

**Purbeck Community Infrastructure Levy
Response to the Council invitation for comments on the 12 sites to be modelled for viability
28 October 2013**

The Council invited examination participants with a development interest to comment on the 12 sites selected it selected for viability testing. The brief comment period was from the 16th-21st October. The Council did not receive any comments and so the Council tested the 12 sites on the 22nd October. The Council received two comments late on the 22nd October as follows:

Representor	Comment	Council Response
Bloor Homes	<p>Sorry not to have got back to you sooner on this. I welcome the range of proposed sites to model for viability but it has to be totally wrong to base the policy on specific cases and planning applications. The reason is that every site has its own specific characteristics which will impact on its viability – to use that as justification for policy cannot be right. For example each of the sites selected may have specific costs, such as contamination or demolition or abnormal foundation costs, highway issues, SANG (and there could be any number of such “abnormal costs” – the potential list is almost limitless) which would render any viability calculation for policy set on the basis of those individual schemes invalid in other cases. It is therefore vital that based on this range of schemes likely to be coming forward for consideration a generic model is set out for each scale of development to be reviewed and modelled if a CIL rate based on this is to be of value. A reasonable “standard” allowance will have to be made for the potential “abnormal” site specific costs that can be expected.</p> <p>Bearing in mind the examples you have identified and the policies for both actual sites in the Local Plan, the scale of 1,000 more houses to be found through an early review of the Local Plan, and the 200 units as Swanage in the plan I suggest that generic models should be based on perhaps the following model schemes:</p> <p>100 (or say 150) dwelling units – I guess there will be little difference in the viability whichever of these numbers are selected representing a large scale site. 30 units, 10 units, 5 units. Each scale should be</p>	<p>Unfortunately the Council received this response after the deadline, when it had already modelled the original set of schemes.</p> <p>The representor is concerned that the Council will take into account each site’s specific characteristics and these might affect viability. The Council understands this is exactly why the Examiner asked the Council to model actual sites, to assess what might happen in reality, to ensure that the hypothetical basis upon which the CIL rates were derived is robust and ultimately housing is deliverable.</p> <p>The sites modelled include a mix of actual planning permissions (8 sites) and hypothetical schemes (4 sites)</p> <p>For the sites with planning permission the Council has used the dwelling mix and sizes to calculate the CIL charge and to run these real live examples through the 3 Dragons toolkit. The Council has not referenced any ‘other costs’ about the specific scheme, such as abnormal costs, highway costs and SANGS.</p> <p>On the sites without permission, the Council has used a standard mix of dwellings and not included any ‘other costs’, and has used standard assumptions for each assessment.</p> <p>The Council hasn’t included a standard allowance for any ‘other costs’. Instead, these would be deducted from the resulting residual value. Where these lead to viability concerns developers can negotiate with the Council on a site by site basis.</p> <p>The schemes tested include 153, 35, 9 and 4 dwellings which are in around the numbers that the representor suggests. The schemes are tested across each of the</p>

Representor	Comment	Council Response
	<p>modelled for say Upton, Wareham, Swanage and Wool to reflect the areas you have identified in the CIL papers.</p> <p>Since there is proposed to be 200 dwellings at Swanage it may be a scheme of 100 – 150 will come forward or there may be several smaller ones. Likewise with a range of scheme scales likely to come forward to meet housing needs this matrix of analysis will give a robust test which can then be updated to reflect changes in market conditions as CIL is reviewed over time.</p>	<p>submarkets, in line with what is likely to come forward in those areas in the remainder of the plan period.</p> <p>Over time, the Council will be able to use the results of independent viability analysis of real planning applications to inform CIL (and the affordable housing policy). 7 schemes have been through this process, 4 that were shown to be policy compliant with no viability concerns. The 3 sites that were shown to not be viable at policy, each had a high existing use value and as a result the Council will re-negotiate the affordable housing requirement.</p>
Wyatt Homes	<p>I have only just heard from Bloor Homes representative that you have suggested some revised modelling techniques. I have seen his response and would agree that you should use hypothetical sites rather than specific ones for the reasons set out by Simon.</p>	<p>Unfortunately the Council received this response after the deadline, when it had already modelled the original set of schemes. The Council sent the consultation notification to the Wyatt Homes contact for the examination. Response as above.</p>