) BVL IFVA-planning reference 43/23/0056; amended description;“Outline application with all matters reserved, except for access, for a mixed-use development of up to 200 No. dwellings, employment land (Use Classes E & F), an internal spine road to facilitate a rail halt/station, public open space, drainage & associated infrastructure on land north of Taunton Road, Longforth Park, Wellington (DEPARTURE FROM LOCAL PLAN)”.

- The RICS CIL Index for 2022 was 332.
- The RICS CIL Index for 2023 is 355.

4.210. As noted briefly above, PS page 13 states (in relation to Community Infrastructure Levy – ‘CIL;’) as follows at paragraph 3.2.7 and 3.2.8; *“The Council formally adopted CIL for the former Taunton Dean Borough Council Area in 2014”..... The site falls within the Wellington Charging Zone where the levy rate is £0*”. CIL is therefore not applicable to the Proposed Development, and therefore no allowance for CIL is made in the IFVA appraisals.

### **Target s.106 Obligations**

4.211. As noted above, the application consultation process produced a wide range of consultation responses/requests with potential financial implications for the Outline Application.

4.212. It is fundamental that the IFVA takes account of the viability impacts of everything that is being sought, (in terms of different policy targets/aspirations/standards & contributions etc.) in order that decisions can be made in relation to a viable package of planning obligations for inclusion in the s.106 Agreement. However, as noted above, one of the key dilemmas is how to ‘pin down’ a comprehensive list of policy targets/aspirations/standards & target s.106 contributions etc.

4.213. This is because they are included in a wide range separate documents/sources, including, for example; -

- The Council’s policy documents.
- References in the Outline Application supporting documents.
- In the Council’s First Draft s.106 Heads of Terms (‘HOT’) of 2 November 2023.
- Various responses from statutory and other consultees.
- Arising from ongoing meetings/telephone calls & email correspondence etc. between WOED and Council etc.

4.214. In addition, target requests have been added/amended, and have generally evolved as the application has progressed so far, and may continue to do so.

19/04/2024 (SF) BVL IFVA-planning reference 43/23/0056; amended description; *“Outline application with all matters reserved, except for access, for a mixed-use development of up to 200 No. dwellings, employment land (Use Classes E & F), an internal spine road to facilitate a rail halt/station, public open space, drainage & associated infrastructure on land north of Taunton Road, Longforth Park, Wellington (DEPARTURE FROM LOCAL PLAN)”*.

4.215. Accordingly, BVL has produced the attached wide-ranging 'Schedule of Target s.106 Contributions and Other Costs' which has been continually updated over the last few months. This is intended to act as a single, comprehensive, easily updatable schedule of all target obligations/contributions/standards etc. There are a number of reasons for this approach;

- To ensure that BVL has 'captured' all target obligations/contributions/standards etc. & that nothing is missed.
- To maintain this as a central document, to keep up with any changing requests/contributions as matters progress.
- To form a central part of IFVA for modelling scenarios, to assist in decisions as to which targets/aspirations to remove or reduce etc.
- To ensure that development costs relating to required standards/target requests that are not included as financial contributions in the schedule are included in the TCL cost plans (and that such costs are not missed or included more than once).

4.216. The latest update to this schedule (dated 19 March 2024 is attached at **Appendix 4**<sup>56</sup>

4.217. For convenience however, the main s.106 Obligations being sought<sup>57</sup> are summarised below;

- CIL – not applicable in the case of the proposed development<sup>58</sup>.
- Additional land provided by landowner – allowance of £170,000.<sup>59</sup>
- Land for station square and mobility hub (area) – see VBLV section below.
- Delivery of employment land (see above).
- Provision of Spine Road to new Halt (in TCL Cost Plan).

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<sup>56</sup> Note – the contributions within BVL's schedule (and listed immediately below) reflect the application consultation requests that have been formally issued to the Council. (and which are published on the Planning Portal). The liaison process with the Council following the issue of the Draft IFVA on 25 March 2024 resulted in amendments to some of the published contributions for viability modelling purposes - see below for details.

<sup>57</sup> And which are therefore included in the IFVA modelling.

<sup>58</sup> See above for details.

<sup>59</sup> See 'Viability Benchmark Land Value' ('VBLV') section below, for details.

19/04/2024 (SF) BVL IFVA-planning reference 43/23/0056; amended description; "Outline application with all matters reserved, except for access, for a mixed-use development of up to 200 No. dwellings, employment land (Use Classes E & F), an internal spine road to facilitate a rail halt/station, public open space, drainage & associated infrastructure on land north of Taunton Road, Longforth Park, Wellington (DEPARTURE FROM LOCAL PLAN)".



- On site POS & play areas etc. (in TCL Cost Plan).
- Nutrient neutrality (in TCL Cost Plan).
- Cost implications of the Local labour agreement (in TCL Cost Plan).
- Affordable housing – considered separately above.
- Travel Plan - £5,000 (14 Feb 2024).
- Safeguard fee - £5,000 (14 Feb 2024).
- Active Travel £573,620 (updated 14 March 2024).
- Greenway contribution - £50,000 (12 February 2024).
- Public art/monument – Est. £7,000 (25 January 2024).
- Station square/mobility hub contribution £305k – 23 February 2024.
- Education £2,765,959<sup>60</sup> (response of 23 August 2023).
- NHS/ICB - £100,040 (21 June 2023).
- S.106 monitoring fee - £5,000 (est.)
- Offsite playing pitch & commuted sum £124,714 (1 February 2024).
- Allotments - £10,000 (1 February 2024).
- Council legal costs - £5,000 (estimate).

4.218. Total contributions in target s.106 Obligations schedule - £4,023,983.

4.219. The following section provides further background information relating to the main consultation responses received;

**4.220. Education Contributions**

4.221. The initial Education contribution request quoted by the Council on 28 July 2023 was as follows;

4.221.1. Early Years – £461,227.

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<sup>60</sup> Potentially plus indexation from 2020?

19/04/2024 (SF) BVL IFVA-planning reference 43/23/0056; amended description; “*Outline application with all matters reserved, except for access, for a mixed-use development of up to 200 No. dwellings, employment land (Use Classes E & F), an internal spine road to facilitate a rail halt/station, public open space, drainage & associated infrastructure on land north of Taunton Road, Longforth Park, Wellington (DEPARTURE FROM LOCAL PLAN)*”.

4.221.2. Primary – £1,637,355.

4.221.3. Secondary – £865,648.

4.221.4. SEND - £203,942.

4.222. This totaled £3,168,172, equating to £14,400.78 per dwelling, for the maximum 220 dwellings at that point (for 200 dwellings, this would equate to £15,840.86 per dwelling). It is not known whether the figures quoted include any exemption for affordable housing dwellings.

4.223. This request was challenged by the Applicant's Planning Consultant, Carney Sweeney by email on 1 August 23, as follows; *It is rather disappointing as at pre-app Education said that there was capacity at the adjacent primary school that was built to accommodate school children at the site (see below). They now say that the pupils from the site are not in their forecast the 'additional 220' homes were not planned for and request a primary contribution of £1,637,355. We know full well the Longforth allocation was for 900 dwellings and only 430 granted detailed approval on the Bloor development, leaving a shortfall of 470 homes pursuant to the allocation. Clearly this request does not meet the CIL Reg 122 tests.....They also request contributions of £203,942 for SEN places at the Selworthy, Taunton school, which I believe are centrally funded. They asked for this on a site in Street I am dealing with and have backed down when challenged. ....We therefore challenge the primary and SEN contributions that do not meet the CIL reg 122 test".*

4.224. The Council's response to this challenge was issued by email on 23 August, (under the heading 'new negotiation'), and included reduced figures, as follows;

4.224.1. Early Years - £385,236.

4.224.2. Primary - £1,367,589.

4.224.3. Secondary - £829,105.

4.224.4. SEND - £184,029.00

4.225. The above produces a reduced total of £2,765,959 (a reduction of £402,213 or around 13% on the Council's initial request). This equates to £12,573 per dwelling, for the maximum 220 dwellings (for 200 dwellings, this would equate to £13,830 per dwelling).

#### 4.226. Planning Obligations, Including POS, Play and Affordable Housing

19/04/2024 (SF) BVL IFVA-planning reference 43/23/0056; amended description; "Outline application with all matters reserved, except for access, for a mixed-use development of up to 200 No. dwellings, employment land (Use Classes E & F), an internal spine road to facilitate a rail halt/station, public open space, drainage & associated infrastructure on land north of Taunton Road, Longforth Park, Wellington (DEPARTURE FROM LOCAL PLAN)".

4.227. The Council's Development Enabling Team made the following comments on the Outline Application in their response of dated 30 June 23;

4.228. *"Policy CP4 Housing in the Taunton Deane Core Strategy 2011-2028, the Affordable Housing Supplementary Planning Document (May 2014) and TDBC Decision June 2016 aim to ensure that affordable housing is provided as part of all development schemes which provide eleven or more net additional dwellings. 25% of the new housing should be in the form of affordable homes, with a tenure split of... 25% First Homes, 60% social rented and 15% intermediate housing in the form of shared ownership....."*

4.229. The response goes on to say; *"Affordability of the First Homes tenure is a concern given the rising house prices within the location of this scheme therefore flexibility of the 25% First Homes to change to Shared Ownership would be considered to provide a more affordable low-cost home ownership option. The Application Form seeks permission to deliver 165 market houses and 55 social/affordable or intermediate rent dwellings<sup>61</sup>. This would be in line with policy requirement to deliver a 25% of the scheme in the form of affordable homes". The 25% affordable housing policy compliance is also confirmed within the Planning Statement under section 5.0 - 5.2.1".*

4.230. However, the response goes on to say; *"Furthermore, we note section 5.3.1 of the Design and Access Statement Part 1 outlines a desire 'that up to 30% of the dwellings will be delivered as 'affordable homes', with up to 70% of dwellings as market sale. This additionality of affordable homes above the policy requirement would be welcomed.<sup>62</sup>*

4.231. The Council's response goes on to highlight further costs associated with affordable housing provision; *"As the Affordable Housing Planning obligation includes 25 or more affordable homes, the scheme should provide 10% of the total affordable housing provision to be in the form of fully adapted<sup>63</sup> disabled affordable homes in accordance with Part M4, Category 3: Wheelchair user dwellings of the Building Regulations 2010".*

4.232. The response also notes that; *"the Design and Access statement part 1 section 5.3.1 confirms the intent for a percentage of the affordable dwellings to 'comply with part M(4)3 of the building regulations".*

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<sup>61</sup> 55 affordable dwellings reflects 25% of the potential maximum of 220 dwellings.

<sup>62</sup> As noted above in relation to the DAS, as the Council's policy target is 25% affordable housing. The IFVA would therefore note that any suggestion of exceeding this target would need to take account of viability, and the balance of remaining planning contributions.

<sup>63</sup> i.e. fully adapted, rather than being capable of being adapted at a later date.

4.233. It is also noted that planning obligations generally include significant proportions of public open space and on-site play provision.

#### 4.234. Phosphate Neutrality in Perpetuity

4.235. The Council's Phosphates Team - consultation response from dated 29 June 2023 states as follows; *"The proposed application is an outline application with all matters reserved, except for access, for a mixed-use development of up to 220 No. dwellings, employment land (Use Class E & B8) a car park and internal spine road to facilitate a rail halt/station, public open space, drainage & associated infrastructure. The proposed development will increase phosphate loading into the catchment and subsequently the Somerset Levels and Moors Ramsar site, as a result phosphate mitigation is required so that the proposed development is phosphate neutral in perpetuity. Details of the proposed development and mitigation will need to be provided to the LPA in the form of a NNA or NNAMS report."*

4.236. Natural England - the consultation response dated 2 August 23 states; *"Further information needed to assess impacts on protected sites and species. As submitted the application documents do not provide enough information to demonstrate that harm to the Somerset Levels and Moors Ramsar Site, or to an important maternity colony for Barbastelle bats, can be avoided. Natural England therefore objects to the application as it stands pending further information being provided.....Somerset Levels and Moors Ramsar Site A nutrient neutrality assessment has been submitted for the application, however, there are a number of matters that need to be clarified before your Authority can complete an Appropriate Assessment. Specifically: The NNAMS states that there will be a "private treatment system, managed and operated by a registered water treatment provider." We assume that this means an Ofwat approved statutory sewage undertaker will run the private wastewater treatment facility, but this should be made clear. Such arrangements are a reliable means of reducing phosphorus concentrations in foul water discharge, though having said that, in our experience the provider typically commits to delivering a lower concentration level of 0.3mg/l, rather than the 0.9mg/l quoted in the NNAMS. Commitment to 0.3mg/l would significantly reduce the need for other measures to achieve nutrient neutrality. We are unclear about the approach used to calculate treatment of surface water run-off. The 2022 CIRIA guidance is designed to be used in conjunction with the Natural England methodology (i.e., a higher urban rate) rather than with the Somerset calculator, which already takes account of SuDs reductions in the 0.83kg/ha urban leaching rate. The NNAMS indicates that purchase of phosphorus credits will make up any shortfall in reaching neutrality. That is acceptable provided your Authority is satisfied that those credits have been secured."*

4.237. This issue has now been resolved and is detailed further in TCL's Cost Reports.

19/04/2024 (SF) BVL IFVA-planning reference 43/23/0056; amended description; *"Outline application with all matters reserved, except for access, for a mixed-use development of up to 200 No. dwellings, employment land (Use Classes E & F), an internal spine road to facilitate a rail halt/station, public open space, drainage & associated infrastructure on land north of Taunton Road, Longforth Park, Wellington (DEPARTURE FROM LOCAL PLAN)"*.

#### 4.238. NHS Somerset – Health Contributions

4.239. The consultation response from NHS Somerset dated 21 June 23 notes that; *“It is envisaged that the vast majority of the residents of the proposed development will register as patients with these practices. The current combined medical centres providing primary care are up to their capacity and will not be able to absorb the increased patients arising from the proposed development. The only way to mitigate the impact is to increase the physical capacity of the existing surgeries. The ICB has carefully calculated the space needed to mitigate the impact, drawing upon the document adopted in neighbouring authorities “Health Contributions Technical Note” which was jointly prepared with NHS England. **The detailed calculation is attached to this document as Appendix 1. - Total contribution required = £100,040”.***

#### 4.240. Other Areas with Stated, or Potential, Impacts on Costs

4.241. Office of Rail and Road – the consultation response dated 15 August 23 notes that the proposed development will need to comply with the *“requirements relating to operational railway and Network Rail land.....”* The impacts of these requirements has been considered within TCL’s Cost Plans.

4.242. Taunton Area Cycling Campaign – the consultation response dated 9 August 23 notes that provision should be made for cycling & cycle links. If the involvement of this group leads to any changes in the submitted proposals, these will need to be taken into account in the IFVA.

4.243. Wessex Water - the consultation response dated 7 Aug 23 provides no objections, but notes that assets may clash with the Illustrative Masterplan. Any costs relating to working around these assets would need to be investigated and accounted for in the IFVA.

4.244. Somerset Ecology Services - the consultation response dated 3 August 23 states as follows; *“Please find attached an initial enhancement planning scheme for the above application, with particular emphasis in regards to the issues surrounding the nationally important Barbastelle bat roost. The potential mitigation strategy/enhancement of the site should seek to ensure longevity of the bat roost as well as answer various other ecological issues including: Ensuring appropriate onsite BNG net gain Providing sufficient and good quality space/habitat for species to thrive Ensuring all habitats and species are adequately considered.”*

4.245. The further Ecology response of 29 August 2023 – provides additional information;

4.246. *“The preliminary ecological appraisal (PEA) undertaken by Halpin Robbins (4th*

19/04/2024 (SF) BVL IFVA-planning reference 43/23/0056; amended description; *“Outline application with all matters reserved, except for access, for a mixed-use development of up to 200 No. dwellings, employment land (Use Classes E & F), an internal spine road to facilitate a rail halt/station, public open space, drainage & associated infrastructure on land north of Taunton Road, Longforth Park, Wellington (DEPARTURE FROM LOCAL PLAN)”.*

May 2023) indicated a number of species and protected species on site that will require an impact assessment (EclA) in order to determine how the proposals will impact, these include: Great Crested Newts (GCN) (protected species) within ponds adjacent site, .....Dormice (protected species) within the hedgerows H1, H2, H7, H8.....a number of breeding bird species using the fields, hedgerows, margins, trees, woodland. Barn owl (schedule 1 species) shown to be foraging within the site but not nesting. No red listed species discovered.....Hopefully many species can be mitigated by way of the enhancement plan SES provided depending upon what Halpin Robbins EclA determines.

4.247. ....Barbastelle bat maternity roost the application site contains a Barbastelle maternity roost, thought to be focused on a single tree. As noted in the Somerset Bat Group's comments, the protection of the roost and associated habitat for commuting and foraging has been the subject of previous discussion with the Council's ecologist. We assume that this was one reason for the inclusion of the 'green wedge' identified in the local plan allocation. While the roost is potentially of national significance and should be considered for notification as a Site of Special Scientific Interest, Natural England does not intend to pursue that course of action in this case. Nevertheless, Barbastelles are one of the UK's rarest bat species and are afforded a high level of protection in policy and law. Your Authority will need to be satisfied that any planning approval will maintain the 'Favourable Conservation Status' of Barbastelle bats. Based on information available, Natural England considers that you will need further information to understand how Barbastelle bats are using the area and how an effective avoidance and mitigation strategy might be put in place.....The applicant's ecological report states that further work is needed, and it is not clear that any further assessment or survey is being carried out in the current season."

4.248. Environment Agency – the consultation response dated 27 July 23 provides no comment, as this is not an application that fits its criteria to comment upon.

4.249. Conservation Officer - the consultation response dated 25 July 23 says; – “The principle of the development in this location is acceptable. However, the initial outline proposals have the potential to cause less than substantial harm to the setting of Nynehead Court and the Nynehead Court Registered Park & Garden.”

4.250. Environmental Health – the consultation response dated 21 July 23 states that; “There is no noise assessment with the application to confirm that the mixed use and residential areas by the railway line will be suitable for residential use. It may be that noise mitigation is required (which is best done in the layout and design phase, rather than rely on putting in acoustic glazing and ventilation), or it could be that development should be restricted within a certain distance of the railway line and station. Without a noise report it is not possible to comment on this further. Noise

19/04/2024 (SF) BVL IFVA-planning reference 43/23/0056; amended description;“Outline application with all matters reserved, except for access, for a mixed-use development of up to 200 No. dwellings, employment land (Use Classes E & F), an internal spine road to facilitate a rail halt/station, public open space, drainage & associated infrastructure on land north of Taunton Road, Longforth Park, Wellington (DEPARTURE FROM LOCAL PLAN)”.



from commercial uses. *The application refers to class E and B8 uses. This could include some noisy activities (depots etc). It is recommended that the commercial uses close to residential properties are restricted to use classes that are not likely to cause disturbance to people in any neighbouring properties.....Odour from sewage treatment plant. The plan shows a Foul Water Treatment Plant to the north of the site, very close to proposed residential use. There is no odour assessment to show that this is a suitable location for a sewage treatment plant. The developer should carry out an assessment to determine whether a treatment plant would be able to be sited there, and it is recommended that they liaise with Wessex Water regarding this.*"

4.251. Rights of Way - the consultation response dated 17 July 23 advises; *"Thank-you for consulting us on this planning application. After reviewing the application, we will be submitting a PROW response for the proposal in future."* Any PROW associated costs would need to be included in the IFVA.

4.252. South West Heritage Trust - the consultation response dated 13 July 23; *"The submitted Heritage Statement acknowledges that significant medieval archaeology in the form of a high status building complex with associated garden features was discovered to the west of this proposal site. The HS also recognises that there is potential for prehistoric and Roman period archaeology in this area. on and therefore the proposal is likely to impact on a heritage asset. However, there is currently insufficient information contained within the application on the nature of any archaeological remains to properly assess their interest. For this reason I recommend that the applicant be asked to provide further information on any archaeological remains on the site prior to the determination of this application. This is likely to require a field evaluation comprising geophysical survey and dependent on results, trial trenching as indicated in the National Planning Policy Framework (Paragraph 194).*

#### **GENERAL FINANCE COSTS INCLUDING THOSE INCURRED THROUGH LOANS**

4.253. The construction programme assumed within the financial modelling reflects the following;

4.254. Construction of the spine road in advance of the development – 26 weeks (say 7 months).

4.255. Residential development – parcel infrastructure provision (after provision of the spine road) assumed to be 12 weeks (3 months), followed by unit construction at an average of 3.33 units per month (based on an average of 40 units per year) = 60 months (5 years).

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- 4.256. Therefore, total construction programme is (spine road = 7 months, plus parcel infra, 3 months , plus unit build 60 months. Total 70 months (5.8 years).
- 4.257. Sales are assumed to commence 2 months after parcel infrastructure is completed, so therefore 7 + 3 + 2 (12 months after start on spine road infrastructure). and to be based on average sales of 2.75 per month. On this basis, the sales period is approximately 73 months (6 years).
- 4.258. Finance cost assumptions; whilst volume house builders have historically been able to attract relatively low basic interest rates, these have not reflected the true cost of finance, which will also include arrangement and other fees. The mechanism adopted by many large house builders is for funding to be sourced centrally and then 'lent out' to the various regions for specific projects. To cover arrangement and associated fees (including security and hedging costs for example). Historically, the *actual* borrowing cost over the last few years has been generally around 6%<sup>64</sup>. However, with the significant recent interest rate increases, there would clearly be justification to increase this overall borrowing cost rate to potentially as high as 8%.<sup>65</sup> Furthermore, the Applicant in this case is not a volume housebuilder and therefore unlikely to be able to attract the same competitive finance costs commercially.
- 4.259. However, taking a conservative approach in this case, the IFVA modelling has assumed a modest debit rate of 6% and a credit rate of 2%.

#### **OTHER DEVELOPMENT COSTS AND ALLOWANCES**

- 4.260. Other costs and allowances have been included in BVL's financial modelling in line with good practice in viability modelling. These costs are summarised in the 'Viability Modelling and Outcomes' section below.

#### **PROJECT MANAGEMENT, SALES, MARKETING AND LEGAL COSTS AND OVERHEADS.**

- 4.261. Planning Application fees and costs; the cost of progressing any development through the planning stage has increased over the last few years, due to increasing requirements for reports/studies required to support any planning application. Most development schemes being considered by BVL at the current time (many of which are major applications at the outline planning stage) involve planning related fees and expenses well in excess of £200k. Given the size and scale of the Application Scheme, an allowance of £200k for planning-related fees and costs has been included in BVL's appraisals.

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<sup>64</sup> However, arguably this would be higher now, given the current conditions in the financial markets etc.

<sup>65</sup> In discussion with the District Valuer Service ('DVS') recently, 8% was mooted by DVS as potentially being a realistic rate to apply in current appraisals.

19/04/2024 (SF) BVL IFVA-planning reference 43/23/0056; amended description; "*Outline application with all matters reserved, except for access, for a mixed-use development of up to 200 No. dwellings, employment land (Use Classes E & F), an internal spine road to facilitate a rail halt/station, public open space, drainage & associated infrastructure on land north of Taunton Road, Longforth Park, Wellington (DEPARTURE FROM LOCAL PLAN)*".

4.262. Construction-related professional fees; an allowance of around 10% is generally made in relation to the construction phase of the project. However, construction-related professional fees can be as high as 12% to 15% of the total construction budget. In this instance, a conservative assumption has been made that professional fees relating to Plot and External Costs will be carried at a reduced percentage of 7.5%. For infrastructure and Abnormal Costs, it is generally assumed that external professional services will be necessary. The percentage rate will depend on the size of the scheme, but can range from 12%-15% for smaller schemes to 10% for larger schemes. In this case, TCL has included an allowance of 10% for professional fees relating to Infrastructure Abnormals within their Infrastructure Cost Plan (see **Appendix 2**).

4.263. Sales, marketing, and legal costs; the IFVA applies a standard allowance of 3% of open market sales for marketing, sales, and agent's fees. Typically, this would include;

4.263.1. Provision of show-homes, marketing, brochures, signage, special promotions etc. circa 1.5% of open market sales.

4.263.2. Estate Agents fees @ circa 1.5% of open market sales.

4.264. In addition, an allowance of £600 per unit has been included for legal costs relating to the sale of open market units, with £400 per unit being allowed for affordable units.

## PROJECT CONTINGENCY AND RISK ALLOWANCE

4.265. Generally, TCL recommends that, in the early stages of a project, a contingency of 5% is applied to plot-related costs, with 10% being applied to infrastructure costs. In this case, TCL has provided specific, 'graded' risk estimates within its Infrastructure Cost Plan, which have been applied in BVL's appraisals.

4.266. As noted above, PPG Viability asks for 'justification for contingency relative to project risk and developer's return.' Based on the wording of PPG Viability, the level of contingency applied in the IFVA should be taken into account when determining an appropriate developer return (see immediately below for further consideration of this point).

4.267. It should be noted that no overall project contingency allowance has been included within the BVL modelling.

## DEVELOPER RETURN

19/04/2024 (SF) BVL IFVA-planning reference 43/23/0056; amended description; "*Outline application with all matters reserved, except for access, for a mixed-use development of up to 200 No. dwellings, employment land (Use Classes E & F), an internal spine road to facilitate a rail halt/station, public open space, drainage & associated infrastructure on land north of Taunton Road, Longforth Park, Wellington (DEPARTURE FROM LOCAL PLAN)*".

4.268. PPG Viability paragraph 018 provides more detail on the issue of the level/amount of developer return that it is appropriate to include within an objective appraisal for viability modelling purposes;

4.269. *“How should a return to developers be defined for the purpose of viability assessment?.....Potential risk is accounted for in the assumed return for developers at the plan making stage. It is the role of developers, not plan makers or decision makers, to mitigate these risks. The cost of complying with policy requirements should be accounted for in benchmark land value. Under no circumstances will the price paid for land be relevant justification for failing to accord with relevant policies in the plan.....For the purpose of plan making, an assumption of 15-20%<sup>66</sup> of gross development value (GDV) may be considered a suitable return to developers in order to establish the viability of plan policies. Plan makers may choose to apply alternative figures where there is evidence to support this according to the type, scale and risk profile of the planned development. A lower figure may be more appropriate in consideration of delivery of affordable housing in circumstances where this guarantees an end sale at a known value and reduces risk. Alternative figures may also be appropriate for different development types.”<sup>67</sup>*

4.270. Historically, there have been various different approaches to the quantification of an appropriate level of developer return. This is not a ‘one size fits all’ allowance and the correct level will depend on a range of factors, including risk, location, development logistics, timescale, the local market, and the level of ‘unknowns’ (for example). Generally, the over-riding consideration should be that amount/level of developer return applied is appropriate, both to satisfy the requirements of commercial funders, and also to take objective account of the risks of undertaking the development, so that development in general, is not stifled in the longer term.

4.271. In the national context, individual profit levels of 20% for open market housing and 6% for affordable housing, and blended (combined) rates, for development projects in the south of the UK, of around 18% of GDV<sup>68</sup>, have been supported generally within viability modelling, at appeal and by the Secretary of State for Communities and Local Government<sup>69</sup>. In contrast, there is evidence of lower profit levels having been found acceptable by Planning Inspectors, typically for development projects in the north of the country, which can experience very different market conditions.

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<sup>66</sup> Nationally.

<sup>67</sup> Emphasis added.

<sup>68</sup> Depending on the level of affordable housing included within the mix.

<sup>69</sup> Title now updated, as noted above.

19/04/2024 (SF) BVL IFVA-planning reference 43/23/0056; amended description; “Outline application with all matters reserved, except for access, for a mixed-use development of up to 200 No. dwellings, employment land (Use Classes E & F), an internal spine road to facilitate a rail halt/station, public open space, drainage & associated infrastructure on land north of Taunton Road, Longforth Park, Wellington (DEPARTURE FROM LOCAL PLAN)”.

4.272. Generally speaking, when undertaking an IFVA, BVL would apply a profit benchmark/target in line with NPPG/RICS guidance at circa 20% of GDV in relation to open market OM dwellings, and 6% on cost for the affordable dwellings. However, the results of the financial modelling below produce significantly lower outcomes than this (see below for details).

4.273. A further consideration is that (in line with the NPPF methodology set out above) in setting the developer profit level, it is important to consider the level of construction contingency applied in the IFVA appraisals. As noted above, given the nature of the Application Site, the contingency/risk levels that have been applied are felt to be appropriate, when considered as a stand-alone allowance. Accordingly, in BVL's view, these levels of contingency should not, in this instance, impact on the developer profit benchmark/target that has been applied within the BVL modelling.

#### OTHER COSTS AND VAT ETC.

4.274. It should be noted that the IFVA does not include any costs relating to promotion of the site or other enabling/historic site infrastructure costs that are not specifically included within the BCL cost reports.

4.275. VAT was ignored for the purposes of the financial modelling.

#### LAND VALUE

4.276. The NPPF repeatedly makes it clear that the starting point for the land price to be included within viability assessment, is that it should take proper account of the LPA's policies, as far as possible;

4.277. PPG Viability Paragraph 001 – 'Viability and Plan Making'; states; *"Policy requirements should be clear so that they can be accurately accounted for in the price paid for land"*.

4.278. PPG Viability Paragraph 002 says; *"The price paid for land is not a relevant justification for failing to accord with relevant policies in the plan. Landowners and site purchasers should consider this when agreeing land transactions."*

4.279. PPG Paragraph 006 states;

4.280. *"It is the responsibility of site promoters to engage in plan making, take into account any costs including their own profit expectations and risks, and ensure that proposals for development are policy compliant. Policy compliant means development which fully complies with up to date plan policies. A decision maker can give appropriate weight to emerging policies. It is important for developers and other*

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*parties buying (or interested in buying) land to have regard to the total cumulative cost of all relevant policies when agreeing a price for the land. Under no circumstances will the price paid for land be a relevant justification for failing to accord with relevant policies in the plan.”*

4.281. The previous NPPF made reference to a ‘competitive return’ (which was judged against a range of benchmarks) but the Updated NPPF<sup>70</sup> splits ‘land value’ into two separate parts; firstly ‘Existing Use Value’ (‘EUV’) and secondly ‘Landowner Premium.’ This approach seeks to identify and measure the appropriate level of uplift to be granted to the landowner, over and above the site EUV.

4.282. PPG Viability paragraph 013 clarifies how this should operate;

4.283. *“To define land value for any viability assessment, a benchmark land value should be established on the basis of the existing use value (EUV) of the land, plus a premium for the landowner. The premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The premium should provide a reasonable incentive, in comparison with other options available, for the landowner to sell land for development while allowing a sufficient contribution to fully comply with policy requirements<sup>71</sup>. Landowners and site purchasers should consider policy requirements when agreeing land transactions. This approach is often called ‘existing use value plus’ (EUV+)..... In order to establish benchmark land value, plan makers, landowners, developers, infrastructure and affordable housing providers should engage and provide evidence to inform this iterative and collaborative process.”*

4.284. PPG Viability Paragraph 014;

4.285. *“What factors should be considered to establish benchmark land value?.....Benchmark land value should: be based upon existing use value .....allow for a premium to landowners (including equity resulting from those building their own homes) reflect the implications of abnormal costs; site-specific infrastructure costs; and professional site fees.....Viability assessments should be undertaken using benchmark land values derived in accordance with this guidance. Existing use value should be informed by market evidence of current uses, costs and values. Market evidence can also be used as a cross-check of benchmark land value but should not be used in place of benchmark land value. There may be a divergence between benchmark land values and market evidence; and plan makers should be aware that*

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<sup>70</sup> Since July 2018.

<sup>71</sup> On the basis that those policy requirements also comply with the Updated NPPF, in that they are up to date, realistic and deliverable.



*this could be due to different assumptions and methodologies used by individual developers, site promoters and landowners.....This evidence should be based on developments which are fully compliant with emerging or up to date plan policies, including affordable housing requirements at the relevant levels set out in the plan. Where this evidence is not available plan makers and applicants should identify and evidence any adjustments to reflect the cost of policy compliance. This is so that historic benchmark land values of non-policy compliant developments are not used to inflate values over time.....In plan making, the landowner premium should be tested and balanced against emerging policies. In decision making, the cost implications of all relevant policy requirements, including planning obligations and, where relevant, any Community Infrastructure Levy (CIL) charge should be taken into account.....Where viability assessment is used to inform decision making under no circumstances will the price paid for land be a relevant justification for failing to accord with relevant policies in the plan. Local authorities can request data on the price paid for land (or the price expected to be paid through an option or promotion agreement)."*

4.286. PPG Viability paragraph 016 provides further detail, as follows;

4.287. *"How should the premium to the landowner be defined for viability assessment? The premium (or the 'plus' in EUV+) is the second component of benchmark land value. It is the amount above existing use value (EUV) that goes to the landowner. The premium should provide a reasonable incentive for a land owner to bring forward land for development while allowing a sufficient contribution to fully comply with policy requirements. Plan makers should establish a reasonable premium to the landowner for the purpose of assessing the viability of their plan. This will be an iterative process informed by professional judgement and must be based upon the best available evidence informed by cross sector collaboration. Market evidence can include benchmark land values from other viability assessments. Land transactions can be used but only as a cross check to the other evidence. Any data used should reasonably identify any adjustments necessary to reflect the cost of policy compliance (including for affordable housing), or differences in the quality of land, site scale, market performance of different building use types and reasonable expectations of local landowners. Policy compliance means that the development complies fully with up to date plan policies including any policy requirements for contributions towards affordable housing requirements at the relevant levels set out in the plan. A decision maker can give appropriate weight to emerging policies. Local authorities can request data on the price paid for land (or the price expected to be paid through an option or promotion agreement)."*

4.288. Prior to the Updated NPPF, the EUV and Landowner Premium were implicit within the allowance made for the land purchase in a viability assessment. However,

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they were rarely 'split out' in the way required by the Updated NPPF. Based on the reference to an "iterative and collaborative process referred to in PPG Viability Paragraph 013<sup>72</sup> it was clearly assumed that an appropriate benchmark (or range of benchmarks) would develop over time, following input from stakeholders in the development industry and that consideration of previous approaches to land value will usefully inform this process.

4.289. It is important to stress, that (whilst it should be properly investigated and justified) a reasonable Landowner Premium is an important allowance within viability assessment, because, over time, insufficient incentive for landowners to release land is likely to result in a reduction in land coming forward for development, (including affordable housing development), which would have the unintended effect of undermining the Council's policies for the delivery of housing.

4.290. The Updated NPPF goes on to provide more detail relating to the assessment of 'EUV;'

4.291. PPG Viability paragraph 015;

4.292. *"What is meant by existing use value in viability assessment? - Existing use value (EUV) is the first component of calculating benchmark land value. EUV is the value of the land in its existing use. Existing use value is not the price paid and should disregard hope value. Existing use values will vary depending on the type of site and development types. EUV can be established in collaboration between plan makers, developers and landowners by assessing the value of the specific site or type of site using published sources of information such as agricultural or industrial land values, or if appropriate capitalised rental levels at an appropriate yield (excluding any hope value for development).....Sources of data can include (but are not limited to): land registry records of transactions; real estate licensed software packages; real estate market reports; real estate research; estate agent websites; property auction results; valuation office agency data; public sector estate/property teams' locally held evidence*

4.293. PPG Viability paragraph 17 addresses the issue of alternative uses; *"Can alternative uses be used in establishing benchmark land value?"*.

4.294. The PPG goes on to say that plan makers can set out in which circumstances alternative uses can be used. This might include if there is evidence that the alternative use would fully comply with up to date development plan policies, if it can be demonstrated that the alternative use could be implemented on the site in

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<sup>72</sup> See immediately above.

question, if it can be demonstrated there is market demand for that use, and if there is an explanation as to why the alternative use has not been pursued. Where AUV is used this should be supported by evidence of the costs and values of the alternative use to justify the land value. Valuation based on AUV includes the premium to the landowner. If evidence of AUV is being considered the premium to the landowner must not be double counted

4.295. *“For the purpose of viability assessment alternative use value (AUV) refers to the value of land for uses other than its existing use. AUV of the land may be informative in establishing benchmark land value. If applying alternative uses when establishing benchmark land value these should be limited to those uses which would fully comply with up to date development plan policies, including any policy requirements for contributions towards affordable housing at the relevant levels set out in the plan. Where it is assumed that an existing use will be refurbished or redeveloped this will be considered as an AUV when establishing BLV.”<sup>73</sup>*

4.296. *Plan makers can set out in which circumstances alternative uses can be used. This might include if there is evidence that the alternative use would fully comply with up to date development plan policies, if it can be demonstrated that the alternative use could be implemented on the site in question, if it can be demonstrated there is market demand for that use, and if there is an explanation as to why the alternative use has not been pursued. Where AUV is used this should be supported by evidence of the costs and values of the alternative use to justify the land value. Valuation based on AUV includes the premium to the landowner. If evidence of AUV is being considered the premium to the landowner must not be double counted.”*

4.297. In line with Government Guidance, the price paid (or agreed) for the Application Site has not been included as a cost within the BVL appraisals. Rather, an objective Benchmark Land Value (‘BLV’) has been established in line with requirements of the NPPF, and good practice.

## **Benchmark Land Value**

4.298. As set out above, the VBLV is made up of two elements – Existing Use Value (‘EUV’) and the ‘Landowner Premium’. Considering these in turn;

## **Background Information to Inform the EUV**

4.299. The various documents submitted in support of the Application are

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<sup>73</sup> Note – during the liaison process with the Council, officers asked that the Application Site’s current allocation for employment use was considered in the context of establishing a VBLV. See Section 5 below for further details.

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informative, in terms of establishing the EUV of the site. BVL has reviewed these to determine the main points from a viability perspective. Key points from the various documents reviewed are noted below;

4.300. In this case, there are effectively two categories of land to take into account; firstly in relation to the Application Site itself, and secondly, additional land that is being provided by the Applicant to facilitate the Application Scheme and the community infrastructure that it is being asked to provide<sup>74</sup>.

4.301. These two categories require separate approaches. Taking these in turn;

#### **VBLV Category 1 – The Application Site**

4.302. In terms of existing use, pages 4 & 5 of the Planning Application Form dated 5 June 2023 state that the *'measurement of site area'* is 17.28 Ha and that the *'current use'* is *"Agricultural Fields"*.

4.303. As noted above, the breakdown of the various proposed land areas included within the Application have changed several times since the original submission, which has complicated matters from a viability point of view. The key areas and changes are noted below, for completeness;

4.304. 26 January 2024 - FOD plan reference 0740-V4-1006C (Land Budget Plan V4 AOL) provided updated land areas as of 26 January 2024 as follows;

- The Application boundary is 11.07 Ha or 27.36 acres. (The area previously shown as 'land under the Applicant's control' was 17.28Ha or 42.69 acres representing a decrease of 6.21 Ha or 15.33 acres).
- The residential gross area is 5.07 Ha or 12.53 acres (unchanged from May 2023).
- Employment land - 0.96Ha/2.36 acres. (This was previously 0.77 Ha or 1.89 acres, thus a marginal increase of 0.19Ha or 0.47 acres).
- The mixed-use area of 0.71Ha or 1.76 acres in the original proposals, has been removed.
- Green & blue infrastructure - 2.62Ha or 6.48 acres. (This was previously 2.61Ha or 6.44 acres – a marginal change).
- Strategic green & blue infrastructure - 1.82 Ha or 4.49 acres. (This was

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<sup>74</sup> Land which the landowner will be committing in perpetuity.

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6.61Ha or 16.34 acres, reflecting a decrease of 4.79 Ha or 11.85 acres).

- Other infrastructure - 0.57Ha or 1.4 acres. (This was 0.61Ha, or 1.50 acres, reflecting a marginal change).

4.305. Looking to summarise the above for VBLV purposes;

- The Application boundary is 27.26 acres.
- The gross area of the residential & employment uses is 12.53 acres + 2.36 acres = 14.89 acres (representing 54.62% of the total Application boundary area).
- 'Other land' (including green & blue infrastructure (6.48 acres), strategic green & blue infrastructure (4.49 acres) and other infrastructure (1.4 acres) totals 12.37 acres (representing 45.38% of the total Application boundary area).
- The combined areas above (residential and employment - 14.89 acres) and 'other land' - 12.37 acres) = 27.26 acres – as per the Application Boundary area.

4.306. 7 March 2024 - The above land areas were amended in the resubmitted Application of 7 March 2024. FOD drawing No -0740-V4-1006-1 Land Areas Plan – Feb 24 (Rev 0) provides the following updated areas;

4.307. Gross site area 11.071Ha or 27.35 Acres.

4.308. Wider land under the Applicant's control (shown in blue);

4.308.1. Informal space and public open space 1.949ha or 4.816 acres.

4.308.2. Additional open space (western field) 1.818Ha or 4.493 acres.

4.308.3. Attenuation area (basins and swales) 0.733Ha or 1.812 acres.

4.308.4. Woodland north of railway 4.437Ha or 10.963 acres.

4.308.5. Employment land 0.828Ha or 2.046 acres.

4.308.6. Station square 0.127Ha or 0.315 acres.

4.309. FOD drawing No 0740-V4-1009 'GA Employment and Residential NDA – Rev C'. 2024-01-24 (updated to suit latest Illustrative Masterplan Plan Rev F) provides further

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area details as follows;

4.309.1. General employment buildings (ground floor only) total gross internal areas 2,645.4m<sup>2</sup> or 28,475 ft<sup>2</sup>.

4.309.2. Residential net developable area 4.778Ha or 11.806 acres.

4.309.3. Mobility hub net developable area 0.012Ha or 0.029 acres.

4.310. BVL has undertaken background research to inform the likely baseline EUV of the Application Site. As the value of land can be influenced by a number of long-term considerations, BVL's investigations included a wide range of historical research, which is set out below in chronological order.

**Strutt and Parker - English Estates & Farmland Market Review Winter 2022/2023**

4.311. Page 1 – paragraph 1 'Market Overview' says; *"Prices reach record levels in competitive farmland market"*. Strutt and Parker go on to provide more detail;

4.312. *"Our prediction that we would see the average value of arable land exceed £10,000/acre by the end of 2022 has proved correct. Farmland values in England have now reached record levels, with rising levels of demand from private and institutional investors proving the adage that at times of economic uncertainty and high inflation there tends to be renewed interest in land. Our Farmland Database, which records the details of all farms, estates and blocks of publicly marketed farmland in England over 100 acres in size, shows the average price of arable land in England rose by 12% in 2022 to reach £10,600/acre. This is £600/acre more than the previous peak of the market in 2014 / 2015. Meanwhile, the average price of pasture also rose by 13% to establish a new high of £8,500/acre.....What is even more startling is that two-thirds of arable land sold on the open market in 2022 exchanged hands for more than £10,000/acre, which is about double the amount of land that did in 2021. Demand has been particularly strong for larger blocks of commercial arable land, where competitive bidding has meant, in some instances, the price per acre achieved has been well in excess of the national average. Although the volume of land available has increased, much of this is to do with a small number of larger sales, rather than a jump in the number of farms and estates available. This means demand has continued to outstrip supply."*

4.313. On page 5, Strutt & Parker say; *"Average sales prices – page 5 - The average sale price paid for arable land increased by 12% to £10,600/acre, which is the highest it has ever been. In addition, **the average price for pasture land went up by 13% to a new record of £8,500/acre.** It is worth stressing that not all land which is sold reaches the national average price. The nature of averages inevitably means that some land*

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*sells for far more and some for less.....the range in prices achieved is still wide. The land, farms and estates selling for the most money tend to be larger commercial units in attractive countryside.”*

4.314. Strutt and Parker provide regional averages, including (on Page 7) for the South West, as follows;

4.314.1. Arable

- Bottom 25% - £7,800 (change<sup>75</sup> = nil).
- Top 25% - £11,500 (change = 5%).

4.314.2. Pasture

4.314.3. Bottom 25% - £6,000 (change = nil).

4.314.4. Top 25% - £9,250 (change = 3%).

**Rural Land & Farm Values 2023 – by Richard Greasby of Butler Sherborn (23 March 2023)**

4.315. The key points from this article are as follows;

4.316. *“A limited supply of farm land for sale appears to have strengthened values in many areas, driven also by an increasing pool of buyers. There continues to be healthy demand from those buyers driven to rollover money for tax purposes, and they certainly seem to lead the market for the big commercial farms and estates.....The average sales prices of arable and pasture farmland reveal healthy increases in values over the last decade. For arable land the prices have increased from £8,800 per acre in 2013 to £10,600 in 2022, and for pasture land from £6,500 per acre to £8,500 respectively.....However, this snapshot hides the very real, and occasionally, sharp fluctuations downward in the years 2016 and 2019. In 2019, arable land values dropped 2% on the previous year, and pasture land values fell to £6,900 per acre, down 10% on the £7,600 per acre average achieved in 2018.*

4.317. Going forward into 2023, Butler Sherborn forecast as follows; *“.....the initial evidence suggests a slightly increased supply with values holding firm, although there has been very little on the market so far this year.....Buyers will continue to come from those wishing to rollover for tax purposes, and in line with the past two years post the pandemic, lifestyle buyers are expected to continue to show interest in the smaller farms. In addition, amenity buyers will continue to drive the ever-present*

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<sup>75</sup> Over the last year.

*demand for smaller bare agricultural land parcels.....The majority of land available in 2023 is expected to come from smaller to medium sized farms, which are forced to divest themselves of small acreages or part of their holdings to reduce debts and borrowing.....In general terms, volumes of supply are expected to increase this year, and to exceed 2022 levels. Fuelling this increase in supply is undoubtedly the reduction in subsidies, whilst energy costs are likely to remain above average. A proportion of sales will take place privately and thus the volume of land sales is difficult to quantify exactly."*

4.318. Butler Sherborn conclude as follows; *"Overall, values in 2023 are expected to increase slightly, depending upon location, size, quality and accessibility. It is anticipated that arable land values will increase steadily as a result of unsatisfied demand following a very restricted supply in recent years.....In certain areas, grassland values may remain buoyant as a result of demand from conservationists. Demand for space and investment returns will probably ensure strong values are maintained for amenity and smaller parcels of land."*

**Farmers Weekly (Suzie Horne - 14 April 2023) Article entitled: - Farmland values continue to rise in early 2023**

4.319. The key points in this article are as follows;

4.320. "Land values have continued to rise in the first quarter of 2023, with most agents expecting the slightly increased supply to continue through the year.....January to March saw values for bare land rise by between 1.6% and 2%, according to Savills and Knight Frank respectively.....More land was marketed in all English regions than their 10-year averages, except for the East Midlands, says Savills, whose figures now include tenanted acres.

4.321. *The first quarter of 2023 saw 16,700 acres launched across Britain, the most since 2016, and 30% more than in the same period of 2022.....Pasture leads the rise - The rise in value for both grade 3 pasture land and poorer quality pasture continues, reflecting that nature-based solutions on these land types are still driving values, says Savills.....Compared with March 2022, poorer quality pasture in Great Britain was worth 12.9% more in March this year, the highest rise across all land types.*

4.322. The reasons for selling remain varied, said Strutt & Parker.....*"The high market level and further cuts in basic payments are factors, as is the opportunity to benefit from delinked basic payments after 2024, even after selling land.....A change in government and possible shift in capital tax policy is a driver for some....."Given this outlook, we expect prices for both arable and pasture land to remain at their current record levels, and possibly increase further," said Matt Sudlow, head of estates and*

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*farm agency at Strutt & Parker.*

4.323. The Farmers Weekly article continues...*"Knight Frank's Farmland Index shows a 2% January-to-March rise in the average value of bare land in England and Wales, to a record £8,728/acre. "Prices continue to vary significantly, even at a local level, and farms and blocks of land are regularly selling for over £12,000/acre," said head of rural research Andrew Shirley".*

4.324. The Farmers Weekly article then updates 2022 market values, as follows;

4.325. *"Strutt & Parker's Farmland Database records the sale of all farms, estates and blocks of publicly marketed land in England larger than 100 acres.....With reports from all 2022 sales now in, the revised data shows prices rose more than in the earlier analysis: Almost 70% of arable land in England sold for more than £10,000/acre in 2022, compared with 33% in 2021....the average value of arable land is currently £10,800/acre, which is £200/acre more than reported in the firm's January 2023 review and 15% higher than a year ago....."The average value of pasture land is £8,500/acre, up 13% on 12 months earlier".*

#### **Knight Frank Farmland Index Q123 – (17 April 2023)**

4.326. Page 1 of the article says; - *"While residential property markets in London and the countryside started to show some signs of stress in the first three months of 2023, agricultural land, often regarded as a safe haven during uncertain economic times and a good hedge against inflation, remained resilient".*

4.327. According to the Knight Frank Farmland Index, the average value of bare land in England and Wales rose 2% on the quarter and 11% on the year to hit another record high of £8,728/acre. Knight Frank report that *"prices continue to vary significantly, even at a local level, and farms and blocks of land are regularly selling for over £12,000/acre. Although supply is up on the year, the volume of land for sale is still at historically low levels while demand remains very firm..... Much of the interest is coming from environmentally focussed buyers, including natural capital investors and funds. However, despite much attention from the media, they are far from dominating the market and, more often than not, are being outbid by more 'traditional' tax-driven, farmer or amenity buyers.*

4.328. *"So far, the imbalance between supply and demand has meant that the increase in the cost of borrowing, falling agricultural support payments and sliding grain prices appear to have had little impact on the market. However, we do expect the volume of land for sale to continue rising as more farmers approaching retirement take advantage of current market conditions to exit the industry before*

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*the next general election and a potential change of government. There are few signs though that the supply/demand equation will reverse drastically as the nascent environmental markets discussed above continue to build momentum and the tax treatment of land put into 'green' schemes is clarified."*

4.329. Page 2 refers to the Knight Frank Farmland Index. This "tracks the average price of bare (no residential property or buildings) commercial (productive arable and pasture) agricultural land in England. The quarterly index is based on the opinions of Knight Frank's expert valuers and negotiators across the country, which take into account the results of actual sales conducted by both the firm and its competitors, local market knowledge and client and industry sentiment. When combined with UK government statistics, the index shows the performance of farmland since 1944".

4.330. KF Farmland Index confirms that the overall average price per acre as at March 2023 is £8,728, up 11% on the March 2022 figure of £7,875.

### **Knight Frank - Updated Position – October 2023**

4.331. In their article dated 11 October 2023, entitled '*UK farmland values hit record high*', Knight Frank update the position as follows;

4.332. *"The price of bare agricultural land in England and Wales rose by 1% to hit another record high in the third quarter of 2023, according to the latest instalment of the Knight Frank Farmland Index.*

4.333. *On average, an acre of land is now worth £8,951. This represents an 8% rise on the year, just ahead of the latest inflation figures of 6.7%. Of the other asset classes we track, only the FTSE 100 index (+10%) has outperformed farmland over the past 12 months. Looking back five years, farmland values have risen by 27%, bested only by gold (+67%)*

4.334. In response to the question; *Will farmland values continue to rise?*, Knight Frank go on to say;

4.335. *"It does, however, appear as if the farmland market is at, or very close, to its near-term peak. Average values may hit £9,000/acre by the end of the year, but after that 2024 looks set to be a period of consolidation as supply and demand become more balanced. Property markets also generally tread water in a General Election year. The volume of publicly advertised farmland is up by a quarter so far this year to around 80,000 acres, but this is still well below historical levels and there are few signs of a vast increase over the next 12 months, despite ongoing reductions in the amount of direct support payments that farmers are receiving from the government.*

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4.336. Knight Frank conclude their article by saying;

4.337. *“Demand remains strong, particularly from farmers who have sold land or had it compulsorily purchased for housing developments and infrastructure projects like HS2 and need to “rollover” any capital gains into new investments. In localised cases, this has driven prices over £15,000/acre. Environmental buyers are still in the market but are reportedly becoming slightly less active due to a lack of clarity around the development of nature-based finance frameworks in the UK.”*

### **EUV Applied Within the Viability Modelling**

4.338. Based on the above data and wider research (and in terms of establishing an indication of likely EUV for the Application Site for the purposes of the current modelling exercise), the IFVA appraisals assume that the EUV is in the order of (say) £8,500 per acre x 27.35 acres = £232,475.

### **Landowner Premium – VBLV 1 – Application Site**

4.339. As noted above, the NPPF requires that a Viability Benchmark Land Value' ('VBLV') is established. This is achieved by uplifting the EUV by a Landowner Premium. The VBLV is intended to represent a minimum 'reasonable' land value for inclusion within the viability modelling.

4.340. PPG 'Viability' (paragraph 14) requires that VBLV should:

4.340.1. Be based upon existing use value.

4.340.2. Allow for a premium to landowners (including equity resulting from those building their own homes).

4.340.3. Reflect the implications of abnormal costs; site-specific infrastructure costs; and professional site fees.

4.341. The PPG also requires that; *“viability assessments should be undertaken using benchmark land values derived in accordance with this guidance.”*

4.342. The NPPF and PPG indicate that the appropriate level of landowner premium will be determined over time, by reference to other comparable transactions and following input from landowners, developers, and other stakeholders. In essence, the NPPF does not seek to 'dictate' the level of landowner premium, rather, it advocates the establishment of premiums that reflect the minimum return that a reasonable landowner would accept, taking into account other available options.

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4.343. As noted above, in BVL's view, the EUV for viability modelling purposes is likely to be in the order of (say) £8,500 per acre per acre x 27.35 acres = £232,475. Agricultural land is acknowledged to have a low 'starting point' EUV, and therefore it is difficult to express a suitable landowner premium as a percentage of EUV. Rather, with agricultural land, the approach frequently taken (in respect of sites with varying degrees of abnormal development costs) is to express the premium based on a multiplier in the range of 10 to 20 over base agricultural land value. If, in this instance a landowner premium of (say) 12 times over EUV is assumed, this would result in a notional benchmark land value of £232,475 x 12 = £2,789,700 equating to £102,000 per acre.

4.344. However, in considering the appropriate landowner premium, it should be acknowledged that the gross developable area of the site (representing the residential & employment uses) is 12.53 acres + 2.36 acres = 14.89 acres, which (as noted above), represents around 54.62% of the total Application boundary area. This is because the 'other land', including green & blue infrastructure (6.48 acres), strategic green & blue infrastructure (4.49 acres) and other infrastructure (1.4 acres) total 12.37 acres, representing around 45.38% of the total Application boundary area.

4.345. If the VBLV was to be based solely on the gross developable area, this would equate to around 14.89 acres x £102k per acre = £1,518,780. However, a reduced premium should also be applied to the remaining 'other areas.' Taking this into account, and to test the parameters of the current modelling, BVL has applied an indicative VBLV of £2m within the appraisals.

4.346. During the liaison process with Council officers following the issue of the Draft IFVA on 25 March, officers noted that the site is technically allocated for employment use, and asked that BVL consider the implications of the current allocation of the site as employment land when considering VBLV. .

4.347. Officers advised that it would be helpful if this issue was referred to in the land value comparisons in the IFVA. What would the site be worth as employment land, and what is the difference between the value of the allocated use and proposed residential use? Officers noted that, in principle, roads could still be provided to the station if the employment use was to be retained (i.e. what would the Council be gaining by granting a residential permission?) BVL responded to this query as follows;

4.348. *"Following our meeting, I have liaised again with local commercial agents John Read of Chesters Harcourt, and Nigel Hatfield of Hatfield White to discuss this particular issue. Key points from the discussions are noted below;*

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4.349. *Background – it is understood that the Application site was originally allocated for the relocation of two industrial businesses in the town, who ultimately decided not to relocate. As noted by Robin Upton at our meeting, I understand that this left a shortfall of some 400 residential dwellings in the Local Plan, of which the Application Site (which lies within the Wellington Development Boundary) can provide around 50% (200 dwellings). The agents' views on the likely existing use value (based on the employment use allocation) were as follows;*

4.350. *The starting point is the value of serviced employment land, which (depending on the precise uses permitted,) would be likely to be in the range of late £200k to early £300k per acre. In simple terms, the un-serviced value of this land would essentially be generated by way of a residual appraisal, by deducting the cost of servicing the land from the serviced land value. It was noted that, if the employment uses are restricted, then this can generate a low (or even nil) un-serviced residual land value (which is why many employment developments do not get off the ground, or can run into trouble if they do). However, for a good range of uses, a 'rule of thumb' figure would be circa £100k per acre un-serviced. This per-acre figure had previously been paid for a large Greenfield un-serviced site in the town.*

4.351. *A point noted by Chesters Harcourt was that (regardless of the outcomes of residual appraisals for employment developments) landowners had minimum expectations for land value, below which they would not sell. As it had previously been set as a 'benchmark', the figure of circa £100k per un-serviced acre was generally seen as an unofficial 'minimal expectation' for employment land. It was noted that there were frequently 'tensions' between the land figure produced by a residual appraisal, and landowner minimum expectations. A further factor is that employment-based developments do not include the same inherent value as residential developments, (to be able to subsidise affordable housing and s.106 Contributions, for example).*

4.352. *As noted during our meeting, the Viability Benchmark Land Value applied in the BVL appraisals is at circa £73k per gross acre, which at face value is actually lower than the inherent expectation for un-serviced employment land generally. Even taking account of gross : net adjustments and Abnormal Costs etc. it would appear that the residential BLV and the un-serviced employment land value are in broadly the same range."*

### **VBLV Category 2 - Additional Land**

4.353. Based on the information provided to BVL, this is understood to comprise the following land to be provided by the landowner, in perpetuity, to support the proposed development;

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- 4.353.1. Land for the Railway Halt car park, amounting to some 2 acres.<sup>76</sup>
- 4.353.2. Land for Station Square amounting to 0.127Ha or 0.315 acres.
- 4.353.3. Additional mitigation woodland planting for bat roost of between 15 and 20 acres<sup>77</sup>.

4.354. It is understood that all of the above land (which totals (say) in the order of circa 20 acres) say is currently in agricultural use, with little prospect of being allocated for development. However, based on the analysis above, this land has a potential EUV of (say) £8.5k per acre x 20 = £170,000. For the purposes of the IFVA, a notional figure of £170,00 to reflect the indicative EUV of this additional land has been allowed in the appraisals.

### **VBLV - Conclusions**

4.355. In testing the approach to the VBLV and premium applied; The RICS GN 'Assessing viability in planning under the National Planning Policy Framework 2019 for England' (effective 1 July 2021) sets out a five-step process for arriving at the VBLV, as follows.

4.356. **Step 1 - Existing Use Value (EUV)** - Step one is to undertake a valuation to determine EUV. The EUV in this case is deemed to be £232,475, based upon indicative agricultural land value.

4.357. **Step 2 - Alternative Use Value (AUV)** - Step two is the assessment, where appropriate, of the AUV. As noted above, the current allocation of the Application Site as employment land has been considered as part of the liaison with Council officers following the issue of the Draft IFVA on 25 March 2024.

4.358. **Step 3 - Cross Sector Collaboration Evidence of BLV and Premium** - The RICS GN explains that Step three is to assess a premium above EUV based on the evidence set out in PPG paragraph 016, which is 'the best available evidence informed by cross sector collaboration. which can include benchmark land values from other viability assessments' comparisons with existing premiums above EUV.' The conservative 'tone' of the VBLV and premium applied in this case align with equivalent VBLVs/premiums adopted recently by BVL for similar green field sites in the Region. BVLs approach to VBLV also reflects the widely recognised significant required premium over a low base agricultural value, in order to incentivise release of the land

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<sup>76</sup> This now falls outside the resubmitted Application Red line).

<sup>77</sup> For the purposes of the IFVA, a mid-point position of 17.5 acres has been assumed.

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for development.

- 4.359. **Step 4 - Residual Land Value** - Step four is to determine the residual value of the site (or typology), assuming actual or emerging policy requirements, and this assessment of land value can be cross checked against the EUV+. Adopting the inputs set out in the IFVA. This is undertaken in Section 5 below. The reasonableness of this has also been considered compared to the existing use value and premium evidence reported above, and the additional evidence, reported below.
- 4.360. **Step 5 - Adjusted Land Transaction Evidence** - Step five is to cross-check the EUV+ approach to the determination of the BLV of the site by reference to (adjusted) land transaction evidence and can also include other VBLV of compliant schemes (or adjusted if not compliant). The VBLV above has not been derived by reference to market evidence because, due to the heterogeneity of development sites and consequent difficulty in direct comparison (as recognised by the RICS) BVL does not consider that such evidence is useful in this case. Rather, BVL's assessment is based on established and recommended determinants of VBLV in development viability testing.
- 4.361. **Purchase Price** - The NPPG on viability encourages the reporting of the purchase price to improve transparency and accountability, however it discourages the use of a purchase price as a barrier to viability, stating the price paid for land is not a relevant justification for failing to accord with relevant policies in the plan (and under no circumstances will the price paid for land be a relevant justification for failing to accord with relevant policies in the plan). The PPG does not, however, invalidate the use and application of a purchase price, or a price secured under agreement, where the price enables the development to meet the policies in the plan. In this case, the purchase price has not been disclosed, nor has influenced BVL's assessment of the VBLV, as required by the NPPG.

### Stamp Duty Land Tax (SDLT)

- 4.362. Stamp Duty Land Tax ('SDLT') within the appraisal was calculated based on standard current Land Registry rates (effective from 23 September 2022), as follows;
- Notional VBLV (as above) = £2,000,000.
  - Up to £250k – nil.
  - £250,001 to £925,000 (up to the next £675,000) @ 5% = £33,750
  - £925,001 to £1.5m – (the next £575,000) = £575,000 @ 10% = £57,500.

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- Above £1.5m @ 12% = £500,000 x 12% = £60,000.

4.363. Total SDLT assumed for the purposes of the viability modelling - £33,750 + £57,500 + £60,000 = £151,250.

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# 5. Viability Modelling and Outcomes

5.1. As noted above, the IFVA is required to consider viability objectively, and in line with the viability requirements of the NPPG and Planning PPG Viability and in accordance with RICS Guidance concerning viability testing for planning purposes. As also noted above, the focus of the above requirements/guidance is that viability testing should primarily be a tool to ensure delivery of development, rather than to preserve developer profits.

## Initial Modelling – Issue of Draft IFVA of 25 March 2024 – Prior to liaison/Feedback from Council Officers

5.2. Based on the viability parameters set out in detail in Section 4 above, BVL modelled a range of scenarios to assess the viability of the proposed development, with forecast developer return being the residual element produced by the appraisal in each case. Where appropriate and necessary, the parameters of the appraisal inputs were moderated as required, to accord with good practice in objective viability modelling.

5.3. The key aim of the IFVA is to produce an overall appraisal that reflects a balanced approach to risk and return, reflecting a development proposal that is commercially fundable and deliverable. As noted above, this can be defined as follows; *“Generally speaking, when undertaking an IFVA, BVL would apply a profit benchmark/target in line with NPPG/RICS guidance at circa 20% of GDV in relation to open market OM dwellings, and 6% on cost for the affordable dwellings”*. However (as also noted above) the results of the financial modelling produce significantly lower outcomes than this (see below for details).

5.4. As required by the NPPG, BVL started by modelling a target ‘fully policy compliant’ (‘FPC’) scenario for the Approved Development - i.e. including the full target s.106 Obligations (affordable housing and s.106 Contributions in this case) along with the requested community infrastructure provision<sup>78</sup>. Modelling the target FPC position in the first instance, helps to determine the extent to which the Proposed Development is made unviable by the target full policy compliant (FPC) requirements. This analysis allows for options with reduced s.106 Obligations to be modelled, to determine the level of reduction necessary to the FPC position, to return the Proposed Development to a point where it is deliverable.

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<sup>78</sup> The spine road and associated infrastructure etc.

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5.5. the key outcomes of the financial modelling undertaken to inform the IFVA are as follows;

### **Appraisal Scenario 1 – Full Target Policy Compliance**

5.6. This is based on a Target ‘Fully Policy Compliant’ scenario (i.e. full s.106 Obligations, 25% affordable housing<sup>79</sup>, full target s.106 Contributions community infrastructure provision. The key appraisal inputs were as follows;

- Open market sales are based on the maximum estimated sales provided by the local estate agents (an average of £310 per ft<sup>2</sup>).
- The affordable housing premium rate is based on advice from CJH Land (i.e. a blended rate of £150 per ft<sup>2</sup> for the target tenure split of 60% Social Rent and 40% Shared Ownership).
- The GIA for sales purposes is assumed to be 192,913 ft<sup>2</sup>, based on the indicative mix discussed with FOD.
- The sale of serviced employment land is based on the maximum £500k per acre discussed with commercial agents, assuming a full range of Class E uses.
- A VBLV of £2m (see above for details).
- An allowance of £170k has been made for additional land being provided by Landowner to facilitate the Proposed Development.
- SDLT & other land costs are based on the VBLV of £2m.
- Planning related costs are assumed @ £200k.
- Construction costs are based on TCL cost plans of 20 March 2024 and an estimated GEA of 197,528<sup>80</sup>.
- A standard build contingency @ 5% for plot costs, externals & garages.

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<sup>79</sup> As noted above the initial request for 55 affordable dwellings actually now represents 27.5% of the recently reduced residential total of 200 dwellings. This is adjusted later to a notional 25% in Scenario 4 below.

<sup>80</sup> Larger than the GIA, due to the circulation space associated with the open market flats.

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- An infrastructure contingency from the TCL Cost Plan of 20 March of £1,624,724.
- Other construction totals from the TCL Cost Plan of 20 March 2024, along with externals @ 15% plot costs & garages @ £565,756 (based on the TCL 20 March Standard Build Cost Plan update).
- Professional fees – for standard build – assumed @ 7.5% of plot costs, externals and garages.
- Professional fees for infrastructure - as per TCL Cost Plan of 20 March 2024 - £1,754,622.
- Marketing & sales @ 3% of open market and shared ownership sales.
- Legal fees for RP sale @ £400 per unit and OM sales @ £600 per unit.
- Latest target s.106 Contributions as per the Schedule of Target s.106 Contributions and Other Costs - total £4,023,985.

5.7. The appraisal produced the following totals;

- Sales revenue - £52,700,363
- Development costs - £64,121,191

5.8. The outcome of Scenario 1 is a loss of £12.56M (see Scenario 1 appraisal summary at **Appendix 5** for details).

5.9. This scenario demonstrates that the requested target full policy compliant package of community infrastructure and s.106 Contributions<sup>81</sup> is not viable, or deliverable. This outcome also highlights the inherent viability constraints associated with the approved development, and it also indicates that<sup>82</sup>, based on market-based, objective, viability modelling criteria, a reduction in affordable housing and s.106 Contributions will be required, on viability grounds, in order to ensure that the proposed development is deliverable.

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<sup>81</sup> As published on the Planning Portal.

<sup>82</sup> Unsurprisingly perhaps, given the level of community infrastructure and target s.106 Obligations being applied to the reduced development proposals

19/04/2024 (SF) BVL IFVA-planning reference 43/23/0056; amended description; “*Outline application with all matters reserved, except for access, for a mixed-use development of up to 200 No. dwellings, employment land (Use Classes E & F), an internal spine road to facilitate a rail halt/station, public open space, drainage & associated infrastructure on land north of Taunton Road, Longforth Park, Wellington (DEPARTURE FROM LOCAL PLAN)*”.

5.10. As discussed above, further adjustments were made to the modelling parameters above to reflect discussions with Council officers following the issue of the Draft IFVA on 25 March 2024. These are considered in more detail below.

**Appraisal Scenario 2 – Nil Affordable Housing, full Social Infrastructure and full s.106 Contributions.**

5.11. This applies identical appraisal parameters to those in Scenario 1, except for the following;

- A maximum average open market sales rate of £310 per ft<sup>2</sup> is applied to all 200 dwellings (i.e. including affordable housing units).
- Marketing costs are increased to cover all units.

5.12. Scenario 2 produces a reduced loss of £3.25m (see Scenario 2 appraisal summary at **Appendix 6** for details. Although this is an improvement on Scenario 1, this scenario indicates that the removal of the target affordable housing element would not (in itself) be sufficient to return the Proposed Development to deliverability.

5.13. This scenario also highlights the indicative cost to the development of the target full affordable housing provision<sup>83</sup>; In Scenario 2, the 'full' residential sales revenue total for the proposed maximum of 200 dwellings is £59,803,030. If we compare this with the Scenario 1 residential sales revenue figure of £51,677,363<sup>84</sup>, the difference (i.e. the cost to the Proposed Development) is £8,125,667 equating to £147,739 per affordable dwelling being sought.<sup>85</sup>

**Appraisal Scenario 3 – Nil Affordable Housing, full Social Infrastructure, full s.106 Contributions, but assuming a nil contribution to Education.**

5.14. This applies identical appraisal parameters to those in Scenario 2, except that an assumption is made that the education contributions are reduced to nil.

5.15. Scenario 3 produces a marginal 'break-even' developer return of £491K (or 0.82% of GDV). See Scenario 3 appraisal summary at **Appendix 7** for details.

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<sup>83</sup> With the published consultation response actually representing 27.5% in this scenario (this is notionally adjusted to 25% later – see below for details).

<sup>84</sup> Which includes the target full affordable housing provision.

<sup>85</sup> Based on 55 affordable dwellings with 60% Social Rent and 40% Shared Ownership

19/04/2024 (SF) BVL IFVA-planning reference 43/23/0056; amended description; "Outline application with all matters reserved, except for access, for a mixed-use development of up to 200 No. dwellings, employment land (Use Classes E & F), an internal spine road to facilitate a rail halt/station, public open space, drainage & associated infrastructure on land north of Taunton Road, Longforth Park, Wellington (DEPARTURE FROM LOCAL PLAN)".

Although a further improvement on Scenario 2, Scenario 3 indicates that even the removal of the education contributions and the target affordable housing element would not be sufficient to return the Proposed Development to normally accepted development viability parameters. However, this is significantly better than the losses shown by Scenarios 1 and 2, and potentially provides the Council with an opportunity to consider whether any further savings could be made to the current target s.106 Obligation requests. It also provides the Council and the Applicant with the opportunity to review the proposed development to see whether changes to the requested community infrastructure or value engineering generally can be undertaken to bring about construction cost savings.

5.16. A further possible area for consideration is whether improvements could be made to the approved scheme to improve the overall GDV<sup>86</sup>. On a related point, during the engagement process with the Council (following the issue of the Draft IFVA on 25 March), officers queried the impact on viability, of reverting the southern part of the current employment land to residential use. However, in line with further discussions at the following MST meeting of 3 April (and given concerns about the proximity of residential uses to the railway, and the various knock-on impacts that this would inevitably have on a number of other proposed elements of the development, which would be impossible to assess at this stage), this was not felt to be an option that could be modelled with any real accuracy at present.

#### **Further Viability Modelling Undertaken Following Liaison with Council Officers after the Issue of the Draft IFVA on 25 March 2024.**

5.17. Microsoft Teams Meetings were held with officers on 27 March, 3 April and 10 April (at which the Council's Housing Enabling Team was also present).

5.18. During these meetings, and in two subsequent emails of 28 March (at 0952 & 1618) and a further email of 29 March at 1505, a number of points/queries were addressed. BVL has summarised these points, along with any responses provided throughout the IFVA, as appropriate. In addition, following the various discussions, a number of amendments were made to the cost assumptions in the IFVA, which were incorporated within the updated viability modelling. These are noted below;

#### **Amended Appraisal parameters following the Engagement Process with the Council**

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<sup>86</sup> From a viability perspective, possibly by adding in some of the uses that have been removed, or increasing the number of dwellings back to a maximum of 220.

19/04/2024 (SF) BVL IFVA-planning reference 43/23/0056; amended description; "Outline application with all matters reserved, except for access, for a mixed-use development of up to 200 No. dwellings, employment land (Use Classes E & F), an internal spine road to facilitate a rail halt/station, public open space, drainage & associated infrastructure on land north of Taunton Road, Longforth Park, Wellington (DEPARTURE FROM LOCAL PLAN)".

5.18.1. Open Market Housing - in order to 'stretch' the viability modelling parameters as far as possible, BVL sensitised the appraisals by increasing the maximum residential sales rate from the three agents (an average of £310 per ft<sup>2</sup>) with a 'hope value' element to reflect a potential additional 'station premium' of 2% of the residential Gross Development Value (GDV). This increases the assumed maximum sales rate to a very optimistic £316 per ft<sup>2</sup>. As noted above, this is not evidence based, but has been modelled purely to 'sensitise' the appraisal.

5.18.2. Employment Land - Once again, this is included in the appraisal at a very optimistic £500k per serviced acre (note; the latest feedback from the local commercial agents/Chartered Surveyors confirms that a more realistic value would be 'late £200k to early £300k' per serviced acre). There is therefore at least £400k of 'hope value' in this element of the appraisal as well.

5.18.3. Affordable housing - Following discussions with officers, BVL made the following pro-rata adjustment to the target FPC Appraisal (Scenario 1, now updated to Scenario 1a) to allow for the reduced total of 200 dwellings as set out below;

- Enabling Team request based on 220 units x 25% = 55 units (if 200 units, 25% would be 50 affordable units, comprising 30 x Social Rent, and 20 x Intermediate)
- Social Rent - 33 units - 31,485 ft<sup>2</sup> net, (same gross). Apportioned to reflect 30 units =  $(31,485/33) \times 30 = 28,623$  ft<sup>2</sup>.
- Intermediate. - 22 units - 19,300 ft<sup>2</sup> net (same gross). Apportioned to reflect 20 units =  $(19,300/22) \times 20 = 17,545$  ft<sup>2</sup>.
- Total net ft<sup>2</sup> is 192,913 ft<sup>2</sup>, so OM dwellings (150) would comprise 192,913, less 28,623, less 17,545 = 146,745 ft<sup>2</sup>.

5.18.4. As noted above, the initial viability outcomes to date (even based on optimistic assumptions) indicate that the target affordable housing element of the development (25%) will need to be foregone, and replaced with open market housing, to allow the proposed development to be deliverable by WOED (even though it is unlikely to reach normally accepted viability parameters). In this eventuality, officers noted that, if the affordable housing is foregone, this would reduce Lifetime Homes and Category 3 Requirements (and, as TCL noted), also associated bicycle stores. TCL has now included appropriate reductions in his updated cost plans to reflect these reductions.

19/04/2024 (SF) BVL IFVA-planning reference 43/23/0056; amended description; "Outline application with all matters reserved, except for access, for a mixed-use development of up to 200 No. dwellings, employment land (Use Classes E & F), an internal spine road to facilitate a rail halt/station, public open space, drainage & associated infrastructure on land north of Taunton Road, Longforth Park, Wellington (DEPARTURE FROM LOCAL PLAN)".

5.18.5. Education Contribution – As discussed with officers, the published education request sum is based on 220 dwellings, so as a pro-rata adjustment for 200 dwellings, it was agreed that 9% of that sum could be deducted, leaving £2.52m (rather than £2.766m). Clearly this is not as per the formal contribution response request as issued, however, this figure has been included for the purposes of updated viability modelling, as appropriate.

5.19. Construction costs – these have been updated by TCL to reflect the various queries/points raised at the MST meetings with officers of 27 March and 3 April, together with the points made in various emails following the 27 March meeting.

5.20. Aside from the points noted above, the adjustments also include the following, adjustments, as per commentary from TCL dated 9 April;

5.21. *I have set out below, some commentary on the cost areas that have been amended within the updated cost plans, in line with the observations from Simon Fox;*

5.22. *Reduction in Lifetime Homes and Category 3 Requirements and, associated bicycle stores*

5.23. *Bike stores; 140nr x £450 = £63,000 + risk £6,300 + fees £6,930 = **£76,230***

5.24. *Cat 2; 80nr x £1,800 = £144,000 + risk £14,400 + fees £15,840 = **£174,240***

5.25. *Cat 3; 5nr x £15,000 = £75,000 + risk £7,500 + fees £8,250 = **£90,750***

5.26. *Play areas – Simon Fox asked that we allow a reduced total of £200k for all play (central NEAP perhaps) which saves;*

5.27. *£110,000 + risk £11,000 + fees £12,100 = **£133,100***

5.28. *Reduction in toucan crossing as Simon Fox's email of 28 March noted; "Refs 14 New Toucan and cycleway modification of Taunton Road and 39 Off-site utility diversions for the above in the cost plan are double counted with the active travel contribution accounted for separately;*

5.29. *Item 14; £85,000 + risk £8,500 + fees £9,350 = £102,850*

5.30. *Item 39; £25,000 + risk £2,500 + fees £2,500 = £30,250*

19/04/2024 (SF) BVL IFVA-planning reference 43/23/0056; amended description; "Outline application with all matters reserved, except for access, for a mixed-use development of up to 200 No. dwellings, employment land (Use Classes E & F), an internal spine road to facilitate a rail halt/station, public open space, drainage & associated infrastructure on land north of Taunton Road, Longforth Park, Wellington (DEPARTURE FROM LOCAL PLAN)".

5.31. *Nutrient Neutrality – Phosphates reduced from £1.45m (including risk) to £1.03m (including risk), because WOED have been able to secure credits at a rate of £37,500/kg for the 25kg of mitigation needed, rather than at the previous £52,788/kg rate”.*

5.32. NHS Contribution - During the engagement process, Council Officers advised that the NHS contribution request had dropped to £89,336. Accordingly, this figure has been included within the updated modelling.

5.33. Other appraisal assumptions remain generally as per the draft appraisals submitted with the Draft IFVA of 25 March.

### **Further Viability Modelling Undertaken Following Engagement with Council Officers**

5.34. Based on the amended parameters above, BVL produced updated versions of all the appraisals submitted with the draft IFVA report of 25 April. (To differentiate these updated appraisals from the original versions, they are entitled 1a, 2a, and 3a). These updated appraisals now reflect the amended cost assumptions discussed with officers. As also noted above, they also include a significant element of ‘hope value’ in the GDV assumptions.

5.35. Outcomes of the Scenario 1a, 2a, and 3a Appraisals;

5.36. Scenario 1a – (Updated Full Target Policy Compliance) - The outcome of this updated scenario is a loss of £10.03m (see appraisal summary at **Appendix 8**).

5.37. Scenario 2a – (Updated Nil Affordable Housing, full Social Infrastructure and full s.106 Contributions) - The outcome of this updated scenario is a forecast break-even profit of £93k (0.15% of GDV). See appraisal summary at **Appendix 9**.

5.38. Scenario 3a – (Updated Nil Affordable Housing, full Social Infrastructure, full s.106 Contributions, but assuming a nil contribution to Education) - The outcome of this updated scenario is a forecast developer profit of £3.48m (5.95% of GDV). See appraisal summary at **Appendix 10**.

5.39. The above scenarios demonstrate that, from an objective viability perspective, (in all likelihood), the removal of affordable housing and all s.106 Contributions would likely be justified, in order to restore the scheme to viability.

### **Scenario 4 – ‘Hope Value Appraisal’ to Inform s.106 Heads of Terms**

19/04/2024 (SF) BVL IFVA-planning reference 43/23/0056; amended description; “*Outline application with all matters reserved, except for access, for a mixed-use development of up to 200 No. dwellings, employment land (Use Classes E & F), an internal spine road to facilitate a rail halt/station, public open space, drainage & associated infrastructure on land north of Taunton Road, Longforth Park, Wellington (DEPARTURE FROM LOCAL PLAN)*”.



5.40. Following the engagement process with Council officers, and taking account of various reduced cost assumptions etc. Scenario 4 is presented in an attempt to provide a scenario that could be deliverable in the particular context of WOED and the Proposed Development. Accordingly, it is hoped that Scenario 4 that will form a basis for s.106 heads of terms in this case.

5.41. Scenario 4 is essentially based on nil affordable housing and a reduced education contribution of £537k, alongside other s.106 Contributions. The total s.106 'package' included in the Scenario 4 appraisal is £1,820,320.

5.42. The headlines of the Scenario 4 appraisal are as follows;

- Open Market Housing – as noted above, in order to 'stretch' the viability modelling parameters as far as possible, BVL sensitised the appraisals by increasing the maximum residential sales rate from the three agents (an average of £310 per ft<sup>2</sup>) with a 'hope value' element to reflect a potential additional 'station premium' of 2% of the residential Gross Development Value (GDV). This increases the assumed maximum sales rate to a very optimistic £316 per ft<sup>2</sup>. As noted above, this is not evidence based, but has been modelled purely to 'sensitise' the appraisal.
- Employment Land - Once again, this is included in the appraisal at a very optimistic £500k per serviced acre (note; the latest feedback from the local commercial agents/Chartered Surveyors confirms that a more realistic value would be 'late £200k to early £300k' per serviced acre). There is therefore at least £400k of 'hope value' in this element of the appraisal as well.
- Affordable housing – For the purposes of the appraisal, the target affordable element (25%) has been assumed to be full open market dwellings (also with an assumed 'hope value enhanced' average sales rate of £316 per ft<sup>2</sup>).
- Construction costs – these have been updated by TCL to reflect the various queries/points raised at the meetings with officers of 27 March, 3 April and 10 April, (together with picking up the points in the various emails following the 27 March meeting).
- Other appraisal assumptions These remain generally as per the draft appraisals submitted with the Draft IFVA of 25 March.

19/04/2024 (SF) BVL IFVA-planning reference 43/23/0056; amended description; "Outline application with all matters reserved, except for access, for a mixed-use development of up to 200 No. dwellings, employment land (Use Classes E & F), an internal spine road to facilitate a rail halt/station, public open space, drainage & associated infrastructure on land north of Taunton Road, Longforth Park, Wellington (DEPARTURE FROM LOCAL PLAN)".

5.43. The Scenario 4 Appraisal includes the following s.106 financial contributions/costs which total £1,820,320.

- Travel Plan - £5,000
- Safeguarding fee - £72,650
- Active Travel - £573,620
- Public art/monument – Est. £7,000
- Contribution towards station square/mobility hub contribution £305,000
- Education - £573,000 (to include all indexation to date etc.)
- NHS/ICB - £89,336
- S.106 monitoring fee - £5,000 (est.)
- Offsite playing pitch & commuted sum - £124,714
- Allotments - £10,000
- Greenway contribution - £50,000
- Council legal costs - £5,000
- **Total £1,820,320.**

5.44. The Scenario 4 appraisal produces a sub-optimal forecast developer return of 2.7m (4.58% of GDV). See Appraisal Summary at **Appendix 11**. Given this sub optimal profit forecast and the ‘hope value’ inflated nature of the sales revenue assumptions, this appraisal would not meet normally accepted viability parameters. However, for the reasons discussed with officers during the engagement process, WOED has confirmed that it would be willing to proceed on this basis. See Conclusions section below for further consideration of Scenario 4.

19/04/2024 (SF) BVL IFVA-planning reference 43/23/0056; amended description; “*Outline application with all matters reserved, except for access, for a mixed-use development of up to 200 No. dwellings, employment land (Use Classes E & F), an internal spine road to facilitate a rail halt/station, public open space, drainage & associated infrastructure on land north of Taunton Road, Longforth Park, Wellington (DEPARTURE FROM LOCAL PLAN)*”.

# 6. Conclusions

6.1. The Council's targets for affordable housing and s.106 Obligations are set based on 'norms' that were modelled within the viability evidence that supports the Council's policies. These norms cannot possibly cover all sites and circumstances. Accordingly, in line with Government Guidance, the Council's policies for affordable housing and s.106 Obligations are all subject to viability, in order to ensure that developments are deliverable.

6.2. Whilst the 'load' on the development<sup>87</sup> has been increasing during the course of the determination of the Outline Application, the revenue producing elements of the proposed development have been diminishing;

6.2.1. In particular, the deletion of the mixed-use element has not only removed some 2,285.1 m<sup>2</sup> (24,596 ft<sup>2</sup>) of ground floor GIA from the proposed development, it has also reduced the maximum number of residential units from 220 to 200 (around 20 residential dwellings were envisaged on the first and second floors of the mixed-use space).

6.2.2. The employment land is now 0.828Ha (2.046 acres). This was previously<sup>88</sup> 0.96Ha (2.36 acres), reflecting a reduction of 0.314 acres. The new coverage is envisaged by FOD to be; "general employment buildings (gf only) total gross internal areas 2,645.4m<sup>2</sup> (28,475 ft<sup>2</sup>).

6.3. Scenario 2 highlights the cost to the development of the target affordable housing provision; In Scenario 2, the full residential sales revenue total for the proposed maximum of 200 dwellings is £59,803,030. If we compare this with the Scenario 1 residential sales revenue figure of £51,677,363<sup>89</sup>, the difference (i.e. the cost to the Proposed Development) is £8,125,667<sup>90</sup> equating to £147,739 per affordable dwelling being sought.<sup>91</sup>

6.4. The appraisals modelled in the IFVA are based on deliberately and demonstrably 'optimistic' assumptions, in order to test the appraisal parameters as far as possible (for example, the highest possible sales estimates from the local estate agents have

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<sup>87</sup> In terms of community infrastructure, affordable housing and target s.106 Contributions.

<sup>88</sup> As of 26 January amendments.

<sup>89</sup> Which includes the target full affordable housing provision.

<sup>90</sup> Based on the highest of the agents' sales figures.

<sup>91</sup> Based on 55 affordable dwellings with 60% Social Rent and 40% Shared Ownership.

19/04/2024 (SF) BVL IFVA-planning reference 43/23/0056; amended description; "Outline application with all matters reserved, except for access, for a mixed-use development of up to 200 No. dwellings, employment land (Use Classes E & F), an internal spine road to facilitate a rail halt/station, public open space, drainage & associated infrastructure on land north of Taunton Road, Longforth Park, Wellington (DEPARTURE FROM LOCAL PLAN)".

been applied, together with construction and other costs that are, if anything considered to be conservative. The outcomes of the scenarios modelled are as follows;

- 6.5. Appraisal Scenario 1 is based on a Target 'Fully Policy Compliant' scenario (i.e. full s.106 Obligations, 25% affordable housing<sup>92</sup>, full target s.106 Contributions, and full community infrastructure provision. The outcome of the initial Scenario 1 appraisal of 25 March<sup>93</sup> was a loss of £12.56m. Following an engagement process with Council Officers, amended appraisal assumptions were applied (including reduced cost assumptions as detailed in Section 5 above) which were reflected in updated Scenario 1a. The outcome of the Scenario 1a updated appraisal was a slightly less severe loss of £10.03m.
- 6.6. Scenarios 1 and 1a demonstrate that the target 'full policy compliant' package of community infrastructure and s.106 Contributions being sought is neither viable, or deliverable. As noted above, this outcome highlights the inherent viability constraints associated with the approved development, and it demonstrates that that<sup>94</sup>, based on market-based, objective, viability modelling criteria, a reduction in affordable housing and s.106 Contributions will be required, on viability grounds, in order to ensure that the proposed development is deliverable.
- 6.7. Appraisal Scenarios 2 and 2a are based on nil Affordable Housing, full Social Infrastructure and full s.106 Contributions. These apply identical appraisal parameters to those in Scenario 1, except that a maximum average open market sales rate of £310 per ft<sup>2</sup> is applied to all 200 dwellings (i.e. including affordable housing units). Scenario 2<sup>95</sup> produces a reduced deficit of £3.25m, and updated Scenario 2a<sup>96</sup> a forecast break-even profit of £93k (0.15% of GDV). Although these are an improvement on Scenario 1, they indicate that the removal of the target affordable housing element would not (in itself) be sufficient to return the Proposed Development to deliverability.
- 6.8. Appraisal Scenarios 3 and 3a are based on nil Affordable Housing, full Social Infrastructure, full s.106 Contributions. These apply identical appraisal parameters to those in Scenario 2, except that an assumption is made that the education

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<sup>92</sup> As noted above, the published consultation response requesting for 55 affordable dwellings actually represents 27.5% of the reduced residential total of 200 dwellings. As noted above, this was amended pro-rata in Scenario 1a.

<sup>93</sup> As submitted with the Draft IFVA of 25 March.

<sup>94</sup> Unsurprisingly perhaps, given the level of community infrastructure and target s.106 Obligations being applied to the reduced development proposals.

<sup>95</sup> As submitted with the BVL Draft IFVA of 25 March.

<sup>96</sup> Which again includes amended appraisal assumptions agreed with Council Officers.

19/04/2024 (SF) BVL IFVA-planning reference 43/23/0056; amended description; "*Outline application with all matters reserved, except for access, for a mixed-use development of up to 200 No. dwellings, employment land (Use Classes E & F), an internal spine road to facilitate a rail halt/station, public open space, drainage & associated infrastructure on land north of Taunton Road, Longforth Park, Wellington (DEPARTURE FROM LOCAL PLAN)*".

contributions are reduced to nil. Scenario 3 produces a marginal developer return of £491k (0.82% of GDV) and Scenario 3a produces an improved forecast developer profit of £3.48m (5.95% of GDV). Although these outcomes are a further improvement on Scenario 2, they indicate that even the removal of the target affordable housing element (25%) and all education contributions and would not be sufficient to return the Proposed Development to normally accepted development viability parameters.

6.9. Scenarios 1a to 3a demonstrate that, from an objective viability perspective, the removal of affordable housing and all s.106 Contributions would be justified, in order to restore the scheme to viability.

6.10. As noted in Section 5 above, the Scenario 4 appraisal follows the engagement process with Council officers, and takes account of various reduced cost assumptions etc. Scenario 4 is presented in an attempt to provide a scenario that could be deliverable in the particular context of WOED and the Proposed Development. Accordingly, it is hoped that Scenario 4 that will form a basis for s.106 heads of terms in this case.

6.11. Scenario 4 is essentially based on nil affordable housing and a reduced education contribution of £537k, alongside other s.106 Contributions. The total s.106 'package' included in the Scenario 4 appraisal is £1,820,320.

6.12. Scenario 4 produces a sub-optimal forecast developer return of 2.7m (4.58% of GDV). Given this marginal profit forecast and the 'inflated'<sup>97</sup> nature of the sales revenue assumptions, this appraisal does not even come close to normally accepted viability parameters. However, for the reasons discussed with officers during the engagement process, WOED has confirmed that it would be willing to proceed on this basis.

6.13. However, as discussed with officers, it should be stressed that the Scenario 4 appraisal is based on an element of 'hope value' within the residential GDV and employment land assumptions (i.e. rather than being based on even the highest level of sales estimated by the local agents, this appraisal includes an inherent assumption that the current GDV will not only increase, but also that it will continue to 'outpace' any increase in development costs over time).

6.14. Whilst this approach is helpful in that it 'sensitises' the current market-based assumptions, it would not normally be a scenario that would be considered fair and

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<sup>97</sup> See below for details.

19/04/2024 (SF) BVL IFVA-planning reference 43/23/0056; amended description; "Outline application with all matters reserved, except for access, for a mixed-use development of up to 200 No. dwellings, employment land (Use Classes E & F), an internal spine road to facilitate a rail halt/station, public open space, drainage & associated infrastructure on land north of Taunton Road, Longforth Park, Wellington (DEPARTURE FROM LOCAL PLAN)".

reasonable as a basis for s.106 Heads of Terms. This is because it is not based on current sales revenue and cost assumptions, as required by the NPPF. As a result, this scenario places significant additional stress on WOED, because it presents a more positive viability picture than is actually the case, thus requiring WOED to 'crystalise' future risk now, in order to proceed.

6.15. The risk being taken by the Applicant in relation to Scenario 4 is exacerbated further by a number of cost considerations, as explained by TCL on 9 April, as follows;

6.16. *"I have also been asked to comment on construction price trends – As has been extensively reported, there has been unprecedented inflationary pressure on all costs, not least in the construction industry since 2020. The increases in fuel prices due to the conflict in Ukraine, the loss of the red diesel duty exemption, increasing labour costs, increasing material costs and the impact on the use of foreign labour arising from Brexit have all had an adverse impact on costs.*

6.17. *In addition, we believe that the true inflationary impact has yet to be recognised in the BCIS indices, since they are essentially 'backwards looking' with the database only being updated when scheme cost plans are submitted for review by the BCIS and generally this occurs at final account stage. These schemes may be on fixed price or limited fluctuations clauses and could have been tendered 3-4 years ago. For this reason, the Regional BCIS indicates that from 1Q20 to 2Q23 (the latest date that indices are published) that inflation was 11.13%, the all-in national TPI for that period was 14.3% whereas RPI was 27.78%. According to the All-in TPI and RPI prices has continued to rise by a further 2.1% and 0.6% respectively to today's date.*

6.18. *Therefore, whilst the BCIS Indices show an increase of just over 14%, the actual increase is likely to be in the order of some 30%. BCIS will eventually 'catch up,' but not for some time.*

6.19. *Local Labour Agreement - I have reviewed the terms of the Draft LLA and can confirm that, at present, any costs associated with this are only partially<sup>98</sup> included since the costs used within the infrastructure cost plan are based on actual regional tendered and contracted rates. The schemes which these costs are based on are from regional contractors who take their labour from the local market, and while the labour force may not be derived from Taunton and East Deane it will be from the wider Somerset and North Devon catchment since the presence of larger developments such as Sherford in Plymouth and Cranbrook and Alphington in Exeter has essentially made the supply of labour more localised."*

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<sup>98</sup> Emphasis added.

19/04/2024 (SF) BVL IFVA-planning reference 43/23/0056; amended description; "Outline application with all matters reserved, except for access, for a mixed-use development of up to 200 No. dwellings, employment land (Use Classes E & F), an internal spine road to facilitate a rail halt/station, public open space, drainage & associated infrastructure on land north of Taunton Road, Longforth Park, Wellington (DEPARTURE FROM LOCAL PLAN)".



## Community Infrastructure Benefits Offered by the Proposed Development

6.20. During the engagement process, officers asked BVL and TCL to assess the 'community infrastructure benefits' that are being funded by the Proposed Development. These represent direct costs that are being incurred solely to facilitate the access to the proposed new station and related infrastructure items, and total £1,626,029. See details and further comments from TCL (dated 9 April) below;

6.21. *In relation to the request from Simon Fox, I have reviewed the costs that are generated solely as a result of the proposed development facilitating the new railway station. These comprise both direct infrastructure costs, and also indirect costs relating to the layout of the development, which has been designed specifically to accommodate not only the station itself, but also the desired 'approach' to the station. I have summarised these two types of costs below;*

<i>Direct Costs</i>	<i>Value incl risk and fees</i>	<i>Comment</i>
<i>Land preparation and enabling works</i>	<i>£47,452</i>	<i>Palisade fencing to NR boundary</i>
<i>Alternative junction to Nynehead Road</i>	<i>£309,437<sup>99</sup></i>	
<i>Other highway works</i>	<i>£1,108,944</i>	<i>Reduction in boulevard typology Introduction of frontage onto spine road</i>
<i>Landscaping</i>	<i>£160,196</i>	<i>Reduction in area of bat mitigation</i>
<i>Total</i>	<i>£1,626,029</i>	

6.22. In addition to the above direct costs, TCL has identified indirect costs associated with this community infrastructure provision. TCL says;

6.23. *"Indirect Costs – as noted above, these are 'opportunity' costs associated with the layout/format of development dictated by the limitations associated with the design/aspirations behind the station access. These indirect costs relate to areas such as the wider 'boulevard' type spine road, wider verges and off-carriageway footpaths, separate cycle route through to the station all leading to smaller residential parcels than would normally be the case on a development of this nature.....However, it would only be possible to assess the true extent of these*

<sup>99</sup> If the alternative junction to Nynehead Road is removed from this list (see below for commentary), this net total reduces to £1,316,592).

*costs if an alternative layout was produced, that effectively ignored the restrictions of the station infrastructure design, in order to maximise the efficiency of the design in terms of development density, housing numbers and developer returns”.*

6.24. In other words, there are also a number of indirect costs associated with the layout/format of development that are dictated by the limitations created by the design/aspirations behind the station access. However, it would only be possible to assess the true extent of these costs if an alternative layout was produced, that effectively ignored the restrictions of the station infrastructure design, in order to maximise efficiency in terms of density and developer return etc. These indirect costs have not been included in the list above. Nevertheless, it should be borne in mind that there is an ‘opportunity cost’ to the proposed development, arising from these indirect costs.

6.25. In addition to the above, the Proposed Development also provides for an alternative junction to Nynehead Road, at a net cost of approximately £281,306<sup>100</sup>. As noted during the meetings with Council Officers, this sum of money could be diverted to other priorities, should the Council decide to leave this junction unchanged.

6.26. This report has been prepared for the exclusive use of the clients and unless otherwise agreed in writing by BVL, no other party may use, make use of, or rely on the contents of the report. No liability is accepted by BVL for any use of this report, other than for the purposes for which it was originally prepared and provided. BVL has exercised due care in preparing this report. It has not, unless specifically stated, independently verified information provided by others. No other warranty, express or implied, is made in relation to the content of this report and BVL assumes no liability for any loss resulting from errors, omissions or misrepresentation made by others. Any recommendation, opinion or finding stated in this report is based on circumstances and facts as they existed at the time that BVL performed the work. Nothing in this report constitutes legal opinion. If legal opinion is required the advice of a qualified legal professional should be secured.

**Andrew Chamen B.Sc. Hons MRICS**

**Director**

**Belvedere Vantage Ltd**

**April 2024**

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<sup>100</sup> As noted above.

19/04/2024 (SF) BVL IFVA-planning reference 43/23/0056; amended description; “*Outline application with all matters reserved, except for access, for a mixed-use development of up to 200 No. dwellings, employment land (Use Classes E & F), an internal spine road to facilitate a rail halt/station, public open space, drainage & associated infrastructure on land north of Taunton Road, Longforth Park, Wellington (DEPARTURE FROM LOCAL PLAN)*”.

# 7. Appendices

**Appendix 1** – BVL Appraisal Data Spreadsheet (ADS).

**Appendix 2** - Terrus updated Infrastructure Cost Plan updated 12 April 2024.

**Appendix 3** - Terrus updated Standard Build Cost Plan dated 20 March 2024.

**Appendix 4** – Schedule of Target s.106 Contributions and Other Costs.

**Appendix 5** – Appraisal Scenario 1 - Target 'Fully Policy Compliant' scenario

**Appendix 6** – Appraisal Scenario 2 - nil Affordable Housing, full Social Infrastructure, and full s.106 Contributions.

**Appendix 7** – Appraisal Scenario 3 - Nil Affordable Housing, full Social Infrastructure, full s.106 Contributions, but assuming a nil contribution to Education.

**Appendix 8** – Appraisal Scenario 1a – Updated Target 'Fully Policy Compliant' scenario

**Appendix 9** – Appraisal Scenario 2a – Updated nil Affordable Housing, full Social Infrastructure, and full s.106 Contributions.

**Appendix 10** – Appraisal Scenario 3a – Updated Nil Affordable Housing, full Social Infrastructure, full s.106 Contributions, but assuming a nil contribution to Education.

**Appendix 11** – Appraisal Scenario 4 – Updated Nil Affordable Housing, full Social Infrastructure, full s.106 Contributions, but assuming a reduced Education contribution of £573,000.

19/04/2024 (SF) BVL IFVA-planning reference 43/23/0056; amended description; “*Outline application with all matters reserved, except for access, for a mixed-use development of up to 200 No. dwellings, employment land (Use Classes E & F), an internal spine road to facilitate a rail halt/station, public open space, drainage & associated infrastructure on land north of Taunton Road, Longforth Park, Wellington (DEPARTURE FROM LOCAL PLAN)*”.

# Appendix 1

Belvedere Vantage Ltd - Independent Financial Viability Assessment - Planning Reference 43/23/0056 - Longforth Farm Site Wellington  
 Indicative residential mix - based on maximum realistic dwellings numbers and target affordable housing mix

17-Feb-24

Beds	Type	House Format	Designation -		Disabled Adapted or Standard	Unit Size (GIA) (SQM)	Unit Size Ft2	No.	Total Indicative		Beds	Indicative sales revenue estimate per ft2	Indicative OM sales revenue estimate per Dwelling	Indicative OM GDV Per Unit Type	Per ft2 Including Discounted AH Sales	Indicative GDV Including Discounted AH Sales	
			Tenure - Open Market or Affordable	Social Rent or Shared Ownership					Source	GIA (ft2)							% provided
1	House		Affordable	SR	AH Team Request	65	700	3	2,099	2%	1	292	204,301	612,902	150	314,847	
1	House or Bungalow	Detached	Affordable	SR	AH Team Request	Adapted	70	753	3	2,260	2%	1	292	220,016	660,048	150	339,066
2	Apartment	Apartment	Open Market			Standard	70	753	35	26,372	18%	2	292	220,016	7,700,566	292	7,700,566
2	House		Open Market			Standard	70	753	9	6,781	5%	2	292	220,016	1,980,145	292	1,980,145
2	House		Affordable	Shared ownership	AH Team Request	Standard	70	753	11	8,288	6%	2	292	220,016	2,420,178	150	1,243,242
2	House		Affordable	SR	AH Team Request	Standard	79	850	10	8,504	5%	2	292	248,304	2,483,040	150	1,275,534
2	House or Bungalow	Detached	Affordable	SR	AH Team Request	Adapted	90	969	2	1,538	1%	2	292	282,878	565,756	150	208,628
3	House		Open Market			Standard	93	1001	58	58,061	29%	3	335	335,352	19,450,440	335	19,450,440
3	House		Affordable	Shared ownership	AH Team Request	Standard	93	1001	11	11,012	6%	3	335	335,352	3,688,877	150	1,651,736
3	House		Affordable	SR	AH Team Request	Standard	93	1001	9	9,009	5%	3	335	335,352	3,018,172	150	1,351,420
3	House or Bungalow		Affordable	SR	AH Team Request	Adapted	135	1453	1	1,453	1%	3	335	486,802	486,802	150	217,971
4	House		Affordable	SR	AH Team Request	Standard	107	1152	4	4,607	2%	4	308	354,738	1,418,954	150	691,049
4	House		Open Market			Standard	110	1184	43	50,914	22%	4	308	364,684	15,681,426	308	15,681,426
5	House		Affordable	SR	AH Team Request	Standard	150	1615	1	1,615	1%	5	308	497,297	497,297	150	242,190
<b>Total</b>								<b>200</b>	<b>192,912</b>	<b>100%</b>		<b>314</b>	<b>60,664,602</b>	<b>272</b>	<b>52,430,260</b>		
Average size (ft2) per dwelling overall								965	Impact of AH on GDV								
Key site data								OM	145	72.5%	Impact of AH on GDV (Per AHU)					- 8,234,342	
Ha (net)								4.77	Impact of AH on GDV (Per AHU)					- 149,715			
Acres (net)								11.806									
Avg DPH per net Ha								41.93									
Avg DPH per net acre								16.94									
Avg ft2 per net acre								16,340									
Total GIA OM (ft2)								142,128									
Total GIA OM (ft2)								146,743									
Total indicative GDV (OM)								44,812,577									
Average OM sales per ft2								315									
Average ft2 PD OM								933.42									
SR								83	16.5%								
Total area SR (ft2)								31,485									
Total indicative GDV (SR)								4,722,705									
Average SR sales per ft2								150									
Average ft2 PD SR								954.08									
SO								22	11.0%								
Total area SO (ft2)								19,300									
Total indicative GDV (SO)								2,894,978									
Average SO sales per ft2								150									
Average ft2 PD SR								877.27									
AH (All Types)								55	27.5%								
Total area AH (ft2)								50,785									
Total indicative GDV (AH)								7,617,683									
Average AH sales per ft2								150									
Average ft2 AH overall								923.36									
Check Totals																	
No of dwellings overall								200									
Total GIA								192,912									

Belvedere Vantage Ltd - Independent Financial Viability Assessment - Planning Reference 43/23/0056 - Longforth Farm Site Wellington  
 Indicative residential mix - based on maximum realistic dwellings numbers and target affordable housing mix.  
 Sales as per Robert Cooney 26 February 2024

Beds	Type	House Format	Tenure - Open Market or Affordable	Designation - Social Rent or Shared Ownership	Source	Disabled Adapted or Standard	Unit Size (GIA) (SQM)	Unit Size Ft2	No.	Total Indicative GIA		Beds	Indicative OM sales per Ft2 (assuming ALL units are open market)	Indicative OM sales revenue per dwelling	Indicative OM GDV per dwelling type	Per Ft2 Including Discounted AH Sales	Including Discounted AH Sales
										(Ft2)	% provided						
1	House		Affordable	SR	AH Team Request	Standard	65	700	3	2,099	2%	1	316	221,093	663,278	150	314,847
1	House of Bungalow	Detached	Affordable	SR	AH Team Request	Adapted	70	753	3	2,260	2%	1	375	282,555	847,665	150	339,066
2	Apartment	Apartment	Open Market			Standard	70	753	35	26,372	18%	2	240	180,835	6,329,232	240	6,329,232
2	House		Open Market			Standard	70	753	9	6,781	5%	2	316	238,100	2,142,897	316	2,142,897
2	House		Affordable	Shared ownership	AH Team Request	Standard	70	753	11	8,288	6%	2	316	238,100	2,619,096	150	1,243,242
2	House		Affordable	SR	AH Team Request	Standard	79	850	10	8,504	5%	2	316	268,712	2,687,125	150	1,275,534
2	House or Bungalow	Detached	Affordable	SR	AH Team Request	Adapted	90	969	2	1,938	1%	2	375	363,285	726,570	150	290,628
3	House		Open Market			Standard	93	1001	58	58,061	29%	3	316	316,332	18,347,281	316	18,347,281
3	House		Affordable	Shared ownership	AH Team Request	Standard	93	1001	11	11,012	6%	3	316	316,332	3,479,657	150	1,651,736
3	House		Affordable	SR	AH Team Request	Standard	93	1001	9	9,009	5%	3	316	316,332	2,846,992	150	1,351,420
3	House of Bungalow		Affordable	SR	AH Team Request	Adapted	135	1453.14	1	1,453	1%	3	375	544,928	544,928	150	217,971
4	House		Affordable	SR	AH Team Request	Standard	107	1152	4	4,607	2%	4	325	374,318	1,497,272	150	691,049
4	House		Open Market			Standard	110	1184	43	50,914	22%	4	325	384,813	16,546,959	325	16,546,959
5	House		Affordable	SR	AH Team Request	Standard	150	1615	1	1,615	1%	5	325	524,745	524,745	150	242,190
<b>Total</b>									<b>200</b>	<b>192,912</b>	<b>100%</b>		<b>316</b>	<b>59,803,697</b>	<b>264.29</b>	<b>50,984,052</b>	

Average size (ft2) per dwelling overall 965  
 Impact of AH on GDV 8,819,645  
 Impact of AH on GDV (per AHU) 160,357

Key site data

Ha (net) 4.77  
 Acres (net) 11.806  
 Avg DPH per net Ha 41.93  
 Avg DPH per net acre 16.94  
 Avg ft2 per net acre 16,340

OM	145	72.5%
Total GIA OM (ft2)	142,128	
Potential total GE A OM (ft2)	146,743	
Total indicative GDV (OM)	43,366,369	50,785 AH
Average OM sales per ft2	305	
Average ft2 PD OM	933.42	
SR	33	16.5%
Total area SR (ft2)	31,485	
Total indicative GDV (SR)	10,338,574	
Average SR sales per ft2	328	
Average ft2 PD SR	954.08	
SO	22	11.0%
Total area SO (ft2)	19,300	
Total indicative GDV (SO)	6,098,753	
Average SO sales per ft2	316	
Average ft2 PD SO	877.27	
AH (All Types)	55	27.5%
Total area AH (ft2)	50,785	
Total indicative GDV (AH)	16,437,328	
Average AH sales per ft2	324	
Average ft2 AH overall	923.36	
<b>Check Totals</b>		
No of dwellings overall	<b>200</b>	
Total GIA	<b>192,912</b>	

Belvedere Vantage Ltd - Independent Financial Viability Assessment - Planning Reference 43/23/0056 - Longforth Farm Site Wellington  
 Indicative residential mix - based on maximum realistic dwellings numbers and target affordable housing mix.

Sales as per Bradleys - 28 February 2024

Beds	Type	House Format	Tenure - Open Market or Affordable	Designation - Social Rent or Shared Ownership	Source	Disabled Adapted or Standard	Unit Size (GIA) (SQM)	Unit Size Ft2	No.	Price	Yield	Total Indicative GIA (Ft2)	Total (All OM)	Per Ft2 Including Discounted AH Sales	Indicative GDV Including Discounted AH Sales
1	House		Affordable	SR	AH Team Request	Standard	65	700	3	£205,000	£293	2,099	£615,000	150	314,847
1	Bungalow	Detached	Affordable	SR	AH Team Request	Adapted	70	753	3	£225,000	£299	2,260	£675,000	150	339,066
2	Apartment	Apartment	Open Market			Standard	70	753	35	£210,000	£279	26,372	£7,350,000	279	7,350,000
2	House		Open Market			Standard	70	753	9	£245,000	£325	6,781	£2,205,000	325	2,205,000
2	House		Affordable	Shared ownership	AH Team Request	Standard	70	753	11	£245,000	£325	8,288	£2,695,000	150	1,243,242
2	House		Affordable	SR	AH Team Request	Standard	79	850	10	£252,500	£297	8,504	£2,525,000	150	1,275,534
2	Bungalow	Detached	Affordable	SR	AH Team Request	Adapted	90	969	2	£345,000	£356	1,938	£690,000	150	290,628
3	House		Open Market				93	1001	58	£300,000	£300	58,061	£17,400,000	300	17,400,000
3	House		Affordable	Shared ownership	AH Team Request	Standard	93	1001	11	£300,000	£300	11,012	£3,300,000	150	1,651,736
3	House		Affordable	SR	AH Team Request	Standard	93	1001	9	£300,000	£300	9,009	£2,700,000	150	1,351,420
3	Bungalow		Affordable	SR	AH Team Request	Adapted	135	1453	1	£495,000	£341	1,453	£495,000	150	217,971
4	House		Affordable	SR	AH Team Request	Standard	107	1152	4	£370,000	£321	4,607	£1,480,000	150	691,049
4	House		Open Market			Standard	110	1184	43	£380,000	£321	50,914	£16,340,000	321	16,340,000
5	House		Affordable	SR	AH Team Request	Standard	150	1615	1	£465,000	£288	1,615	£465,000	150	242,190
							<b>Total</b>		<b>200</b>		<b>£306</b>	<b>192,912</b>	<b>£58,935,000</b>	<b>263.92</b>	<b>50,912,683</b>

\* Please note, this is a Pricing Exercise. It has been produced as an informal document for illustration and discussion purposes only.

\* It does not constitute a valuation or appraisal and must not be construed or relied upon as such.

\* The prices/rents indicated, have been based upon certain General Assumptions (as listed), together with information provided at the time by third parties, e.g. architects plans/drawings, accommodation schedules, specification details etc.

**General Assumptions**

1. A freehold or long leasehold interest of not less than 125 years unexpired.
2. Reasonable Ground Rents and Service Charges, commensurate with the development and its location.
3. Internal specification and quality of finish in accordance with market expectations.
4. Continuation of current market conditions.
5. An appropriate marketing programme in accordance with current practice, relative to the development.

Impact of AH on GDV **£8,022,317**  
 Impact of AH on GDV per AHU **£145,860**



Belvedere Vantage Ltd - Independent Financial Viability Assessment - Planning Reference 43/23/0056 - Longforth Farm Site Wellington  
 Indicative residential mix - based on maximum realistic dwellings numbers and target affordable housing mix  
 Sales as per GTH - 27 February 2024

Beds	Type	House Format	Tenure - Open Market or Affordable	Designation - Social Rent or Shared Ownership	Source	Disabled Adapted or Standard	Unit Size (GIA) (SQM)	Unit Size Ft2	No.	Total Indicative GIA		Beds	Indicative OM sales per Ft2 (assuming ALL units are open market)	Indicative OM sales revenue per dwelling	Indicative OM GDV per dwelling type	Per Ft2 Including Discounted AH Sales	Indicative GDV Including Discounted AH Sales
										(Ft2)	% provided						
1	House		Affordable	SR	AH Team Request	Standard	65	700	3	2,099	2%	1	£286	£200,000	£600,000	150	314,847
1	House or Bungalow	Detached	Affordable	SR	AH Team Request	Adapted	70	753	3	2,260	2%	1	£299	£225,000	£675,000	150	339,066
2	Apartment	Apartment	Open Market			Standard	70	753	35	26,372	18%	2	£259	£195,000	£6,825,000	259	6,825,000
2	House		Open Market			Standard	70	753	9	6,781	5%	2	£312	£235,000	£2,115,000	312	2,115,000
2	House		Affordable	Shared ownership	AH Team Request	Standard	70	753	11	8,288	6%	2	£312	£235,000	£2,585,000	150	1,243,242
2	House		Affordable	SR	AH Team Request	Standard	79	850	10	8,504	5%	2	£306	£260,000	£2,600,000	150	1,275,534
2	House or Bungalow	Detached	Affordable	SR	AH Team Request	Adapted	90	969	2	1,938	1%	2	£310	£300,000	£600,000	150	290,628
3	House		Open Market			Standard	93	1001	58	58,061	29%	3	£300	£300,000	£17,400,000	300	17,400,000
3	House		Affordable	Shared ownership	AH Team Request	Standard	93	1001	11	11,012	6%	3	£300	£300,000	£3,300,000	150	1,651,736
3	House		Affordable	SR	AH Team Request	Standard	93	1001	9	9,009	5%	3	£300	£300,000	£2,700,000	150	1,351,420
3	House or Bungalow		Affordable	SR	AH Team Request	Adapted	135	1453.14	1	1,453	1%	3	£265	£385,000	£385,000	150	217,971
4	House		Affordable	SR	AH Team Request	Standard	107	1152	4	4,607	2%	4	£304	£350,000	£1,400,000	150	691,049
4	House		Open Market			Standard	110	1184	43	50,914	22%	4	£317	£375,000	£16,125,000	317	16,125,000
5	House		Affordable	SR	AH Team Request	Standard	150	1615	1	1,615	1%	5	£279	£450,000	£450,000	150	242,190
<b>Total</b>									<b>200</b>	<b>192,912</b>	<b>100%</b>		<b>£299</b>	<b>£293,571</b>	<b>£57,760,000</b>	<b>260</b>	<b>50,082,683</b>
							<i>Average size (ft2) per dwelling overall</i>				965						
<b>Key site data</b>							<b>OM</b>		145	72.5%							
							<i>Total GIA OM (ft2)</i>		142,128								
							<i>Potential total GEA OM (ft2)</i>		146,743								
							<i>Total indicative GDV (OM)</i>		42,465,000								
							<i>Average OM sales per ft2</i>		299								
							<i>Average ft2 PD OM</i>		933.42								
							<b>SR</b>		33	16.5%							
							<i>Total area SR (ft2)</i>		31,485								
							<i>Total indicative GDV (SR)</i>		9,410,000								
							<i>Average SR sales per ft2</i>		299								
							<i>Average ft2 PD SR</i>		954.08								
							<b>SO</b>		22	11.0%							
							<i>Total area SO (ft2)</i>		19,300								
							<i>Total indicative GDV (SO)</i>		5,885,000								
							<i>Average SO sales per ft2</i>		305								
							<i>Average ft2 PD SR</i>		877.27								
							<b>AH (All Types)</b>		55	27.5%							
							<i>Total area AH (ft2)</i>		50,785								
							<i>Total indicative GDV (AH)</i>		15,295,000								
							<i>Average AH sales per ft2</i>		301								
							<i>Average ft2 AH overall</i>		923.36								
							<b>Check Totals</b>										
							<i>No of dwellings overall</i>		200								
							<i>Total GIA</i>		192,912								

Impact of AH on GDV - 7,677,317  
 Impact of AH on GDV (Per AHU) - 139,588

**Land North of Taunton Road,  
Longforth Park, Wellington**

**Infrastructure Cost Plan Report**

# Document Control Sheet

**Document Title:** Infrastructure Cost Plan Report  
**Document Ref:** Cost Report 01  
**Project Name:** Land North of Taunton Road, Longforth Park, Wellington  
**Document Prepared for:** Belvedere Vantage Ltd  
**Date:** 12<sup>th</sup> April 2024

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## 1 Introduction

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### Conduct

- 1.1 Where relevant and appropriate, the Terrus Cost Report complies with the principles of the RICS Professional Statement Financial Viability in Planning: Conduct and Reporting 1<sup>st</sup> edition, May 2019, ('PSFVP May 19') active from 1 September 2019. As required by the PSFVP May 19, Terrus hereby confirms that;
- 1.1.1 The Terrus Cost Report has been undertaken by Jonathan White ('JW'), who is a *'suitably qualified practitioner,'* and therefore able to give an objective, impartial and reasonable viability judgement. JW has some 30 years of post-qualification experience and is very experienced in advising a wide range of parties, on the costs of development, understanding the costs of both infrastructure and residential development and inputs from other professional disciplines and having appropriate and up-to-date knowledge of the planning system". JW provides specialist independent advice relating to development costs and advises a range of public and private sector clients, including local authorities, developers, landowners, and others. (PSFVP paragraph 1.2).
- 1.1.2 The Terrus Cost Report has been prepared with objectivity, impartially, without interference and with reference to all appropriate available sources of information (PSFVP paragraph 1.2.)
- 1.1.3 JW has been engaged by the Applicant to provide an independent and objective opinion on the costs associated with the proposed development.
- 1.1.4 No conflict, or risk of conflict of interest exists. (PSFVP Paragraph 2.2)
- 1.1.5 The Applicant has made no specific requests of JW, either at the start or during the process of preparing the Terrus Cost Report (PSFVP Paragraph 2.2).
- 1.1.6 That, in preparing the Terrus Cost Report, no performance-related or contingent fees have been agreed (PSFVP Paragraph 2.3).
- 1.1.7 The Terrus Cost Report has been formally signed off and dated by the author, along with details of qualifications held (PSFVP Paragraph 2.12)
- 1.1.8 That, where relevant, inputs to the Terrus Cost Report supplied by other contributors and all contributions to reports relating to assessments of viability, comply with the PSFVP (Paragraph 2.13).
- 1.1.9 In accordance with Section 4 of the PSFVP May 2019, Terrus confirms that the advice provided in the Terrus Cost Report represents *'the most effective and efficient way to deliver a reasonable development performance proportionate to the scheme being tested'*, and that, where relevant, these matters have been given full consideration in the Terrus Cost Report.

### Introduction

- 1.2 Terrus Consulting is commissioned to provide an objective construction cost report for a proposed development at Land North of Taunton Road, Longforth Park, Wellington to inform an Independent Financial Viability Assessment ('IFVA') being prepared by Belvedere Vantage Ltd ('BVL') in relation to the above development which is being undertaken by West of England Developments Ltd.
- 1.3 The Infrastructure Cost Plan identifies the infrastructure and abnormal costs to service the site on a typical 'Red Book' basis. These costs include land preparation, S278 highways works, S38 primary routes, associated drainage, utilities, archaeology, ecology, and plot specific abnormal.

- 1.4 The site is subject to an outline planning application for 200 dwellings (reference 43/23/0056), which was submitted to Somerset Council on 24th May 2023 and registered on 16th June 2023. The costs of the proposed scheme, based on the approved planning application drawings, have been considered within this report.
- 1.5 This cost report considers the approved 200 dwelling application scheme, which comprises:
- 200 dwellings.
  - A network of open spaces including parkland and footpaths for informal recreation.
  - New roads, parking areas, accesses, and paths.
  - Provision within the scheme for the spine road and enabling infrastructure to support the development of a rail halt/station.
  - Other ancillary activities; Including engineering operations, site preparation, ground works, the installation or improvement of services and infrastructure; the creation of drainage attenuation basins, improvements/works to the highway network and other ancillary works and activities.
- 1.6 The proposed development lies to the east of Wellington, Somerset and is bounded by Taunton Road to the South, an existing development to the west, the Bristol to Exeter railway to the north and open land to the eastern boundaries.
- 1.7 The residential site covers a developable area of approximately 5.07ha and predominantly comprises agricultural land. The parcel will be accessed by a new junction from the existing Nynehead Road.
- 1.8 The Cost Plan contains the following:
- Vegetation clearance, protection, and management
  - Earthworks
  - General site clearance & enabling works.
  - On-site highway infrastructure / Off-site highway works
  - Foul and surface drainage along the development roads
  - Foul water and Surface water / SuDs strategy
  - Service supply connections, diversions, and distribution.
  - Landscaping
  - Archaeological and ecological mitigation
  - Fees & contingency
- 1.9 All rates within the cost plan include preliminaries, profits & overheads at a total of 19%.

## **2 Assumptions**

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### **Appraisal**

- 2.1 Costs assume works are completed in a single phase, with free access to all working areas along a continuous work front.
- 2.2 Highways and drainage will be adopted as indicated in the approved plans.
- 2.3 All costs are at present day without indexation.



### 3 Cost Exclusions

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- 3.1 VAT
- 3.2 Financing costs.
- 3.3 LPA Planning costs.

### 4 Infrastructure Costs

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- 4.1 While standard plot build costs include the roads and services along the frontage of the individual properties together with all associated works within the curtilage of the property, it is necessary to include the other development costs in order to provide an accurate assessment of overall construction costs. Accordingly, this section of the report outlines infrastructure and abnormal costs for the proposed development. As such, this section includes costs that lie out with standard house building costs. When read in conjunction with the TCL Standard Build Cost report dated 20<sup>th</sup> March 2024, this report gives an indication of the costs associated with developing the site for viability purposes.
- 4.2 During the viability review process there have been a number of iterations of the infrastructure cost plan as follows;
  - 4.2.1 Baseline - The current baseline cost plan is dated 20<sup>th</sup> March 2024, this assumes 25% affordable housing, 200 new homes, new junction at Nynehead Road and all other infrastructure etc. as per the most recent planning application submission (registered on 7<sup>th</sup> March 2024).
  - 4.2.2 Second Cost plan update - The second update cost plan is dated 30<sup>th</sup> March 2024, still based on the full target provision of 25% affordable housing, This is an update following a Teams call with Council officers on 27<sup>th</sup> March and subsequent emails, which reduces the play area and 'play on the way' allowances, and removes the works associated with the Toucan crossing (as this was identified as a double counted item with the active travel contribution). The utilities diversions associated with these works were also removed. All other elements remain as the baseline cost plan. To ensure consistency with the third update (see below) an alternative version of the second update (Cost Update 2a) has been produced to reflect the reduced nutrient neutrality costs that WOED confirmed (on 3<sup>rd</sup> April) that they have been able to secure.
  - 4.2.3 Third Cost plan update - The third update dated 3<sup>rd</sup> April 2024, builds on the 30<sup>th</sup> March update but now assumes 0% affordable homes, and as such removes bike stores and the Cat 2 and 3 housing standards. This update now also reflects the reduced nutrient neutrality costs which WOED have now been able to secure.

4.3 The development infrastructure costs break down as follows:

Summary Sheet	Baseline (20/3/24)	2 <sup>nd</sup> Update (30/3/24)	3 <sup>rd</sup> Update (3/4/24)
Land Preparation and Enabling Works	£ 923,644	£ 923,644	£ 923,644
S106 requirements and works	£ Excluded	£ Excluded	£ Excluded
Highway Works	£ 4,262,462	£ 4,164,542	£ 4,164,542
Flood Risk and Drainage	£ 2,948,065	£ 2,948,065	£ 2,948,065
Utilities	£ 1,114,658	£ 1,089,658	£ 1,089,658
Landscaping	£ 1,782,713	£ 1,645,833	£ 1,645,833
Archaeology and Ecology	£ 1,718,550	£ 1,718,550	£ 1,336,600
Plot Abnormals	£ 3,171,402	£ 3,171,402	£ 2,889,402
Professional Fees	£ 1,754,622	£ 1,726,044	£1,653,009
Risk and Contingency	£ 1,624,724	£ 1,598,744	£ 1,532,349
<b>Total</b>	<b>£ 19,300,840</b>	<b>£ 18,986,482</b>	<b>£ 18,183,102</b>
<b>Cost per dwelling</b>	<b>£ 96,504</b>	<b>£ 94,932</b>	<b>£90,916</b>

4.4 The final iteration of the total infrastructure and abnormal costs of **£ 18,183,102** amounts to **£ 90,916 per plot**.

4.5 At **£ 90,916 per plot**, the total of infrastructure works requirements and abnormal costs lie within the top end of the range typical for a development of this nature, given the additional infrastructure carried by each plot.

4.6 The abnormal elements on this site which are over and above ‘*typical abnormalities*’ include the site clearance, including demolition, earthworks, foul pumped rising main to the off-site Point of Connection (PoC), surface water system of attenuation basins and swales, deepened and piled foundations and beam and block flooring and working to the relevant Building Regulations standards. A further element above ‘*typical abnormalities*’ is the high-quality palette of materials that are being used on both the dwellings themselves and also the street scene to meet the aspirations of the Local Planning Authority.

#### Cost Heading Commentary

4.7 The following paragraphs provide descriptions of the various elements in the cost schedule, with the paragraph numbers reflecting the cost plan reference numbers as contained in Appendix 1.

Item	Description
1 – 3	<b>Hedgerow and shrubbery clearance, Tree Removal and Trimming of retained trees and hedgerows:</b> Although the vast majority of existing hedgerows on site will be retained, there are some areas of hedgerows and small trees that will require clearance in order to undertake the development. These works must be undertaken outside of the bird nesting season in order to undertake the works efficiently.

Terrus has reviewed proposed illustrative masterplan, drawing 0740-V4-1005 Rev F and existing topographical survey drawings and assessed the required tree and hedgerow clearance consistent with the proposed Site Layout. The Site Layout plan identifies the hedgerows, trees, and shrubbery to be retained, with the remaining areas removed to facilitate the development proposals.

- 4           **Tree and hedgerow protection and management:** Any existing hedgerows and trees that are adjacent to proposed highways or residential development will need to be managed, maintained, and protected during construction. These costs allow for cutting / trimming and scaffold-supported Heras fencing to be erected adjacent to the hedgerows to the necessary standard of BS5837.

Terrus has reviewed the Location Plan drawing 0740-101-1 C and assessed the required tree and hedgerow clearance consistent with the proposed Site Layout.

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- 5           **Cut & fill earthworks:** The site slopes relatively gently as detailed on the topographical surveys, falling from the south-west to the north east, on what appears to be around a 1:24 slope. It is therefore apparent that *the* roads and plots will need some levelling to create more suitable levels.

The earthworks strategy, once developed, is expected to be a mainly cut and fill earthworks, with an average cut and fill level of 0.25m across the site assumed for costing purposes to bring site slopes within the 10% limit that is considered suitable for a building parcel and a balanced cut and fill exercise to achieve this has been allowed.

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- 6           **Earth bank and dog fence:** This requirement is shown as a section detailed on 'Typical Section Through Earth Bank' drawing 0740-1013, with the length measured from Illustrative Master Plan drawing 0740-V4-1005 Rev F.

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- 7           **Palisade fencing to Network Rail boundary:** This requirement is noted in Network Rail's consultation response and the length has been taken from the redline perimeter adjacent to Network Rail's land shown on the Illustrative Master Plan drawing 0740-V4-1005 Rev F.

- 
- 8           **General site clearance:** Due to the nature of the site, a cost allowance is provided for any unidentified mitigation that may arise between the site investigation being undertaken and the housebuilder mobilising to site. The allowance included will cover any costs of potential fly tipping and remediation of made ground (not identified in the site investigation).

- 
- 9           **Section 106 contributions:** The specific financial requirements of the S106 agreement are being dealt with by BVL.

- 
- 10          **CIL:** The Community Infrastructure Levy ("CIL") has been adopted by the local planning authority, and the specific financial requirements of the CIL are being dealt with by BVL.

- 
- 11-15      **On-site Highway works:** (to access the development) Terrus has included the cost of the modified Lidl / Nynehead Road access junction off the existing Nynehead Road, in accordance with Miles White drawing "Proposed Access Arrangement 20017-SK01 Rev A", along with the lengths of abnormal Access Street & Shared Surface roads which would be necessary to gain access to the site. Terrus has measured these on-site lengths of road from the Principles Plan - Routes & Movement drawing "V3 0740-V3-1007-1".

The construction thickness has been assumed as follows:

- Capping 600mm
- Sub-base 150mm
- Base Course 150mm
- Binder Course 60mm
- Wearing Course 40mm

**Total Construction Thickness 1000mm**

In the absence of detailed design, allowances have been made for road gullies at an average 15m spacing on both sides of the road, gully connections, carriageway drainage, catch-pits at 30m spacing, excavation for construction of the road and footpaths, road and footpath construction including anti-skid surfacing at junctions, rumble strips, kerbing, street furniture, signage, road lighting and traffic management.

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16, 17     **Off-site Highways:** The off-site highways works which are anticipated have been covered within the S106 contributions and therefore to include them within this infrastructure cost plan would be a duplication as noted by Simon Fox in his email of 28<sup>th</sup> March 2024.

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18,19     **Bonds:** Local authorities require performance bonds to ensure the works are completed to a satisfactory standard. This is typically provided by the NHBC or similar bonding organisations. Terrus have included a rate of 3% for bond premiums based on the total capital costs of the associated site access costs (CP Ref: 11) and associated Section 38 roads (CP Ref 12-14).

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20     **Commuted sums:** Commuted sums are paid to local authorities and usually included within the S278 or S38 agreements. They are financial provisions for the maintenance of '*non-standard*' elements of roads inclusive of surface treatment, verges, street trees, lighting columns, pedestrian guard rails, kerbs, additional structures such as bridges, and the like.

Our view is that the road design proposed contains a number of '*non-standard*' elements and thus a commuted sum would be necessary.

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21,22     **Pre-adoption maintenance and adoptions:** Pre-adoption maintenance and highway adoptions have been calculated as 2% and 10% of the total highway infrastructure costs, respectively.

At the end of the normal Contractor's maintenance period, it is normal that the house builder needs to maintain any common infrastructure highways for a period until they can be adopted by the authority. During this period, minor remedial works will be needed, winter gritting and the electricity for lighting paid by the developer.

Additionally, during the normal Contractor's maintenance period, damage often occurs that lies outside of the normal contractual obligations. This item covers the cost of these contingent liabilities.

23-27      **Foul drainage:** It is assumed that the foul network will follow the routes of the on-site highways and as such, costs have been included for drainage, in line with the highway cost calculations above. Allowances have been made for 150mm to 450mm sized pipes with 1,200mm to 1,500mm diameter manholes at an average spacing of 18m.

Under the updated Water Industry Act 1991 and Ofwat guidance, off-site reinforcement works are now recovered via the water infrastructure charges, and as such the developer will only be required to connect into the nearest suitably sized manhole, which has been identified.

This parcel has the specific need for an off-site pumped foul connection in order to connect into the suggested Point of Connection, which as stated in the Flood Risk Assessment (FRA) and the pumpstation, storage, rising main and abandonment of the exiting rising main crossing the site have been measured and costed separately.

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28-34      **Surface drainage:** It is anticipated that the parcel surface network will follow the routes of the on-site highways flowing towards the proposed attenuation tank and as such, costs have been included for non-frontage drainage, in line with the highway cost calculations above. Allowances have been made for 300mm to 750mm sized pipes with 1,200mm to 2100mm diameter manholes at an average spacing of 18m.

In addition, there is a quantity of off-carriageway drainage to link the surface water drainage system into the two attenuation basins, and then to the discharge point.

The Flood Risk Assessment (FRA) details the required volume of attenuation via basins and swales, prior to discharge to the existing watercourse at the boundary of the site via the existing Network Rail culvert.

There have been remedial works noted as being required to the Network Rail culvert through the railway embankment in order to carry the additional flows from the development as identified by Network Rails correspondence in October 2023, and while the scope of the works has not yet been defined a suitable allowance has been made for these works.

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35            **S104 Bonds:** Water authorities require performance bonds to ensure the works are completed to a satisfactory standard. This is typically provided by the NHBC or similar bonding organisations. Terrus have included a rate of 3% for bond premiums based on the total capital costs of the associated Foul drainage works (CP Ref: 23-27) and associated Surface drainage works (CP Ref 28-34).

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36-38      **Pre-adoption maintenance and adoptions:** Pre-adoption maintenance and drainage adoptions have each been calculated as 2% for pre-adoption maintenance and 2.5% for drainage adoptions of the total drainage infrastructure costs, respectively.

At the end of the normal Contractor's maintenance period, it is normal that the house builder needs to maintain any common infrastructure drainage for a period until they can be adopted by the water authority.

Additionally, during the normal Contractor's maintenance period, damage often occurs that lies outside their normal contractual obligations. This item covers the cost of these contingent liabilities.

39-42      **Utility supplies:** A National grid budget quotation for the electrical supply to the site has been adopted in the cost plan. For the water supply, In the absence of detailed supply quotation, it has been assumed that the adjacent local area has sufficient capacity for serving this site and all that will be required would be connecting into the existing supplies. This assumption will be reviewed in the event that utility supply quotations are received.

BT Openreach will make payments to the developer for 11 or more plots. A rebate of £140/plot is therefore made to allow for this; however, it assumed that on a small development such as this the telecoms will be cost neutral once chambers and free-issue chamber lids, and ducting has been installed to facilitate the servicing of the site.

No gas supply has been allowed for the site since it assumed that following outline planning and the subsequent Reserved Matters approval the requirements of Future homes Standards will apply, with heating being provided by additional Photo-Voltaic (PV) panels or Air Source Heat Pumps (ASHP).

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43-46      **Diversions:** From the topographical survey it has been identified that there are existing power lines crossing the site and allowance has been made for the diversion and undergrounding of these cables through the development.

In addition, there is a BT pole at the Nynehead Road junction that will require relocation or undergrounding of the telecom cables.

A further allowance has been made for diverting any affected underground utilities in the Nynehead Road junction affected by the construction of the S278 access.

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47, 48      **Utility civils:** Given the likely start on site it is considered likely that the impending Future Homes Standards would be implemented on this site, and that the site will only be served by electricity.

However, given that all heating will now be provided by electricity and the adoption of EV charging, would mean that an enhanced level of electrical supply will be required to the site, and will require the provision of 4nr dedicated electrical substations on site.

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49-54      **Landscaping:** The proposed landscape layout drawings detail a number of landscape typologies across the site and include extensive areas of ecological mitigation landscaping for bat mitigation and aquatic planting to the attenuation basins.

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55-59      **Play areas:** In discussion with Somerset Council planning officers, it has been agreed that an enhanced NEAP and isolated areas of play on the way will be dispersed through the site and suitable allowances have been included within the cost plan.

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60-63      **Footways:** Provision has been made for the off-carriageway footways shown in the landscape areas and a linking cycleway to the proposed train station as shown on the masterplan, along with bridges to cross the swales within the landscaping areas.

64           **General POS furniture:** In the absence of detailed design, a blended rate of £0.50/m<sup>2</sup> has been included for public open space furniture for items such as, but not limited to; bins, dog bins, lifebuoys, benches, picnic benches, signage, bike shelters, and so on.

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65, 66       **Maintenance:** Prior to the transfer of the public open space (POS) to a Local Authority or handing over to a Management Company (“ManCo”), the developer will be required to maintain the POS areas, until the Local Authority or ManCo takes over responsibility for maintenance.

An allowance has also been made for the costs of voids to the Estate Rent charge and setup costs for the ManCo contract prior to full receipts flowing in from occupied properties.

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67           **Archaeological investigations:** In the absence of detail archaeological requirements a provisional allowance has been made pending specialist advice.

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68-75       **Ecological Mitigation:** The various elements of the Ecological mitigation measures have been priced and allowances made for each in the cost assessment.

A provisional allowance has been made for the provision of nutrient neutrality and Bio-diversity Net Gain (BNG) as required by the Local Planning Authority.

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76-85       **Plot Abnormals:** The detailed housing designs have been reviewed and abnormal allowances made where necessary for;

- Abnormal foundations – the cut and fill activities, disturbed ground, and tree influence areas will necessitate non-standard foundations, in this case piled foundations and deepened foundations have been assumed in the absence of extensive Site Investigation or foundation designs.
  - Beam and block suspended slabs – arising from the need to have a piled foundation.
  - Elevational enhancements – the emerging design code indicates local vernacular features will be required to the properties.
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86-93       **Renewable Energy and Sustainability:** It is anticipated that any future development will be required to adhere to the Future Homes Fabric requirements and has been allowed in the cost plan.

7KW car charging points are required to all individual properties with garages and communal / on-street charging areas to those properties without garages has been allowed.

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94           **Fees:** Consultant fees are included as a percentage of the estimated infrastructure / abnormal works. Where third party cost advice included fees, these have been removed from this calculation.

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**Risk and Contingency:** A view has been taken on the individual risk profiles of the elements within the cost plan and a banded risk/contingency applied from Band A to D, with Band A being the highest risk and Band D being the lowest.

Where third party cost advice included contingency allowances, these have been removed from this calculation.



Jonathan White  
BSc (Hons) MRICS

**Appendix 1 - Infrastructure Cost Plans**

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**Baseline Infrastructure Cost Plan**

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Summary Sheet

Development Criteria	
Number of residential units	200
Development gross area (ha)	17.280 As Planning Application Form dated 22/05/23
Development nett area (ha)	4.778 Residential only

Ref. No.	Land Preparation & Enabling Works	Measure	Unit	Rate	Sub-total
1	Hedgerow, hardstanding and shrubbery clearance	1	sum	£15,000	£15,000
2	Tree removal	0	nr	£470	£0
3	Trimming of retained trees & hedgerows	1	sum	£15,000	£15,000
4	Tree and hedgerow protection and management	1,648	m	£46	£75,812
5	Earthworks - site wide levelling	1	sum	£749,874	£749,874
6	Earth bank and dog fence	219	m	£90	£19,699
7	Palisade fencing to Network rail boundary	197	m	£190	£37,512
8	General site clearance	5	ha	£2,249	£10,748
<b>SUB-TOTAL</b>					<b>£923,644</b>

Risk Band	Contingency
B	£1,500
B	£0
B	£1,500
B	£7,581
B	£74,987
A	£2,955
A	£5,627
B	£1,075
<b>£95,225</b>	

Total
£16,500
£0
£16,500
£83,393
£824,861
£22,654
£43,138
£11,823
<b>£1,018,869</b>

Comments
Provisional Allowance
None noted , most hedgerows being retained within development
Provisional Allowance
As 0740-101-1 Rev C
Gently sloping site (c.1:24), cut and fill of 250mm across NDA assumed in absence of strategy
As drawing 0740-1013 dated October 2023, length as Masterplan Rev F
Redline perimeter to railway - 0740-V4-1005 Rev F - Illustrative M'plan as Consultation response
A function of the GDA

Ref. No.	Section 106 & CIL	Measure	Unit	Rate	Sub-total
9	Section 106 contributions	200	sum	£0	£0
10	CIL	0	m²	£0	£0
<b>SUB-TOTAL</b>					<b>£0</b>

Risk Band	Contingency
C	£0
D	£0
<b>£0</b>	

Total
£0
£0
<b>£0</b>

Comments
Included within BVL appraisal
Included within BVL appraisal

Ref. No.	Highway Works	Measure	Unit	Rate	Sub-total
<b>On-Site Highway Works</b>					
11	Proposed Site Access - from Nynehead Road	1	sum	£281,306	£281,306
12	Abnormal Primary highways	1	sum	£1,129,214	£1,129,214
13	Abnormal Secondary highways	1	sum	£735,770	£735,770
14	Abnormal Tertiary highways	1	sum	£1,043,075	£1,043,075
15	Rumble strips / narrowings / tables	19	nr	£6,000	£114,000
<b>Off-Site Highway Works</b>					
16	Off-Site Highway Works - New Toucan and cycleway modification of Taunton Road	1	sum	£85,000	£85,000
17	Pedestrian / cycle access onto Taunton Road from POS (included in cycleways)	1	sum	£0	£0
<b>Bonds</b>					
18	Section 278 bonds	3%	%	£366,306	£10,989
19	Section 38 bonds	3%	%	£3,022,060	£90,662
<b>Commutated Sums</b>					
20	Commutated sums	1	sum	£359,065	£359,065
<b>Highway Remedials</b>					
21	Pre-adoption remedials	2%	%	£3,388,365	£67,767
<b>Adoptions</b>					
22	Highway adoptions	10%	%	£3,456,133	£345,613
<b>SUB-TOTAL</b>					<b>£4,262,462</b>

Risk Band	Contingency
B	£28,131
B	£112,921
B	£73,577
B	£104,308
B	£11,400
B	£8,500
B	£0
B	£1,099
B	£9,066
B	£35,906
B	£6,777
B	£34,561
<b>£426,246</b>	

Total
£309,437
£1,242,136
£809,347
£1,147,383
£125,400
£93,500
£0
£12,088
£99,728
£394,971
£74,544
£380,175
<b>£4,688,708</b>

Comments
As Miles White Proposed Access Arrangement 20017-SK01 Rev A
Hierarchy as set out in Principles Plan - Routes & Movement V3 0740-V3-1007-1
Hierarchy as set out in Principles Plan - Routes & Movement V3 0740-V3-1007-1
Hierarchy as set out in Principles Plan - Routes & Movement V3 0740-V3-1007-1
As Principles Plan - Routes & Movement V3 V3 0740-V3-1007-1
As Miles White Transport Assessment Plan dated 18th April 2023 / Rev F Masterplan / SK05 Rev A
As Miles White Transport Assessment Plan dated 18th April 2023
Bond premium of 3% assumed across the duration of which the bond is secured
Bond premium of 3% assumed across the duration of which the bond is secured
As schedule
Cost only associated with abnormal roads
Cost only associated with abnormal roads

Ref. No.	Flood Risk & Drainage	Measure	Unit	Rate	Sub-total
<b>Foul Drainage</b>					
23	Abnormal foul drainage - Primary highways	1	sum	£218,807	£218,807
24	Abnormal foul drainage - Secondary highways	1	sum	£161,373	£161,373
25	Abnormal foul drainage - Tertiary highways	1	sum	£215,704	£215,704
26	Pump station and rising main to existing rising main	1	sum	£331,490	£331,490
27	Abandoning existing rising main	422	m	£45	£18,979
<b>Surface Drainage</b>					
28	Abnormal surface water drainage - Primary highways	1	sum	£252,919	£252,919
29	Abnormal surface water drainage - Secondary highways	1	sum	£184,100	£184,100
30	Abnormal surface water drainage - Tertiary highways	1	sum	£255,677	£255,677
31	Lined basin with associated infrastructure	1	sum	£776,917	£776,917
32	Works associated with Network Rail culvert	1	m	£150,000	£150,000
33	Bund / Silt fence	0	m	£30	£0
34	Swales	1	sum	£112,041	£112,041
<b>Bonds</b>					
35	Section 104 bonds	3%	%	£2,678,008	£80,340
<b>Maintenance</b>					
36	Maintenance prior to management company handover	1	sum	£67,868	£67,868
<b>Drainage Remedials</b>					
37	Pre-adoption remedials	2%	%	£2,678,008	£53,560
<b>Adoptions</b>					
38	Drainage adoptions	2.5%	%	£2,731,568	£68,289
<b>SUB-TOTAL</b>					<b>£2,948,065</b>

Risk Band	Contingency	Total	Comments
B	£21,881	£240,688	Function of the abnormal Primary Road length
B	£16,137	£177,510	Function of the abnormal Secondary Road length
B	£21,570	£237,274	Function of the abnormal Tertiary Road length
B	£33,149	£364,639	As 0740-C-P=0400-A Outline drainage strategy
B	£1,898	£20,877	As 0740-C-P=0400-A Outline drainage strategy
B	£25,292	£278,211	Function of the abnormal Primary Road length
B	£18,410	£202,510	Function of the abnormal Secondary Road length
B	£25,568	£281,245	Function of the abnormal Tertiary Road length
B	£77,692	£854,609	As 0740-C-P=0400-A Outline drainage strategy
A	£22,500	£172,500	Works currently undefined but NR correspondence 26/10/23
A	£0	£0	Not applicable
B	£11,204	£123,245	As 0740-C-P=0400-A Outline drainage strategy
B	£8,034	£88,374	Bond premium of 3% assumed across the duration of which the bond is secured
B	£6,787	£74,655	Value to maintain the SuD'S until handover to the appointed management company
B	£5,356	£58,916	Cost only associated with abnormal drainage
B	£6,829	£75,118	Cost only associated with abnormal drainage
<b>£302,307</b>		<b>£3,250,372</b>	

Ref. No.	Utilities	Measure	Unit	Rate	Sub-total
<b>Supply - To site boundary</b>					
39	Electricity	1	sum	£632,781	£632,781
40	Gas	1	sum	£0	£0
41	Potable water	1	sum	£150,000	£150,000
42	Telecoms	0	sum	£0	£0
<b>On-site diversions</b>					
43	On site 11 / 33kv electricity cables	538	m	£140	£75,277
44	On-site telecoms	1	sum	£5,000	£5,000
<b>Off-site diversions</b>					
45	Site accesses	1	sum	£25,000	£25,000
46	Off-Site Highway Works - New Toucan and cycleway modification of Taunton Road	1	sum	£25,000	£25,000
<b>Civils Works</b>					
47	Gas - Governor	0	nr	£35,000	£0
48	Electricity - distribution sub-station - brick built	4	nr	£50,400	£201,600
<b>SUB-TOTAL</b>					<b>£1,114,658</b>

Risk Band	Contingency	Total	Comments
B	£63,278	£696,059	National Grid Budget Estimate dated 23rd August 2023
B	£0	£0	Assumed not required due to FHS
B	£15,000	£165,000	Provisional Allowance in the absence of utility supply quotation
B	£0	£0	Assumed nil cost after rebates
A	£11,291	£86,568	As topo 0740-100-1 Rev B and 100-2 Rev B
B	£500	£5,500	Telecoms pole on Nynhead Road
A	£3,750	£28,750	Provisional Allowance in the absence of C4 quotations
B	£2,500	£27,500	Provisional Allowance in the absence of C4 quotations
B	£0	£0	Assumed all Future Homes standard build out - therefore no gas
B	£20,160	£221,760	Increased loadings due to Future Homes - as National Grid budget estimate 23/08/23
<b>£116,480</b>		<b>£1,231,137</b>	

Ref. No.	Landscaping	Measure	Unit	Rate	Sub-total
<b>Open Space</b>					
49	Strategic Green & Blue Infrastructure excl basins	21,153	m²	£12	£253,833
50	Green & Blue Infrastructure	18,200	m²	£9	£163,800
51	Aquatic planting	5,047	m²	£16	£80,756
52	Bat foraging area	44,131	m2	£6	£264,786
53	Trees	0	nr	£300	£0
54	Maintenance of existing green space	0	m²	£12	£0
<b>Areas of Play</b>					
55	Local Area of Play (LAP)	0	nr	£35,000	£0
56	LEAP	1	nr	£85,000	£85,000
57	Neighbourhood Area of Play (NEAP)	1	nr	£135,000	£135,000
58	Play on the Way	6	nr	£15,000	£90,000
59	Sports pitches	0	nr	£0	£0
<b>Footway / Cycleways</b>					
60	Woodland path	250	m	£30	£7,500
61	POS Footpath 2m	116	m	£80	£9,281
62	Cycleways 3m	624	m	£120	£74,843
63	Bridges over swales for above	3	nr	£30,000	£90,000
<b>POS Furniture</b>					
64	General POS furniture	39,353	m²	£0.50	£19,676
<b>Maintenance</b>					
65	Maintenance prior to management company handover	1	sum	£408,238	£408,238
66	Setting up and seed-funding ManCo prior to sufficient ER receipts	1	sum	£100,000	£100,000
<b>SUB-TOTAL</b>					<b>£1,782,713</b>

Ref. No.	Archaeology and Ecology	Measure	Unit	Rate	Sub-total
67	Archaeological investigation	1	sum	£150,000	£150,000
68	Nutrient Neutrality	1	sum	£1,319,450	£1,319,450
69	General ecological mitigation	1	sum	£150,000	£150,000
70	Bee bricks - Green and Blue	0	nr	£48	£0
71	10% Bio-diversity net gain	1	sum	£75,000	£75,000
72	Bird boxes - Schwegler Type 1A	0	nr	£111	£0
73	Barn owl nesting box	1	nr	£300	£300
74	Bat tubes - Schwegler 1FR	100	nr	£183	£18,300
75	Hedgehog passes	220	nr	£25	£5,500
<b>SUB-TOTAL</b>					<b>£1,718,550</b>

Risk Band	Contingency	Total	Comments
B	£25,383	£279,216	Infrastructure only - plot landscaping within build costs as 0740-V4-1006 Rev C Land Budget Plan
B	£16,380	£180,180	As 0740-V4-1006 Rev C Land Budget Plan
B	£8,076	£88,832	As indicated on 0740-V4-1005 Rev F - Illustrative Masterplan
B	£26,479	£291,265	As indicated on 0740-V4-1005 Rev F - Illustrative Masterplan
B	£0	£0	Infrastructure only - plot trees within build costs
B	£0	£0	Included below
B	£0	£0	Provisional allowance in POS
B	£8,500	£93,500	As noted on 0740-V4-1005 Rev F - Illustrative Masterplan
B	£13,500	£148,500	As noted on 0740-V4-1005 Rev F - Illustrative Masterplan
B	£9,000	£99,000	As noted on 0740-V4-1005 Rev F - Illustrative Masterplan
B	£0	£0	None noted
B	£750	£8,250	Provisional allowance in POS
B	£928	£10,209	As noted on 0740-V4-1005 Rev F - Illustrative Masterplan
B	£7,484	£82,327	As noted on 0740-V4-1005 Rev F - Illustrative Masterplan
B	£9,000	£99,000	As noted on 0740-V4-1005 Rev F - Illustrative Masterplan
B	£1,968	£21,644	Allowance for dog bins, litter bins etc
B	£40,824	£449,062	Value to maintain the landscaping until handover to the appointed management company
B	£10,000	£110,000	
<b>£178,271</b>		<b>£1,960,984</b>	

Risk Band	Contingency	Total	Comments
B	£15,000	£165,000	Provisional allowance - "Low archaeological significance" as AC Heritage statement dated April '23
B	£131,945	£1,451,395	As conclusion of Halpin Robbins report 01.027.001.04 dated 16th May 2023 (without wetland)
B	£15,000	£165,000	Provisional allowance - Halpin Robbins report 01.027.001.02_v2 dated 4th May 2023
B	£0	£0	None noted
B	£7,500	£82,500	As Halpin Robbins report 01.027.001.02_v2 dated 4th May 2023
B	£0	£0	None noted
B	£30	£330	As Halpin Robbins report 01.027.001.02_v2 dated 4th May 2023
B	£1,830	£20,130	Assumed one per two dwellings - Halpin Robbins report 01.027.001.02_v2 dated 4th May 2023
B	£550	£6,050	As Halpin Robbins report 01.027.001.02_v2 dated 4th May 2023
<b>£171,855</b>		<b>£1,890,405</b>	

Ref. No.	Plot Abnormals	Measure	Unit	Rate	Sub-total
<b>Abnormal Foundations / Retaining Structures</b>					
76	Retaining walls - av 2m high	0	m	£450	£0
77	Underbuild	0	m	£100	£0
78	Raised DPC / tanking	0	m	£60	£0
79	Plot draining to Soakaways	0	nr	£2,500	£0
80	Drives draining via smart gullies	0	nr	£500	£0
81	Abnormal foundations - trench fill	50	nr	£2,800	£140,000
82	Abnormal foundations - piled foundations	20	nr	£9,000	£180,000
83	Beam and block suspended slab	20	nr	£1,200	£24,000
84	Radon Protection - Basic	0	nr	£600	£0
<b>Elevational Uplifts / Design code</b>					
85	General Enhancements	192,913	ft2	£4	£771,652
86	7kW car charge points	175	nr	£950	£166,250
87	Infrastructure provision for on-street / courtyard car charging	6	nr	£1,200	£7,500
<b>Sustainability / Renewables</b>					
88	2020 Part L & F update building regs - Option 1 - 'Future Homes Fabric'	0	nr	£2,557	£0
89	2020 Part L & F update building regs - Option 2 - 'Fabric plus technology'	0	nr	£4,847	£0
90	Future Homes Standard	200	nr	£8,000	£1,600,000
91	Bike stores	140	nr	£450	£63,000
92	Category 2 standard equivalent to lifetime homes standards	80	nr	£1,800	£144,000
93	Wheelchair accessible Category 3 properties	5	nr	£15,000	£75,000
<b>SUB-TOTAL</b>					<b>£3,171,402</b>

Ref. No.	Professional fees / Payments	Measure	Unit	Rate	Sub-total
94	Professional fees	10%	%	£17,546,218	£1,754,622
<b>SUB-TOTAL</b>					<b>£1,754,622</b>

<b>95</b>	<b>Total</b>				<b>£17,676,116</b>
<b>96</b>	<b>Total per dwelling</b>	<b>200 Dwellings</b>			

Ref. No.	Risk and Contingency Summary	Measure	Unit	Sum	Total
97	Band A	15%	%	£651,488	£97,723
98	Band B	10%	%	£15,270,007	£1,527,001
99	Band C	5%	%	£0	£0
100	Band D	0%	%	£1,754,622	£0
<b>101</b>		<b>9%</b>		<b>£17,676,116</b>	<b>£1,624,724</b>

Risk Band	Contingency	Total	Comments
A	£0	£0	None anticipated, gently sloping site and cut and fill works mitigate
A	£0	£0	None anticipated, gently sloping site and cut and fill works mitigate
A	£0	£0	None anticipated, gently sloping site and cut and fill works mitigate
A	£0	£0	None noted
A	£0	£0	None noted
A	£21,000	£161,000	Allowance in absence of SI - In the vicinity of existing and removed hedgerows / areas of cut and fill
A	£27,000	£207,000	Allowance in absence of SI - In the vicinity of existing and removed hedgerows / areas of cut and fill
A	£3,600	£27,600	As piled foundations
B	£0	£0	No details on radon in area
B	£77,165	£848,817	As accommodation assumptions and requirements of DAS Issued 3 dated May '23
B	£16,625	£182,875	Assumed to all open market and shared points per affordable
B	£750	£8,250	Assumed to 25% of balance
B	£0	£0	
B	£0	£0	
B	£160,000	£1,760,000	As latest BCIS notes
B	£6,300	£69,300	Assumed to all affordable and to market with no garage
B	£14,400	£158,400	Assumed 25% of units
B	£7,500	£82,500	10% of affordable to be M4/3 wheelchair user dwelling as Affordable Consultee response June '23
<b>£334,340</b>		<b>£3,505,742</b>	
Risk Band	Contingency	Total	Comments
D	£0	£1,754,622	
<b>£0</b>		<b>£1,754,622</b>	

<b>9%</b>	<b>£1,624,724</b>	<b>£19,300,840</b>	
		<b>£96,504</b>	

£0



**Second Cost plan update**

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Summary Sheet

Development Criteria	
Number of residential units	200
Development gross area (ha)	17.280 As Planning Application Form dated 22/05/23
Development nett area (ha)	4.778 Residential only

Ref. No.	Land Preparation & Enabling Works	Measure	Unit	Rate	Sub-total
1	Hedgerow, hardstanding and shrubbery clearance	1	sum	£15,000	£15,000
2	Tree removal	0	nr	£470	£0
3	Trimming of retained trees & hedgerows	1	sum	£15,000	£15,000
4	Tree and hedgerow protection and management	1,648	m	£46	£75,812
5	Earthworks - site wide levelling	1	sum	£749,874	£749,874
6	Earth bank and dog fence	219	m	£90	£19,699
7	Palisade fencing to Network rail boundary	197	m	£190	£37,512
8	General site clearance	5	ha	£2,249	£10,748
<b>SUB-TOTAL</b>					<b>£923,644</b>

Risk Band	Contingency
B	£1,500
B	£0
B	£1,500
B	£7,581
B	£74,987
A	£2,955
A	£5,627
B	£1,075
<b>£95,225</b>	

Total	
£16,500	
£0	
£16,500	
£83,393	
£824,861	
£22,654	
£43,138	
£11,823	
<b>£1,018,869</b>	

Comments
Provisional Allowance
None noted , most hedgerows being retained within development
Provisional Allowance
As 0740-101-1 Rev C
Gently sloping site (c.1:24), cut and fill of 250mm across NDA assumed in absence of strategy
As drawing 0740-1013 dated October 2023, length as Masterplan Rev F
Redline perimeter to railway - 0740-V4-1005 Rev F - Illustrative M'plan as Consultation response
A function of the GDA

Ref. No.	Section 106 & CIL	Measure	Unit	Rate	Sub-total
9	Section 106 contributions	200	sum	£0	£0
10	CIL	0	m²	£0	£0
<b>SUB-TOTAL</b>					<b>£0</b>

Risk Band	Contingency
C	£0
D	£0
<b>£0</b>	

Total	
£0	
£0	
<b>£0</b>	

Comments
Included within BVL appraisal
Included within BVL appraisal

Ref. No.	Highway Works	Measure	Unit	Rate	Sub-total
<b>On-Site Highway Works</b>					
11	Proposed Site Access - from Nynehead Road	1	sum	£281,306	£281,306
12	Abnormal Primary highways	1	sum	£1,129,214	£1,129,214
13	Abnormal Secondary highways	1	sum	£735,770	£735,770
14	Abnormal Tertiary highways	1	sum	£1,043,075	£1,043,075
15	Rumble strips / narrowings / tables	19	nr	£6,000	£114,000
<b>Off-Site Highway Works</b>					
16	Off-Site Highway Works - New Toucan and cycleway modification of Taunton Road	0	sum	£85,000	£0
17	Pedestrian / cycle access onto Taunton Road from POS (included in cycleways)	1	sum	£0	£0
<b>Bonds</b>					
18	Section 278 bonds	3%	%	£281,306	£8,439
19	Section 38 bonds	3%	%	£3,022,060	£90,662
<b>Commutated Sums</b>					
20	Commutated sums	1	sum	£359,065	£359,065
<b>Highway Remedials</b>					
21	Pre-adoption remedials	2%	%	£3,303,365	£66,067
<b>Adoptions</b>					
22	Highway adoptions	10%	%	£3,369,433	£336,943
<b>SUB-TOTAL</b>					<b>£4,164,542</b>

Risk Band	Contingency
B	£28,131
B	£112,921
B	£73,577
B	£104,308
B	£11,400
B	£0
B	£0
B	£844
B	£9,066
B	£35,906
B	£6,607
B	£33,694
<b>£416,454</b>	

Total	
£309,437	
£1,242,136	
£809,347	
£1,147,383	
£125,400	
£0	
£0	
£9,283	
£99,728	
£394,971	
£72,674	
£370,638	
<b>£4,580,996</b>	

Comments
As Miles White Proposed Access Arrangement 20017-SK01 Rev A
Hierarchy as set out in Principles Plan - Routes & Movement V3 0740-V3-1007-1
Hierarchy as set out in Principles Plan - Routes & Movement V3 0740-V3-1007-1
Hierarchy as set out in Principles Plan - Routes & Movement V3 0740-V3-1007-1
As Principles Plan - Routes & Movement V3 V3 0740-V3-1007-1
Removed as SF email 280324
As Miles White Transport Assessment Plan dated 18th April 2023
Bond premium of 3% assumed across the duration of which the bond is secured
Bond premium of 3% assumed across the duration of which the bond is secured
As schedule
Cost only associated with abnormal roads
Cost only associated with abnormal roads

Ref. No.	Flood Risk & Drainage	Measure	Unit	Rate	Sub-total
<b>Foul Drainage</b>					
23	Abnormal foul drainage - Primary highways	1	sum	£218,807	£218,807
24	Abnormal foul drainage - Secondary highways	1	sum	£161,373	£161,373
25	Abnormal foul drainage - Tertiary highways	1	sum	£215,704	£215,704
26	Pump station and rising main to existing rising main	1	sum	£331,490	£331,490
27	Abandoning existing rising main	422	m	£45	£18,979
<b>Surface Drainage</b>					
28	Abnormal surface water drainage - Primary highways	1	sum	£252,919	£252,919
29	Abnormal surface water drainage - Secondary highways	1	sum	£184,100	£184,100
30	Abnormal surface water drainage - Tertiary highways	1	sum	£255,677	£255,677
31	Lined basin with associated infrastructure	1	sum	£776,917	£776,917
32	Works associated with Network Rail culvert	1	m	£150,000	£150,000
33	Bund / Silt fence	0	m	£30	£0
34	Swales	1	sum	£112,041	£112,041
<b>Bonds</b>					
35	Section 104 bonds	3%	%	£2,678,008	£80,340
<b>Maintenance</b>					
36	Maintenance prior to management company handover	1	sum	£67,868	£67,868
<b>Drainage Remedials</b>					
37	Pre-adoption remedials	2%	%	£2,678,008	£53,560
<b>Adoptions</b>					
38	Drainage adoptions	2.5%	%	£2,731,568	£68,289
<b>SUB-TOTAL</b>					<b>£2,948,065</b>

Risk Band	Contingency	Total	Comments
B	£21,881	£240,688	Function of the abnormal Primary Road length
B	£16,137	£177,510	Function of the abnormal Secondary Road length
B	£21,570	£237,274	Function of the abnormal Tertiary Road length
B	£33,149	£364,639	As 0740-C-P=0400-A Outline drainage strategy
B	£1,898	£20,877	As 0740-C-P=0400-A Outline drainage strategy
B	£25,292	£278,211	Function of the abnormal Primary Road length
B	£18,410	£202,510	Function of the abnormal Secondary Road length
B	£25,568	£281,245	Function of the abnormal Tertiary Road length
B	£77,692	£854,609	As 0740-C-P=0400-A Outline drainage strategy
A	£22,500	£172,500	Works currently undefined but NR correspondence 26/10/23
A	£0	£0	Not applicable
B	£11,204	£123,245	As 0740-C-P=0400-A Outline drainage strategy
B	£8,034	£88,374	Bond premium of 3% assumed across the duration of which the bond is secured
B	£6,787	£74,655	Value to maintain the SuD'S until handover to the appointed management company
B	£5,356	£58,916	Cost only associated with abnormal drainage
B	£6,829	£75,118	Cost only associated with abnormal drainage
<b>SUB-TOTAL</b>		<b>£302,307</b>	

Ref. No.	Utilities	Measure	Unit	Rate	Sub-total
<b>Supply - To site boundary</b>					
39	Electricity	1	sum	£632,781	£632,781
40	Gas	1	sum	£0	£0
41	Potable water	1	sum	£150,000	£150,000
42	Telecoms	0	sum	£0	£0
<b>On-site diversions</b>					
43	On site 11 / 33kv electricity cables	538	m	£140	£75,277
44	On-site telecoms	1	sum	£5,000	£5,000
<b>Off-site diversions</b>					
45	Site accesses	1	sum	£25,000	£25,000
46	Off-Site Highway Works - New Toucan and cycleway modification of Taunton Road	0	sum	£25,000	£0
<b>Civils Works</b>					
47	Gas - Governor	0	nr	£35,000	£0
48	Electricity - distribution sub-station - brick built	4	nr	£50,400	£201,600
<b>SUB-TOTAL</b>					<b>£1,089,658</b>

Risk Band	Contingency	Total	Comments
B	£63,278	£696,059	National Grid Budget Estimate dated 23rd August 2023
B	£0	£0	Assumed not required due to FHS
B	£15,000	£165,000	Provisional Allowance in the absence of utility supply quotation
B	£0	£0	Assumed nil cost after rebates
A	£11,291	£86,568	As topo 0740-100-1 Rev B and 100-2 Rev B
B	£500	£5,500	Telecoms pole on Nynhead Road
A	£3,750	£28,750	Provisional Allowance in the absence of C4 quotations
B	£0	£0	Removed as SF email 280324
B	£0	£0	Assumed all Future Homes standard build out - therefore no gas
B	£20,160	£221,760	Increased loadings due to Future Homes - as National Grid budget estimate 23/08/23
<b>SUB-TOTAL</b>		<b>£113,980</b>	

Total	Comments
£2,948,065	
£302,307	
£3,250,372	
£1,089,658	
£113,980	
£1,203,637	

Ref. No.	Landscaping	Measure	Unit	Rate	Sub-total
<b>Open Space</b>					
49	Strategic Green & Blue Infrastructure excl basins	21,153	m²	£12	£253,833
50	Green & Blue Infrastructure	18,200	m²	£9	£163,800
51	Aquatic planting	5,047	m²	£16	£80,756
52	Bat foraging area	44,131	m2	£6	£264,786
53	Trees	0	nr	£300	£0
54	Maintenance of existing green space	0	m²	£12	£0
<b>Areas of Play</b>					
55	Local Area of Play (LAP)	0	nr	£35,000	£0
56	LEAP	0	nr	£85,000	£0
57	Neighbourhood Area of Play (NEAP)	1	nr	£150,000	£150,000
58	Play on the Way	1	sum	£50,000	£50,000
59	Sports pitches	0	nr	£0	£0
<b>Footway / Cycleways</b>					
60	Woodland path	250	m	£30	£7,500
61	POS Footpath 2m	116	m	£80	£9,281
62	Cycleways 3m	624	m	£120	£74,843
63	Bridges over swales for above	3	nr	£30,000	£90,000
<b>POS Furniture</b>					
64	General POS furniture	39,353	m²	£0.50	£19,676
<b>Maintenance</b>					
65	Maintenance prior to management company handover	1	sum	£381,358	£381,358
66	Setting up and seed-funding ManCo prior to sufficient ER receipts	1	sum	£100,000	£100,000
<b>SUB-TOTAL</b>					<b>£1,645,833</b>

Ref. No.	Archaeology and Ecology	Measure	Unit	Rate	Sub-total
67	Archaeological investigation	1	sum	£150,000	£150,000
68	Nutrient Neutrality	1	sum	£937,500	£937,500
69	General ecological mitigation	1	sum	£150,000	£150,000
70	Bee bricks - Green and Blue	0	nr	£48	£0
71	10% Bio-diversity net gain	1	sum	£75,000	£75,000
72	Bird boxes - Schwegler Type 1A	0	nr	£111	£0
73	Barn owl nesting box	1	nr	£300	£300
74	Bat tubes - Schwegler 1FR	100	nr	£183	£18,300
75	Hedgehog passes	220	nr	£25	£5,500
<b>SUB-TOTAL</b>					<b>£1,336,600</b>

Risk Band	Contingency	Total	Comments
B	£25,383	£279,216	Infrastructure only - plot landscaping within build costs as 0740-V4-1006 Rev C Land Budget Plan
B	£16,380	£180,180	As 0740-V4-1006 Rev C Land Budget Plan
B	£8,076	£88,832	As indicated on 0740-V4-1005 Rev F - Illustrative Masterplan
B	£26,479	£291,265	As indicated on 0740-V4-1005 Rev F - Illustrative Masterplan
B	£0	£0	Infrastructure only - plot trees within build costs
B	£0	£0	Included below
B	£0	£0	Provisional allowance in POS
B	£0	£0	Replaced by below
B	£15,000	£165,000	Super NEAP' - as suggested by SF 270324
B	£5,000	£55,000	Play pot' as suggested by SF 270324
B	£0	£0	None noted
B	£750	£8,250	Provisional allowance in POS
B	£928	£10,209	As noted on 0740-V4-1005 Rev F - Illustrative Masterplan
B	£7,484	£82,327	As noted on 0740-V4-1005 Rev F - Illustrative Masterplan
B	£9,000	£99,000	As noted on 0740-V4-1005 Rev F - Illustrative Masterplan
B	£1,968	£21,644	Allowance for dog bins, litter bins etc
B	£38,136	£419,494	Value to maintain the landscaping until handover to the appointed management company
B	£10,000	£110,000	
<b>SUB-TOTAL</b>		<b>£1,810,416</b>	

Risk Band	Contingency	Total	Comments
B	£15,000	£165,000	Provisional allowance - "Low archaeological significance" as AC Heritage statement dated April '23
B	£93,750	£1,031,250	As conclusion of Halpin Robbins report 01.027.001.04 dated 16th May 2023 (without wetland)
B	£15,000	£165,000	Provisional allowance - Halpin Robbins report 01.027.001.02_v2 dated 4th May 2023
B	£0	£0	None noted
B	£7,500	£82,500	As Halpin Robbins report 01.027.001.02_v2 dated 4th May 2023
B	£0	£0	None noted
B	£30	£330	As Halpin Robbins report 01.027.001.02_v2 dated 4th May 2023
B	£1,830	£20,130	Assumed one per two dwellings - Halpin Robbins report 01.027.001.02_v2 dated 4th May 2023
B	£550	£6,050	As Halpin Robbins report 01.027.001.02_v2 dated 4th May 2023
<b>SUB-TOTAL</b>		<b>£1,470,260</b>	

Ref. No.	Plot Abnormals	Measure	Unit	Rate	Sub-total
<b>Abnormal Foundations / Retaining Structures</b>					
76	Retaining walls - av 2m high	0	m	£450	£0
77	Underbuild	0	m	£100	£0
78	Raised DPC / tanking	0	m	£60	£0
79	Plot draining to Soakaways	0	nr	£2,500	£0
80	Drives draining via smart gullies	0	nr	£500	£0
81	Abnormal foundations - trench fill	50	nr	£2,800	£140,000
82	Abnormal foundations - piled foundations	20	nr	£9,000	£180,000
83	Beam and block suspended slab	20	nr	£1,200	£24,000
84	Radon Protection - Basic	0	nr	£600	£0
<b>Elevation Uplifts / Design code</b>					
85	General Enhancements	192,913	ft2	£4	£771,652
86	7kW car charge points	175	nr	£950	£166,250
87	Infrastructure provision for on-street / courtyard car charging	6	nr	£1,200	£7,500
<b>Sustainability / Renewables</b>					
88	2020 Part L & F update building regs - Option 1 - 'Future Homes Fabric'	0	nr	£2,557	£0
89	2020 Part L & F update building regs - Option 2 - 'Fabric plus technology'	0	nr	£4,847	£0
90	Future Homes Standard	200	nr	£8,000	£1,600,000
91	Bike stores	140	nr	£450	£63,000
92	Category 2 standard equivalent to lifetime homes standards	80	nr	£1,800	£144,000
93	Wheelchair accessible Category 3 properties	5	nr	£15,000	£75,000
<b>SUB-TOTAL</b>					<b>£3,171,402</b>

Ref. No.	Professional fees / Payments	Measure	Unit	Rate	Sub-total
94	Professional fees	10%	%	£16,840,293	£1,684,029
<b>SUB-TOTAL</b>					<b>£1,684,029</b>

<b>95</b>	<b>Total</b>				<b>£16,963,773</b>
<b>96</b>	<b>Total per dwelling</b>		<b>200 Dwellings</b>		

Ref. No.	Risk and Contingency Summary	Measure	Unit	Sum	Total
97	Band A	15%	%	£651,488	£97,723
98	Band B	10%	%	£14,628,257	£1,462,826
99	Band C	5%	%	£0	£0
100	Band D	0%	%	£1,684,029	£0
<b>101</b>		<b>9%</b>		<b>£16,963,773</b>	<b>£1,560,549</b>

Risk Band	Contingency	Total	Comments
A	£0	£0	None anticipated, gently sloping site and cut and fill works mitigate
A	£0	£0	None anticipated, gently sloping site and cut and fill works mitigate
A	£0	£0	None anticipated, gently sloping site and cut and fill works mitigate
A	£0	£0	None noted
A	£0	£0	None noted
A	£21,000	£161,000	Allowance in absence of SI - In the vicinity of existing and removed hedgerows / areas of cut and fill
A	£27,000	£207,000	Allowance in absence of SI - In the vicinity of existing and removed hedgerows / areas of cut and fill
A	£3,600	£27,600	As piled foundations
B	£0	£0	No details on radon in area
B	£77,165	£848,817	As accommodation assumptions and requirements of DAS Issued 3 dated May '23
B	£16,625	£182,875	Assumed to all open market and shared points per affordable
B	£750	£8,250	Assumed to 25% of balance
B	£0	£0	
B	£0	£0	
B	£160,000	£1,760,000	As latest BCIS notes
B	£6,300	£69,300	Assumed to all affordable and to market with no garage
B	£14,400	£158,400	Assumed 25% of units
B	£7,500	£82,500	10% of affordable to be M4/3 wheelchair user dwelling as Affordable Consultee response June '23
<b>£334,340</b>		<b>£3,505,742</b>	
Risk Band	Contingency	Total	Comments
D	£0	£1,684,029	
<b>£0</b>		<b>£1,684,029</b>	

<b>9%</b>	<b>£1,560,549</b>	<b>£18,524,322</b>	
		<b>£92,622</b>	

£0

**Third Cost plan update**

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Summary Sheet

Development Criteria	
Number of residential units	200
Development gross area (ha)	17.280 As Planning Application Form dated 22/05/23
Development nett area (ha)	4.778 Residential only

Ref. No.	Land Preparation & Enabling Works	Measure	Unit	Rate	Sub-total	Risk Band	Contingency	Total	Comments
1	Hedgerow, hardstanding and shrubbery clearance	1	sum	£15,000	£15,000	B	£1,500	£16,500	Provisional Allowance
2	Tree removal	0	nr	£470	£0	B	£0	£0	None noted , most hedgerows being retained within development
3	Trimming of retained trees & hedgerows	1	sum	£15,000	£15,000	B	£1,500	£16,500	Provisional Allowance
4	Tree and hedgerow protection and management	1,648	m	£46	£75,812	B	£7,581	£83,393	As 0740-101-1 Rev C
5	Earthworks - site wide levelling	1	sum	£749,874	£749,874	B	£74,987	£824,861	Gently sloping site (c.1:24), cut and fill of 250mm across NDA assumed in absence of strategy
6	Earth bank and dog fence	219	m	£90	£19,699	A	£2,955	£22,654	As drawing 0740-1013 dated October 2023, length as Masterplan Rev F
7	Palisade fencing to Network rail boundary	197	m	£190	£37,512	A	£5,627	£43,138	Redline perimeter to railway - 0740-V4-1005 Rev F - Illustrative M'plan as Consultation response
8	General site clearance	5	ha	£2,249	£10,748	B	£1,075	£11,823	A function of the GDA
<b>SUB-TOTAL</b>					<b>£923,644</b>		<b>£95,225</b>	<b>£1,018,869</b>	
Ref. No.	Section 106 & CIL	Measure	Unit	Rate	Sub-total	Risk Band	Contingency	Total	Comments
9	Section 106 contributions	200	sum	£0	£0	C	£0	£0	Included within BVL appraisal
10	CIL	0	m²	£0	£0	D	£0	£0	Included within BVL appraisal
<b>SUB-TOTAL</b>					<b>£0</b>		<b>£0</b>	<b>£0</b>	
Ref. No.	Highway Works	Measure	Unit	Rate	Sub-total	Risk Band	Contingency	Total	Comments
<b>On-Site Highway Works</b>									
11	Proposed Site Access - from Nynehead Road	1	sum	£281,306	£281,306	B	£28,131	£309,437	As Miles White Proposed Access Arrangement 20017-SK01 Rev A
12	Abnormal Primary highways	1	sum	£1,129,214	£1,129,214	B	£112,921	£1,242,136	Hierarchy as set out in Principles Plan - Routes & Movement V3 0740-V3-1007-1
13	Abnormal Secondary highways	1	sum	£735,770	£735,770	B	£73,577	£809,347	Hierarchy as set out in Principles Plan - Routes & Movement V3 0740-V3-1007-1
14	Abnormal Tertiary highways	1	sum	£1,043,075	£1,043,075	B	£104,308	£1,147,383	Hierarchy as set out in Principles Plan - Routes & Movement V3 0740-V3-1007-1
15	Rumble strips / narrowings / tables	19	nr	£6,000	£114,000	B	£11,400	£125,400	As Principles Plan - Routes & Movement V3 V3 0740-V3-1007-1
<b>Off-Site Highway Works</b>									
16	Off-Site Highway Works - New Toucan and cycleway modification of Taunton Road	0	sum	£85,000	£0	B	£0	£0	Removed as SF email 280324
17	Pedestrian / cycle access onto Taunton Road from POS (included in cycleways)	1	sum	£0	£0	B	£0	£0	As Miles White Transport Assessment Plan dated 18th April 2023
<b>Bonds</b>									
18	Section 278 bonds	3%	%	£281,306	£8,439	B	£844	£9,283	Bond premium of 3% assumed across the duration of which the bond is secured
19	Section 38 bonds	3%	%	£3,022,060	£90,662	B	£9,066	£99,728	Bond premium of 3% assumed across the duration of which the bond is secured
<b>Commutated Sums</b>									
20	Commutated sums	1	sum	£359,065	£359,065	B	£35,906	£394,971	As schedule
<b>Highway Remedials</b>									
21	Pre-adoption remedials	2%	%	£3,303,365	£66,067	B	£6,607	£72,674	Cost only associated with abnormal roads
<b>Adoptions</b>									
22	Highway adoptions	10%	%	£3,369,433	£336,943	B	£33,694	£370,638	Cost only associated with abnormal roads
<b>SUB-TOTAL</b>					<b>£4,164,542</b>		<b>£416,454</b>	<b>£4,580,996</b>	



Ref. No.	Flood Risk & Drainage	Measure	Unit	Rate	Sub-total	Risk Band	Contingency	Total	Comments	
<b>Foul Drainage</b>										
23	Abnormal foul drainage - Primary highways	1	sum	£218,807	£218,807	R	B	£21,881	£240,688	Function of the abnormal Primary Road length
24	Abnormal foul drainage - Secondary highways	1	sum	£161,373	£161,373	R	B	£16,137	£177,510	Function of the abnormal Secondary Road length
25	Abnormal foul drainage - Tertiary highways	1	sum	£215,704	£215,704		B	£21,570	£237,274	Function of the abnormal Tertiary Road length
26	Pump station and rising main to existing rising main	1	sum	£331,490	£331,490	*	B	£33,149	£364,639	As 0740-C-P=0400-A Outline drainage strategy
27	Abandoning existing rising main	422	m	£45	£18,979		B	£1,898	£20,877	As 0740-C-P=0400-A Outline drainage strategy
<b>Surface Drainage</b>										
28	Abnormal surface water drainage - Primary highways	1	sum	£252,919	£252,919	R	B	£25,292	£278,211	Function of the abnormal Primary Road length
29	Abnormal surface water drainage - Secondary highways	1	sum	£184,100	£184,100	R	B	£18,410	£202,510	Function of the abnormal Secondary Road length
30	Abnormal surface water drainage - Tertiary highways	1	sum	£255,677	£255,677		B	£25,568	£281,245	Function of the abnormal Tertiary Road length
31	Lined basin with associated infrastructure	1	sum	£776,917	£776,917	*	B	£77,692	£854,609	As 0740-C-P=0400-A Outline drainage strategy
32	Works associated with Network Rail culvert	1	m	£150,000	£150,000	*	A	£22,500	£172,500	Works currently undefined but NR correspondence 26/10/23
33	Bund / Silt fence	0	m	£30	£0		A	£0	£0	Not applicable
34	Swales	1	sum	£112,041	£112,041		B	£11,204	£123,245	As 0740-C-P=0400-A Outline drainage strategy
<b>Bonds</b>										
35	Section 104 bonds	3%	%	£2,678,008	£80,340		B	£8,034	£88,374	Bond premium of 3% assumed across the duration of which the bond is secured
<b>Maintenance</b>										
36	Maintenance prior to management company handover	1	sum	£67,868	£67,868		B	£6,787	£74,655	Value to maintain the SuD'S until handover to the appointed management company
<b>Drainage Remedials</b>										
37	Pre-adoption remedials	2%	%	£2,678,008	£53,560		B	£5,356	£58,916	Cost only associated with abnormal drainage
<b>Adoptions</b>										
38	Drainage adoptions	2.5%	%	£2,731,568	£68,289		B	£6,829	£75,118	Cost only associated with abnormal drainage
<b>SUB-TOTAL</b>					<b>£2,948,065</b>			<b>£302,307</b>	<b>£3,250,372</b>	
<b>Utilities</b>										
<b>Supply - To site boundary</b>										
39	Electricity	1	sum	£632,781	£632,781	*	B	£63,278	£696,059	National Grid Budget Estimate dated 23rd August 2023
40	Gas	1	sum	£0	£0		B	£0	£0	Assumed not required due to FHS
41	Potable water	1	sum	£150,000	£150,000		B	£15,000	£165,000	Provisional Allowance in the absence of utility supply quotation
42	Telecoms	0	sum	£0	£0		B	£0	£0	Assumed nil cost after rebates
<b>On-site diversions</b>										
43	On site 11 / 33kv electricity cables	538	m	£140	£75,277		A	£11,291	£86,568	As topo 0740-100-1 Rev B and 100-2 Rev B
44	On-site telecoms	1	sum	£5,000	£5,000		B	£500	£5,500	Telecoms pole on Nynhead Road
<b>Off-site diversions</b>										
45	Site accesses	1	sum	£25,000	£25,000		A	£3,750	£28,750	Provisional Allowance in the absence of C4 quotations
46	Off-Site Highway Works - New Toucan and cycleway modification of Taunton Road	0	sum	£25,000	£0		B	£0	£0	Removed as SF email 280324
<b>Civils Works</b>										
47	Gas - Governor	0	nr	£35,000	£0		B	£0	£0	Assumed all Future Homes standard build out - therefore no gas
48	Electricity - distribution sub-station - brick built	4	nr	£50,400	£201,600		B	£20,160	£221,760	Increased loadings due to Future Homes - as National Grid budget estimate 23/08/23
<b>SUB-TOTAL</b>					<b>£1,089,658</b>			<b>£113,980</b>	<b>£1,203,637</b>	

Ref. No.	Landscaping	Measure	Unit	Rate	Sub-total
<b>Open Space</b>					
49	Strategic Green & Blue Infrastructure excl basins	21,153	m²	£12	£253,833
50	Green & Blue Infrastructure	18,200	m²	£9	£163,800
51	Aquatic planting	5,047	m²	£16	£80,756
52	Bat foraging area	44,131	m2	£6	£264,786
53	Trees	0	nr	£300	£0
54	Maintenance of existing green space	0	m²	£12	£0
<b>Areas of Play</b>					
55	Local Area of Play (LAP)	0	nr	£35,000	£0
56	LEAP	0	nr	£85,000	£0
57	Neighbourhood Area of Play (NEAP)	1	nr	£150,000	£150,000
58	Play on the Way	1	sum	£50,000	£50,000
59	Sports pitches	0	nr	£0	£0
<b>Footway / Cycleways</b>					
60	Woodland path	250	m	£30	£7,500
61	POS Footpath 2m	116	m	£80	£9,281
62	Cycleways 3m	624	m	£120	£74,843
63	Bridges over swales for above	3	nr	£30,000	£90,000
<b>POS Furniture</b>					
64	General POS furniture	39,353	m²	£0.50	£19,676
<b>Maintenance</b>					
65	Maintenance prior to management company handover	1	sum	£381,358	£381,358
66	Setting up and seed-funding ManCo prior to sufficient ER receipts	1	sum	£100,000	£100,000
SUB-TOTAL					£1,645,833

Risk Band	Contingency
B	£25,383
B	£16,380
B	£8,076
B	£26,479
B	£0
B	£0
B	£0
B	£0
B	£15,000
B	£5,000
B	£0
B	£750
B	£928
B	£7,484
B	£9,000
B	£1,968
B	£38,136
B	£10,000
SUB-TOTAL	

Total
£279,216
£180,180
£88,832
£291,265
£0
£0
£0
£0
£165,000
£55,000
£0
£8,250
£10,209
£82,327
£99,000
£21,644
£419,494
£110,000
£1,810,416

Comments
Infrastructure only - plot landscaping within build costs as 0740-V4-1006 Rev C Land Budget Plan
As 0740-V4-1006 Rev C Land Budget Plan
As indicated on 0740-V4-1005 Rev F - Illustrative Masterplan
As indicated on 0740-V4-1005 Rev F - Illustrative Masterplan
Infrastructure only - plot trees within build costs
Included below
Provisional allowance in POS
Replaced by below
Super NEAP' - as suggested by SF 270324
Play pot' as suggested by SF 270324
None noted
Provisional allowance in POS
As noted on 0740-V4-1005 Rev F - Illustrative Masterplan
As noted on 0740-V4-1005 Rev F - Illustrative Masterplan
As noted on 0740-V4-1005 Rev F - Illustrative Masterplan
Allowance for dog bins, litter bins etc
Value to maintain the landscaping until handover to the appointed management company

Ref. No.	Archaeology and Ecology	Measure	Unit	Rate	Sub-total
67	Archaeological investigation	1	sum	£150,000	£150,000
68	Nutrient Neutrality	1	sum	£937,500	£937,500
69	General ecological mitigation	1	sum	£150,000	£150,000
70	Bee bricks - Green and Blue	0	nr	£48	£0
71	10% Bio-diversity net gain	1	sum	£75,000	£75,000
72	Bird boxes - Schwegler Type 1A	0	nr	£111	£0
73	Barn owl nesting box	1	nr	£300	£300
74	Bat tubes - Schwegler 1FR	100	nr	£183	£18,300
75	Hedgehog passes	220	nr	£25	£5,500
SUB-TOTAL					£1,336,600

Risk Band	Contingency
B	£15,000
B	£93,750
B	£15,000
B	£0
B	£7,500
B	£0
B	£30
B	£1,830
B	£550
SUB-TOTAL	

Total
£165,000
£1,031,250
£165,000
£0
£82,500
£0
£330
£20,130
£6,050
£133,660

Comments
Provisional allowance - "Low archaeological significance" as AC Heritage statement dated April '23
Revised costs as confirmed by Chris Winter on 5th March 2024
Provisional allowance - Halpin Robbins report 01.027.001.02_v2 dated 4th May 2023
None noted
As Halpin Robbins report 01.027.001.02_v2 dated 4th May 2023
None noted
As Halpin Robbins report 01.027.001.02_v2 dated 4th May 2023
Assumed one per two dwellings - Halpin Robbins report 01.027.001.02_v2 dated 4th May 2023
As Halpin Robbins report 01.027.001.02_v2 dated 4th May 2023



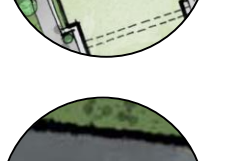


**Appendix 2 – Proposed Site Layout**

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-  APPLICATION BOUNDARY
-  LAND UNDER APPLICANTS CONTROL
-  SITE ACCESS
-  PEDESTRIAN & CYCLE CONNECTION
-  POTENTIAL FUTURE PEDESTRIAN/ CYCLE CONNECTION TO HALT/ STATION, ONWARD CONNECTION(S) BY OTHERS
-  PROPOSED TOUCAN CROSSING
-  EMERGENCY ACCESS
-  EXISTING VEGETATION / MATURE TREES / HEDGEROW
-  INDICATIVE LANDSCAPING
-  POTENTIAL LOCATION FOR FORMER TOP OF WELLINGTON MONUMENT
-  SECOND POTENTIAL LOCATION FOR FORMER MONUMENT
-  AREA OF PLAY IN HEART OF DEVELOPMENT, SUBJECT TO DETAILED DESIGN/RESERVED MATTERS/FURTHER NEGOTIATION FOR LEAP (400m<sup>2</sup>)/ NEAP (1000m<sup>2</sup>)
-  POTENTIAL FEATURE BUILDING
-  POTENTIAL RESIDENTIAL USE
-  POTENTIAL EMPLOYMENT USE
-  POTENTIAL MOBILITY HUB
-  MARKER BUILDINGS / BUILDING GROUPS / WAY-FINDERS
-  POTENTIAL SWALE
-  POTENTIAL ATTENUATION FEATURE
-  POTENTIAL FOUL WATER PUMPING STATION
-  RAIL LINK: BRISTOL - EXETER
-  TRANSPORT CONNECTIONS OFF STREET (BUS STOPS)
-  POTENTIAL PLAY ON THE WAY ACTIVITY
-  POTENTIAL WAY POINT / REST & PUBLIC ART / INTERPRETATION BOARD LOCATION
-  NEW NATIVE HEDGEROW/ THICKET/TREE PLANTING AND DOG PROOF FENCE
-  POTENTIAL BAT MITIGATION ZONE WITH STRUCTURED PLANTING (WITHIN LAND UNDER APPLICANTS CONTROL)
-  LAND RESERVED FOR PEDESTRIAN REFUGE FOR FUTURE HALT/ STATION

REVISIONS:

- A. 2023-08-08: Red outline the boundaries related to features a revised revised open space, as per LPA comments. JPD
- B. 2023-08-16: Western open space (blue line) strategy refined following agreement on ecological mitigation strategy. JPD
- C. 2023-08-24: Station square and nearby bus stop, red and blue line boundaries, subject to agreement. NEAP and LEAP locations added and repositioned for the former top of the Wellington monument adjacent to Lillebonne Way. JPD
- D. 2024-01-12: Bat mitigation, pedestrian refuge area added to the north of the site, with associated strategy line reworked identified as LPA request. JPD
- E. 2024-01-12: Further mitigation line identified to the north west (within the site), as LPA request. JPD
- F. 2024-01-12: New strategy updated following LPA request. JPD





**Land North of Taunton Road,  
Longforth Park, Wellington**

**Standard Build Cost Report**

# Document Control Sheet

**Document Title:** Standard Build Cost Report  
**Document Ref:** Build Cost Report 01  
**Project Name:** Land North of Taunton Road, Longforth Park, Wellington  
**Document Prepared for:** Belvedere Vantage Ltd  
**Document Status:** Rev 0  
**Date:** 20<sup>th</sup> March 2024



## Contents

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2	Assumptions	3
3	Cost Exclusions	3
4	Build Cost Review	3

## Appendices

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Build Cost Schedule – Median (with Lower Quartile for Comparison)	Appendix 1
BCIS Build Cost Data	Appendix 2

## 1 Introduction

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### Conduct

- 1.1 Where relevant and appropriate, the Terrus Cost Report complies with the principles of the RICS Professional Statement Financial Viability in Planning: Conduct and Reporting 1st edition, May 2019, ('PSFVP May 19') active from 1 September 2019. As required by the PSFVP May 19, Terrus hereby confirms that;
- 1.1.1 The Terrus Build Cost Report has been undertaken by Jonathan White ('JW'), who is a '*suitably qualified practitioner*', and therefore able to give an objective, impartial and reasonable viability judgement. JW has some 28 years of post-qualification experience and is very experienced in advising a wide range of parties, on the costs of development, understanding the costs of both infrastructure and residential development and inputs from other professional disciplines and having appropriate and up-to-date knowledge of the planning system". JW provides specialist independent advice relating to development costs and advises a range of public and private sector clients, including local authorities, developers, landowners, and others. (PSFVP paragraph 1.2).
- 1.1.2 The Terrus Build Cost Report has been prepared with objectivity, impartially, without interference and with reference to all appropriate available sources of information (PSFVP paragraph 1.2.)
- 1.1.3 JW has been engaged by the Applicant to provide an independent and objective opinion on the costs associated with the proposed development.
- 1.1.4 No conflict, or risk of conflict of interest exists. (PSFVP Paragraph 2.2)
- 1.1.5 The Applicant has made no specific requests of JW, either at the start or during the process of preparing the Terrus Build Cost Report (PSFVP Paragraph 2.2).
- 1.1.6 That, in preparing the Terrus Build Cost Report, no performance-related or contingent fees have been agreed (PSFVP Paragraph 2.3).
- 1.1.7 The Terrus Build Cost Report has been formally signed off and dated by the author, along with details of qualifications held (PSFVP Paragraph 2.12).
- 1.1.8 That, where relevant, inputs to the Terrus Build Cost Report supplied by other contributors and all contributions to reports relating to assessments of viability, comply with the PSFVP (Paragraph 2.13);
- 1.1.9 In accordance with Section 4 of the PSFVP May 2019, Terrus confirms that the advice provided in the Terrus Build Cost Report represents 'the most effective and efficient way to deliver a reasonable development performance proportionate to the scheme being tested, and that, where relevant, these matters have been given full consideration in the Terrus Build Cost Report.

### Introduction

- 1.2 Terrus Consulting is commissioned to provide an objective construction build cost report, for a development at Land North of Taunton Road, Longforth Park, Wellington to inform an Independent Financial Viability Assessment ('IFVA') being prepared by Belvedere Vantage Ltd ('BVL') in relation to a viability review relating to the above development which is being undertaken by West of England Developments Ltd.
- 1.3 The site is subject to an outline planning application for 200 dwellings (reference 43/23/0056), which was submitted to Somerset Council on 24<sup>th</sup> May 2023 and registered on 16<sup>th</sup> June 2023. The costs of the proposed scheme, based on the outline planning application drawings, have been considered within this report.

- 1.4 This build cost report considers the outlined 200 dwelling application scheme, which comprises:
- 200 dwellings.
  - A network of open spaces including parkland and footpaths for informal recreation.
  - New roads, parking areas, accesses, and paths.
  - Provision within the scheme for the spine road and enabling infrastructure to support the development of a rail halt/station.
  - Other ancillary activities; Including engineering operations, site preparation, ground works, the installation or improvement of services and infrastructure; the creation of drainage attenuation basins, improvements/works to the highway network and other ancillary works and activities.
- 1.5 The proposed development lies to the east of Wellington, Somerset and is bounded by Taunton Road to the South, an existing development to the west, the Bristol to Exeter railway to the north and open land to the eastern boundaries.
- 1.6 The residential site covers a developable area of approximately 5.07ha and predominantly comprises agricultural land. The parcel will be accessed by a new junction from the existing Nynehead Road.
- 1.7 The Build Cost Plan contains the following:
- Standard BCIS build cost plus allowance for plot externals, to be read in conjunction with the TCL Red Book cost plan for Abnormal Site Infrastructure.
  - Enhanced finishes.
  - Where relevant the above include contingency.

Infrastructure and site-specific Abnormal Costs are covered in a separate report.

## **2 Assumptions**

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### **Appraisal**

- 2.1 Costs assume works are completed in a single phase, with free access to all working areas along a continuous work front.
- 2.2 All costs are at present day without indexation.

## **3 Cost Exclusions**

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- 3.1 VAT
- 3.2 Financing costs.
- 3.3 LPA Planning costs.

## **4 Build Costs**

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- 4.1 This report should be read in conjunction with the TCL Abnormal Infrastructure Cost Plan which has been prepared on an RICS Red Book basis.

- 4.2 This report covers the build cost of the dwelling itself, with an allowance for its own plot costs, such as private drives, paths, patios, fencing, plot drainage and landscaping. In addition, where appropriate, the plot cost will also cover the applicable costs of the estate road onto which the dwelling faces along with the relevant foul-, surface- water drainage and utilities distribution infrastructure associated with that fronted road.
- 4.3 When read in conjunction with the TCL Abnormal Infrastructure Cost Plan this report gives an indication of the costs associated with developing the site for viability purposes.

#### Cost Heading Commentary

- 4.4 The following paragraphs provide descriptions of the various elements in the build cost schedule.

Item	Description
1	<b>Garages:</b> The notional site accommodation schedule has assumed a number of garages will be delivered on the site.
2	<b>Build Cost:</b> BCIS build costs have been obtained for the locality of the development, Taunton Deane, and are based on 1 <sup>st</sup> Quarter 2024, which is being taken as the valuation date for the purposes of this report. The BCIS output is included at Appendix 2.

The Median value has been taken from the BCIS schedule since this development is being partially delivered by a regional SME housebuilder, and is not located in a major population centre, it is therefore considered an applicable base build cost for a development of this nature. However, the report also includes details of the BCIS 'Lower Quartile' value, for comparison purposes.

A 10% uplift is then added to the BCIS base build cost to account for as private drives, paths, patios, fencing, plot drainage and landscaping. In addition, where appropriate, the plot cost will also cover the applicable costs of the estate road onto which the dwelling faces along with the relevant foul-, surface- water drainage and utilities distribution infrastructure associated with that fronted road.

If the BCIS Lower Quartile rates were adopted a 15% uplift would be added the base build costs.

A 5% contingency has been added for unforeseen elements.

The Build Cost Schedule based on Median BCIS cost data is included at Appendix 1. As noted above, Lower Quartile BCIS cost data is also included for comparison purposes.



Jonathan White  
BSc (Hons) MRICS



**Appendix 1 – 200 Dwelling Scheme Build Cost Schedule – Median / Lower Quartile**

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GARAGES		nos.	sqft				
Market - Single	45			Assumed at 30% across Open market with 25% Affordable			
avg. size sqft		194					
Market - Double	15			Assumed at 10% across Open market with 25% Affordable			
avg. size sqft		362	all in rate				
			£40	£565,756	+ 5% Contingency	£594,044	
						Single each	£8,138
						Double each	£15,190
total							£42
	total	14,144					

Standard Build - Median				BCIS rates applied Q12024				
Private Market				GIA at 117.5% re apartments	BCIS Median rate RATE £/sqft GIA excludes garages	add externals 10%	plus 5% contingency	rate/sqft saleable area incl. contingency
Unit type	sqft av size	No	total sqft					
Flat rate assumed in absence of prescribed mix								
Open Market (75%)	144,685	1	144,685	148,146	£136.94	£150.63	£22,883,821	£158.16
Sub Totals	144,685	1	144,685	148,146		Sub total	£22,883,821	£158.16
								average all in rate
			Saleable area	GIA sqft		grand total (incl. garages)	£23,477,864	£162.27
Totals		1	144,685	148,146		avg build cost/unit	£177,863	based on saleable area

Build BCIS - 1Q2024		
Median - Taunton Deane	£/sqm	£/sqft
810. Housing mixed developments	1,474	136.94
340. Mixed commercial developments	1,192	110.74

Standard Build - Median				BCIS rates applied Q12024				
Affordable				GIA at 117.5% re apartments	BCIS Median rate RATE £/sqft GIA excludes garages	add externals 10%	plus 5% contingency	rate/sqft saleable area incl. contingency
Unit type	sqft av size	No	total sqft					
Flat rate assumed in absence of prescribed mix								
Affordable (25%)	48,228	1	48,228	49,382	£136.94	£150.63	£7,627,940	£158.16
Sub Totals	48,228	1	48,228	49,382		Sub total	£7,627,940	£158.16
								average all in rate
			Saleable area	GIA sqft		grand total (No garages)	£7,627,940	£158.16
						avg build cost/unit	£86,681	based on saleable area
Total			ft2 192,913	197,528				
			m2 17,922	18,351				

Standard Build - Lower Quartile				BCIS rates applied Q12024				
Private Market				GIA at 117.5% re apartments	BCIS LQ rate RATE £/sqft GIA excludes garages	add externals 15%	plus 5% contingency	rate/sqft saleable area incl. contingency
Unit type	sqft av size	No	total sqft					
Flat rate assumed in absence of prescribed mix								
Open Market (75%)	144,685	1	144,685	148,146	£122.63	£141.03	£21,937,004	£151.62
Sub Totals	144,685	1	144,685	148,146		Sub total	£21,937,004	£151.62
								average all in rate
			Saleable area sqft	GIA sqft		grand total (incl. garages)	£22,531,047	£155.73
Totals		1	144,685	148,146		avg build cost/unit	£170,690	based on saleable area

Build BCIS - 1Q2024		
Lower Quartile - Taunton Deane	£/sqm	£/sqft
810. Housing mixed developments	1,320	122.63
340. Mixed commercial developments	-	-

\* 9th March BCIS update

Standard Build - Lower Quartile				BCIS rates applied Q12024				
Affordable				GIA at 117.5% re apartments	BCIS LQ rate RATE £/sqft GIA excludes garages	add externals 15%	plus 5% contingency	rate/sqft saleable area incl. contingency
Unit type	sqft av size	No	total sqft					
Flat rate assumed in absence of prescribed mix								
Affordable (25%)	48,228	1	48,228	49,382	£122.63	£141.03	£7,312,335	£151.62
Sub Totals	48,228	1	48,228	49,382		Sub total	£7,312,335	£151.62
								average all in rate
			Saleable area sqft	GIA sqft		grand total (No garages)	£7,312,335	£151.62
						avg build cost/unit	£83,095	based on saleable area
Total			ft2 192,913	197,528				
			m2 17,922	18,351				

**Appendix 2 – BCIS Build cost data – Taunton Deane 1Q 2024.**

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## £/M2 STUDY

Description: Rate per m2 gross internal floor area for the building Cost including prelims.

Last updated: 27-Jan-2024 07:28

Rebased to Taunton Deane ( 100; sample 22 )

## MAXIMUM AGE OF RESULTS: DEFAULT PERIOD

Building function (Maximum age of projects)	£/m <sup>2</sup> gross internal floor area						Sample
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest	
New build							
340. Mixed commercial developments (15)	1,497	947	1,169	1,192	1,913	2,265	5
810. Housing, mixed developments (15)	1,524	823	1,321	1,474	1,665	3,754	1275
810.1 Estate housing							
Generally (15)	1,510	732	1,285	1,452	1,649	5,199	1410
Single storey (15)	1,718	1,025	1,454	1,646	1,894	5,199	234
2-storey (15)	1,452	732	1,260	1,410	1,593	3,137	1093
3-storey (15)	1,593	932	1,323	1,517	1,810	3,098	78
4-storey or above (15)	3,157	1,528	2,528	2,823	4,203	4,702	5
810.11 Estate housing detached (15)	1,966	1,119	1,465	1,686	2,096	5,199	21
810.12 Estate housing semi detached							
Generally (15)	1,523	889	1,298	1,495	1,657	3,360	354
Single storey (15)	1,700	1,098	1,455	1,661	1,851	3,360	81
2-storey (15)	1,470	889	1,286	1,429	1,618	2,579	261
3-storey (15)	1,493	1,112	1,206	1,430	1,772	2,154	12



Building function (Maximum age of projects)	£/m <sup>2</sup> gross internal floor area						Sample	
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest		
810.13 Estate housing terraced								
Generally (15)	1,538	895	1,261	1,451	1,679	4,702	231	
Single storey (15)	1,764	1,149	1,465	1,737	2,106	2,512	18	
2-storey (15)	1,466	895	1,246	1,405	1,613	3,137	178	
3-storey (15)	1,630	932	1,323	1,495	1,830	3,098	33	
4-storey or above (10)	4,452	4,203	-	-	-	4,702	2	
816. Flats (apartments)								
Generally (15)	1,784	882	1,481	1,679	2,016	6,045	828	
1-2 storey (15)	1,683	1,027	1,414	1,593	1,880	3,489	173	
3-5 storey (15)	1,760	882	1,472	1,672	1,983	3,690	554	
6 storey or above (15)	2,099	1,281	1,701	1,974	2,277	6,045	98	

# Appendix 4

BVL Independent Financial Viability Assessment ('IFVA') Longforth Farm Phase 2 - Somerset Council Planning Reference - 43/23/0056

7 March 2024 - Amended description - "Outline application with all matters reserved, except for access, for a mixed use development of up to 200 No. dwellings, employment land (Use Classes E & F), an internal spine road to facilitate a rail halt/station, public open space, drainage & associated infrastructure"  
 DRAFT - BVL schedule of current; uses in the proposed development, target planning obligations, contributions/standards and other costs etc. that may impact on viability

Date of Update	19 March 2024	Areas Updated			Cost to be included in TCL Cost Plans or IFVA	Source & Date of Request	Notes	Comments
Type	Area	Target Provision/Requirement	Specific Cost (if Stated)					
	<b>KEY:</b> Target Section 106 Obligations Other possible costs/viability implications Costs to be included in TCL Cost Plans W/OED Actions as noted in the Council's Initial Draft s.106 terms of 2 November 2023							
CIL	Community Infrastructure Levy (CIL)	"The application is for residential development within the settlement limit of Wellington where the Community Infrastructure Levy (CIL) is £0 per square metre. Based on current rates, there would not be a CIL receipt for this development".				Council Initial (Draft 106) Overview - SiF - 2 November 2023		Based on the Council's current rates, no CIL is payable on this development, and CIL is therefore ignored for the purposes of the IFVA
<b>SECTION 106 OBLIGATIONS</b>	<b>Affordable Housing</b>							
		Up to a policy compliant level of 25% provision of the overall scheme with a tenure split of 60% affordable rented, 15% intermediate housing (shared ownership) and 25% First Homes	IFVA			Council Initial (Draft 106) Overview - SiF - 2 November 2023		The Council's Development Enabling Team made the following comments on the Outline Application in their response of dated 30 June 23; "Policy CP4 Housing in the Taunton Deane Core Strategy 2011-2028, the Affordable Housing Supplementary Planning Document (May 2014) and TDBC Decision June 2016 aim to ensure that affordable housing is provided as part of all development schemes which provide eleven or more net additional dwellings. 25% of the new housing should be in the form of affordable homes, with a tenure split of... 25% First Homes, 60% social rented and 15% intermediate housing in the form of shared ownership....."
		55 homes - Upon assessing the local housing need evidence (June-23) suggested affordable housing mix is :-	IFVA			Council Initial (Draft 106) Overview - SiF - 2 November 2023	Full comments online from Affordable Housing Enabler 29/06/2023	The response goes on to say; "Affordability of the First Homes tenure is a concern given the rising house prices within the location of this scheme therefore flexibility of the 25% First Homes to change to Shared Ownership would be considered to provide a more affordable low-cost home ownership option.
		Social Rent (33 dwellings) 3 x 1 bed house	IFVA				Also note adapted disabled units and assume these may mean bungalows.	The Council's response goes on to highlight further costs associated with affordable housing provision; "As the Affordable Housing Planning obligation includes 25 or more affordable homes, the scheme should provide 10% of the total affordable housing provision to be in the form of fully adapted disabled affordable homes in accordance with Part M4, Category 3: Wheelchair user dwellings of the Building Regulations 2010". (i.e. fully adapted, rather than being capable of being adapted at a later date).
		3 x 1 bed fully adapted disabled house	IFVA				Triggers TBA	Note - AH team request is for 22 SO dwellings - modelling undertaken on this basis (SO)
			IFVA					<b>Update - 7 March 2024 - the 55 affordable dwellings requested by the Council reflects 25% of the original application description of 'up to 200 dwellings'. However, as this has recently changed (7 March) to 'up to 200 dwellings', the 55 dwellings now reflects 27.5% of the proposed development. For completeness, it would be helpful to have an updated target FPC request for 200 dwellings from AH team.</b>
		10 x 2 bed house 2 x 2 bed fully adapted disabled house	IFVA IFVA					In the s.106 Agreement, any agreed affordable provision should be stated as a percentage of the total number of dwellings, in case this is less than 200.
		9 x 3 bed house	IFVA					
		1 x 3 bed fully adapted disabled house	IFVA					
		4 x 4 bed house	IFVA					
		1 x 5 bed house	IFVA					
		Shared Ownership (22 dwellings) 11 x 2 bed house 11 x 3 bed house						
		All dwellings should have their own front door and private garden As the Affordable Housing Planning obligation includes 25 or more affordable homes, the scheme should provide 10% of the total affordable housing provision to be in the form of fully adapted disabled affordable homes in accordance with Part M4, Category 3: Wheelchair user dwellings of the Building Regulations 2010.	TCL					
			TCL					

		WOED Action - Detail comment at 5.3.1 of D&A that an extra 5% is proposed.	IFVA	Is this an action from SC HOT 2 Nov 24?		DAS para 5.3 states as follows; "It is envisaged that up to 30% of the dwellings will be delivered as 'affordable homes', with up to 70% of dwellings as market sale". The Council's policy target is 25% affordable housing, and that any aspiration to exceed this would need to take account of viability, and the balance of remaining planning contributions.
Transport and Highway Infrastructure		Improvement and mitigation works and / or contributions to the local road network. It has now been agreed that WOED will provide the proposed spine road through development, therefore this element will be included in TCL's Cost Plans.	TCL	Council Initial (Draft 106) Overview - SiF - 2 November 2023		No cost included in this schedule, as this area is covered in TCL cost plan
		Provision of / contributions towards sustainable transport links and enhancements to public transport services		Council Initial (Draft 106) Overview - SiF - 2 November 2023	Triggers TBA	Original cost of proposed Active Travel contribution - £431,120, as per schedule dated 13 December 2023 from CW (In email of 18 December 2023); "Active Travel / Highways – We have made an offer to make a financial contribution rather than undertaking the work as Somerset Council have wider more strategic plans. Schedule attached".
		Travel Plan & safeguarding sum DAS (page 37) under the heading 'Off Site Connectivity' says; "A key part of the access credentials is the delivery of a 'Toucan' pedestrian crossing to Taunton Road, that is directly connected to the proposed footway/ cycleway to the transport hub. The plan shown here demonstrates the proposal, which also enhances beyond the crossing, improvements to the existing foot/cycleway connectivity."	77650	Council Initial (Draft 106) Overview - SiF - 2 November 2023		Update 14 February 2024; Simon Fox provided an updated TA contribution (working estimate) of double the previous figure - i.e. £840K, PLUS (after liaison with John Fellingham - a Travel Plan fee of £5k, and Safeguard fee of £72,650 were also requested. Included in the WOED 'Active Travel' offer referred to above.
	Active Travel Contribution	573,620	IFVA			Further update 14 March 2024 - following feedback and discussions with SC Highways, CW provided an updated (agreed) Active Travel schedule totalling £573,620. Is there any indexation to date to add to this schedule?
Future Access		To not stymie potential future access opportunities to the site to the east (The Lodge) for the purposes of future residential development and/or pedestrian and cycle access.	IFVA	Council Initial (Draft 106) Overview - SiF - 2 November 2023	None	
		WOED Action – Comments welcome.		Council Initial (Draft 106) Overview - SiF - 2 November 2023		WEOD to comment on future access issue. Any costs associated with this?
Green Infrastructure and Ecology plus Play Areas/Community Facilities and Public Art		WOED Action – Detailed comment required as to the quantum of POS proposed, and the nature, size and location of play areas (with buffers). Ecology to be informed by final Halpin Robbins report.	TCL	Council Initial (Draft 106) Overview - SiF - 2 November 2023	Comments online from Community Engagement Officer 30/06/2023	CIL / Community Engagement Officer response of 30 June 2023 "details of the size, location and layout of open spaces must be submitted for approval by the Council". UPDATE - DB email 15 Feb 24 @ 1641 - difference between issued plans of 26 Jan 24 & final confirmed pack issue of 15 Feb 24 (subject to consultation) "Essentially it was the.....the changing of the play strategy."
		Further details can be found in the Recreational Open Space & Community Halls: Guidance Note.	TCL	Council Initial (Draft 106) Overview - SiF - 2 November 2023	For allotments the requirement is 15.4sqm per dwelling, with infrastructure such as water supply, cycle and car parking, a meeting room, store and ideally toilets. Informal POS – 1ha per 173 dwellings or part thereof – need to be careful about doubling up and counting the use of land used for surface water attenuation.	
		A specific comment on BNG is also required.	TCL	Council Initial (Draft 106) Overview - SiF - 2 November 2023	All play areas, POS and community facilities to be considered for adoption with commuted sums.	CIL / Community Engagement Officer response of 30 June 2023 - "Children's Play CP5 of the Core Strategy along with Policy C2 and Appendix D of Taunton Deane Adopted Site Allocations and Development Management Plan (Dec 2016) stipulates the provision requirement for new open space. Provision of 0.8 hectare of children and teenager play space is required per 1000 persons. This constitutes a mixture of both informal play space and formal equipped play space. For new developments children's play should provide a minimum of 20sq meters of equipped children's playing area for all dwellings of 2 or more beds in the form of Local Equipped Play Areas (LEAP) and/or Neighbourhood Equipped Play Areas (NEAP)".
			TCL	Council Initial (Draft 106) Overview - SiF - 2 November 2023		<b>BVL Note; Costs associated with BNG to be included in TCL Cost Plan</b>
			TCL			Somerset Ecology Services consultation response dated 3 August 23 states as follows; "Please find attached an initial enhancement planning scheme for the above application, with particular emphasis in regards to the issues surrounding the nationally important Barbastelle bat roost. The potential mitigation strategy/enhancement of the site should seek to ensure longevity of the bat roost as well as answer various other ecological issues including: <b>Ensuring appropriate onsite BNG net gain</b> Providing sufficient and good quality space/habitat for species to thrive Ensuring all habitats and species are adequately considered."

			TCL				CW email of 18 December 2023; "Additional mitigation woodland planting for bat roost between 15 and 20 acres. Land is agricultural.
	Provision of Public Art (Monument top)		7000 IFVA		Council Initial (Draft 106) Overview - SiF - 2 November 2023	Triggers TBA	CW advised by email on 25 Jan 24 @ 1444 that cost to date was £2,000, with a further £5,000 anticipated
<b>Ecology Field specifically</b>	Specific provisions for the ecology field to be informed by Halpin Robbins/SC Ecology.  Planting, boundary treatments and management regime. WOED Action – To comment on detail. To be retained by landowner. It is unlikely WTC or SC will adopt the Ecology Field nor will SC agree to this being part of a Man Co, chargeable to local residents.		TCL TCL IFVA		Council Initial (Draft 106) Overview - SiF - 2 November 2023		IFVA to note long-term costs associated with donating, retaining and managing the ecology field in perpetuity?
<b>Employment Land</b>	Safeguarding of land for employment uses across E, B2 and B8 Use Classes  Provision of services by agreed trigger point. Agreement to the delivery of a certain amount of floorspace by a certain trigger.  WOED Action – To comment on delivery.		IFVA IFVA IFVA IFVA		Council Initial (Draft 106) Overview - SiF - 2 November 2023	Triggers TBA	CW email of 18 December 2023; "Approximately 2 acres of employment land".  DAS May 2023 - (Part 1 - page 36) – Gross Areas? Employment – 0.77 Ha, 1.89 acres. 26 Jan 2024 - 0740-v4-1006 C-Land Budget-FOD 26 Jan 24, areas are; Employment 0.96Ha/2.36 acres Employment (was 0.77 Ha, 1.89 acres) - marginal increase of 0.19Ha/0.47 acres.  Updated or new drawings as of 7 Mar 23 - Dwg No -0740-V4-1006-1 Land Areas Plan – Feb 24 (Rev 0). Employment land 0.828Ha or 2.046Ac. Dwg No 0740-V4-1009 GA Employment and Residential NDA – Rev C, 2024-01-24 (updated to suit latest Illustrative Masterplan Plan Rev F (JHD)). General employment buildings (gf only) total gross internal areas 2,645.4m2 / 28,475sq.ft
<b>Local Centre/Mixed Use Area</b>	Safeguarding of land for local centre uses across Use Class E Provision of services by agreed trigger point.  Agreement to the delivery of a certain amount of floorspace by a certain trigger. WOED Action – To comment on delivery.		IFVA IFVA IFVA IFVA		Council Initial (Draft 106) Overview - SiF - 2 November 2023	Triggers TBA	DAS May 2023 - (Part 1 - page 36) – Gross Areas - Mixed use – 0.71Ha, 1.76 acres  26 Jan 2024 - 0740-v4-1006 C-Land Budget-FOD 26 Jan 24; mixed use area removed.
<b>Spine Road</b>	To submit a Reserved Matters application for the spine road from Point A (Nynehead Rd) to Point B (Station Car Park boundary)(plan to be created)  associated land reprofiling, surface water drainage and required services for the road and train station (incl. car park) by March 2024. To also include a clause whereby if the Spine Road has not been constructed from Point A (Nynehead Rd) to Point B (Station Car Park boundary) to adoptable standards by February 2025 then the Council is granted step-in rights to deliver or complete the road, associated land reprofiling, surface water drainage and required services for the road and train station (incl. car park) pursuant to s278/s38 anywhere across the application site, subject to first having sought and received Reserved Matters approval.  WOED Action – To comment on delivery.		IFVA  TCL  IFVA IFVA		Council Initial (Draft 106) Overview - SiF - 2 November 2023	SJF - "I have made up the dates to instigate discussion!"	BVL Note: based on his site inspection, JW advises that there may be abnormal/additional costs relating to the linking of the existing Lidl infrastructure with the proposed new spine road infrastructure (i.e. this may not be as straightforward as anticipated, thus attracting additional time and cost) JW to comment further in the context of his infrastructure cost report
<b>Train Station Car Park/Mobility Hub Land</b>	To transfer said land, as set out on plan X, with services.  Additional land for Mobility Hub Potential mobility hub works in addition to land?  Creation of 'Station Square' feature area, and mobility hub		IFVA IFVA  TCL  IFVA		Council Initial (Draft 106) Overview - SiF - 2 November 2023	Trigger TBA	CW advises that discussions have been ongoing between WOED and Network Rail over a proposed obligation for landowner to provide land (free of charge) for a new railway station car park, and associated land for running the new station. The landowner is being asked to gift land, in perpetuity, for the car park to serve the proposed new station/halt. The financial implications of this will need to be taken into account within the IFVA. Related to this point, are the detailed/extensive requirements of Network Rail, with whom WOED have been liaising extensively, over the last two years or so.  JW has raised the cost of Network Rail specific requirement for fencing & standards/requirements generally, which need to be included in the TCL Cost Plan. CW email of 19 December 2023 (1152) said "One other item arose at a meeting this morning, the council would like us to donate an additional ¼ acre for an additional element of the station car park, their mobility hub.  BVL to include land cost implications in land section of IFVA Notional allowance included for now
					Added by CW by email on 12/2/24 following meeting with SF earlier that day		CW email of 12/2/24 - We have little information about this, but this will involve a land transaction, design and construction of a paved area with planters, services, cycle secure storage, the monument structure and foundations etc.

						15 Feb 24 @ 1641 - UPDATE - DB email - difference between issued plans of 26 Jan 24 & final confirmed pack issue of 15 Feb 24 (subject to consultation) "Essentially it was the removal of the building and monument in the mobility hub"
	Station square and mobility hub		305,000	IFVA		Notional figure for now. Assumes donation of land for Station Square & mobility hub, plus £300k contribution from WOED towards this element + £5k design (CW 23/2 @ 1146)
<b>Education</b>						
	Financial Contributions totalling £2,765,959			IFVA	Council Initial (Draft 106) Overview - SJF - 2 November 2023	BVL Note; These figures produce a reduced total of £2,765,959 (a reduction of £402,213 or around 13% on the initial request). This equates to £12,573 per dwelling, for the maximum 220 dwellings (for 200 dwellings, this would equate to £13.830 per dwelling). Again, it is not known whether the totals quoted include any exemption for affordable housing dwellings.
	Early Years £385,236		385,236	IFVA		
	Primary £3,367,589* (see BVL Note opposite)		1,367,589	IFVA		BVL Note - based on the Council's response of 23 August 2023 (to the Carney Sweeney challenge of 1 August 2023) the Primary contribution being sought should be <b>£1,367,589</b> , rather than the £3,367,589 shown in the Council's Initial S106 overview of 2 November 2023.
	Secondary £829,105		829,105	IFVA		
	SEND £184,029		184,029	IFVA		
						Triggers TBA
<b>NHS/ICB</b>						
	Financial contribution of £100,040		100,040	IFVA	Council Initial (Draft 106) Overview - SJF - 2 November 2023	NHS Somerset – Health Contributions
						The consultation response from NHS Somerset dated 21 June 23 notes that; "It is envisaged that the vast majority of the residents of the proposed development will register as patients with these practices. The current combined medical centres providing primary care are up to their capacity and will not be able to absorb the increased patients arising from the proposed development. The only way to mitigate the impact is to increase the physical capacity of the existing surgeries. The ICB has carefully calculated the space needed to mitigate the impact, drawing upon the document adopted in neighbouring authorities "Health Contributions Technical Note" which was jointly prepared with NHS England. The detailed calculation is attached to this document as Appendix 1 - Total contribution required = £100,040".
<b>Economic Development</b>						
	Local Labour Agreement			TCL	Council Initial (Draft 106) Overview - SJF - 2 November 2023	BVL Note - need to understand, and account for, the cost and other implications of the LLAs within the IFVA
	See Local Labour Agreements in Sedgemoor (somerset.gov.uk)			TCL		
	This refers to Sedgemoor but has now been rolled out across Somerset Council.			TCL		
<b>Nutrient Neutrality</b>						
	Link to Phosphate Mitigation Plan/Strategy and phasing plan			TCL	Council Initial (Draft 106) Overview - SJF - 2 November 2023	BVL Note; See Haplin Robbins 'Nutrient Neutrality Assessment Multiple use Development at Longfirth Farm, north of Taunton Road, Wellington, Somerset' (13 February 2023). JW to include costs in Infrastructure Cost Plan
	WOED Action – To comment on detail and delivery.			TCL		CW email of 18 December 2023; "Phosphate mitigation – on site treatment plant estimate £450,000 actual figure being worked on, plus additional mitigation required for 14.92 kg of phosphates @ say £55,000 per kg equals £820,600, plus additional works to attenuation lagoons to create SUD's wetland say £125,000".
	Additional mitigation			TCL		The Council's Phosphates Team - consultation response from dated 29 June 2023 states as follows; "The proposed application is an outline application with all matters reserved, except for access, for a mixed-use development of up to 220 No. dwellings, employment land (Use Class E & B8) a car park and internal spine road to facilitate a rail halt/station, public open space, drainage & associated infrastructure. The proposed development will increase phosphate loading into the catchment and subsequently the Somerset Levels and Moors Ramsar site, as a result phosphate mitigation is required so that the proposed development is phosphate neutral in perpetuity. Details of the proposed development and mitigation will need to be provided to the LPA in the form of a NNA or NNAMS report."



TCL

Natural England consultation response dated 2 August 23 states; "Further information needed to assess impacts on protected sites and species. As submitted the application documents do not provide enough information to demonstrate that harm to the Somerset Levels and Moors Ramsar Site, or to an important maternity colony for Barbastelle bats, can be avoided. Natural England therefore objects to the application as it stands pending further information being provided.....Somerset Levels and Moors Ramsar Site A nutrient neutrality assessment has been submitted for the application, however, there are a number of matters that need to be clarified before your Authority can complete an Appropriate Assessment. Specifically: The NNAMS states that there will be a "private treatment system, managed and operated by a registered water treatment provider." We assume that this means an Ofwat approved statutory sewage undertaker will run the private wastewater treatment facility, but this should be made clear. Such arrangements are a reliable means of reducing phosphorus concentrations in foul water discharge, though having said that, in our experience the provider typically commits to delivering a lower concentration level of 0.3mg/l, rather than the 0.9mg/l quoted in the NNAMS. Commitment to 0.3mg/l would significantly reduce the need for other measures to achieve nutrient neutrality. We are unclear about the approach used to calculate treatment of surface water run-off. The 2022 CIRIA guidance is designed to be used in conjunction with the Natural England methodology (i.e., a higher urban rate) rather than with the Somerset calculator, which already takes account of SuDs reductions in the 0.83kg/ha urban leaching rate. The NNAMS indicates that purchase of phosphorus credits will make up any shortfall in reaching neutrality. That is acceptable provided your Authority is satisfied that those credits have been secured.

CW email of 19 December 2023

Monitoring Fee

"In accordance with Somerset Council Planning Fees and Charges 1 April 2023 - 31 March 2024, a monitoring fee of £300 per obligation (per trigger point) plus £300 per Agreement is payable and will be included within the S106 Agreement as payable on completion of the Agreement. Where a site has abnormally low costs, or where little monitoring is required, a reduction in fees will be considered".

5000 IPVA

CIL / Community Engagement Officer response of 30 June 2023

BVL Note; Stated monitoring fee is £300 per obligation (per trigger point) plus £300 per Agreement. Working estimate £5,000

OTHER COSTS/POSSIBLE COST IMPLICATIONS

Office of Rail and Road

The consultation response dated 15 August 23 notes that the proposed development will need to comply with the "requirements relating to operational railway and Network Rail land....." The impacts of these requirements will need to be investigated further.

TCL

TCL is aware of these requirements and will include them in its infrastructure cost plan

Taunton Area Cycling Campaign

The consultation response dated 9 August 23 notes that provision should be made for cycling & cycle links. If the involvement of this group leads to any changes in the submitted proposals, these will need to be taken into account in the IPVA.

TCL

Note

Wessex Water

The consultation response dated 7 Aug 23 provides no objections, but notes that assets may clash with the illustrative Masterplan.

TCL

Any likely costs relating to working around Wessex Water assets to be accounted for in the TCL Cost Plan. CW 25 Jan 1444 - Focus High Level Drainage Strategy Plan provided, possible need for rising main diversion?

Conservation Officer

The consultation response dated 25 July 23 says; - "The principle of the development in this location is acceptable. However, the initial outline proposals have the potential to cause less than substantial harm to the setting of Nynehead Court and the Nynehead Court Registered Park & Garden."

IPVA

Possible costs associated with any mitigation measures that are required? CW advised on 25 Jan 24 @ 1444 - assessment of this being undertaken - believed that no action will be required.

Environmental Health - NOISE

The consultation response dated 21 July 23 states that; "There is no noise assessment with the application to confirm that the mixed use and residential areas by the railway line will be suitable for residential use. It may be that noise mitigation is required (which is best done in the layout and design phase, rather than rely on putting in acoustic glazing and ventilation), or it could be that development should be restricted within a certain distance of the railway line and station. Without a noise report it is not possible to comment on this further. Noise from commercial uses. The application refers to class E and B8 uses. This could include some noisy activities (depots etc). It is recommended that the commercial uses close to residential properties are restricted to use classes that are not likely to cause disturbance to people in any neighbouring properties".

TCL  
TCL

Under 'Other Technical Matters,' Planning Statement ('PS'), paragraph 4.8.2, identifies the following potential noise sources, (both existing and proposed): " Lidl foodstore - plant and delivery activities. - Road noise - Nynehead Road and the B3187. - Employment uses - plant, on site activities, deliveries. - Railway Line. Paragraph 4.8.3 says; "The Technical Note does not identify any prohibitive noise conditions either affecting the site or resulting from the proposed development but does identify that consideration would need to be given to a number of noise mitigation measures. These include consideration of the layout and orientation of plots and gardens, the provision of appropriate buffers between noise sources and more noise sensitive uses, acoustic glazing, mechanical ventilation, and acoustic screening."

BVL Notes; noise assessment provided (CW email 25 Jan 24 @ 1444).

	<b>Environmental Health - SEWAGE TREATMENT</b>	The consultation response dated 21 July 23 also states that; "Odour from sewage treatment plant. The plan shows a Foul Water Treatment Plant to the north of the site, very close to proposed residential use. There is no odour assessment to show that this is a suitable location for a sewage treatment plant. The developer should carry out an assessment to determine whether a treatment plant would be able to be sited there, and it is recommended that they liaise with Wessex Water regarding this."	TCL	Costs included in TCL Cost Plan
	<b>Rights of Way</b>	Consultation response dated 17 July 23 advises; "Thank-you for consulting us on this planning application. After reviewing the application, we will be submitting a PROW response for the proposal in future."	TCL	Any PROW associated costs would need to be included in the IFVA.
	<b>South West Heritage Trust</b>	Consultation response dated 13 July 23; "The submitted Heritage Statement acknowledges that significant medieval archaeology in the form of a high status building complex with associated garden features was discovered to the west of this proposal site. The HS also recognises that there is potential for prehistoric and Roman period archaeology in this area. on and therefore the proposal is likely to impact on a heritage asset. However, there is currently insufficient information contained within the application on the nature of any archaeological remains to properly assess their interest. For this reason I recommend that the applicant be asked to provide further information on any archaeological remains on the site prior to the determination of this application. This is likely to require a field evaluation comprising geophysical survey and dependent on results, trial trenching as indicated in the National Planning Policy Framework (Paragraph 194)" .	TCL	Archaeological costs (as per Archaeological report) included in TCL Infrastructure Cost Plan
	<b>Basis of TCL Cost Plans</b>	Given that all matters are reserved apart from access, the PS explains that (at paragraph 2.3.4); "The application is accompanied by a masterplan to demonstrate how the proposed uses can be successfully accommodated at the application site. A series of parameter plans are provided to fix elements to the scheme in relation to movement, urban design, and land use. A series of principles plans are provided to indicate how further elements of the scheme could potentially be delivered. Future Reserved Matters applications will then fix the detailed layout, appearance of the buildings, landscaping, and scale."  Page 21 of the PS also confirms that; "Any reasonable identified infrastructure contributions necessary to make the development acceptable will be considered".	TCL  TCL	TCL Infrastructure Cost Plan to be based on all available information, including Masterplan and principles/parameter plans, along with reference to existing elements adjacent to the proposed development  No other infrastructure contributions "necessary to make the development acceptable" have been indicated/requested.
	<b>Surface Water Drainage</b>	Paragraph 4.6.7 of the PS "Drainage Strategy Surface Water" notes as follows; "The underlying geology means that is highly unlikely that the site will be suitable for infiltration methods. Therefore, the drainage strategy proposes the storage and controlled release of surface water from two above ground detention basins into the railway toe ditch (ditch 3) along the northern boundary. Surface water will be conveyed to the basins via swales and the retained drainage ditches. These features will manage the surface water of the development and will also provide opportunities for water quality, amenity, and biodiversity enhancements."	TCL	Costs included in TCL Infrastructure Cost Plan
	<b>Foul Drainage</b>	Paragraphs 4.6.11 to 4.6.13 of the PS state, in relation to Foul Drainage; "Foul flows from the proposed development will drain via gravity to a new pumping station located along the northern boundary, ideally adjacent to Basin 1.....All foul water sewers and the pumping station will be offered for adoption via a Section 104 agreement".	TCL	Costs included in TCL Infrastructure Cost Plan
	<b>Grants/subsidy to support development</b>	DAS paragraph 4.10 onwards refers to the 'Devon & Somerset Metro-Board' and states as follows; "Focus on Design, on behalf of the applicant, attended the regular meeting with the Devon & Somerset Metro board on 24.02.23, to provide the forum with an update as to where the planning application and design stage process was at that point. The meeting commenced on site where a guided tour narrated by Focus on Design was held to provide context of the master plan and how the access to the new station would be accommodated naturally into the scheme and landscape. The responses were positive and approach to how the access was being formulated was agreed, subject to detailed design; with the only area for discussion being how the access infrastructure would be funded? This is to be discussed further as part of wider negotiations with all parties involved, however at this stage it is assumed that the developer who would secure approval of reserved matters would fund/deliver this. Since the event the Local Planning Authority are pursuing other funding streams, to aid delivery."	IFVA	CW confirmed on 25 Jan 2024 @ 1444 that no actual, or potential, sources of infrastructure funding have been identified. The IFVA therefore assumes that no external (additional) funding will be available to support the proposed development.

	Care will need to be taken to ensure that any cost impacts on the Application Scheme, arising from this study, are included in the IFVA.		IFVA	
	<b>Other Standards/Aspirations with Cost Implications</b>	Page 55 of the DAS notes some further potential areas that will have cost implications within the IFVA, under the heading 'Construction' including:  <i>Responsible Sourcing</i> <i>Sourcing timber – ensuring through sustainability managed forests</i> <i>Electric Vehicle Charging</i> <i>Management of construction waste &amp; Air Quality</i> <i>More detailed work on sustainability strategies (to be investigated further)</i>  <i>Implementation of the 'New Homes' standard."</i>	TCL TCL TCL TCL TCL TCL	All included in TCL Cost Plan
	<b>Wellington Place Principles</b>	Page 61 of the DAS 'Conclusion' says; "A vital factor of the development is the embracing of the Wellington Place Plan principles and the incorporation of the rail halt / station as a key transport hub for the town"	TCL	Will "embracing the Wellington Place principles" involve any additional requirements/potential costs (over and above those noted elsewhere in this schedule) that should be taken into account in the IFVA?
	<b>Policy SS3 Longforth</b>	PS Section 3 'Planning Policy' (pages 9 & 10) provides further details of the extensive requirements of 'Policy SS3 Wellington Longforth', which is noted to allocate the site "for the following development":  <i>"1. Around 900 new homes at an overall average of 35-40 dwellings per hectare.</i> <i>2. 25% of new homes to be affordable homes.</i> <i>3. New local centre with associated social infrastructure including a single farm entry primary school, GP surgery, community hall, places of worship, sheltered housing, and local convenience shopping.</i> <i>4. 11 hectares of employment land for general industrial (B2) and storage and distribution (B8) at the eastern edge of the allocation. This area is designated for the relocation of the two biggest employers in Wellington;</i>  <i>5. Land released by the relocation of the two biggest employers to be used for mixed use development including part of the new local centre, re-opening of Wellington railway station, new homes, and small business start-up units along the railway line;</i> <i>6. Developer contributions towards</i>  <i>(a) studies to establish the engineering, operational and commercial feasibility of a railway station for Wellington and,</i>  <i>(b) subject to approval by the rail industry, towards capital costs;</i>  <i>7. Developer contributions for other infrastructure delivery.</i>  <i>8. Northern Relief Road in the initial phases of the development between Taunton Road and the existing employment area, alleviating HGV traffic in the town centre and residential areas;</i>  <i>9. A local bus loop to provide public transport access to the residential areas and link with the town centre, railway station and inter-urban bus services between Wellington and Taunton;</i>  <i>10. A green wedge of 18 hectares between the residential area and the employment area".</i>		The IFVA assumes that there are no elements associated with the wider Longforth development (under 'Policy SS3 Wellington Longforth') that will impact here, and that should be taken into account, even though they are not specifically mentioned in the Council's draft Heads of Terms of 2 November 23? (confirmed by CW on 25 Jan 24 @ 1444).
<b>SUBSEQUENT CONTRIBUTION REQUESTS</b>				
	We met with Simon Fox yesterday and two things were raised regarding financial contributions.			Added by CW by email on 1/2/24 following meeting with SF
	Sports/playing fields	One, sports/playing fields. Robin Upton has looked into the council calculations for this see his email below.....RU; On the playing pitches contribution, based on a scheme of 10 1-beds and 190 houses of 2-beds or more, the Council's POS calculator (below) comes to a value of £77,597 capital cost to provide the playing pitches and £47,116 commuted sum. That is a total off-site contribution of £124,714 or £624 per dwelling. The calculator doesn't look at allotments, so I will look elsewhere.	124,714 IFVA	Added by CW by email on 1/2/24 following meeting with SF
	Allotments	The second is allotments - as they don't need any more here they are seeking a contribution to help create improvements to existing allotments. Robin is looking into this.	10,000 IFVA	Added by CW by email on 1/2/24 following meeting with SF
				Base contribution of £77,597, plus commuted sum of £47,116 Email from RU 8 Feb 23 - We have proposed £10,000 for the following; site area about 65m x 45m, Digger to clear site, mix in imported soil, peg out plots, When we hear from the Council that it is confirmed we will let you know. I don't think it will change considerably.

Removal of overhead cables	One thing that has raised its head relating to the site at Wellington, is the removal of overhead cables. I have asked National Grid for copies of the relevant wayleaves. There will be a cost attributable to moving these. At best it will involve us excavating trenches for NG to relocate their cables so say perhaps £25,000 at worst it would be meeting the cost of the full diversion. We wont know which way for some time. On a previous, but more complicated site they want to charge £140,000 to remove the cables. Here it is more simple but it could be £100,000.	TCL	Added by CW by email on 1/2/24 following meeting with SF	Estimate only (from CW) To be included in JW Cost Plan
Contribution to 'Green way'	"Green way " cycle and footway project - contribution of £50k sought towards feasibility studies for work to the railway tunnel and associated accessibility linkage works.	50,000	Added by CW by email on 12/2/24 following meeting with SF earlier that day	Additional separate contribution to Active Travel but relating to SC "Green way " cycle and footway project they want a contribution of £50,000 towards feasibility studies for work to the railway tunnel and associated accessibility linkage works.
Changing room contribution				
Council legal costs		5000		Raised & queried with RU by CW by email on 11 March 24. SF email 8 Mar 24 @ 1459 also refers; "Could you also clarify the answer to the ask regarding a changing room contribution further to your email of 02/02 illustrating such is required?"
Check - TCL Cost Plan additions;.				
	CW email 18 Dec 23 @ 1641 - Public open space etc. Report attached (from SC CLIL . Includes A minimum of 6.8Sha per 1000 population of open space provision and LEAPs/NEAPs – plus monitoring fee; (In accordance with Somerset Council Planning Fees and Charges 1 April 2023 - 31 March 2024, a monitoring fee of £300 per obligation (per trigger point) plus £300 per Agreement is payable and will be included within the S106 Agreement as payable on completion of the Agreement).	TCL		
	9 Feb 24 - Have queries raised by JW on @ 0743 been answered?	TCL		
	14 Feb 0951 - (CW email).Somerset Ecology Services (SES) ecology conditions agreed by WOED	TCL		
	16 Feb 24 – 0759 - Mobility hub. – pricing the design and costs associated with the station square. CW circulates WSP (acting for SC re mobility hubs) Technical Note dated 22 Sept 23, which FOD use for design fee proposal.	TCL		
	CW 5 Mar 0746 - As we are not using an on-site package treatment plant for the foul sewage treatment, there are unforeseen consequences that mean we need a further 10kgs of phosphate credits. That means a total of 25 kgs for the development. 25 kgs at £37,500 per kg give a revised total cost of £937,500 (plus legal costs?).	TCL		
	15 Mar 24 Draft legal pack provided by SF on . Implications of LLA to be noted in TCL Cost Plan.	TCL		
<b>Overall Total - Target Obligations (Excluding cost of affordable housing, and any costs included in TCL Cost Plans)</b>		<b>4,023,983</b>		
<b>Cost per dwelling (based on 200 dwellings max.)</b>		<b>20,120</b>		

**APPRAISAL SUMMARY****BELVEDERE VANTAGE LTD**

**240325- Draft IFVA Appendix -Scen 1 Target FPC-Upd CP-BCIS LQ+15%-Max Agents Sales, 27.5% AH, Full Target WOED & Somerset Council - Land North of Taunton Rd, Longforth Park, Wellington, Somerset**

**Summary Appraisal for Phase 1****REVENUE**

<b>Sales Valuation</b>	<b>Units</b>	<b>ft<sup>2</sup></b>	<b>Rate ft<sup>2</sup></b>	<b>Unit Price</b>	<b>Gross Sales</b>
Social Rent	33	31,485	£150.00	£143,112	4,722,705
Shared Ownership	22	19,300	£150.00	£131,590	2,894,978
Open Market Sale	<u>145</u>	<u>142,128</u>	<u>£310.00</u>	<u>£303,860</u>	<u>44,059,680</u>
<b>Totals</b>	<b>200</b>	<b>192,913</b>			<b>51,677,363</b>

**Additional Revenue**

2.046 ac employ. land @ max £500k/a	1,023,000			1,023,000
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**NET REALISATION****52,700,363****OUTLAY****ACQUISITION COSTS**

Fixed Price (27.35 Acres £73,126.14 pAcre)	2,000,000			
Stamp Duty	151,250			
Agent Fee	1.00%	20,000		
Legal Fee	0.75%	15,000		
Planning Application Costs	200,000			
				2,386,250

**Other Acquisition**

Other facilitating land	170,000			170,000
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**CONSTRUCTION COSTS**

<b>Construction</b>	<b>ft<sup>2</sup></b>	<b>Rate ft<sup>2</sup></b>	<b>Cost</b>	
Social Rent	31,485	£122.63	3,861,006	
Shared Ownership	19,300	£122.63	2,366,759	
Open Market Sale	146,743	£122.63	17,995,094	
<b>Totals</b>	<b><u>197,528</u></b>		<b><u>24,222,859</u></b>	<b>24,222,859</b>

Contingency - standard build	5.00%	1,421,102		
Infra risk (TCL)		1,624,724		
				3,045,826

**Other Construction**

Land preparation/Enabling (TCL)		923,644		
Highway works (TCL)		4,262,462		
Flood risk/drainage (TCL)		2,948,065		
Utilities (TCL)		1,114,658		
Landscaping (TCL)		1,782,713		
Archaeology & ecology (TCL)		1,718,550		
Plot Abnormals (TCL)		3,171,402		
Plot Externals @ 15% Plot (TCL)	15.00%	3,633,429		
Garages(TCL Est.)		565,756		
				20,120,679

**PROFESSIONAL FEES**

Prof fees - Standard Build Costs	7.50%	2,131,653		
Prof fees- Infrastructure (TCL)		1,754,622		
				3,886,275

**MARKETING & LETTING**

Mkting & sales	3.00%	1,408,640		
				1,408,640

**DISPOSAL FEES**

Legal fees for RP sale	55 un	400.00 /un	22,000	
OM legal fees	145 un	600.00 /un	87,000	



**APPRAISAL SUMMARY****BELVEDERE VANTAGE LTD**

240325- Draft IFVA Appendix -Scen 1 Target FPC-Upd CP-BCIS LQ+15%-Max Agents Sales, 27.5% AH, Full Target  
WOED & Somerset Council - Land North of Taunton Rd, Longforth Park, Wellington, Somerset

109,000

**Additional Costs**

CIL	1	
Travel Plan	5,000	
Safeguarding sum	72,650	
Active Travel £	573,620	
Pub.Art (Monmt)	7,000	
Station SQ & Mob Hub £	305,000	
Education £	2,765,959	
NHS/ICB £	100,040	
s.106 monitoring fee?	5,000	
POS offsite £ & CS	124,714	
Allotments £	10,000	
Greenway £	50,000	
Council legal costs?	5,000	
Changing room contribution	1	
		4,023,985

**FINANCE**

Debit Rate 6.000% Credit Rate 2.000% (Nominal)		
Land	1,205,944	
Construction	4,681,853	
Total Finance Cost		5,887,798

**TOTAL COSTS**

**65,261,311**

**PROFIT**

**(12,560,948)**

**Performance Measures**

Profit on Cost%	(19.25)%
Profit on GDV%	(24.31)%

**APPRAISAL SUMMARY****BELVEDERE VANTAGE LTD**

240325- Draft IFVA Appendix -Scen 2-Upd CP-BCIS LQ+15%-Max Agents Sales, Nil AH, Full Target S106, No CIL  
WOED & Somerset Council - Land North of Taunton Rd, Longforth Park, Wellington, Somerset

**Summary Appraisal for Phase 1****REVENUE**

<b>Sales Valuation</b>	<b>Units</b>	<b>ft<sup>2</sup></b>	<b>Rate ft<sup>2</sup></b>	<b>Unit Price</b>	<b>Gross Sales</b>
Social Rent	33	31,485	£310.00	£295,768	9,760,350
Shared Ownership	22	19,300	£310.00	£271,955	5,983,000
Open Market Sale	<u>145</u>	<u>142,128</u>	£310.00	£303,860	<u>44,059,680</u>
<b>Totals</b>	<b><u>200</u></b>	<b><u>192,913</u></b>			<b><u>59,803,030</u></b>

**Additional Revenue**

2.046 ac employ. land @ max £500k/a	1,023,000			1,023,000
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**NET REALISATION****60,826,030****OUTLAY****ACQUISITION COSTS**

Fixed Price (27.35 Acres £73,126.14 pAcre)	2,000,000			
Stamp Duty	151,250			
Agent Fee	1.00%	20,000		
Legal Fee	0.75%	15,000		
Planning Application Costs	200,000			
				2,386,250

**Other Acquisition**

Other facilitating land	170,000			
				170,000

**CONSTRUCTION COSTS**

<b>Construction</b>	<b>ft<sup>2</sup></b>	<b>Rate ft<sup>2</sup></b>	<b>Cost</b>	
Social Rent	31,485	£122.63	3,861,006	
Shared Ownership	19,300	£122.63	2,366,759	
Open Market Sale	146,743	£122.63	17,995,094	
<b>Totals</b>	<b><u>197,528</u></b>		<b><u>24,222,859</u></b>	<b>24,222,859</b>

Contingency - standard build	5.00%	1,421,102		
Infra risk (TCL)		1,624,724		
				3,045,826

**Other Construction**

Land preparation/Enabling (TCL)			923,644	
Highway works (TCL)			4,262,462	
Flood risk/drainage (TCL)			2,948,065	
Utilities (TCL)			1,114,658	
Landscaping (TCL)			1,782,713	
Archaeology & ecology (TCL)			1,718,550	
Plot Abnormals (TCL)			3,171,402	
Plot Externals @ 15% Plot (TCL)		15.00%	3,633,429	
Garages(TCL Est.)			565,756	
				20,120,679

**PROFESSIONAL FEES**

Prof fees - Standard Build Costs	7.50%	2,131,653		
Prof fees- Infrastructure (TCL)		1,754,622		
				3,886,275

**MARKETING & LETTING**

Mkting & sales	3.00%	1,794,091		
				1,794,091

**DISPOSAL FEES**

Legal fees for RP sale	55 un	400.00 /un	22,000	
OM legal fees	145 un	600.00 /un	87,000	

**APPRAISAL SUMMARY****BELVEDERE VANTAGE LTD**

240325- Draft IFVA Appendix -Scen 2-Upd CP-BCIS LQ+15%-Max Agents Sales, Nil AH, Full Target S106, No CIL  
WOED & Somerset Council - Land North of Taunton Rd, Longforth Park, Wellington, Somerset

109,000

**Additional Costs**

CIL	1	
Travel Plan	5,000	
Safeguarding sum	72,650	
Active Travel £	573,620	
Pub.Art (Monmt)	7,000	
Station SQ & Mob Hub £	305,000	
Education £	2,765,959	
NHS/ICB £	100,040	
s.106 monitoring fee?	5,000	
POS offsite £ & CS	124,714	
Allotments £	10,000	
Greenway £	50,000	
Council legal costs?	5,000	
Changing room contribution	1	
		4,023,985

**FINANCE**

Debit Rate 6.000% Credit Rate 2.000% (Nominal)		
Land	1,205,944	
Construction	3,114,399	
Total Finance Cost		4,320,343

**TOTAL COSTS**

**64,079,308**

**PROFIT**

**(3,253,278)**

**Performance Measures**

Profit on Cost%	(5.08)%
Profit on GDV%	(5.44)%

**APPRAISAL SUMMARY****BELVEDERE VANTAGE LTD**

240325- Draft IFVA Appendix -Scen 3-Upd CP-BCIS LQ+15%-Max Agents Sales, Nil AH, Nil Education, No CIL  
WOED & Somerset Council - Land North of Taunton Rd, Longforth Park, Wellington, Somerset

**Summary Appraisal for Phase 1****REVENUE**

<b>Sales Valuation</b>	<b>Units</b>	<b>ft<sup>2</sup></b>	<b>Rate ft<sup>2</sup></b>	<b>Unit Price</b>	<b>Gross Sales</b>
Social Rent	33	31,485	£310.00	£295,768	9,760,350
Shared Ownership	22	19,300	£310.00	£271,955	5,983,000
Open Market Sale	<u>145</u>	<u>142,128</u>	£310.00	£303,860	<u>44,059,680</u>
<b>Totals</b>	<b>200</b>	<b>192,913</b>			<b>59,803,030</b>

**Additional Revenue**

2.046 ac employ. land @ max £500k/a	1,023,000			1,023,000
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**NET REALISATION****60,826,030****OUTLAY****ACQUISITION COSTS**

Fixed Price (27.35 Acres £73,126.14 pAcre)	2,000,000			
Stamp Duty	151,250			
Agent Fee	1.00%	20,000		
Legal Fee	0.75%	15,000		
Planning Application Costs	200,000			
				2,386,250

**Other Acquisition**

Other facilitating land	170,000			170,000
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**CONSTRUCTION COSTS**

<b>Construction</b>	<b>ft<sup>2</sup></b>	<b>Rate ft<sup>2</sup></b>	<b>Cost</b>	
Social Rent	31,485	£122.63	3,861,006	
Shared Ownership	19,300	£122.63	2,366,759	
Open Market Sale	146,743	£122.63	17,995,094	
<b>Totals</b>	<b><u>197,528</u></b>		<b><u>24,222,859</u></b>	<b>24,222,859</b>

Contingency - standard build	5.00%	1,421,102		
Infra risk (TCL)		1,624,724		
				3,045,826

**Other Construction**

Land preparation/Enabling (TCL)		923,644		
Highway works (TCL)		4,262,462		
Flood risk/drainage (TCL)		2,948,065		
Utilities (TCL)		1,114,658		
Landscaping (TCL)		1,782,713		
Archaeology & ecology (TCL)		1,718,550		
Plot Abnormals (TCL)		3,171,402		
Plot Externals @ 15% Plot (TCL)	15.00%	3,633,429		
Garages(TCL Est.)		565,756		
				20,120,679

**PROFESSIONAL FEES**

Prof fees - Standard Build Costs	7.50%	2,131,653		
Prof fees- Infrastructure (TCL)		1,754,622		
				3,886,275

**MARKETING & LETTING**

Mkting & sales	3.00%	1,794,091		1,794,091
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**DISPOSAL FEES**

Legal fees for RP sale	55 un	400.00 /un	22,000	
OM legal fees	145 un	600.00 /un	87,000	

**APPRAISAL SUMMARY****BELVEDERE VANTAGE LTD**

240325- Draft IFVA Appendix -Scen 3-Upd CP-BCIS LQ+15%-Max Agents Sales, Nil AH, Nil Education, No CIL  
WOED & Somerset Council - Land North of Taunton Rd, Longforth Park, Wellington, Somerset

109,000

**Additional Costs**

CIL	1	
Travel Plan	5,000	
Safeguarding sum	72,650	
Active Travel £	573,620	
Pub.Art (Monmt)	7,000	
Station SQ & Mob Hub £	305,000	
Education £	1	
NHS/ICB £	100,040	
s.106 monitoring fee?	5,000	
POS offsite £ & CS	124,714	
Allotments £	10,000	
Greenway £	50,000	
Council legal costs?	5,000	
Changing room contribution	1	
		1,258,027

**FINANCE**

Debit Rate 6.000% Credit Rate 2.000% (Nominal)		
Land	1,178,293	
Construction	2,163,945	
Total Finance Cost		3,342,238

**TOTAL COSTS**

**60,335,245**

**PROFIT**

**490,785**

**Performance Measures**

Profit on Cost%	0.81%
Profit on GDV%	0.82%



**APPRAISAL SUMMARY****BELVEDERE VANTAGE LTD**

240417- IFVA Appendix -Scen 1a Target FPC-Upd CP-BCIS LQ+15%-Max Agents Sales, 25% AH, Full Target S106, WOED & Somerset Council - Land North of Taunton Rd, Longforth Park, Wellington, Somerset

**Summary Appraisal for Phase 1****REVENUE**

<b>Sales Valuation</b>	<b>Units</b>	<b>ft<sup>2</sup></b>	<b>Rate ft<sup>2</sup></b>	<b>Unit Price</b>	<b>Gross Sales</b>
Social Rent	30	28,623	£150.00	£143,112	4,293,368
Shared Ownership	20	17,545	£150.00	£131,590	2,631,798
Open Market Sale	<u>150</u>	<u>146,745</u>	<u>£316.00</u>	<u>£309,143</u>	<u>46,371,420</u>
<b>Totals</b>	<b>200</b>	<b>192,913</b>			<b>53,296,586</b>

**Additional Revenue**

2.046 ac employ. land @ max £500k/a	1,023,000			1,023,000	
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**NET REALISATION****54,319,586****OUTLAY****ACQUISITION COSTS**

Fixed Price (27.35 Acres £73,126.14 pAcre)	2,000,000				
Stamp Duty	151,250				
Agent Fee	1.00%	20,000			
Legal Fee	0.75%	15,000			
Planning Application Costs	200,000				
					2,386,250

**Other Acquisition**

Other facilitating land	170,000				
					170,000

**CONSTRUCTION COSTS**

<b>Construction</b>	<b>ft<sup>2</sup></b>	<b>Rate ft<sup>2</sup></b>	<b>Cost</b>		
Social Rent	28,623	£122.63	3,510,005		
Shared Ownership	17,545	£122.63	2,151,599		
Open Market Sale	151,803	£122.63	18,615,615		
<b>Totals</b>	<b><u>197,971</u></b>		<b><u>24,277,219</u></b>		<b>24,277,219</b>

Contingency - standard build	5.00%	1,424,228			
Infra risk (TCL)		1,598,744			
					3,022,972

**Other Construction**

Land preparation/Enabling (TCL)			923,644		
Highway works (TCL)			4,164,542		
Flood risk/drainage (TCL)			2,948,065		
Utilities (TCL)			1,089,658		
Landscaping (TCL)			1,645,833		
Archaeology & ecology (TCL)			1,718,550		
Plot Abnormals (TCL)			3,171,402		
Plot Externals @ 15% Plot (TCL)		15.00%	3,641,583		
Garages(TCL Est.)			565,756		
					19,869,033

**PROFESSIONAL FEES**

Prof fees - Standard Build Costs	7.50%	2,136,342			
Prof fees- Infrastructure (TCL)		1,726,044			
					3,862,386

**MARKETING & LETTING**

Mkting & sales	3.00%	1,470,097			
					1,470,097

**DISPOSAL FEES**

Legal fees for RP sale	50 un	400.00 /un	20,000		
OM legal fees	150 un	600.00 /un	90,000		

**APPRAISAL SUMMARY****BELVEDERE VANTAGE LTD**

240417- IFVA Appendix -Scen 1a Target FPC-Upd CP-BCIS LQ+15%-Max Agents Sales, 25% AH, Full Target S106,  
WOED & Somerset Council - Land North of Taunton Rd, Longforth Park, Wellington, Somerset

110,000

**Additional Costs**

CIL	1	
Travel Plan	5,000	
Safeguarding sum	72,650	
Active Travel £	573,620	
Pub.Art (Monmt)	7,000	
Station SQ & Mob Hub £	305,000	
Education £	2,520,000	
NHS/ICB £	89,336	
s.106 monitoring fee?	5,000	
POS offsite £ & CS	124,714	
Allotments £	10,000	
Greenway £	50,000	
Council legal costs?	5,000	
Changing room contribution	1	
		3,767,322

**FINANCE**

Debit Rate 6.000% Credit Rate 2.000% (Nominal)		
Land	1,205,944	
Construction	4,211,361	
Total Finance Cost		5,417,305

**TOTAL COSTS**

**64,352,583**

**PROFIT**

**(10,032,996)**

**Performance Measures**

Profit on Cost%	(15.59)%
Profit on GDV%	(18.82)%

**APPRAISAL SUMMARY****BELVEDERE VANTAGE LTD**

240417- IFVA Appendix -Scen 2a Target FPC-Upd CP-BCIS LQ+15%-Max Agents Sales, nil AH, Full Target S106, N  
WOED & Somerset Council - Land North of Taunton Rd, Longforth Park, Wellington, Somerset

**Summary Appraisal for Phase 1****REVENUE**

<b>Sales Valuation</b>	<b>Units</b>	<b>ft<sup>2</sup></b>	<b>Rate ft<sup>2</sup></b>	<b>Unit Price</b>	<b>Gross Sales</b>
Social Rent	30	28,623	£316.00	£301,493	9,044,782
Shared Ownership	20	17,545	£316.00	£277,218	5,544,364
Open Market Sale	<u>150</u>	<u>146,745</u>	£316.00	£309,143	<u>46,371,420</u>
<b>Totals</b>	<b>200</b>	<b>192,913</b>			<b>60,960,565</b>

**Additional Revenue**

2.046 ac employ. land @ max £500k/a	1,023,000			1,023,000
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**NET REALISATION****61,983,565****OUTLAY****ACQUISITION COSTS**

Fixed Price (27.35 Acres £73,126.14 pAcre)	2,000,000			
Stamp Duty	151,250			
Agent Fee	1.00%	20,000		
Legal Fee	0.75%	15,000		
Planning Application Costs	200,000			
				2,386,250

**Other Acquisition**

Other facilitating land	170,000			
				170,000

**CONSTRUCTION COSTS**

<b>Construction</b>	<b>ft<sup>2</sup></b>	<b>Rate ft<sup>2</sup></b>	<b>Cost</b>	
Social Rent	28,623	£122.63	3,510,005	
Shared Ownership	17,545	£122.63	2,151,599	
Open Market Sale	151,803	£122.63	18,615,615	
<b>Totals</b>	<b><u>197,971</u></b>		<b><u>24,277,219</u></b>	<b>24,277,219</b>

Contingency - standard build	5.00%	1,424,228		
Infra risk (TCL)		1,532,349		
				2,956,577

**Other Construction**

Land preparation/Enabling (TCL)			923,644	
Highway works (TCL)			4,164,542	
Flood risk/drainage (TCL)			2,948,065	
Utilities (TCL)			1,089,658	
Landscaping (TCL)			1,645,833	
Archaeology & ecology (TCL)			1,336,600	
Plot Abnormals (TCL)			2,889,402	
Plot Externals @ 15% Plot (TCL)		15.00%	3,641,583	
Garages(TCL Est.)			565,756	
				19,205,083

**PROFESSIONAL FEES**

Prof fees - Standard Build Costs	7.50%	2,136,342		
Prof fees- Infrastructure (TCL)		1,653,009		
				3,789,351

**MARKETING & LETTING**

Mkting & sales	3.00%	1,557,474		
				1,557,474

**DISPOSAL FEES**

Legal fees for RP sale	50 un	400.00 /un	20,000	
OM legal fees	150 un	600.00 /un	90,000	

**APPRAISAL SUMMARY****BELVEDERE VANTAGE LTD**

240417- IFVA Appendix -Scen 2a Target FPC-Upd CP-BCIS LQ+15%-Max Agents Sales, nil AH, Full Target S106, N  
WOED & Somerset Council - Land North of Taunton Rd, Longforth Park, Wellington, Somerset

110,000

**Additional Costs**

CIL	1	
Travel Plan	5,000	
Safeguarding sum	72,650	
Active Travel £	573,620	
Pub.Art (Monmt)	7,000	
Station SQ & Mob Hub £	305,000	
Education £	2,520,000	
NHS/ICB £	89,336	
s.106 monitoring fee?	5,000	
POS offsite £ & CS	124,714	
Allotments £	10,000	
Greenway £	50,000	
Council legal costs?	5,000	
Changing room contribution	1	
		3,767,322

**FINANCE**

Debit Rate 6.000% Credit Rate 2.000% (Nominal)		
Land	1,184,396	
Construction	2,487,002	
Total Finance Cost		3,671,397

**TOTAL COSTS**

**61,890,672**

**PROFIT**

**92,893**

**Performance Measures**

Profit on Cost%	0.15%
Profit on GDV%	0.15%

**APPRAISAL SUMMARY****BELVEDERE VANTAGE LTD**

240417- IFVA Appendix -Scen 3a Target FPC-Upd CP-BCIS LQ+15%-Max Agents Sales, nil AH, nil educ, No CIL  
WOED & Somerset Council - Land North of Taunton Rd, Longforth Park, Wellington, Somerset

**Summary Appraisal for Phase 1****REVENUE**

<b>Sales Valuation</b>	<b>Units</b>	<b>ft<sup>2</sup></b>	<b>Rate ft<sup>2</sup></b>	<b>Unit Price</b>	<b>Gross Sales</b>
Social Rent	30	28,623	£316.00	£301,493	9,044,782
Shared Ownership	20	17,545	£316.00	£277,218	5,544,364
Open Market Sale	<u>150</u>	<u>146,745</u>	£316.00	£309,143	<u>46,371,420</u>
<b>Totals</b>	<b>200</b>	<b>192,913</b>			<b>60,960,565</b>

**Additional Revenue**

2.046 ac employ. land @ max £500k/a	1,023,000			1,023,000
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**NET REALISATION****61,983,565****OUTLAY****ACQUISITION COSTS**

Fixed Price (27.35 Acres £73,126.14 pAcre)	2,000,000			
Stamp Duty	151,250			
Agent Fee	1.00%	20,000		
Legal Fee	0.75%	15,000		
Planning Application Costs	200,000			
				2,386,250

**Other Acquisition**

Other facilitating land	170,000			170,000
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**CONSTRUCTION COSTS**

<b>Construction</b>	<b>ft<sup>2</sup></b>	<b>Rate ft<sup>2</sup></b>	<b>Cost</b>	
Social Rent	28,623	£122.63	3,510,005	
Shared Ownership	17,545	£122.63	2,151,599	
Open Market Sale	151,803	£122.63	18,615,615	
<b>Totals</b>	<b><u>197,971</u></b>		<b><u>24,277,219</u></b>	<b>24,277,219</b>

Contingency - standard build	5.00%	1,424,228		
Infra risk (TCL)		1,532,349		
				2,956,577

**Other Construction**

Land preparation/Enabling (TCL)			923,644	
Highway works (TCL)			4,164,542	
Flood risk/drainage (TCL)			2,948,065	
Utilities (TCL)			1,089,658	
Landscaping (TCL)			1,645,833	
Archaeology & ecology (TCL)			1,336,600	
Plot Abnormals (TCL)			2,889,402	
Plot Externals @ 15% Plot (TCL)		15.00%	3,641,583	
Garages(TCL Est.)			565,756	
				19,205,083

**PROFESSIONAL FEES**

Prof fees - Standard Build Costs	7.50%	2,136,342		
Prof fees- Infrastructure (TCL)		1,653,009		
				3,789,351

**MARKETING & LETTING**

Mkting & sales	3.00%	1,557,474		
				1,557,474

**DISPOSAL FEES**

Legal fees for RP sale	50 un	400.00 /un	20,000	
OM legal fees	150 un	600.00 /un	90,000	



**APPRAISAL SUMMARY****BELVEDERE VANTAGE LTD**

240417- IFVA Appendix -Scen 3a Target FPC-Upd CP-BCIS LQ+15%-Max Agents Sales, nil AH, nil educ, No CIL  
WOED & Somerset Council - Land North of Taunton Rd, Longforth Park, Wellington, Somerset

110,000

**Additional Costs**

CIL	1	
Travel Plan	5,000	
Safeguarding sum	72,650	
Active Travel £	573,620	
Pub.Art (Monmt)	7,000	
Station SQ & Mob Hub £	305,000	
Education £	1	
NHS/ICB £	89,336	
s.106 monitoring fee?	5,000	
POS offsite £ & CS	124,714	
Allotments £	10,000	
Greenway £	50,000	
Council legal costs?	5,000	
Changing room contribution	1	
		1,247,323

**FINANCE**

Debit Rate 6.000% Credit Rate 2.000% (Nominal)		
Land	1,136,782	
Construction	1,663,053	
Total Finance Cost		2,799,835

**TOTAL COSTS**

**58,499,111**

**PROFIT**

**3,484,455**

**Performance Measures**

Profit on Cost%	5.96%
Profit on GDV%	5.72%

**APPRAISAL SUMMARY****BELVEDERE VANTAGE LTD**

240417- IFVA Appendix -Scen 4 Target FPC-Upd CP-BCIS LQ+15%-Max Agents Sales, nil AH, Re Ed, No CIL  
WOED & Somerset Council - Land North of Taunton Rd, Longforth Park, Wellington, Somerset

**Summary Appraisal for Phase 1****REVENUE**

<b>Sales Valuation</b>	<b>Units</b>	<b>ft<sup>2</sup></b>	<b>Rate ft<sup>2</sup></b>	<b>Unit Price</b>	<b>Gross Sales</b>
Social Rent	30	28,623	£316.00	£301,493	9,044,782
Shared Ownership	20	17,545	£316.00	£277,218	5,544,364
Open Market Sale	<u>150</u>	<u>146,745</u>	£316.00	£309,143	<u>46,371,420</u>
<b>Totals</b>	<b>200</b>	<b>192,913</b>			<b>60,960,565</b>

**Additional Revenue**

2.046 ac employ. land @ max £500k/a	1,023,000			1,023,000
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**NET REALISATION****61,983,565****OUTLAY****ACQUISITION COSTS**

Fixed Price (27.35 Acres £73,126.14 pAcre)	2,000,000			
Stamp Duty	151,250			
Agent Fee	1.00%	20,000		
Legal Fee	0.75%	15,000		
Planning Application Costs	200,000			
				2,386,250

**Other Acquisition**

Other facilitating land	170,000			
				170,000

**CONSTRUCTION COSTS**

<b>Construction</b>	<b>ft<sup>2</sup></b>	<b>Rate ft<sup>2</sup></b>	<b>Cost</b>	
Social Rent	28,623	£122.63	3,510,005	
Shared Ownership	17,545	£122.63	2,151,599	
Open Market Sale	151,803	£122.63	18,615,615	
<b>Totals</b>	<b><u>197,971</u></b>		<b><u>24,277,219</u></b>	<b>24,277,219</b>

Contingency - standard build	5.00%	1,424,228		
Infra risk (TCL)		1,532,349		
				2,956,577

**Other Construction**

Land preparation/Enabling (TCL)			923,644	
Highway works (TCL)			4,164,542	
Flood risk/drainage (TCL)			2,948,065	
Utilities (TCL)			1,089,658	
Landscaping (TCL)			1,645,833	
Archaeology & ecology (TCL)			1,336,600	
Plot Abnormals (TCL)			2,889,402	
Plot Externals @ 15% Plot (TCL)		15.00%	3,641,583	
Garages(TCL Est.)			565,756	
				19,205,083

**PROFESSIONAL FEES**

Prof fees - Standard Build Costs	7.50%	2,136,342		
Prof fees- Infrastructure (TCL)		1,653,009		
				3,789,351

**MARKETING & LETTING**

Mkting & sales	3.00%	1,557,474		
				1,557,474

**DISPOSAL FEES**

Legal fees for RP sale	50 un	400.00 /un	20,000	
OM legal fees	150 un	600.00 /un	90,000	

**APPRAISAL SUMMARY****BELVEDERE VANTAGE LTD**

240417- IFVA Appendix -Scen 4 Target FPC-Upd CP-BCIS LQ+15%-Max Agents Sales, nil AH, Re Ed, No CIL  
WOED & Somerset Council - Land North of Taunton Rd, Longforth Park, Wellington, Somerset

110,000

**Additional Costs**

CIL	1	
Travel Plan	5,000	
Safeguarding sum	72,650	
Active Travel £	573,620	
Pub.Art (Monmt)	7,000	
Station SQ & Mob Hub £	305,000	
Education £	573,000	
NHS/ICB £	89,336	
s.106 monitoring fee?	5,000	
POS offsite £ & CS	124,714	
Allotments £	10,000	
Greenway £	50,000	
Council legal costs?	5,000	
Changing room contribution	1	
		1,820,322

**FINANCE**

Debit Rate 6.000% Credit Rate 2.000% (Nominal)		
Land	1,147,533	
Construction	1,846,461	
Total Finance Cost		2,993,994

**TOTAL COSTS**

**59,266,269**

**PROFIT**

**2,717,296**

**Performance Measures**

Profit on Cost%	4.58%
Profit on GDV%	4.46%