



Stroud District Local Plan Review

Summary of Responses to Additional Technical Evidence Consultation

**APPENDIX E:
EB111 Stroud Local Plan Viability Assessment 2022 Refresh Report**

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EB111 Stroud Local Plan Viability Assessment 2022 Refresh Report

Stakeholders	Summarised comments	Stroud District Council Response
<p>Stagecoach West (20) 19a/G1/G2/PS34/PS36/ PS37</p>	<ul style="list-style-type: none"> The Viability Assessment fails to account for public transport (bus service) improvements whether capital or revenue funding at all. The level of ambition to secure mode shift to public transport is thus entirely evidenced, and there is no proof that sufficient funds will be secured to effect improvements to bus services to achieve the objectives of a “sustainable modes first” mitigation strategy set out in the Sustainable Transport Strategy. 	<p>Public transport requirements are site specific but come within the remit of core policy CP13 and delivery policies EI12 and EI16. Both detailed IDP costings for the transport requirements arising for the strategic sites and the transport policy requirements are taken account of in document EB111 (see para. 7.48 to 7.51 and 8.64 to 8.68).</p>
<p>Wisloe Action Group (WAG) (32) PS37</p>	<ul style="list-style-type: none"> The site-specific infrastructure costs, to be borne by the developer, which include; moving the high-pressure gas pipeline, generating 40 ft high embankments and noise attenuation fences, flood ponds etc. are not underwritten by a developer. Until these promoter’s estimates are validated by independent evidence the site submission should be considered very optimistic which significantly underestimates the true costs. 	<p>These are clearly abnormal costs and are not uncommon for strategic sites. As per paragraphs 10-012-20180724 and 10-014-20190509 of the Planning Practice Guidance (PPG), these should be reflected in the Land Value, as set out in document EB111. This is made clear at para. 2.32 to 2.35. and elsewhere in the document. Despite this, site PS37 performs better in viability terms than most of the strategic housing sites tested.</p> <p>All the strategic site promoters are confident that their sites are viable and deliverable, taking into account the policy requirements of the Draft Local Plan. Statements of Common Ground are being prepared to help the Inspectors at the Examination in Public.</p>
	<ul style="list-style-type: none"> The combination of CIL contribution and site-specific realistic infrastructure costs apportionment will lead to PS37 houses needing to be relatively expensive to recover the investment, putting pressure on not achieving the mandated number of affordable homes. 	<p>The value of housing is set by the market. A developer cannot simply increase the price to meet infrastructure costs. Document EB111 has assessed viability at a high level using a series of broad scenarios and varying requirements and the results show that not all sites are viable particularly brownfield sites. Site PS37 actually performs better in viability terms than most of the strategic housing sites</p>



		tested. Despite the fact that the viability of strategic sites is constrained, all the strategic site promoters are confident that their sites are viable and deliverable, taking into account the policy requirements of the Draft Local Plan.
	<ul style="list-style-type: none"> Sites at Whitminster (PGP2) and Moreton Valence (PGP1) were not selected for inclusion in the DLP despite both sites being more sustainable than PS37, they are; on the A38 corridor, nearer to major areas of employment, adjacent to M5 junctions and not requiring the same level of infrastructure investment due to their location and topography. Both sites have full lead developer backing with validated infrastructure cost estimates and are more viable whereas Wisloe (PS37) does not. 	These two sites are not more sustainable or deliverable than site PS37. Document EB9 Topic Paper - Assessment & selection of sites October 2021 sets out how the Local Plan sites were selected. Both of these sites, if they had been allocated, would have required a significant level of infrastructure investment. In fact, in an earlier version of viability testing (see document EB70) the potential site at Whitminster was tested and its residual value was estimated as being lower than PS37 (see table 10.2d).
	<ul style="list-style-type: none"> Given the uncertainty around the current economic conditions, delivery of any large strategic site will be challenging, the technical challenges of realising the PS37 site against a plan which has not been underwritten by a lead developer is considered a risk not worth taking, it will certainly delay the house building commencement date, and should be removed from the DLP. 	Site PS37 actually performs better in viability terms than most of the strategic housing sites tested. Despite the fact that the viability of strategic sites is constrained, all the strategic site promoters are confident that their sites are viable and deliverable, taking into account the policy requirements of the Draft Local Plan. A lead developer is being selected to develop the PS37 site
Grass Roots Planning Ltd on behalf of Redrow Homes Ltd (34) PS47	<ul style="list-style-type: none"> Given the infrastructure requirements identified in the Transport Addendum Strategy paper, we would have expected to see a viability assessment of the Renishaw site given they are now anticipated to provide £2.14m in contributions towards the M5 J14 improvements. 	Document EB111 undertook appraisals of employment development and large industrial development on greenfield land (such as envisaged at the Renishaw site) was found to be viable (see para. 11.6 and table 11.1). The promoters are actively pursuing a planning application currently and consequently there is evidence of deliverability.
	<ul style="list-style-type: none"> It is our view that the extent of contributions required is likely to render the allocation unviable and accordingly it would be appropriate to allocate 	The transport assessment generally assumed a mix of office / industry/warehousing at employment locations where the exact nature of the eventual employment provision was not known. As a



	<p>further land in Kingswood, such as land north of Charfield Road, which would provide proportionate contributions towards this mitigation scheme and allow this important employment allocation to come forward.</p>	<p>result, the estimated contribution from the Renishaw site is likely to be higher than the final requirement, given the nature of the emerging planning application. It would not be appropriate to increase housing provision in Kingswood just to increase the pool of sites able to pay for M5 J14 improvements.</p>
Slimbridge Parish Council (37) PS37	<ul style="list-style-type: none"> The site-specific infrastructure costs, to be borne by the developer, which include; moving the high-pressure gas pipeline, generating 40 ft high embankments and noise attenuation fences, flood ponds etc. are not underwritten by a developer. Until these promoter's estimates are validated by independent evidence the site submission should be considered very optimistic which significantly underestimates the true costs. 	<p>These are clearly abnormal costs and are not uncommon for strategic sites. As per paragraphs 10-012-20180724 and 10-014-20190509 of the Planning Practice Guidance (PPG), these should be reflected in the Land Value, as set out in document EB111. This is made clear at para. 2.32 to 2.35. and elsewhere in the document. Despite this, site PS37 performs better in viability terms than most of the strategic housing sites tested.</p> <p>All the strategic site promoters are confident that their sites are viable and deliverable, taking into account the policy requirements of the Draft Local Plan. Statements of Common Ground are being prepared to help the Inspectors at the Examination in Public.</p>
	<ul style="list-style-type: none"> The combination of CIL contribution and site-specific realistic infrastructure costs apportionment will lead to PS37 houses needing to be relatively expensive to recover the investment, putting pressure on not achieving the mandated number of affordable homes. 	<p>The value of housing is set by the market. A developer cannot simply increase the price to meet infrastructure costs. Document EB111 has assessed viability at a high level using a series of broad scenarios and varying requirements and the results show that not all sites are viable particularly brownfield sites. Site PS37 actually performs better in viability terms than most of the strategic housing sites tested. Despite the fact that the viability of strategic sites is constrained, all the strategic site promoters are confident that their sites are viable and deliverable, taking into account the policy requirements of the Draft Local Plan.</p>
	<ul style="list-style-type: none"> Sites at Whitminster (PGP2) and Moreton Valence (PGP1) were not selected for inclusion in the DLP despite both sites being more sustainable than PS37, they are; on the A38 corridor, nearer to major areas of employment, adjacent to M5 	<p>These two sites are not more sustainable or deliverable than site PS37. Document EB9 Topic Paper - Assessment & selection of sites October 2021 sets out how the Local Plan sites were selected. Both of these sites, if they had been allocated, would have required a significant level of infrastructure investment. In fact, in an earlier</p>



	<p>junctions and not requiring the same level of infrastructure investment due to their location and topography. Both sites have full lead developer backing with validated infrastructure cost estimates and are more viable whereas Wisloe (PS37) does not.</p>	<p>version of viability testing (see document EB70) the potential site at Whitminster was tested and its residual value was estimated as being lower than PS37 (see table 10.2d).</p>
	<ul style="list-style-type: none"> Given the uncertainty around the current economic conditions, delivery of any large strategic site will be challenging, the technical challenges of realising the PS37 site against a plan which has not been underwritten by a lead developer is considered a risk not worth taking, it will certainly delay the house building commencement date, and should be removed from the DL 	<p>Site PS37 actually performs better in viability terms than most of the strategic housing sites tested. Despite the fact that the viability of strategic sites is constrained, all the strategic site promoters are confident that their sites are viable and deliverable, taking into account the policy requirements of the Draft Local Plan. A lead developer is being selected to develop the PS37 site.</p>
<p>CarneySweeney on behalf of Redrow Homes (46) G1, Core Policy CP6</p>	<ul style="list-style-type: none"> Section 10 of the Viability Assessment Refresh identifies that the infrastructure required on strategic sites will be funded in part by CIL, although no detail is provided on how this will operate in practice, and this will again be material to the viability of the Local Plan Review. Clarity over the intended funding mechanisms for the delivery of infrastructure associated with the Strategic Sites is urgently required so as not to cause any unnecessary delays to the delivery trajectory or phasing of the strategic sites. 	<p>The ability to use both the s106 regime and CIL to fund infrastructure (as well as other sources) provides a degree of flexibility for the Council to be able to facilitate development. There is uncertainty over the future funding of infrastructure at a national level at the current time but the Council is well placed to be able to respond quickly when the Government sets out its future plans.</p>
	<ul style="list-style-type: none"> Sensitivity testing of combined increased cost / reduced value scenarios (and having regard to the full extent of Affordable Housing, CIL and s106 costs) is crucial for each of the Strategic Sites. The Viability Assessment Refresh 2022 will need updating to reflect the latest economic impacts which will be having an immediate impact on development viability. 	<p>Document EB111 includes sensitivity testing (as did the earlier reports) and dates from August 2022. The Local Plan is a long term plan to identify development sites that would be delivered over multiple economic cycles. It would be inappropriate to update the viability evidence every few months. It is accepted that we are in a period of uncertainty and there are a wide range of views as to how those will play out.</p>



<p>Richard Graham MP (51) G2</p>	<ul style="list-style-type: none"> The size of development would have an enormous impact on traffic to Gloucester on the Stroud Road and particularly at St Barnabas roundabout. <p>I have no confidence that a £1.8m scheme at the roundabout would achieve anything at all other than even worse traffic, which was why an earlier (c £1m funded) scheme was abandoned before starting</p> <p>The idea that all approaches could be widened by one lane east of Stroud Rd has not had any Glos Highways endorsement that I've seen</p> <p>This roundabout is one of three south western entrances to the city (along with A38 & Bristol Road) and I have yet to see any credible proposal to deal with this</p> <p>The new Kingsway health Centre would not in my opinion be able to cope with 3,000 homes x2.2 ie 6,400 new patients and waiting time for existing patients would only increase</p> <ul style="list-style-type: none"> I understand the next stage would be for the developer to review mitigation options, including sustainable travel mode approach, concept design and modelling stage. I look forward to seeing what the likely impact on Gloucester would be from a GCC Highways analysis/response. 	<p>Comment noted. The Transport Forecasting Report (EB98), Sustainable Transport Strategy (EB108) and Funding and Delivery Plans (EB109) together have provided transport mitigation information and costs.</p>
	<ul style="list-style-type: none"> Although I have continued to support and encourage new homes throughout the city, I strongly believe that Gloucester should focus on all 	<p>Comment noted</p>



	<p>pockets of land, whether brown field or otherwise, that could and should be developed in order to meet specific housing needs. The Matson and Podsmead regeneration plan, for example, offers considerable opportunities, alongside city centre brownfield sites.</p>	
	<ul style="list-style-type: none"> I also note 'A new site for a secondary school / free school will be sought on either the Whaddon or Hardwicke sites' however, a Free School has recently been withdrawn in this area of the city due to GCC figures not showing enough need. 	Comment noted
	<ul style="list-style-type: none"> I therefore call for a sensible approach by SDC and developers, the JSC and Gloucester City Council that recognises real issues with the proposed development and the entirely rational opposition by many of us to the size of this particular proposal. I have always said that Gloucester should consider a much smaller development to the end of the valley, close to Haresfield, and I hope that if anything emerges it is that. 	Comment noted
Network Rail (52) All sites	<p>The following representation is very detailed, the below summary had been provided by the representor and should be read in conjunction with the full rep:</p> <ul style="list-style-type: none"> Previous responses to the Stroud Local Plan highlighted a number of level crossings that may be affected by proposed development. Document EB111 fails to assess the impact development will have on the railway or provide information regarding any improvements to the level crossings that may be needed. 	These are clearly abnormal costs and are not uncommon for strategic sites. As per paragraphs 10-012-20180724 and 10-014-20190509 of the Planning Practice Guidance (PPG), these should be reflected in the Land Value, as set out in document EB111. This is made clear at para. 2.32 to 2.35. and elsewhere in the document.
	<ul style="list-style-type: none"> Paragraph 2.32 and 7.23 acknowledge that abnormal costs and site specific infrastructure costs 'will be reflected in land value' and include costs 	Comment noted.



	<p>associated with treatment for contaminated sites or listed buildings, or costs associated with brownfield, phased or complex sites etc.</p>	
	<ul style="list-style-type: none"> Development proposals that will have a significant impact on railway infrastructure should be assessed in consultation with Network Rail where the consideration of the effect of vehicular and non-vehicular traffic on use of level crossings is assessed through the submission of a Transport Statement. Following assessment, any mitigation needed as a result of significant impact to level crossings should be funded through developer contributions and reflected in the abnormal costs in land value. 	<p>Comment noted. On-site specifics, including level crossing mitigation and safety aspects to be addressed at the masterplan / planning application stage, in agreement with Network Rail.</p>
	<ul style="list-style-type: none"> The local authority should look to include something similar for level crossing assessment and mitigation requirements within their plan policy documents. The full representation lists several examples. 	<p>Comment noted. On-site specifics, including level crossing mitigation and safety aspects to be addressed at the masterplan / planning application stage, in agreement with Network Rail.</p>
	<ul style="list-style-type: none"> Stroud Sustainable Transport Strategy Addendum Part 4, paragraph 4.23 considers the reopening of Charfield Railway station but does not mention how the station will be funded. It should be noted that whilst Network Rail is happy to work with the Council and developer to progress this, necessary feasibility studies will need to take place, including how this would fit within the timetable. Should the provision of this service and station be feasible this would be subject to third party funding. This would also apply to other proposed stations along the Bristol-Birmingham main line. 	<p>Comment noted. Charfield Station is not within Stroud District and it will be for South Gloucestershire Council to pursue the station funding with Network Rail. Stroud District Council has, however, recently worked closely with Network Rail on the development of a strategic outline business case for the re-opening of the Bristol Road, Stonehouse rail station. Should this be successful, the Council looks forward to working with Network Rail and other stakeholders to develop the commercial case for reopening the station.</p>
Blue Fox Planning Ltd on behalf of	<ul style="list-style-type: none"> The Viability Assessment has not tested the provision of “at least” 30% affordable housing which the policy sets out, only a maximum of 30%. 	<p>Document EB111 tests the minimum policy requirement of 30% and a range of other affordable housing levels and tenure mixes. A level</p>



Persimmon Homes (Severn Valley) Ltd (53) PS24		above 30% has not been tested as such a level does not form a policy requirement for general market housing provision.
	<ul style="list-style-type: none"> Paragraph 7.76 of EB111 states that the delivery rates should be reviewed based on the changing housing market. This should also be reflected in the market values that have been used for the Viability Assessment. There are concerns that the Viability Assessment will be based on a high point in the housing market which will not reflect the current state of the market when the Plan is adopted the Viability Assessment should account for a potential economic downturn in order to minimise the need for an early Local Plan review. 	Document EB111 includes sensitivity testing (as did the earlier reports) and dates from August 2022. The Local Plan is a long term plan to identify development sites that would be delivered over multiple economic cycles. It would be inappropriate to update the viability evidence every few months. It is accepted that we are in a period of uncertainty and there are a wide range of views as to how those will play out.
	<ul style="list-style-type: none"> Development costs - The housebuilding industry is progressing towards revisions to Part L of the Building Regulations – which are in part applicable now. These changes are said to amount to some 3% to the base construction cost (para 7.4). Notwithstanding the BCIS references, 3% additional cost is not considered realistic in being too low and not readily applicable across the industry when applied to small and large homebuilders (a matter noted in the Viability Assessment at para 7.2). 	The 3% uplift draws on national data and is considered representative. No alternative evidence is submitted. It is anticipated that the costs of higher standards will reduce as the practices and equipment become more widespread.
	<ul style="list-style-type: none"> Residential Price Assumptions - The price assumption change between 2020 and 2022 (in the case of site PS24) is some 15%. However, that rise would bring that site price assumption (£/m2) to a level in excess of the 2020 price of £3,100 which is considered to be excessive and unrealistic. 	The price assumptions draw on a wide range of data including Price Paid Data from the Land Registry, asking prices and secondary sources. The methodology is carried forward from the previous iteration of the document. No alternative data or evidence has been submitted, or alternative price value suggestion made.
Councillor Haydn Jones (54) PS24/PS25/PS36/PS37 All policies	<ul style="list-style-type: none"> PS37 has a major, high pressure gas pipe running through the middle of the site. The Health and Safety Executive have already recommended against development at this site. The gas main will 	These are clearly abnormal costs and are not uncommon for strategic sites. As per paragraphs 10-012-20180724 and 10-014-20190509 of the Planning Practice Guidance (PPG), these should be reflected in the Land Value, as set out in document EB111. This is



	<p>need to be moved. The costs will be very high. Why have these costs not been properly accommodated within the viability assessment.</p>	<p>made clear at para. 2.32 to 2.35. and elsewhere in the document. Despite this, site PS37 performs better in viability terms than most of the strategic housing sites tested.</p>
	<ul style="list-style-type: none"> PS37 site south of A4135 has eastern boundary formed by main Gloucester - Bristol Railway line at the base of 25ft embankment with M5 above on causeway. Highways England have already stated that they will 'consult with legal department to see if they can object on noise grounds to this sliver of land adjoining the M5'. Developers have not stated how they will attenuate noise or how this would be funded. 	<p>National Highways have not objected to site PS37. The promoters have identified how they will attenuate noise (see for example document EB96j). See above comments regarding abnormal costs and viability.</p>
	<ul style="list-style-type: none"> PS36 Sharpness relies on unsubstantiated assertions that almost all commuting will be internalised. There is also a wild suggestion that the old railway line at Sharpness will be reinstated. There is absolutely no evidence either of these assertions is supported by evidence. Funding for a road connection overcoming the missing link between Berkeley and the A38 therefore must be planned, agreed, accommodated, secured, mandated and assessed as part of viability for this proposed site. M5 junction 14 must also be accommodated within the viability assessment. 	<p>It is not true that PS36 Sharpness relies on an assumption that almost all commuting will be internalised. Document EB98 and EB108 take a consistent approach to internalisation factors across all sites, as agreed with GCC and National Highways. The promoter has developed a business case for recommending passenger services along the existing branchline (which does not require to be reinstated as it is an existing part of the rail network). Document EB98 and its earlier iteration set out the road improvements required to deliver this strategic site and other sites (including improvements to M5 J14) and document EB111 takes account of the IDP costs as part of the viability assessment work.</p>
	<ul style="list-style-type: none"> Site PGP2 at Whitminster was erroneously excluded from the draft plan. It has an identified and experienced lead developer. The site has all transport links existing and is adjacent to a motorway junction (M5 J13) with capacity. This site should come into the plan. The unviable and unsustainable site PS37 should be removed. and PS36 reduced significantly. 	<p>This site is not more sustainable or deliverable than site PS37. Document EB9 Topic Paper - Assessment & selection of sites October 2021 sets out how the Local Plan sites were selected. This site, if it had been allocated, would have required a significant level of infrastructure investment. In fact, in an earlier version of viability testing (see document EB70) the potential site at Whitminster was tested and its residual value was estimated as being lower than PS37 (see table 10.2d).</p>



<p>Avison Young on behalf of Tortworth Estate and St Modwen Homes (56) Core Policy CP6</p>	<ul style="list-style-type: none"> Following our previous representations with regards to our client's interests at the proposed Buckover Garden Village (within South Glos.) we welcome reference within Para. 7.46 as follows "Some uncertainties were also raised with regard to M5 Junction 14 with regard to the Buckover Garden Village (in South Gloucestershire). Extensive sensitivity testing has been carried out and the Council will continue to engage with the promoters of the Strategic Sites." 	<p>Comment noted. Welcome support for the reference inclusion.</p>
	<ul style="list-style-type: none"> We have sought clarity through our representations (and those by PJA in relation to the wider Tortworth Estate interests) to the other technical evidence supporting documents with regards to the estimated cost of the M5 Junction 14 mitigation scheme, and also the apportionment of contributions from the strategic allocations within Stroud District. We therefore assume that further sensitivity testing will be undertaken should the trip apportionment or mitigation costs change. 	<p>Comment noted.</p>
<p>South Gloucestershire Council (71)</p>	<ul style="list-style-type: none"> South Gloucestershire Council has raised concerns regarding the technical evidence published for consultation on 27th September and which SDC seek to rely on to justify the reasonable prospect that the funding and delivery of their Local Plan spatial strategy can be achieved in a sustainable way. South Gloucestershire Council has put forward recommendations to resolve these matters and would welcome continuing to work with Stroud District Council to resolve these matters through agreeing appropriate modifications which can be secured through a SoCG ahead of examination in public commencing. Subject to this, the matters 	<p>SDC will continue to work with SGC through a Statement of Common Ground to address the issues raised.</p>



	remain unresolved and points of objection at the current time.	
Pegasus Group on behalf of Robert Hitchins (73)	<p>The following representation is very detailed, the below summary had been provided by the representor and should be read in conjunction with the full rep:</p> <ul style="list-style-type: none"> The LPVA22 presents a variety of ‘sensitivity’ appraisal summaries in addition to the baseline iterations. The LPVA22 also presents appraisal summaries in Appendix 14 which reflect the combined impact of 30% Affordable Housing, CIL, s106 at £20k per unit (which broadly reflects the County Education costs plus a £5k per unit local authority s106 cost - subject to further revisions to the County’s formula) and the cumulative Draft Plan Policy costs. These confirm that once the combined cost of all these factors are considered, and the RLVs compared to the BLVs set in the LPVA22, c.76% of the generic sites tested will be unviable. 	<p>Document EB111 presents a variety of ‘sensitivity’ appraisal summaries in addition to the baseline iterations. A number of changes to some fundamental assumptions can cause significant changes to the results. The Draft Local Plan appraisals with realistic s106/CIL costs are set out in Appendix 15.</p> <p>The appraisals show that almost all of the greenfield and brownfield sites within the Gloucester Fringe, Rural East and South and Rural West are demonstrably viable. At Cam, Stonehouse, Stroud and Stroud Valleys and Sharpness, most greenfield sites are demonstrably viable at 20% affordable housing and some at higher levels. The Draft Local Plan does not allocate greenfield sites at Stroud or the Stroud Valleys due to other planning matters. At Cam, Stonehouse and Sharpness, the Draft Local Plan is proposing large strategic greenfield sites which the site promoters are confident are viable and deliverable, taking into account the policy requirements of the Draft Local Plan. In terms of brownfield sites it is recognised that most are unviable. However, the Draft Local Plan does not rely on brownfield sites for the delivery of the Local Plan and can demonstrate that the brownfield sites allocated in the Local Plan will come forward, due to the introduction of public subsidy or other site specific circumstances.</p>
	<ul style="list-style-type: none"> County education s106 costs are stated to be reflected in the LPVA22 modelled assumptions for the strategic sites tested, although the May 2021 IDP / August 2022 IDP Addendum fails to transparently set out, on a site by site basis, how all the different infrastructure items required will be funded (i.e. including in respect of s106 and or CIL), the total costs of this, or the timing of these costs. This also applies in respect of specific requirements 	<p>Comment noted. There is a general need to accommodate Travelling Showpeople Needs from the emerging GTAA. The Council will work with the communities and developers to meet future identified needs.</p>



	<p>such as those within Policy PS19a Stonehouse North West for plots for travelling showpeople – it remains the case that the potential impact on land value, development viability and site deliverability have not been assessed within the LPVA22 (or any costs identified within the May 2021 IDP or more recent August 2022 IDP Addendum). The LPVA22 confirms that new Strategic Allocations will be subject CIL payments.</p>	
	<ul style="list-style-type: none"> • Not all of the policy requirements proposed in the Stroud Draft Local Plan will be able to be sought even without factoring in: the concerns raised in this paper regarding the LPVA22 modelling, additional s106 burdens being sought by the County Council, reduced revenues from Registered Providers as a result of the wider requirements for First Homes and the new Shared Ownership model in the areas in which they operate and how global economics may worsen. As stated in response to the draft LPVA and WDLPVA: emerging policies must be revisited, with wish list policies removed and cost burdens reduced (including through looking at existing Plan policy burdens) to ensure the Plan is deliverable, particularly given the pressures revealed in the LPVA22 to be being placed on ALL of the Strategic Allocations tested. 	<p>The appraisals show that almost all of the greenfield and brownfield sites within the Gloucester Fringe, Rural East and South and Rural West are demonstrably viable. At Cam, Stonehouse, Stroud and Stroud Valleys and Sharpness, most greenfield sites are demonstrably viable at 20% affordable housing and some at higher levels. In reality, the Draft Local Plan does not allocate greenfield sites at Stroud or the Stroud Valleys due to other planning matters. At Cam, Stonehouse and Sharpness, the Draft Local Plan is proposing large strategic greenfield sites which the site promoters are confident are viable and deliverable, taking into account the policy requirements of the Draft Local Plan. . In terms of brownfield sites it is recognised that most are unviable. However, the Draft Local Plan does not rely on brownfield sites for the delivery of the Local Plan and can demonstrate that the brownfield sites allocated in the Local Plan will come forward, due to the introduction of public subsidy or other site specific circumstances.</p>
	<ul style="list-style-type: none"> • The adjustments to policies suggested in paragraphs 12.66 and 12.67 of the LPVA22 (which include moving the Affordable Housing tenure to a 50:50 rent / sale split) will not be enough. 	<p>See above response.</p>
	<ul style="list-style-type: none"> • Furthermore, the sensitivity testing of combined increased cost / reduced value scenarios (and having regard to the full extent of Affordable 	<p>Document EB111 includes sensitivity testing (as did the earlier reports) and dates from August 2022. The Local Plan is a long term plan to identify development sites that would be delivered over</p>



	<p>Housing, CIL and s106 costs) is crucial. Within the next 5 years (the shortest length of time that usually applies until a review of the evidence base let alone policy) significant economic shocks are likely to occur, particularly due to various global events and significant shifts in Government economic policy here in the UK. Political events in October 2022 have resulted in a significant economic shock seeing markets tumble and the pound falling to its lowest value in decades. Whilst the market has steadied and the pound recovered to a degree, mortgages across all deposit levels are now reported to be at fixed rates of 6.29% to 6.47% - above rates last seen in 2008/2010.⁴³ Interest rates and lending criteria for borrowing in general (including by housebuilders) can be expected to be impacted.</p>	<p>multiple economic cycles. It would be inappropriate to update the viability evidence every few months. It is accepted that we are in a period of uncertainty and there are a wide range of views as to how those will play out.</p>
	<ul style="list-style-type: none"> • There have been significant increases in build costs of c.30% over the last eighteen months and since the July 2022 baseline position tested in the LPVA (which will be subject to reporting delays). Tender Price Forecasts (Gardiner and Theobald) suggest a UK average 5.5% annual percentage change for Quarter 4 2022. There is also forecast to be significant further increases by the end of 2023, coupled with forecast reductions of 'at least 10%' in house prices being reported in the main stream media, emphasise the need for combined increased cost / reduced value scenarios to be robustly tested. 	<p>Document EB111 was based on the latest BCIS Costs (July 2022). The update was delayed as far as possible to the last possible moment before submission. The PPG suggests the use of the BCIS Data. It is accepted that we are in a period of inflation. The BCIS suggest that the costs of Estate Housing Generally has increased from £1,429/m² (16th June 2022) to £1,441/m²(19th November 2022) – a 0.8% increase.</p>
	<ul style="list-style-type: none"> • Appropriate testing within the evidence base can assist the Council with understanding the impact of these (at various trigger points in terms of cost 	<p>Document EB111 includes sensitivity testing (as did the earlier reports) and dates from August 2022. The Local Plan is a long term plan to identify development sites that would be delivered over</p>



	<p>increases / value decreases or combinations of the two) upon development and enable them to draft policies which can respond rapidly to such changes. Notwithstanding a need for additional sensitivity testing, the LPVA22 will need updating to reflect these latest economic impacts which will be having an immediate impact on development viability.</p>	<p>multiple economic cycles. It would be inappropriate to update the viability evidence every few months. It is accepted that we are in a period of uncertainty and there are a wide range of views as to how those will play out.</p>
	<ul style="list-style-type: none"> It is noted that NDSS is referred to as having been tested in Table 12.7 and paragraph 12.66 and yet the LPVA22 does not now state that NDSS floor areas are tested when referencing NDSS in paragraph 8.104 and confirms that NDSS are not being sought through the Draft Local Plan. This point needs immediate clarification. 	<p>The modelling assumes that all residential development is at least to NDSS.</p>
	<ul style="list-style-type: none"> There is no clear evidence to support how the Strategic Site Scenario A and B costs in Table 7.3 and paragraph 10.8 'c' would be split between s106 and CIL, nor any guarantee that this will take place in practice in line with the 80% of CIL being used in lieu of s106 costs assumption in paragraph 10.20 of the LPVA22. 	<p>The ability to use both the s106 regime and CIL to fund infrastructure (as well as other sources) provides a degree of flexibility for the Council to be able to facilitate development. There is uncertainty over the future funding of infrastructure at a national level at the current time but the Council is well placed to be able to respond quickly when the Government sets out its future plans.</p>
	<ul style="list-style-type: none"> In this regard the Council's claim in paragraph 12.65 'b' that infrastructure can be funded by CIL so it is unnecessary to assess the full worst case for developer contributions is simply not evidenced anywhere in the LPVA22 to be the position that developers will be faced with in practice. These concerns also apply in terms of how CIL and s106 will interact (if at all) in respect of windfall sites (particularly larger Greenfield windfall sites) such as are tested within the LPVA22 through the generic typologies – the testing should not be relying on 	<p>The ability to use both the s106 regime and CIL to fund infrastructure (as well as other sources) provides a degree of flexibility for the Council to be able to facilitate development. There is uncertainty over the future funding of infrastructure at a national level at the current time but the Council is well placed to be able to respond quickly when the Government sets out its future plans.</p>



	<p>arbitrary assumptions promulgated by the Council on the proportion that s106 burdens will be reduced by due to CIL, particularly if no clarity can be provided by the Council to confirm that a new County formulaic approach to education contributions will not be sought from planning applications in Stroud.</p>	
	<ul style="list-style-type: none"> Affordable housing is one of the largest cost burdens faced by development, and where other mitigating factors cannot be removed / reduced this is a requirement that will need to flex downwards. The majority of the sites tested struggle to support 30% affordable housing under the emerging Plan policies even subject to the adjustments suggested, and none will be able to do so where additional County Council education s106 contributions are imposed and if realistic BLVs are applied. 	<p>The Draft Local Plan appraisals with realistic s106/CIL costs are set out in Appendix 15. The appraisals show that almost all of the greenfield and brownfield sites within the Gloucester Fringe, Rural East and South and Rural West are demonstrably viable at 30% affordable housing. At Cam, Stonehouse and Sharpness, most generic greenfield sites are demonstrably viable at 20% affordable housing and some at higher levels. For the specific allocated sites at these locations the site promoters are confident are viable and deliverable, taking into account the policy requirements of the Draft Local Plan. In terms of brownfield sites it is recognised that most are unviable. However, the Draft Local Plan does not rely on brownfield sites for the delivery of the Local Plan and can demonstrate that the brownfield sites allocated in the Local Plan will come forward, due to the introduction of public subsidy or other site specific circumstances.</p>
	<ul style="list-style-type: none"> In this regard it must be noted that, the LPVA22 (and previously the draft LPVA and WDLPVA) Greenfield Site BLV of £25k plus £350,000 per gross hectare appears to fail to reflect the LPVA22 author's own evidence of policy compliant land sales suggesting an average land sale value of £761k and a median value of £820k (presumably per gross hectare) Gloucestershire wide. 	<p>The approach to BLV is carried forward from the earlier viability work – which was subject to examination (CIL and Local Plan).</p> <p>It is accepted that the derivation of the 'premium' in BLV assumption can be controversial. It is, as set out in paragraph 10-016-20190509 of the PPG, an 'iterative process informed by professional judgement'. The PPG says: <i>'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'</i>.</p>



		<p>It is timely to note that a range of comments were made in this regard including by Savills on behalf of the Ernest Cook Trust (79): <i>We would however observe that the allowance falls within a typical range for borough wide viability testing purposes. We would also note HDH’s method of assessment represents one of several methods in determining SVB (where SBV is Site Benchmark Value).</i></p> <p>Jones Lang LaSalle Ltd (Ridge on behalf of Sharpness, 81) say, in relation to Sharpness New Settlement: <i>The report has maintained the previous methodology for the EUV+ with £375,000 /ha adopted. The current adoption currently still reflects a rate fourteen times that of the EUV and is therefore considered excessive. It is understood that a consistent approach is required for the assessment, but the current approach is not representative, realistic or appropriate for larger strategic sites and therefore again it is requested this be reconsidered as there appears to no substantive evidence for the adoption of 14 times EUV as a premium.</i></p> <p>The Council considers the approach to BLV adopted was appropriately tested through the consultation process and provides <i>‘a reasonable incentive for a land owner ... while allowing a sufficient contribution to fully comply with policy requirements’</i> and is consistent with the <i>‘the aims of the planning system to secure maximum benefits in the public interest through the granting of planning permission (PPG paragraph 10-010-20180724)’</i></p>
	<ul style="list-style-type: none"> • When land is being marketed on the basis of seeking offers for promotion agreements, it is usual that all bidders need to include in their offers, the minimum landowner return figure being proposed. The market is competitive. If realistic offers are not 	<p>See above comments. On the basis put forward by Pegasus, no development is viable. This does not correspond with the market. The assumption is 14 times EUV – which is a very substantial uplift.</p>



	<p>made land will not be secured. The LPVA22 BLV of £25k plus £350,000 per gross hectare does not reflect the reality (based on the experience of Robert Hitchins Ltd as per the information provided in response to the WDLPVA consultation) that in Gloucestershire values will range between £450k to £775k per gross hectare.</p>	
	<ul style="list-style-type: none"> The LPVA22 recommendation that in the cases of the site typologies where development remains unviable even after policy adjustments within 12.66 and 12.67 of the LPVA22 the Council reverts to site by site viability testing is contrary to the approach advocated within the NPPF paragraphs 34 and 58 which, together with the accompanying national planning practice guidance, places a significant emphasis on the assessment of viability by local authorities at the Plan making stage (albeit with site by site testing remaining an option where justified by planning applicants at the planning application stage). 	<p>It is agreed that viability assessments at the development management stage should be avoided where possible. A Plan wide viability assessment is however based on averages and other high-level assumptions. It is therefore inevitable that some sites will need to consider viability at the DM Stage. In particular this is likely to be the case on large complex sites with substantial site-specific strategic infrastructure and mitigation costs.</p>
Ridge on behalf of Newland Homes (77)	<ul style="list-style-type: none"> Overall, it's clear that the viability assessment provides a broad high-level assessment that determines a majority of the sites as unviable. Whilst it is appreciated that the viability assessment is not able to not consider all site-specific factors, due to the scale of the site, the viability of the Whaddon allocation is still not accurately reflected within the high-level appraisal undertaken in the 2022 Refresh. Fundamentally, there is an apparent need to adopt a more realistic and fully evidenced BLV. 	<p>The Draft Local Plan appraisals with realistic s106/CIL costs are set out in Appendix 15. The appraisals show that almost all of the greenfield and brownfield sites within the Gloucester Fringe, Rural East and South and Rural West are demonstrably viable at 30% affordable housing. This includes the Whaddon area.</p>
Savills on behalf of The Ernest Cook Trust and	<ul style="list-style-type: none"> The ongoing viability assessment carried out by HDH demonstrates the impact of policy 	<p>Welcome support.</p>



<p>Gloucestershire County Council (79)</p>	<p>requirements alongside changes in development revenues and costs. We recognise and welcome HDH's acknowledgement of a number of matters which were responded to during the previous period of consultation particularly in respect of residential build costs, developer's contingency and developer's return (profit). We do however consider there to be certain areas which remain unclear or where further consideration should reasonably be afforded at least by the Planning Inspectorate at review.</p>	
<p>Ridge on behalf of Sharpness (81)</p>	<ul style="list-style-type: none"> • The following representation is very detailed, the below summary had been provided by the representor and should be read in conjunction with the full rep: • Whilst it is appreciated that the viability assessment is not able to not consider all site-specific factors, due to the scale of the site, the viability of PS36 is still not accurately reflected within the high level appraisal undertaken in the 2022 Refresh. • The sensitivity analyses demonstrates the development can be made viable rather than marginally so and deliverable even without inputs that are appropriate for a development of scale but further that the viability could be significantly improved on to include the potential of a viability surplus if considered on a commercial and market facing basis, enabling delivery of policy and higher environmental standards wherever possible. Fundamental to this, is the adoption of a more realistic and fully evidenced BLV. 	<p>The comments that the development is viable and deliverable are welcomed. For this high level viability assessment, intended to cover a range of sites and situations, the approach taken is considered robust. However, it is important that the views of individual site promoters are taken into account when considering the viability of specific sites.</p> <p>With regard to BLV, it is accepted that the derivation of the 'premium' in BLV assumption can be controversial. It is, as set out in paragraph 10-016-20190509 of the PPG, an 'iterative process informed by professional judgement'. For this high level viability assessment, intended to cover a range of sites and situations, the approach taken is considered robust. However, it is important that the views of individual site promoters are taken into account when considering the viability of specific sites.</p>



Nexus Planning (82)	<ul style="list-style-type: none"> The schedule which sets out the contributions that may be sought from the Hunts Grove Extension is noted. However, the schedule should be treated as an estimate only and should not be assigned any determinative degree of accuracy for the purposes of benchmarking S106 contributions in connection with a planning application. Crest recognises that the scheme will attract a requirement for an appropriate and proportionate package of planning obligations that will satisfy the tests set out within the CIL Regulations. The outline application for development of the site under the terms of Policy SA4 is being prepared on this basis. 	Comment noted.
Blackbox Planning on behalf of Taylor Wimpey (83)	<ul style="list-style-type: none"> Since our submission to the pre-consultation of Stroud Local Authority's VA in July 2020 the UK has witnessed the effects of the COVID-19 pandemic and an increase in both house prices and build costs. Both of these have been reflected in HDH's revised VA assumptions. HDH have also increased the basis on which they calculate build costs for Strategic Sites to BCIS Median (from Lower Quartile). We concur with these market movements and re-adjusted basis of BCIS cost. 	Document EB111 has picked up the impact of the COVID and other market factors. We note the general support for the approach taken and assumptions used.
	<ul style="list-style-type: none"> Whilst we accept HDH's assumptions surrounding sales values, we have identified a number of key variables we would seek to challenge and also ask HDH to confirm the accuracy of their calculations with regard to build cost, interest rate, stamp duty and acquisition fee. 	The build cost is derived from the BCIS costs as set out in Appendix 10 of Document EB111. This approach is as per the PPG. Interest is calculated at 6.5% rate (paragraph 7.59). Stamp duty is calculated on the land value at the prevailing rate (paragraph 7.79). Acquisition fees are assessed at 1% for fees and 0.5% for costs, of the land value (paragraph 7.78).
	<ul style="list-style-type: none"> Together with our assumptions and corrections WCL have shown that the strategic site at Whaddon is viable using latest BCIS median costs. We have however, noted above that at the time of 	Welcome support for the allocation and clarification that the development at Whaddon is demonstrably viable. All the strategic site promoters are confident that their sites are viable and deliverable, taking into account the policy requirements of the Draft



	<p>writing there are increased risks surrounding many key variables due to current geopolitical tensions, global inflationary pressures and ensuing interest rate rises. One of these key variables related to risk is ultimately the BLV which is towards the highest end of the premium multiplier. We have shown the potential impact which can only really reduce the BLV from the highest multiplier applied. This provides us with additional comfort with our Viability Assessment.</p>	<p>Local Plan. Statements of Common Ground are being prepared to help the Inspectors at the Examination in Public.</p>
Individuals	Summarised comments	Stroud District Council Response
Individual (14,19) PS37	<ul style="list-style-type: none"> A number of Wisloe specific infrastructure costs are very low. For example: moving the high, pressure gas pipeline, noise bunds, flood ponds. Hence the site is considerably less viable than shown. PGP1 and PGP2 are much more viable The report also stresses the uncertainty around the economy making sites unviable and the difficulty of delivery large strategic sites. PS37 is an extreme example, evidenced by the simple fact that a developer has not been identified. 	<p>These are abnormal costs and are not uncommon for strategic sites. Document EB111 sets out how abnormal costs are dealt with in viability appraisals. Site PS37 performs better in viability terms than most of the strategic housing sites tested and in an earlier version of viability testing (see document EB70) the potential site at Whitminster was tested and its residual value was estimated as being lower than PS37 (see table 10.2d).</p> <p>The Local Plan is a long term plan to identify development sites that would be delivered over multiple economic cycles. It is accepted that we are in a period of uncertainty and there are a wide range of views as to how those will play out. A lead developer is being selected to develop the PS37 site.</p>
Individual (17) All sites	<ul style="list-style-type: none"> This report raises so many concerns about the unviability of non residential uses, limited employment opportunities and to some extent residential uses especially on brownfield sites that many core and delivery policies MUST be reviewed in the light of this and the consequences of the likely downgrading of aspirations clearly stated and the plan represented and consulted on accordingly. 	<p>Document EB111 shows that almost all of the greenfield and brownfield sites within the Gloucester Fringe, Rural East and South and Rural West are demonstrably viable. Large employment sites as allocated in the Plan are also viable. Strategic site promoters are confident their sites are viable and deliverable. The Draft Local Plan does not rely on the delivery of greenfield or brownfield sites at Stroud and the Stroud Valleys and those brownfield sites which are</p>



	<ul style="list-style-type: none"> The impact of employment uses being limited alongside non residential unviabilities must not be underestimated. Many of the core and delivery policies will be impacted and importantly the overall aim and balance of the whole plan will be skewed even more than now to greenfield house building. That is unacceptable 	allocated have been made viable by public subsidy or have site specific conditions which justify allocation.
Individual (30,31,62,63) PS37	<ul style="list-style-type: none"> The site-specific infrastructure costs, to be borne by the developer, which include; moving the high-pressure gas pipeline, generating 40 ft high embankments, noise attenuation fences, flood ponds etc. are not underwritten by a developer. Until these optimistic promoter's estimates are validated, the submission should be considered an underestimate of the true costs. 	These are abnormal costs and are not uncommon for strategic sites. Document EB111 sets out how abnormal costs are dealt with in viability appraisals. Site PS37 performs better in viability terms than most of the strategic housing sites tested.
	<ul style="list-style-type: none"> The combination of CIL contribution and site-specific realistic infrastructure costs make PS37 houses relatively expensive to recover the investment, putting pressure on not achieving the mandated number of affordable homes. 	The value of housing is set by the market. A developer cannot simply increase the price to meet infrastructure costs. Document EB111 has assessed viability at a high level using a series of broad scenarios and varying requirements and the results show that not all sites are viable particularly brownfield sites. Site PS37 actually performs better in viability terms than most of the strategic housing sites tested. Despite the fact that the viability of strategic sites is constrained, all the strategic site promoters are confident that their sites are viable and deliverable, taking into account the policy requirements of the Draft Local Plan.
	<ul style="list-style-type: none"> Two sites at Whitminster and Moreton Valence were not selected for inclusion in the DLP despite both sites being more sustainable than PS37, they are; on the A38 corridor, nearer to major areas of employment, adjacent to M5 junctions and not requiring the same level of infrastructure investment due to their location and topography. Both sites have full lead developer backing with 	These two sites are not more sustainable or deliverable than site PS37. Document EB9 Topic Paper - Assessment & selection of sites October 2021 sets out how the Local Plan sites were selected. Both of these sites, if they had been allocated, would have required a significant level of infrastructure investment. In fact, in an earlier version of viability testing (see document EB70) the potential site at Whitminster was tested and its residual value was estimated as being lower than PS37 (see table 10.2d).



	<p>validated infrastructure cost estimates and are more viable whereas Wisloe (PS37) does not.</p>	
	<ul style="list-style-type: none"> Given the uncertainty around the current economic conditions, delivery of any large strategic site will be challenging, the technical challenges of realising the PS37 site against a plan which has not been underwritten by a lead developer is considered a risk not worth taking, it will certainly delay the house building commencement date, and should be removed from the DLP. 	<p>Site PS37 actually performs better in viability terms than most of the strategic housing sites tested. Despite the fact that the viability of strategic sites is constrained, all the strategic site promoters are confident that their sites are viable and deliverable, taking into account the policy requirements of the Draft Local Plan. A lead developer has been selected to develop the PS37 site.</p>

