

# Local Plan Representations

For Persimmon Homes and Charles Church Lancashire | 23-106

Regulation 19 – Central Lancashire Local Plan



**Project:** 23-106  
**Site Address:** Central Lancashire Local Plan  
**Client:** Persimmon Homes and Charles Church Lancashire  
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# 1. Introduction

- 1.1 This statement sets out the representations of Persimmon Homes and Charles Church Lancashire (hereafter referred to as 'Persimmon') to the strategic policies of the Central Lancashire Local Plan Publication Version. Persimmon is promoting two omission sites across the Central Lancashire region for residential development. Representations on Central Lancashire's approach to the housing requirement, distribution and details of Persimmon's omission sites are set out in these representations.



## 2. Policy HS1 (Strategic Policy)

### Plan Period

2.1 The plan period is proposed to be 2023 to 2041.

2.2 Paragraph 22 of the Framework makes clear that strategic policies are those which make provision for housing, employment and other types of growth:

*“Strategic policies should set out an overall strategy for the pattern, scale and quality of development, and make sufficient provision for:*

*a) housing (including affordable housing), employment, retail, leisure and other commercial development;*

*b) infrastructure for transport, telecommunications, security, waste management, water supply, wastewater, flood risk and coastal change management, and the provision of minerals and energy (including heat);*

*c) community facilities (such as health, education and cultural infrastructure); and*

*d) conservation and enhancement of the natural, built and historic environment, including landscapes and green infrastructure, and planning measures to address climate change mitigation and adaptation.”*

2.3 Paragraph 22 of the Framework requires strategic policies to cover a 15 year plan period from adoption:

*“Strategic policies should look ahead over a minimum 15 year period from adoption, to anticipate and respond to long-term requirements and opportunities, such as those arising from major improvements in infrastructure.”*

2.4 The Council’s proposed schedule for the adoption of the Local Plan is set out in the 2024 LDS which is:

- Consultation Pre-Submission Plan (Publication stage) – February 2024 to April 2024
- Submission to Planning Inspectorate – by 30<sup>th</sup> June 2024
- Examination in Public – late 2025 until Summer/early Autumn 2026
- Adoption – Expected no later than 31st December 2026.

2.5 The end date of the strategic policies relating to housing and employment land supply is 31 March 2041. Therefore, even on the basis of the Council’s own LDS, the plan will only have a plan period of 14 years 3 months after adoption and therefore would not cover a period of 15 years. Therefore, it is considered to be unsound and not in accordance with national policy.



2.6 Even if the LDS is correct and the Plan is adopted no later than December 2026, the Local Plan period must be extended to 2042 in order to be consistent with national planning policy.

2.7 The above assumes that there are no delays between now and then, which in our view is unrealistic. It is also important to note that Local Plan examinations have historically taken multiple years. Specific examples include the Cheshire East Local Plan Strategy which took over 3 years and the Halton Delivery and Allocations Plan which took 2 years. More recently, Planning Inspectors have paused public hearings being held as part of the examination into the Charnwood Local Plan 2021-2037 to allow more time for consideration of information relating to Leicester’s unmet housing need. Whilst we appreciate this may not specifically apply to the case of Central Lancashire’s Local Plan, it further demonstrates the issues and delays which can take place during the examination process. This issue has also been recently raised by the Inspectors for the Wiltshire Local Plan and in their letter dated 27<sup>th</sup> February 2025 state:

*“The revised spatial strategy topic paper (SD/16) shows the Plan period of 2020-2038 commencing in advance of the date of the most up-to-date calculation of Local Housing Need. In that regard, the plan period would look forward around 13 years from the current date which the Council seeks to justify as being 15 years from the date of the assessments of housing and employment needs. However, paragraph 22 of the Framework (September 2023) expects strategic policies to look ahead over a minimum of 15 years following adoption of the Plan. As a result, the submitted Plan would not appear to look sufficiently far ahead to anticipate and respond to long-term requirements and opportunities.*

*We identify this matter to you at this early stage as it is clearly a matter of concern and one which will have implications for the rest of the examination, including our consideration of whether the Plan is positively prepared and consistent with national policy with respect to the overall amount of housing and employment land to be identified.”*

2.8 The plan period should be extended to 2042 as a minimum in order to be considered sound.

## Housing Requirement

2.9 The housing requirement for Central Lancashire is proposed to be 23,652 homes to be delivered between 2023 and 2041, at an annual average of 1,314 homes. Our representation under Policy HS1 focuses on the use of the transitional arrangement to progress with a local plan to avoid the consequences of meeting the standard method figure.

2.10 The publication of the revised Framework in December 2024 and the new Standard Method sets out a need for 1,643 dwellings per annum. Under the transitional arrangements in the Framework, the policies in the revised Framework will apply from 12 March 2025 other than where one or more of the criteria are met. Criterion (a) is that the plan has reached Regulation 19<sup>82</sup> (pre-submission stage) on or before 12



March 2025, and its draft housing requirement meets at least 80% of local housing need. In the case of Central Lancashire, they have prepared the Plan on the basis of it meeting 80% of the standard method which is 1,314 dwellings. We address this calculation later but for this part of these representations, we proceed on the proposed requirement in Policy HS1 is 1,314 dpa and that paragraph 234(a) applies, and the plan will be examined under the relevant previous version of the Framework.

2.11 Paragraph 61 of the 2023 Framework states:

*“To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance. The outcome of the standard method is an advisory starting-point for establishing a housing requirement for the area (see paragraph 67 below). There may be exceptional circumstances, including relating to the particular demographic characteristics of an area<sup>25</sup> which justify an alternative approach to assessing housing need; in which case the alternative approach should also reflect current and future demographic trends and market signals. In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for<sup>26</sup>”*

2.12 Local Housing Need is defined in Annex 2 of the Framework:

*“The number of homes identified as being needed through the application of the standard method set out in national planning guidance (or, in the context of preparing strategic policies only, this may be calculated using a justified alternative approach as provided for in paragraph 61 of this Framework).”*

2.13 Paragraph 2a-010 of the PPG provides the following guidance on when it is appropriate to plan for a higher housing need figure than the standard method:

*“When might it be appropriate to plan for a higher housing need figure than the standard method indicates?”*

*The government is committed to ensuring that more homes are built and supports ambitious authorities who want to plan for growth. The standard method for assessing local housing need provides a minimum starting point in determining the number of homes needed in an area. It does not attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour. Therefore, there will be circumstances where it is appropriate to consider whether actual housing need is higher than the standard method indicates.*

*This will need to be assessed prior to, and separate from, considering how much of the overall need can be accommodated (and then translated into a housing requirement figure for the strategic policies in the plan). Circumstances where this may be appropriate include, but are not limited to situations where increases in housing need are likely to exceed past trends because of:*



- *growth strategies for the area that are likely to be deliverable, for example where funding is in place to promote and facilitate additional growth (e.g. Housing Deals);*
- *strategic infrastructure improvements that are likely to drive an increase in the homes needed locally; or*
- *an authority agreeing to take on unmet need from neighbouring authorities, as set out in a statement of common ground;*

*There may, occasionally, also be situations where previous levels of housing delivery in an area, or previous assessments of need (such as a recently-produced Strategic Housing Market Assessment) are significantly greater than the outcome from the standard method. Authorities will need to take this into account when considering whether it is appropriate to plan for a higher level of need than the standard model suggests.”*

2.14 Persimmon is part of the consortium that has instructed Stantec to prepare a Housing Needs Assessment for Central Lancashire. This is based on the circumstances set out in the PPG and is a fundamental material consideration as to why the Plan is not sound and should be revised to meet at least the standard method of 1,643 dpa. We do not repeat their submissions here.

2.15 The authorities also agree that the housing requirement should be increased above the standard method of 944 dpa and HO9 concludes that *“Based on an evaluation of the updated scenarios, presented in Section 5, the recommended (or preferred) housing need scenario is the Employment-led (CR 1-to-1) scenario which corresponds to an equivalent 1,237 dwellings per annum”*.

2.16 However, the authorities have fallen into error due to the increase of 77 dpa to meet the transitional arrangements as explained in paragraph 4.19 of the Plan which states:

*“4.19 Following publication of the revised NPPF in December 2024, the annual housing requirement for Central Lancashire has been increased slightly to 1,314 dwellings per annum in order to achieve 80% of the LHN using the new standard method formula, in accordance with the transitional arrangements. The additional 77 dwellings per annum has been distributed between the three authorities.”*

2.17 This increase is not evidence based and is simply a mathematical calculation to meet the transitional arrangements and does not fall within the scope of the circumstances set out in the PPG. We acknowledge the list in the PPG is not exhaustive but any increase should be evidence based and for that reason the plan is not sound and therefore cannot be considered under the 2023 Framework.

2.18 Using the proposed requirement in HS1, the total number of dwellings to be delivered is 23,652 dwellings, whereas if the standard method at the Regulation 19 stage is used, the total requirement for the plan period would be 29,574 dwellings. This is a total of 5,922 dwellings not being planned for through what



we consider an inappropriate application of the transitional arrangements particularly when there is a ready source of sites to meet the standard method. To put the matter another way, the authorities have added 77 dwellings to the annual requirement to avoid the need to plan for an additional 329 dpa. In the context of the Government’s agenda for house building the proposed requirement is not sound. Indeed, the Central Lancashire Housing Study at Preferred Options stage stated that since 2001 there were on average 1,423 net additions to the dwelling stock per annum in Central Lancashire. Figure 3 of the updated Central Lancashire Housing Study (HO9) shows annual delivery since 2013.

**Table 3 Dwelling completion rates in Central Lancashire 2013-2024**

Authority	2013 / 2014	2014 / 2015	2015 / 2016	2016 / 2017	2017 / 2018	2018 / 2019	2019 / 2020	2020 / 2021	2021 / 2022	2022 / 2023	2023 / 2024
Preston	142	488	282	791	634	785	828	828	1,064	1,405	1,630
South Ribble	346	486	371	237	312	437	412	424	513	701	580
Chorley	582	723	597	517	661	573	640	306	228	309	291
<b>Central Lancashire Total</b>	<b>1,070</b>	<b>1,697</b>	<b>1,250</b>	<b>1,545</b>	<b>1,607</b>	<b>1,795</b>	<b>1,880</b>	<b>1,558</b>	<b>1,805</b>	<b>2,415</b>	<b>2,501</b>

Source: Council Authority Monitoring Reports NB: Single figure reported for 2019-2021, therefore 2019/2020 and 2020/2021 figures for Preston are averaged across the two years.

2.19 The 10 year average is 1,650dpa and the 5 year average is 1,920dpa. It is clear that since 2013/14 that Central Lancashire has proved that it can deliver a high level of net additions and the proposed requirement is a suppression of what the market has delivered.

2.20 Paragraph 237 of the Framework states:

*“Those local plans that reach Regulation 19 (pre-submission stage) on or before 12 March 2025 and whose draft housing requirement<sup>87</sup> meets less than 80% of local housing need<sup>85</sup> should proceed to examination within a maximum of 18 months from 12 December 2024, or 24 months of that date if the plan has to return to the Regulation 18 stage<sup>88</sup>.”*

2.21 There were meetings of the Central Lancashire Joint Advisory Committee in September and December 2024. In the September 2024 meeting members were advised that:

*“Concerning housing evidence, Members’ attention was drawn to several pieces of work to assess housing need that should be finalised in the coming months. The current proposal was to proceed and plan for above the standard method figure as had been included within the Regulation 18 Preferred Options consultation carried out in 2022.”*

2.22 The only matter on the December public agenda for the Joint Advisory Committee was the Central Lancashire Core Strategy Monitoring Report. However, under Exclusion of Press and Public the minutes state:



**68 Exclusion of Press and Public**

**Resolved** - That the public be excluded from this meeting during consideration of the following items of business on the grounds that there is likely to be disclosure of exempt information which is described in the paragraphs of Schedule 12A to the Local Government Act 1972 which are specified against the heading to each item, and that in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing it.

**69 Local Plan**

Central Lancashire Strategic Planning Joint Advisory Committee Monday, 16 December 2024

Ms Zoe Whiteside, Service Lead Spatial Planning (Chorley Council) and Mrs Carolyn Williams, Planning Policy Manager (Preston City Council) provided an update on the progress of the Central Lancashire Local Plan.

**Resolved** – that Committee noted the presentation.

- 2.23 The Central Lancashire Housing Study Update (HO9) is dated December 2024 and recommended an employment-led requirement of 1,237 dwellings. However, due to the exclusion of the press and public it is not known what the Joint Committee considered. However, public reports were taken to the Full Councils of the three authorities in late January 2025. These had the uplift of 77 dwellings in Policy HS1.
- 2.24 It is therefore not on the public record of when it was agreed that the additional 77 homes would be applied but we consider it was after the publication of the Framework when the transitional arrangements were set out. This reinforces our concerns that the requirement in HS1 is arbitrary to avoid addressing paragraph 237 and is not sound.
- 2.25 We now consider that even if an arbitrary increase of 77 dwellings is sound, whether that is sufficient to meet the 80% in the transitional arrangements is now set out. The table below shows the current standard method for this Regulation 19 stage and calculates the percentage of the requirement in HS1 against it. As can be seen the percentage is below 80% annually as well as over the plan period which results in a shortfall of 7 dwellings.



	Current Standard Method	80% of Current Standard Method	HS1 Requirement	% of Current Standard Method
Central Lancashire Annual	1643	1314.4	1314	79.98
Central Lancashire Plan Period	29574	23659.2	23652	79.98

2.26 We do not consider the Government when setting the transitional arrangements envisaged a working scenario whereby an authority would deliberately change the requirement to be exactly at 80%. Nevertheless as can be seen from the above table, even though it is marginal the requirement is not at least 80% as required in the transitional arrangements.

### Early Review

2.27 There is no provision in the Plan for an early review. Paragraph 4.21 states:

*“4.21 Each Council will monitor delivery rates within their area annually in accordance with a published trajectory to ensure delivery rates are maintained. A review of policy HS1 will be undertaken jointly by the three Councils no less than every five years to ensure it is up-to-date and meets the requirements of national policy.”*

2.28 However, paragraph 34 does state:

*“Relevant strategic policies will need updating at least once every five years if their applicable local housing need figure has changed significantly; and they are likely to require earlier review if local housing need is expected to change significantly in the near future.”*

2.29 We consider that the 20% increase between the requirement in HS1 and the standard method is a significant change which justifies an early review to be prepared in order to address the shortfall in housing need.

### Conclusions

2.30 The circumstances in Central Lancashire provide clear justification for a higher housing need figure than the standard method and we support the evidence submitted by Stantec as well as an extension to the plan period to at least 2042.



### 3. Policy HS1 Distribution of Housing Requirement

3.1 A breakdown of the requirement between the constituent authorities is provided in Policy HS1 which is as follows.

- a) 6,012 homes in the Chorley Council area (334 dwellings per annum)
- b) 9,360 homes in the Preston City Council area (520 dwellings per annum)
- c) 8,280 homes in the South Ribble Borough Council area (460 dwellings per annum)

3.2 The above figures differ from those in the Central Lancashire Housing Study as the average requirement for each authority is:

- 410 dwellings for Chorley;
- 441 dwellings for Preston; and,
- 386 dwellings for South Ribble.

3.3 Under the new standard method, the requirement for each authority is:

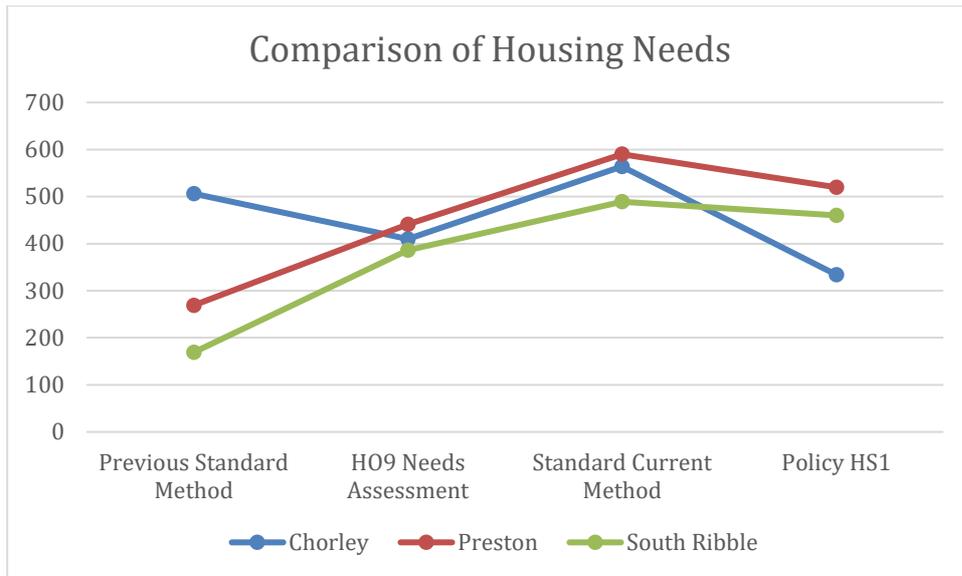
- 564 dwellings for Chorley;
- 590 dwellings for Preston; and,
- 489 dwellings for South Ribble.

3.4 Whilst we accept linkages between the authorities, the evidence base sets out the reason for the distribution which is set out in paragraph 5.2 of Housing and Employment Allocations: Site Selection Process (HO16). It states:

*“5.2 Chorley had unmet need against the housing requirement set out in the Housing Study however Preston and South Ribble were able to meet this unmet need therefore a redistribution of the Housing Study requirements was applied. As such Green Belt release in Chorley was not required and could not be justified.”*

3.5 Therefore, the sole reason is that the change in distribution is so that Green Belt release was not required. This is contrary to the housing need evidence for the Plan and the graph below shows the various need figures for each authority.





3.6 As can be seen for Chorley the requirement in HS1 is below each of the three figures for housing need. Given that the increase in the requirement in HS1 is for economic growth as well as to meet the transitional arrangements, we consider that the reduction applied to Chorley and the increase to South Ribble should be altered so that the outcome of the Central Lancashire Housing Study is applied.



## 4. Housing Trajectory

- 4.1 Paragraph 11 requires plans and decisions to apply a presumption in favour of sustainable development. For plan-making this means that:

*“a) all plans should promote a sustainable pattern of development that seeks to: meet the development needs of their area; align growth and infrastructure; improve the environment; mitigate climate change (including by making effective use of land in urban areas) and adapt to its effects;*

*b) strategic policies should, as a minimum, provide for objectively assessed needs for housing and other uses, as well as any needs that cannot be met within neighbouring areas, unless:*

*i. the application of policies in this Framework that protect areas or assets of particular importance provides a strong reason for restricting the overall scale, type or distribution of development in the plan area; or*

*ii. 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.”*

- 4.2 The housing trajectory projected to deliver 25,579 dwellings in the plan period against the housing requirement of 23,652. This equates to an additional supply of 1,927 which equates to an allowance of 9%.
- 4.3 Stantec on behalf of the Consortium has prepared a detailed assessment of the housing supply in the Plan. As Persimmon is part of the Consortium, we do not repeat the conclusions here. Our representation relates to the need for a greater supply to meet the requirement. This is because a flexibility allowance is required to respond to changing circumstances, i.e. slippage in the delivery of housing from strategic sites, as required by the Framework. As it stands, any delay or non-implementation of a number of sites would mean the minimum requirement is not met with serious implications in terms of the failure to meet the identified housing need.
- 4.4 Therefore, notwithstanding our objections to Policy HS1, insufficient land has been allocated to meet the requirement of 23,652 dwellings. On this basis the plan is failing to bring forward sufficient land to address its objectively assessed needs over the plan period and is therefore in conflict with national policy. Further sites must be identified to not only meet the needs, but also provide sufficient flexibility in the event that some allocated sites do not come forward or deliver less than planned for.
- 4.5 We consider that there should be a buffer of at least 20% which is based on the Local Plans Expert Group report to the Communities Secretary and to the Minister of Housing and Planning in March 2016. The



report recommends at paragraph 11.4 that the Framework should make clear that local plans should be required to demonstrate a five year land supply but also focus on ensuring a more effective supply of developable land for the medium to long term, plus make provision for, and provide a mechanism for the release of, sites equivalent to 20% of their housing requirement, as far as is consistent with the policies set out in the Framework.

- 4.6 We consider that the above key points are broadly applicable to Central Lancashire and the Plan must provide sufficient flexibility in the housing land supply and there is a need to release additional deliverable sites to provide a five-year housing land supply and in the plan period. Even if there were to be a degree of over-provision, there would be wider benefits of providing a level of housing in excess of the minimum requirement, namely improving affordability and meeting affordable housing needs.
- 4.7 However, the position in the Plan is that safeguarded land is not required and as a consequence Green Belt land is not being released. We consider there is a need for safeguarded land and Green Belt release over and above the sites currently proposed for allocation.
- 4.8 The Guildford Local Plan 2019 is relevant to the issue of releasing Green Belt to provide flexibility in the housing land supply. A supply of 14,602 dwellings was provided against a housing requirement of 10,678 dwellings, equating to a flexibility allowance of 37%. Of supply, some 6,742 dwellings were to be provided on sites to be released from the Green Belt. The plan was subject to an unsuccessful Challenge<sup>1</sup> which specifically addressed this point. The Judgment draws the following conclusions under Issue 2: Was the conclusion that there were exceptional circumstances justifying the allocations of housing land, released from the Green Belt, to provide headroom of over 4000 dwellings above the 10678 OAN lawful, and adequately reasoned?
- Once meeting the OAN is accepted as a strategic level factor contributing to “exceptional circumstances”, it follows that the provision of headroom against slippage and for flexibility to meet changes, “future-proofing” the plan, as the Inspector put it, would also contribute to such circumstances (paragraph 91).
  - The headroom figure was a judgement based on the sites which were available to meet a requirement figure somewhat over 10,678, and to do so in such a way that, over the initial and subsequent years of the plan, the rolling five year housing supply, with a 20% buffer for some years, would be maintained (paragraph 96).
  - As part of the total supply, the Inspector was entitled to conclude that the plan should allocate additional sites, that may be sequentially less preferable than other sites, because they were necessary allocations in order to provide the initial five year housing land supply (paragraph 101).

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<sup>1</sup> Compton PC vs Guildford BC [2019] EWHC 3242 (Admin)



- The prospect that a level of housing in excess of the OAN might be achieved can contribute to exceptional circumstances if it would deliver benefits such as improving affordability or increasing the supply of affordable housing (paragraph 105).

4.9 Although the specific circumstances of the plans are not the same, we consider that the above key points are broadly applicable to Central Lancashire as the Plan must provide sufficient flexibility in the housing land supply and delivering the requirement over the plan period. Even if there were to be a degree of over-provision, there would be wider benefits of providing a level of housing in excess of the minimum requirement, namely improving affordability and meeting affordable housing needs.

4.10 Criterion c of paragraph 148(c) of the Framework states “*where necessary, identify areas of safeguarded land between the urban area and the Green Belt, in order to meet longer-term development needs stretching well beyond the plan period*”. However, the Plan fails to provide safeguarded land and Green Belt release to meet development needs.



## 5. Viability Report

5.1 Roger Hannah has been instructed by the consortium which includes Persimmon Homes to provide a consultation response to the published Central Lancashire Local Plan Viability - Main Viability Report ('MVR') February 2025, which has been prepared by Aspinall Verdi on behalf of Preston Council, South Ribble Council and Chorley Council. Their report sets out concerns with the viability of the Local Plan and we specifically object to the provisions in the following policies:

- Policy HS6 – Housing Mix and Density
- Policy HS7 – Affordable Housing
- Policy EN6 – Bio Diversity Net Gain Costs

5.2 A copy of the representations are enclosed as **Appendix EP1**.



## 6. Omission site: Land off Bolton Road, Adlington, Chorley

### Site location and description

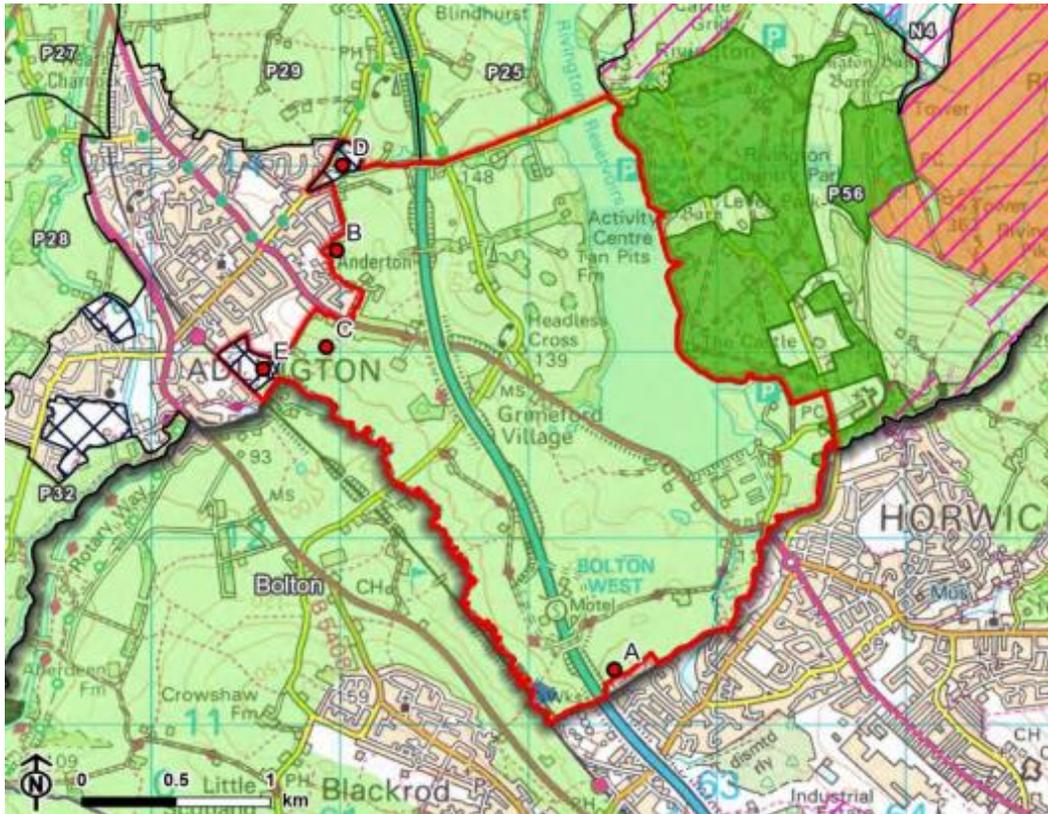
- 6.1 The site is located to the eastern edge of Adlington, which is a district centre in the Settlement Hierarchy (Table 1 of the draft plan). It comprises a site area of approximately 26.3ha. A Vision Statement by Urban Green is enclosed as **Appendix EP2**.
- 6.2 The site comprises of several fields used as pastoral farmland, surrounded by mature trees and hedgerows. The site is bound by the M61 to the east and Bolton Road to the south. Residential properties are located to the south and west. There are several opportunities for gaining vehicular access to the site. As set out in the Chorley Local Plan policies map, the site is in the Green Belt and in a mineral safeguarding area.

### Site Assessment in the Evidence Base

#### Green Belt Designations Study 2022

- 6.3 The Green Belt Designations Study 2022 (EV7) identifies Persimmon's site as part of a land parcel referred to as PR26. This parcel of land extends across an area much larger than Persimmon's site interest, along the east of Adlington. The assessment of this land parcel concludes that it makes limited / no contribution to checking the unrestricted sprawl of large built-up areas.
- 6.4 The Assessment also concludes that PR26 makes a significant contribution to preventing neighbouring towns from merging into one another and in assisting in safeguarding the countryside from encroachment.
- 6.5 However, the land parcel extends across a substantially larger area which has fundamentally different characteristics. As the image below shows, the PR26 is a much wider parcel with fundamentally different characteristics of its constituent parts:





6.6 In terms of unrestricted sprawl of large built-up areas, the assessment concludes that the land parcel PR26 makes limited / no contribution:

‘The parcel is located over 2km from Chorley to the northwest, which forms part of the Central Lancashire large built-up area. The parcel does not therefore contribute to preventing sprawl. Land closer to the large built-up area performs that role.’

6.7 We set out below a site-specific assessment of Persimmon’s site within the context of the main purposes of including land within the Green Belt for the purposes of paragraph 138 of the NPPF below:

Main purpose	Summary assessment
<p><b>To check unrestricted urban sprawl</b></p>	<p>The site is bounded by:</p> <ul style="list-style-type: none"> <li>• The M61 to the eastern boundary.</li> <li>• Bolton Road to the southern boundary.</li> <li>• Residential properties and the built-up area of Adlington beyond to the western boundary.</li> <li>• An unnamed road to the northern boundary.</li> </ul> <p>These boundaries provide robust, permanent and defensible edges such that development could not sprawl any further in any direction.</p> <p>The wider land parcel identified by PR26 is assessed through the Green Belt Designations Study as making limited / no contribution to the wider Green Belt with regard to unrestricted sprawl of large built-</p>



	up areas. Persimmon's site makes the least contribution of any part of this wider land parcel.
<b>To prevent neighbouring towns merging into one another</b>	Persimmon's site, which is located on the eastern edge of Adlington, makes no contribution to the merging of towns.
<b>Safeguarding the countryside from encroachment</b>	The site is heavily influenced by its close functional and visual relationship with the built-up area of Adlington. Given the strong urban influences on Persimmon's site, the land does not make a meaningful contribution towards safeguarding the countryside from encroachment.
<b>Preserve the setting and special character of historic towns</b>	Adlington is not within a Conservation Area or defined as an historic town. The nearest Listed Building to the application site is Greenhalgh Farmhouse to the north of the site. Subject to a sensitive and high-quality design and landscaping scheme, development could come forward without harm to the Listed Building.

- 6.8 A sensitive design concept for the proposed development, with appropriate landscape buffers would ensure that the integrity of the wider Green Belt would not be undermined. The revised Green Belt boundary would be delineated by defensible, permanent and readily recognisable features to the north, south, east and west. The resultant Green Belt boundary would meet the tests at paragraph 148 of the Framework.
- 6.9 Paragraph 144 of the Framework confirms that Green Belt boundaries should only be altered in exceptional circumstances through the preparation or review of the Local Plan. We maintain that the release of Green Belt land for housing development is necessary in order to meet unmet and future housing needs of the Central Lancashire region<sup>2</sup>. This comprises exceptional circumstances for the purposes of the Framework.
- 6.10 The release of the site from the Green Belt is justified for the purposes of paragraphs 139 to 143 of the Framework. Furthermore, it could come forward for development with limited landscape impacts given its general lack of landscape features and close visual and physical relationship to the existing urban area.
- 6.11 3.3 NPPF requires there to be exceptional circumstances to alter Green Belt boundaries therefore sites within the SHELAA that are located with the Green Belt (with the exception of previously developed sites in the Green Belt) were 'parked' until a review of land outside of the Green Belt had been undertaken and it had been established if there was sufficient land available outside the Green Belt to meet the identified housing and employment needs. For sites located partly within the Green Belt, only the part of the site outside of the Green Belt was taken forward to Stage 1 (b) if the site could be accessed without encroaching into the Green Belt.

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<sup>2</sup> Please see the Consortium Submission by Stantec



6.12 The land has two SHLAA references, these being 19C379 and 19C020. However, as the land is in the Green Belt has been parked as set out in HO15a assessments are not provided. However, as we have concluded, exceptional circumstances do exist and we set out below the suitability of the site.

### Highways and accessibility

6.13 Persimmon has control over the site and the site could easily benefit from access / egress in several locations. There are no significant constraints to the proposed development in terms of access and highways safety, and any planning application for the residential development of this site would be supported by a Transport Statement.

6.14 Furthermore, the site is highly sustainable in terms of its location to key services and public transport options:

- Anderton St Joesph's Catholic Primary School is adjacent to the site to the west. There are three other primary schools within walking distance of the site.
- 175m from Rothwell Road bus stop serving nos. 125 and 811 along Bolton Road, to destinations such as Bamber Bridge, Bolton Heath Charnock Horwich and Sharoe Green. There are two additional bus stops along Bolton Road, to the south of the site.
- 290m from the Co-op foodstore on Bolton Road, with a Tesco Express foodstore on Chorley Road, slightly further west of the site.
- 900m from Post Office at Market Place.
- 875m to Lower Rivington Reservoir for recreational and leisure opportunities.
- 780m to Adlington Train Station, which offers regular and direct services to key destinations such as Blackpool, Bolton, Manchester and Preston for employment and leisure opportunities.

6.15 The site is within easy and convenient walking distance of a wide range of key services and it is well served by public transport for the purposes of the NPPF.

### Ecology and trees

6.16 The site is not subject to any statutory or non-statutory ecological designations. Some of the existing trees could be retained and strengthened as part of any development, and new tree planting could be secured. At present, the existing trees within the site are not subject to any management and a planning application could secure the strengthening of the existing planting and its long-term maintenance via a management plan.

6.17 Any planning application would be supported by the requisite ecological and arboricultural assessments.



## Heritage

6.18 A review of DEFRA's Magic Map system and Local Plan mapping show there are no Listed Buildings, Conservation Areas, Registered Parks/Gardens/Battlefields, World Heritage Sites or Scheduled Monuments at the site. The nearest Listed Building to the application site is Greenhalgh Farmhouse to the north of the site. The site is physically and visually separate and development could come forward whilst not undermining the character of this heritage asset subject to a sensitive design process.

## Local infrastructure

6.19 The site is located on the edge of the existing built-up area of Adlington with no fundamental constraints in terms of utilities and surface and foul water connections. It is in close proximity to existing key services such as public transport, schools and health facilities. With due regard for the scale of the development proposed, the allocation of Persimmon's site would not place undue pressure on local infrastructure and services.

6.20 Any planning application could secure the provision of developer contributions to local services such as education and health facilities where appropriate and in accordance with planning policy requirements and the tests set out through the Community Infrastructure Levy Regulations 2010.

## Proposed allocation

6.21 Paragraph 5.13 of the Central Lancashire Housing Study sets out that the biggest risks or constraints on delivery of housing in Central Lancashire going forwards are seen as being the planning system and planning regulation itself, lack of housing allocations and infrastructure constraints. Persimmon's site will help deliver much needed housing in Central Lancashire.

6.22 It is considered that the site is capable of accommodating approximately 500 dwellings and a Framework Plan is enclosed as **Appendix EP2**. This shows how the site can be developed which could also be undertaken in phases. We would suggest that a site-specific allocation of Persimmon's site could be worded such that it requires the following:

- The provision of around 500 dwellings comprising an appropriate mix of sizes and tenures.
- Appropriate access for vehicular traffic and pedestrians.
- Provision of a comprehensive landscaping plan for the retention and enhancement of ecological and landscape features, including the existing trees, where possible.
- Contributions to local infrastructure where appropriate and in accordance with planning policy requirements.



## 7. Omission site: Land at Bartle, Preston

### Site location and description

- 7.1 The site is located in Bartle, to the north west of Preston and below the M55. It comprises a site area of approximately 6.4ha. A location plan is enclosed as **Appendix EP3**.
- 7.2 The site comprises of a single field used as pastoral farmland. The perimeter of the site is defined by mature trees and hedgerows. The site is bound by Blackleach Lane to the south and west. Fields surround the site to the north and east. Vehicular access to the site can be achieved from Blackleach Lane. An ordinary watercourse is located towards the north of the site.
- 7.3 In the adopted Preston Local Plan, the site is in a designated area for open countryside.
- 7.4 In the draft Local Plan, the site is adjacent to Site SS3 Strategic Site Allocation – Preston North West/Bartle (extract below).



- 7.5 These representations consider that the site should be included as part of SS3 as it is an unconstrained parcel of land that would extend to Blackleach Lane.

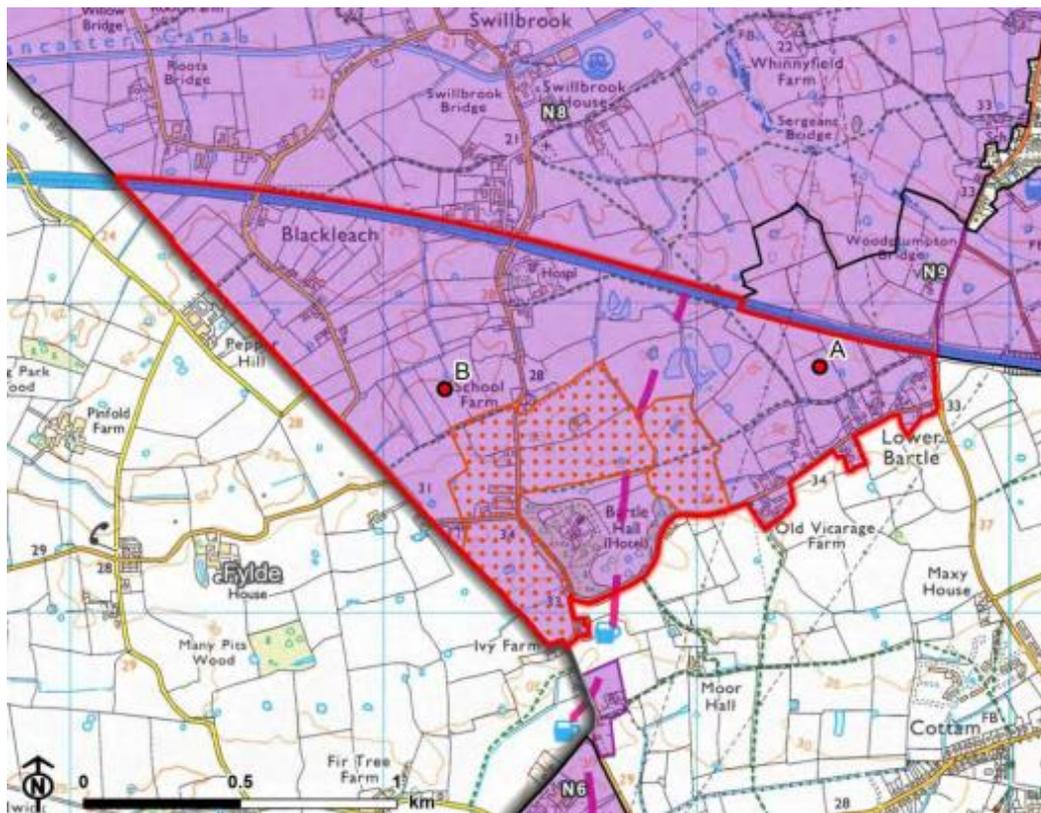
### Site Assessment in Evidence Base

#### Green Belt Designations Study 2022 (EV7)

- 7.6 The Green Belt Designations Study 2022 (EV7) identifies Persimmon's site as part of a land parcel referred to as N7. This parcel of land extends across an area much larger than Persimmon's site interest, in a triangular shaped area south of the M55. A significant part of land parcel N7 is committed for the

development of Bartle Garden Village. The assessment of this land parcel concludes that much of the parcel currently lacks strong distinction from unprotected land adjacent to the urban area and / or from the Garden Village site. However, the north western part of the parcel retains stronger separation from these areas and so makes a significant contribution to preventing sprawl of the Central Lancashire large built-up area. Our client’s site does not form part of the north western part of the parcel.

7.7 The assessment parcel extends across a substantially larger area than Persimmon’s site interest. See the image below, which illustrates the scale of N7 which must be considered in various parts due to the different characteristics of the area:



7.8 Below is a site-specific assessment of Persimmon’s site within the context of the main purposes of including land within the Green Belt for the purposes of paragraph 138 of the NPPF below:

Main purpose	Summary assessment
<p><b>To check unrestricted urban sprawl</b></p>	<p>The site is bounded by:</p> <ul style="list-style-type: none"> <li>• Blackleach Lane to the south and west.</li> <li>• Other fields to the north and east.</li> </ul> <p>These boundaries provide robust, permanent and defensible edges such that development could not sprawl any further in any direction.</p> <p>Only the north western part of the wider land parcel identified by N7 makes a significant contribution to preventing the sprawl of the</p>



	Central Lancashire large built-up area. This would not include Persimmon's site.
<b>To prevent neighbouring towns merging into one another</b>	Persimmon's site and the wider parcel N7, makes no contribution to the merging of towns.
<b>Safeguarding the countryside from encroachment</b>	Persimmon's site is adjacent to SS3 which is a strategic allocation for residential development. The development of the site for housing next to a future larger housing development, means that the site will not make a meaningful contribution towards safeguarding the countryside from encroachment.
<b>Preserve the setting and special character of historic towns</b>	Persimmon's site is not within a Conservation Area. The nearest Listed Building to the site is Anderton House to the south of the site, on the opposite side of Blackleach Lane. Subject to a sensitive and high quality design and landscaping scheme, development could come forward without harm to the Listed Building.

7.9 Persimmon's site is not in the Green Belt and developing the site for residential development would not lead to the unrestricted sprawl of large built-up areas, nor will it make a significant contribution to encroaching on the countryside. Furthermore, it could come forward for development with limited landscape impacts given its general lack of landscape features.

#### SHLAA January 2025 (HO15)

7.10 The site was assigned SHELAA reference 19P323 by the authorities.

In the SHLAA, the site was discounted at Stage 2 with the reasoning for discounting being that the "*Site does not accord with Spatial Strategy - site within OC*". The extract of the SHLAA below advises that Stage



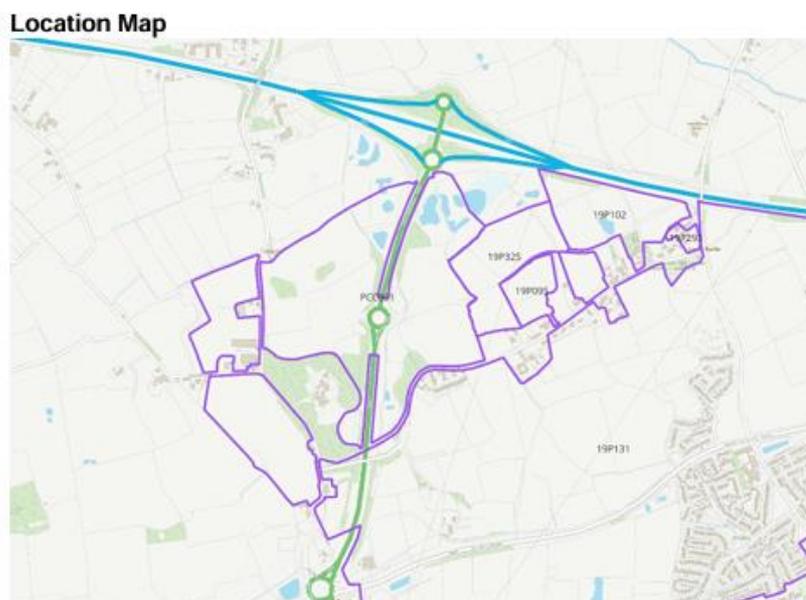
2 Discounted Sites are not included in Appendix 6.

### 3c. Stage 2 Outcomes: Detailed Site Assessments

#### Assessments undertaken

- 3.20 All sites taken forward to Stage 2 were subject to a more detailed assessment to determine if they are suitable, available, and achievable. The detailed assessments included:
- Strategic Flood Risk Assessment (Level 1 and 2)
  - Sustainability Appraisal
  - Habitats Regulations Assessment
  - Highways and pedestrian access assessment
  - Strategic Highways and Transport Assessment
  - Heritage Impact Assessment
  - Utilities access/provision
- 3.21 In addition, a site promoter survey was undertaken to gather further information on the likelihood of the sites coming forward in the plan period and the anticipated timescales for development.
- 3.22 For Chorley and South Ribble, site profiles have been prepared for each site taken forward to Stage 2 setting out the detailed assessment of each site. For Preston site profiles have only been prepared for the sites taken forward to Stage 2 that were considered suitable, available, and achievable following the detailed site assessments. These site profiles are included as Appendices 5-7.
- 3.23 Each site profile includes a location plan.

7.11 Given that the site is immediately adjacent to SS3 and therefore would be an extension to Preston, we consider that the reason for discounting is not justified. The SHLAA does assess PCC001 (19P025) which has an outline permission (06/2020/0888) for 1100 units.



7.12 That site was considered deliverable given so is carried forward as an allocation. As we set out below there are no constraints to a similar conclusion on our client's land.

7.13 However we have been advised that Edith Rigby was used as the dividing line for open countryside and the proposed expansion of the urban area for Preston. As a result the omission site was outside this area and not been taken forward. The site is however adjacent to Bartle Garden Village which has an extant consent but we were advised that as that site has planning permission, there was no need to consider our client's in more detail as the SHELAA has set out the approach to allocation sites with planning permission. The result of this is that the SS3 Strategic Site Allocation goes beyond Edith Rigby Way and the next logical hard boundary is Blackleach Lane.

### Highways and accessibility

7.14 Persimmon has control over the site and the site could easily benefit from access / egress off Blackleach Lane. There are no significant constraints to the proposed development in terms of access and highways safety, and any planning application for the residential development of this site would be supported by a Transport Statement.

7.15 Furthermore, the site is sustainable in terms of its location to key services and public transport options although the sustainability will increase given that the land to the east has an extant consent and Persimmon's land will be a logical extension to North Preston (SS3).

### Ecology and trees

7.16 The site is not subject to any statutory or non-statutory ecological designations. Existing trees and hedgerows at the perimeter of the site could be retained and strengthened as part of any development (aside from those required to be removed to create a new access) and new tree planting could be secured. At present, the existing trees within the site are not subject to any management and a planning application could secure the strengthening of the existing planting and its long-term maintenance via a management plan.

7.17 Any planning application would be supported by the requisite ecological and arboricultural assessments.

### Heritage

7.18 A review of DEFRA's Magic Map system and Local Plan mapping show there are no Listed Buildings, Conservation Areas, Registered Parks/Gardens/Battlefields, World Heritage Sites or Scheduled Monuments at the site. The nearest Listed Building to the application site is Anderton House to the south of the site, on the opposite side of Blackleach Lane. The site is physically and visually separate and



development could come forward whilst not undermining the character of this heritage asset subject to a sensitive design process.

## Local infrastructure

- 7.19 The site is located approximately 6.3km north west of Preston, with no fundamental constraints in terms of utilities and surface and foul water connections. It is in close proximity to existing key services such as public transport, schools and health facilities. With due regard for the scale of the development proposed, the allocation of Persimmon's site would not place undue pressure on local infrastructure and services.
- 7.20 Any planning application could secure the provision of developer contributions to local services such as education and health facilities where appropriate and in accordance with planning policy requirements and the tests set out through the Community Infrastructure Levy Regulations 2010.

## Proposed allocation

- 7.21 An the site is adjacent to SS3 'North West Preston/Bartle', our client's site shares many of the same characteristics as the allocated site and in our view, is also suitable, available and achievable for housing development, with no known constraints. Therefore, our site is a natural extension to the proposed allocation and should also be allocated for residential development to address the housing need and shortfall in supply as set out in the submissions by Stantec.
- 7.22 It is considered that the site is capable of accommodating approximately 120 dwellings. We would suggest that a site-specific allocation of Persimmon's site could be worded such that it requires the following:
- The provision of around 120 dwellings comprising an appropriate mix of sizes and tenures.
  - Appropriate access for vehicular traffic and pedestrians.
  - Provision of a comprehensive landscaping plan for the retention and enhancement of ecological and landscape features, including the existing trees and hedgerows, where possible.
  - Contributions to local infrastructure where appropriate and in accordance with planning policy requirements.
- 7.23 The alternative is inclusion of the site into Policy SS3.



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EP1

Representation in Respect of Central Lancashire Local Plan  
Viability Assessment

April 2025



RogerHannah

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# I. Executive Summary

## I.1 Overview

Roger Hannah has been instructed by Story Homes, Northern Trust, Persimmon, Wain Homes and Taylor Wimpey ('the Parties') to provide a consultation response to the published Central Lancashire Local Plan Viability - Main Viability Report ('MVR') February 2025, which has been prepared by Aspinall Verdi ('AV') on behalf of Preston Council, South Ribble Council and Chorley Council ('the Councils').

The Parties either control land in Central Lancashire that has residential development potential or anticipate that they will have involvement in residential development in Central Lancashire in the future period which will be covered by the new Local Plan.

Roger Hannah is particularly concerned that the proposed policy requirements of the Central Lancashire Local Plan hold the potential to impact upon housing delivery in Central Lancashire due to insufficient assessment of benchmark land values and conclusions drawn from "*Pragmatic Scenario*" testing, rather than the more realistic "*Worst Case Scenario*".

Lack of commentary within this representation in respect of any aspect of the MVR does not imply our agreement and may be subject to further representation at a later stage.

It is Roger Hannah's professional opinion that the MVR is based upon:

- inputs that are not market-facing, including only one week to respond to the Councils' Stakeholder Engagement exercise in January 2025;
- inputs that are not appropriately evidenced and market sense-checked; and
- inputs and analysis that lack either transparency of methodology or requisite supporting evidence.

On this basis it is Roger Hannah's conclusion that the MVR:

- does not accord with Planning Practice Guidance – Viability<sup>1</sup> ('PPGV'); and
- is inconsistent with the mandatory relevant RICS Guidance<sup>2</sup>

The key implications for the Central Lancashire Local Plan ('CLLP') are summarised as follows:

- The results of the MVR over-estimate the financial viability of site typologies that are tested; and
- The lack of transparency precludes stakeholders from providing full and considered technical responses to the consultation on the CLLP.
- The viability testing in the MVR determines that most typologies and strategic sites are unviable or marginal and it is essential that the Local Plan includes the ability for applicants to submit a site specific viability assessment in order to reduce the affordable housing provision and/or S106 contributions dependent upon the circumstances of each site. Consideration must be given to zoned affordable housing policy requirements, dependent upon value area, to reflect the negative appraisal outputs.

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<sup>1</sup> MHCLG (2019) Planning Practice Guidance - Viability

<sup>2</sup> RICS (2021) Assessing viability in planning Under the National Planning Policy Framework 2019 for England Guidance Note, 1<sup>st</sup> Edition March 2021 for this purpose

## I.2 Technical Issues - Summary

The primary technical issues within the MVR, as identified by Roger Hannah, are set out in summary as follows:

- **Worst Case Scenario and Pragmatic Scenario:** the MVR adopts leading wording insofar as the baseline viability testing is labelled “*Worst Case Scenario*” whilst the preferred viability testing is labelled “*Pragmatic Scenario*”. This approach makes it very difficult to read the MVR without thinking that the “*Worst Case Scenario*” for testing is of limited worth whereas, in reality, it is a standard form of baseline testing adopting reasonable appraisal assumptions, subject to some amendments relating to greenfield abnormal costs, site infrastructure costs and garage costs.

The “*Pragmatic Testing*” is obviously favoured by AV but there is no need for the MVR to fundamentally direct a reader’s opinion by way of diversionary wording, which should be amended.

- The MVR makes a number of references to a BLV caveat, which states that “*the BLVs contained herein are for ‘high-level’ Plan viability purposes*” ...and... “*no way implies that this figure can be used by applicants to negotiate site specific planning applications*”. This approach is contrary to Planning Practice Guidance: Viability (‘PPGV’)<sup>3</sup>, which states that “*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*”.
- The MVR adopts the same unit typology for all testing of housing developments in low, medium and higher value areas, including 7% 1 and 2-bed apartments. It should be anticipated that unit typologies will vary, depending upon the value location and site type with more terraced and semi-detached homes of smaller sizing in lower value areas and more detached of larger sizing in higher value areas.

The adoption of 7% apartments within a standard housing mix is contrary to market expectations, with very few new build developments including apartments. We are not aware of any housing study data which suggests that 7% apartments should be provided within housing developments and this assumption should be amended. Generally speaking, on housing sites of any scale, above 10 units, we would not expect there to be open market demand for 1 and 2 bedroom apartments outside of town centre locations.

Re-testing using more appropriate unit mixes is required.

- The “*Pragmatic Scenario*” testing increases the development density from 21 dwellings per hectare in ‘outside settlement boundary’ locations and 27 dwellings per hectare in “*other locations within settlement boundaries*” to 35 dwellings per hectare. The lower densities are referenced in the draft Local Plan. This increases the development density from 9,646 sq ft per acre in areas that are outside settlement boundaries and 12,862 sq ft per acre in other locations within settlement boundaries to 16,077 sq ft per acre.

16,077 sq ft per acre is what we would expect to see in lower value locations only. It must be anticipated that the number of larger unit types will increase with increasing values but that densities will reduce, with c.15,000 sq ft per acre applicable in medium value areas and 14-14,500 sq ft per acre in higher value areas.

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<sup>3</sup> MHCLG Planning Practice Guidance: Viability December 2024 Paragraph: 008 Reference ID: 10-008-20190509

It is not stated in the MVR, but it is essential that the densities referenced in the MVR are applied to the net developable areas of development sites.

- The net site area for brownfield sites is determined to equate to 100% of the gross site area whilst greenfield sites have a net area equating to 75% of the gross area.

No explanation is provided for this approach and it is not regarded as appropriate, as any housing development will lose developable area to areas of public open space, biodiversity net gain and other issues such as single sided road development.

There is no reason why a brownfield site should have an increased net to gross allowance if standard housing development is assumed. This serves to overstate the viability of the brownfield site testing.

- Sales values are assessed in the MVR with reference to historic sold prices from the past three years, with very little regard given to new build asking prices mainly due to the lack of unit sizing within the comparable data that has been obtained.

A simple phone call to the developer of each new build development to obtain unit sizes would enable a full breakdown of £ per sq ft values to be provided by AV in respect of current asking prices which must be regarded as important, subject to reductions in respect of purchaser incentives and negotiations.

- Benchmark land values are adopted at £150,000, £200,000 and £250,000 per net developable acre for low, medium and high value greenfield sites, with £150,000, £210,000 and £275,000 per net developable acre for brownfield low, medium and high value areas. Strategic greenfield sites are assessed at £166,666 per net acre.

Evidence is provided in respect of previous Local Plan and CIL Viability Assessments, site specific viability assessments (confidential) which have been reviewed by AV, agricultural land transactions and greenfield residential site transactions.

The evidence base would appear appropriate, however, the greenfield residential site transaction evidence mainly relates to very small sites of 0.25-0.6 acres, with one larger site of 6.8 acres having no achieved land value and another larger site of 36 acres having a very low value equating to £58,611 per acre per acre (gross/net not stated).

PPGV states that “*land transactions can be used but only as a cross-check to the other evidence*”<sup>4</sup>.

It is regarded as important for benchmark land values to have a sense check against policy compliant land transactions. We have obtained details of seven land sale transactions in Central Lancashire which provide evidence of values equating to £237,826 - £1,334,036 per gross acre, averaging at £441,848 per gross acre. From what we understand, each of these developments was policy compliant in respect of affordable housing provision and it is understood that S106 contributions were also policy compliant.

- The MVR adopts benchmark land values which are based on the net developable site area whereas our understanding of land owner expectations is that they will require payment for their full gross site area and it is essential that BLVs are assessed on this basis.

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<sup>4</sup> MHCLG Planning Practice Guidance: Viability December 2024 Paragraph: 016 Reference ID: 10-016-20190509

- The MVR is also clear that the assessment of BLV included does not allow for abnormal costs which contradicts the PPG and RICS guidance, with PPGV stating<sup>5</sup> that “As far as possible, costs should be identified at the plan making stage.” “Costs include: build costs based on appropriate data, for example that of the Building 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.”

Local plan viability testing should set the minimum ‘cut-off’ point at which a reasonable landowner should expect to receive for their land and not be subject to further adjustments. It is already evident the BLVs adopted are too low and cannot be reasonably adjusted downwards any further.

- The Pragmatic Scenario appraisals adopt differing assumptions from those used for the “Worst Case Scenario”. The amendments are made to:
  1. construction costs, with lower quartile costs being adopted for all schemes rather than just for those schemes of 50+ units. Smaller schemes will not be completed by national housebuilders and it is essential that higher construction costs in line with BCIS Median Costs are adopted.
  2. Profit is reduced from 20% on open market sales to 18%. With current uncertainties in the market relating to high interest costs, increased cost living, reduced affordability, reduced sales rates and increased levels of incentives a profit level equating to 20% of GDV is regarded as essential. Also, the introduction of the Residential Property Developer Tax, which reduces developer profits by 4% requires that profit is maintained at 20%.
  3. BLVs are reduced to £100,000 per net acre across the lower and medium value zones. This reduces what were already insufficient BLVs and it is essential that higher BLV rates are adopted in line with the evidence base and guidance requirements.
- No cash flows are provided to support the appraisals which are attached to the MVR at Appendix 8. A sample of cash flows should be provided to enable stakeholders to check that development timescales and sales rates are cash flowed appropriately.
- Viability Appraisals for the four strategic sites are not included in the MVR, meaning that appraisal methodology and results cannot be checked.
- Results of each brownfield and greenfield test on a “Worst Case Scenario” and “Pragmatic Scenario” are set out within MVR 6.16 – 6.121. However, many of the results shown do not match with the appraisal results tables at MVR pages 72 – 100. This lack of consistency reduces the credibility of the MVR and the conclusions reached therein and does not comply with the requirements of PPGV Paragraph 020<sup>6</sup>, which states: “The inputs and findings of any viability assessment should be set out in a way that aids clear interpretation and interrogation by decision makers.”

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<sup>5</sup> MHCLG Planning Practice Guidance: Viability December 2024 Paragraph: 014 Reference ID: 10-012-20240214

<sup>6</sup> MHCLG Planning Practice Guidance: Viability December 2024 Paragraph: 020 Reference ID: 10-020-20180724

### **I.3 Conclusion**

The MVR shows all typologies to be unviable when assessed on “*Worst Case Scenario*” assumptions and out of the 37 “*Pragmatic Scenario*” viability tests, only 38% are shown to be viable, with the nine marginal schemes showing viability deficits of between -£5,720 to -£90,405.

It is essential that the Local Plan includes provisions for site specific viability testing to reduce the affordable housing provision and/or S106 contributions dependent upon the circumstances of each site, due to the lack of policy compliant viability shown within the Council’s evidence. Consideration must be given to zoned affordable housing policy requirements to reflect the negative appraisal outputs, as adopted by many other local authorities.

## 2. Introduction

### 2.1 Purpose

This representation has been prepared by Roger Hannah and is submitted on behalf of Story Homes, Northern Trust, Persimmon, Wain Homes and Taylor Wimpey.

Roger Hannah has substantial experience of preparing viability appraisals in support of a wide range of development proposals mainly in the North West of England and acting for Councils in the review of submitted viability assessments.

This document sets out the Parties' representation on the published Central Lancashire Local Plan Viability - Main Assessment Report February 2025.

The above document has been prepared for the Councils by AV and the MVR states "*the primary aim of the commission is to produce and up-to-date viability assessment, which will form a robust and sound evidence base for the Local Plan review*".

This representation relates to the assumptions that have been adopted within the MVR in respect of the viability assessments of various development typologies and the conclusions reached within the MVR.

The Councils previously issued a Stakeholder Engagement document by Aspinall Verdi in January, but only allowed stakeholders one week to respond in January 2025. This restricted the ability to provide full responses.

In accordance with the RICS Professional Statement<sup>7</sup>:

The person(s) involved in the preparation and review of this representation are suitably qualified professionals that have extensive experience advising on viability matters across the region.

There are no conflicts of interest that affect our independent opinion being provided.

Roger Hannah has acted with objectivity, impartiality, without interference and with reference to all appropriate available sources of information.

Roger Hannah has accorded with the relevant RICS practice guidance<sup>8</sup> in the preparation of this document.

The report has been undertaken and reviewed by suitably qualified professionals.

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<sup>7</sup> RICS (2019) Financial viability in planning: conduct and reporting, 1st edition, May 2019

<sup>8</sup> RICS (2021) Assessing viability in planning under the National Planning Policy Framework 2019 for England Guidance Note, 1st Edition, March 2021

Author:



.....  
Steve Smith MRICS  
Director

Reviewer:



.....  
Laura Mackay MRICS  
Director

## 2.2 MVR Results Summary

The MVR Conclusions and Recommendations section states that *“our Viability Appraisals demonstrate that medium and higher value greenfield sites, both within and outside settlement boundaries, are viable. Higher value brownfield sites within settlements also show viability, although they become marginal in out-of-settlement locations. Medium value brownfield sites are assessed as marginal both within and outside settlements. However, these marginal schemes require only minor shifts in market conditions ..... to become viable.”*

It is noted that the conclusions are drawn from the *“Pragmatic Scenario”* testing, rather than the *“Worst Case Scenario”* testing. Further comments in respect of the two forms of testing are provided herein, with the *“Worst Case Scenario”* testing regarded as reasonable and representative of current market expectations.

In respect of strategic sites, the MVR states that *“it is not possible to state with certainty at this stage whether the sites are deliverable.”*

Due to a general lack of viability, both on the *“Worst Case Scenario”* and the *“Pragmatic Scenario”*, it is essential that the Local Plan includes appropriate affordable housing requirements, reflecting the site’s viability status and provisions for site specific viability testing.

### 3. Representation

This representation sets out the Parties' detailed comments on the MVR and appendices, which are the primary documents to be used to inform the level of viability and deliverability of residential development sites within the three Council areas once the Local Plan is introduced.

The representations are arranged according to the relevant document and section/paragraph numbers within the MVR. Requests and recommendations to introduce modifications to the MVR are made to the Councils in order to improve transparency, reflect market expectations and determine appropriate levels of viability and are stated under a series of subject specific headings drawing titles from the TDCVA.

#### 3.1 Viability in Plan Making

The Government published its most recent amendments to the revised National Planning Policy Framework ('NPPF')<sup>9</sup> in December 2024 and updated National Planning Practice Guidance for Viability ('PPGV')<sup>10</sup> also in December 2024. Both the NPPF and PPGV include an up-to-date position on the Government's intended role for viability assessment, the methodology, and procedures expected of all stakeholders in the preparation of such evidence.

PPGV Paragraph 010<sup>11</sup> concisely defines the Government's objective for the role to be played by viability within the planning system:

*"In plan making and decision making viability helps to strike a balance between the aspirations of developers and landowners, in terms of returns against risk, and the aims of the planning system to secure maximum benefits in the public interest through the granting of planning permission."*

PPGV Paragraph 002<sup>12</sup> states that policies introduced to the plan should be realistic and deliverable.

PPGV Paragraph 020<sup>13</sup> confirms that the inputs and findings of any viability assessment should be set out in a way that aids clear interpretation and interrogation by decision makers.

#### 3.2 Viability Assessment Method

MVR ES15 references the provision of sensitivity scenarios for each of the typologies. It is stated that *"this is to de-emphasise the BLG in each typology and help consider viability 'in the round'"*. This is regarded as an unusual comment as the BLV is an essential element of any viability assessment as sites will not come forward for development without an appropriate level of BLV being provided to the site owner.

MVR ES16 provides commentary from Examiners reports which indicate that *"landowners must consider reducing their land values for schemes to be both viable and deliverable"*, however, in line with PPGV<sup>14</sup>, it is essential that *"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."* This means that

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<sup>9</sup> MHCLG National Planning Policy Framework ('NPPF') (as amended in July 2021)

<sup>10</sup> MHCLG Planning Practice Guidance for Viability ('PPGV') (as amended in December 2024)

<sup>11</sup> MHCLG Planning Practice Guidance: Viability December 2024 Paragraph: 010 Reference ID: 10-010-20180724

<sup>12</sup> MHCLG Planning Practice Guidance: Viability December 2024 Paragraph: 002 Reference ID: 10-002-20190509

<sup>13</sup> MHCLG Planning Practice Guidance: Viability December 2024 Paragraph: 020 Reference ID: 10-020-20180724

<sup>14</sup> MHCLG Planning Practice Guidance: Viability December 2024 Paragraph: 013 Reference ID: 10-013-20190509

land values should not be reduced to zero or near zero if they are subject to abnormal costs, as they would not get released for development.

### 3.3 Worst Case Scenario Appraisals

MVR ES19 states “we have prepared a set of fully policy compliant appraisals where all policy costs are ‘layered on’. These appraisals also include generous allowances for land value and profit at 20%”.

This set of appraisals is put forward within the MVR as being on a set of reasonable assumptions but are labelled as the “Worst Case Scenario” which, as previously stated, is somewhat leading wording and the results of this set of testing are ignored in the conclusions of the MVR.

MVR ES21 confirms the difficulties of development in the current market, including build cost inflation, interest rates and market values which negatively influence viability outcomes.

### 3.4 Pragmatic Scenario Appraisals

Despite these difficulties, amendments are made to the base level, “Worst Case Scenario” viability assumptions in order to reflect a “Pragmatic”, approach which it is stated that a developer may adopt.

This wording is regarded as weak, as no evidence is provided to support the revised appraisal assumptions, which mostly divert from standard levels for Local Plan viability assessment which must include a level of buffer to ensure that policies are not based on assumptions which are less than reasonable.

The “Worst Case Scenario” assumptions adopt lower quartile costs for schemes of 51+ units and median BCIS cost for smaller schemes, profit is at 20% on open market sales, BLVs range from £150-£275,000 per net developable acre and densities are at 21-35 dwellings per hectare dependent upon location.

The Pragmatic approach adopts lower quartile costs for all developments, profit is reduced to 18% on open market sales, benchmark land values are reduced to £100,000 net developable acre across lower and medium value zones and densities are increased to 35 dwellings per hectare for all typologies.

The use of lower quartile BCIS costs for all developments does not align with market reality, where smaller regional/local developers undertaking schemes of 50 or less units do not benefit from the efficiencies of larger scale developers who can potentially build at rates similar to BCIS lower quartile. It is essential that small schemes continue to be assessed at BCIS median levels.

The reduction of profit from 20% to 18% on open market sales values has a significant positive impact upon the viability assessments.

No evidence is provided to support the reduction to 18% profit whereas we are aware of numerous appeal decisions and Local Plan/CIL viability assessments which adopt a 20% profit allowance. It is widely recognised that, especially considering current market conditions, a 20% profit on market sales value is required by national housebuilders in order to satisfy Board and shareholder requirements whilst there may be a limited amount of flex for smaller developers.

Any profit below company requirements is likely to lead to no board sign off, leading to delays in delivery, which goes against the current government’s narrative and targets.

In respect of BLVs, the application of benchmark land value to the net developable area is regarded as contrary to landowner expectations, as they will require payment for the full extent of their gross land area.

A “pragmatic” £100,000 per net acre allowance within the “pragmatic” testing reduces the benchmark land value well below the £100,000 per gross acre which we regard as an absolute minimum for the largest strategic sites no matter what level of abnormal costs would apply.

A £100,000 per gross acre benchmark land value is regarded as an absolute minimum level which would apply only to the very largest sites and the much smaller sites which are assessed within the MVR require uplifts to ensure that a landowner is incentivised to sell their land for development.

Density is increased from 21, 28, and 35 dwellings per hectare dependent upon location of development to 35 dwellings per hectare for all developments.

From our calculations, 35 dwellings per hectare increases the development density to 16,077 sq ft per acre.

16,077 sq ft per acre is what we would expect to see in lower value locations only. It must be anticipated that the number of larger unit types will increase with increasing values but that densities will reduce, with c.15,000 sq ft per acre applicable in medium value areas and 14-14,500 sq ft per acre in higher value areas.

Whilst we agree that 35 dwellings per hectare is a reasonable average level, either the development typology or density must be varied to reflect the value area to ensure that an appropriate sq ft per acre is applied.

It is not stated in the MVR, but densities must be calculated based on the net developable site area.

**3.5 Viability Results and Commentary**

MVR ES27 states: “Our viability appraisals align with the proposed affordable housing figures set out in the draft Central Lancashire Local Plan. This is based on our assessment of pragmatic development scenarios, which factor in reduced developer profit, lower benchmark land values (BLV), and increased densities to enhance viability. These adjustments reflect a realistic approach to balancing policy aspirations with deliverability, ensuring that affordable housing requirements remain achievable within the current market context.

Settlement Hierarchy	Affordable Housing Policy
Tiers 1, 2 and 3	30%
All other locations	35%

It appears that the MVR draws its conclusions only from the “Pragmatic Scenario” testing results which includes insufficient construction costs for smaller schemes, insufficient profit, insufficient benchmark land values and excessive densities.

The reported results are not regarded as reliable or based upon fully evidenced viability testing and the policy requirements for 30% or 35% affordable housing are unsupported by the Councils’ evidence.

MVR ES29 states: “our viability appraisals demonstrate that medium and higher value greenfield sites, both within and outside settlement boundaries, are viable. Higher value brownfield sites within settlements also show viability although they become marginal in out of settlement locations. Medium value brownfield sites are assessed as marginal both within and outside settlements.” All typologies within lower value zones are unviable along with typologies assessed within Preston City Centre.

Out of the 37 Pragmatic Scenario viability tests, only 38% are shown to be viable, with the nine marginal schemes showing viability deficits of between -£5,720 to -£90,405. It is stated that the marginal schemes only require minor shifts in market conditions, but, in line with current evidence, it is highly likely that construction cost increases will outweigh other possible beneficial amendments, reducing the likelihood that schemes will move from marginal to viable.

It is clear that the majority of development within Central Lancashire, even adopting the “Pragmatic Scenario” assumptions is not viable and it is essential that any emerging Local Plan includes the ability for applicants to submit a site specific viability assessment in order to adjust affordable housing and/or S106 contributions dependent upon the circumstances of each site.

The need for site specific viability assessment is recognised within MVR ES38, which states “it is recognised that the schemes do need a flexible approach to considering viability, and this is also reflected in the acceptance of zero affordable housing on past site specific schemes along with a reduced CIL rate in the inner Preston zone.”

### **3.6 Strategic Site Conclusions**

The MVR states that limited information was provided by stakeholders involved in the four strategic sites which had been identified by the Councils. The limited information provided probably relates to the relatively early stages of development and CMA and contractual confidentiality, and the MVR states “it is not possible to state with certainty at this stage whether the sites are deliverable.”

The Fulwood Barracks site is assessed as “not viable”, Pickerings Farm site is assessed with a “viability gap”, West Preston is “currently showing as unviable” and North West Preston/Bartle “is currently showing as marginal at this stage”, however, this site generates a viability deficit of -£39,529,507 and is shown to be unviable.

### **3.7 Planning Practice Guidance for Viability**

Within MVR Table 2.2 it is stated that the Policy HS6 – Housing Mix and Density ensures there is an adequate supply of housing for an aging population and for people with disabilities. Part M4(2) and M4(3) typologies are described and costed but the percentage of such units that has been adopted within the testing is not stated and clarification is requested.

### **3.8 Central Lancashire Local Plan 2041**

The drafting of Policy HS7 – Affordable Housing is stated to be “an iterative process having regard to the results of the viability appraisals and specifically the sensitivity appraisals” this indicates that the results of both the “Worst Case Scenario” and “Pragmatic Scenario” are insufficient to support Policy HS7 and there is a need to flex from the stated assumptions by way of sensitivity analysis.

As a result, it is essential that the Local Plan includes provisions for site specific viability testing due to the lack of policy viability shown within the Council’s evidence.

Policy EN6 – Bio Diversity Net Gain Costs are stated to be in line with the DEFRA Impact Assessment Bio Diversity document dated 2019. It is not clear whether these costs have been index linked to bring them up to current levels and clarification is requested.

It is noted that costs in respect of the provision of open space and trees, woodlands and hedgerows are included in the external works cost allowance. These costs do not fall within standard external works provisions and must be included as an abnormal allowance.

### 3.9 Benchmark Land Value (BLV) Approach

It is agreed that existing use value plus a premium is the core method of determining a BLV, as prescribed within PPGV. However, as stated in MVR 4.13, “*land transaction evidence should only be used as a cross-check to the EV plus premiums*”.

Land transaction evidence is regarded as an important factor, which is given little consideration within the MVR.

MVR 4.16 states “*one therefore has to ‘triangulate’ the BLV based on evidence*”.

MVR 4.19 states “*it becomes evident that landowners must consider reducing their land values for schemes to be both viable and deliverable, particularly in the context of providing affordable housing.*”

There is a clear push within the MVR to minimise the level of BLV, as evidenced by the reduction to £100,000 per net acre for low and medium value sites within the “*Pragmatic Scenario*” testing.

As previously stated, the MVR provides greenfield residential site sales evidence from six sites with four ranging from 0.25 – 0.6 acres, one at 6.8 acres with no price shown, and one at 36 acres with the sale price equating to £58,611 per gross acre.

It is noticeable that the comparables are provided on a value per gross acre, rather than per net acre, as adopted for the benchmark land value setting. A value per gross acre is regarded as appropriate and should be adopted for benchmark land values.

It is surprising that AV have not been able to source more appropriate comparable data from larger sites. We are aware of the following land sales, which have been derived from publicly available information on planning portals and Land Registry:

Location	Purchaser	Data Acquired	Price Paid (ex VAT)	Gross Acres	£/Gross Acre	Planning Ref(s)	Units (Total/Market/Affordable)
Nell Lane, Clayton le Woods	Rowland Homes Limited	22/07/2024	£4,250,000	8.19	£518,925.52	24/00421/FULMAJ	97/68/29
Doctors Lane, Eccleston	Redrow Homes Limited	16/05/2024	£1,800,346	7.57	£237,826.42	20/01331/OUTMAJ 22/00748/REMMAJ	65/42/23
Euxton Lane, Euxton	Bellway Homes Limited	19/05/2023	£4,405,000	7.52	£585,771.28	21/01475/FULMAJ	108/76/32
Parr Lane, Eccleston	Anwyl Construction Company Limited	03/09/2022	£4,055,469	3.04	£1,334,035.86	20/01193/OUTMAJ	34/22/12
Riversway, Preston	Bloor Homes Limited	04/08/2022	£13,327,000	38.13	£349,514.82	06/2018/0885 06/2022/1177	280/196/84
Bellefield Close, Lostock Hall	Seddon Homes Limited	02/03/2022	£1,801,800	4.7	£383,361.70	07/2021/00665/FUL	63/44/19
Pear Tree Lane, Euxton	Rowland Homes Limited	06/10/2021	£9,000,000	18.3	£491,803.28	19/00654/OUTMAJ 21/00635/REMMAJ 22/00792/REMMAJ	149/104/45

The achieved sales values equate to a wide range from £237,826 - £1,334,036 per gross acre, averaging at £441,848 per gross acre. Two of the sites are located in medium value areas, achieving £383,362 - £563,409 per gross acre and five are in higher value areas, achieving £237,826 - £1,334,036 per gross acre. All are greenfield sites.

The MVR adopts BLVs at £150,000, £200,000 and £250,000 per net acre on low, medium and high value areas respectively and, as a cross-check the transactional evidence strongly suggests that the adopted BLVs are too low by a relatively significant margin.

It is regarded as essential for the Local Plan to be drafted with reference to land transaction evidence and the Councils are requested to ensure that BLVs for viability testing purposes are set appropriately.

- The MVR is also clear that the assessment of BLV included does not allow for abnormal costs which contradicts the PPG and RICS guidance, with PPGV stating<sup>15</sup> that “As far as possible, costs should be identified at the plan making stage.” “Costs include: build costs based on appropriate data, for example that of the Building 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.”

The intention of the PPG is for BLVs to be set at the plan making stage, and for these BLVs to inform what level of policy is deliverable. This means that the minimum return to the landowner should be factored in when testing and setting policies that affect development viability.

The PPG also states the following at Paragraph 010:

“In plan making and decision making viability helps to strike a balance between the aspirations of developers and landowners, in terms of returns against risk, and the aims of the planning system to secure maximum benefits in the public interest through the granting of planning permission.”

The factors that are considered within a BLV can evidently be at odds with each other, with the landowner, planning authority and developer all seeking a return, which in turn affects the return of another. There is therefore a need to ‘strike a balance’.

When viability is constrained, the reality is that a scheme cannot deliver everything in combination i.e. it cannot deliver a sufficient landowner return, and allow for all abnormal costs, and deliver full policy compliance, and provide an appropriate risk adjusted return to the developer.

Local plan viability testing should set the minimum ‘cut-off’ point at which a reasonable landowner should expect to receive for their land and not be subject to further adjustments. It is already evident the BLVs adopted are too low and cannot be reasonably adjusted downwards any further. On the basis, the MVR is not compliant with the PPG and should be amended accordingly.

MVR Appendix 4 provides comparable data in respect of brownfield sites, with nearly all significantly exceeding the BLVs adopted in the MVR. In our opinion, the brownfield BLV should be adopted with reference to comparable employment land transaction data and this does not

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<sup>15</sup> MHCLG Planning Practice Guidance: Viability December 2024 Paragraph: 014 Reference ID: 10-012-20240214

appear to be referenced within the MVR and there is a strong danger that the adopted brownfield BLVs are insufficient.

In the MVR “*Conclusions on BLV*” it is stated that in line with PPGV it is clear that the BLV “*must reflect the cost of complying with policies*”. The greenfield land value transaction evidence provided herein are all on a policy compliant basis and must be taken into account when setting the greenfield benchmark land value.

The MVR makes a number of references to a BLV caveat, which states that “*the BLVs contained herein are for ‘high-level’ Plan viability purposes*” ...and... “*no way implies that this figure can be used by applicants to negotiate site specific planning applications*”. This approach is contrary to Planning Practice Guidance: Viability (“PPGV”) which states “*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*”.

Therefore, the Local Plan viability BLV must be regarded as an appropriate source of opinion for BLV setting. However, it is necessary for BLVs to be increased, with reference to policy compliant land transaction evidence.

### **3.10 Residential Typologies**

#### **3.10.1 Unit Size Assumptions**

The draft Local Plan includes a requirement for housing to be provided in line with Nationally Described Space Standards (“NDSS”). The MVR provides a breakdown of NDSS requirements and the adopted unit sizes for 1 and 2-bed flats and 2, 3 and 4-bed houses do align with NDSS requirements albeit the largest 4-bed is larger than the NDSS requirements for a 4-bed 8-person house. As average unit sizes, the adopted sizes are reasonable albeit there is scope to reduce the size of the 4-bed house.

#### **3.10.2 Unit Mix**

The MVR adopts the same unit typology for all testing of housing developments in low, medium and higher value areas, including 7% 1 and 2-bed apartments. It should be anticipated that unit typologies will vary, depending upon the value location and site type with more terraced and semi-detached homes of smaller sizing in lower value areas and more detached of larger sizing in higher value areas.

The adoption of 7% apartments within a standard housing mix is contrary to market expectations, with very few new build developments including apartments. We are not aware of any housing study data which suggests that 7% apartments should be provided within housing developments and this assumption should be amended. Generally speaking, on housing sites of any scale, above 10 units, we would not expect there to be open market demand for 1 and 2 bedroom apartments outside of town centre locations.

Re-testing using more appropriate unit mixes is required.

#### **3.10.3 Density**

The “*Worst Case Scenario*” testing applies densities in line with those set out within the draft Local Plan, which is regarded as appropriate, however, the MVR “*Pragmatic Scenario*” testing increases densities from 21-27 units per hectare to 35 units per hectare. This is regarded as excessive for medium and high value locations as the sq ft per acre development density is excessive at 16,077 sq ft per acre.

### 3.10.4 Site Net to Gross Ratio

A brownfield net to gross ratio of 100% is adopted, with greenfield at 75%. No reasoning is provided for this significant alteration.

Whilst a 100% net to gross ratio may apply to apartments (albeit more likely to be c.95%) the MVR tests traditional housing developments on brownfield bases and it is essential for the required provision of public open space to be taken into account and brownfield developments should adopt the same 75% net to gross ratio as greenfield sites.

### 3.10.5 Housing Value Zones

A relatively detailed Residential Market Paper is attached at MVR Appendix 3, providing extensive information in respect of new build sales from the past two years and re-sales from the past three years.

Asking prices are also set out for schemes in Preston, South Ribble and Chorley, comprising a total of 42 schemes. Unfortunately, this data is of limited credibility or usefulness due to the lack of £ per sq ft assessments for 17 (42%) of the comparable schemes provided. No discussion of asking price £ per sq ft is provided in the MVR.

No reference is made to the necessary reduction from asking prices in order to reflect purchaser negotiation or discounts, which is especially important in respect of lower cost units as the removal of Help to Buy has increased the cost of first time buyer support packages.

This is surprising, as a simple telephone call to each appropriate developer would enable the sq ft for each currently marketed unit type to be provided and for £ per sq ft values to be referenced.

It is difficult to confirm that the sales values adopted in the MVR are appropriate due to the lack of analysis of current asking price £ per sq ft data.

### 3.10.6 Transfer Values

MVR 5.47 sets out the adopted affordable housing transfer values as follows:

**Table 5.8 - Affordable Housing Transfer Values**

Tenure	% Mix	Transfer Value (% of MV)	Comments
Social Rented	50%	45%	
Affordable Rented	25%	65%	
First Homes	10%	70%	Capped at £250,000
Shared Ownership	15%	70%	

Source: AspinallVerdi, 2025

Some evidence is provided to support the adopted values, but one of the three registered providers suggests lower values, which are more in line with our expectations, following our discussions with registered providers of affordable housing, with social rent at 40% of MV, affordable rent at 50%. We accept shared ownership at 70% of MV. We request that affordable housing values should be reduced.

### 3.10.7 S106 / CIL Cost Assumptions

The S106 cost applied to public open space is referenced earlier in the MVR, with information drawn from each Council area to provide an average S106 cost. However a £7,000 per unit education contribution is adopted without evidence or explanation and this is requested.

### 3.10.8 “Worst Case Scenario” Construction Cost Assumptions

- Site clearance, demolition & remediation - £50,000 per acre if brownfield based on similar WPV studies.

“WPV studies” are not defined, but we understand this to mean “Whole Plan Viability studies”. This allowance is regarded as acceptable for a generic typology.

No abnormal costs are applied to greenfield sites. This is regarded as unrepresentative of reality, with all sites incurring a level of abnormal costs whether brownfield or greenfield.

- Site infrastructure costs – included in external works for generic typologies. This is acceptable on the basis that many sites infrastructure costs would be regarded as abnormal and would provide justification for the provision of a site specific viability assessment.
- House construction (medium house builder up to 50 units) - £1,504 per sq m (£139.74 per sq ft). This is in line with BCIS Median costs and is regarded as acceptable.
- House construction (larger house builder 51+ units) - £1,328 per sq m (£123.37 per sq ft). This is based on the BCIS Lower Quartile data and is regarded as acceptable.
- Flats / Apartment construction - £1,740 per sq m (£161.65 per sq ft). This is described as BCIS Category: Flats. BCIS data is separated into a number of assessments based on storey height and confirmation of the storey height adopted is requested.
- Garages - £8,000 per garage. We have recently received confirmation from a quantity surveyor following their assessment of national housebuilder garage construction costs that £12,500 per garage is required and this cost requires increase.
- External works – 10% - 15%, stated to be a standard assumption dependant on typology. It is assumed that a 10% allowance is adopted for flatted development and 15% for houses. If this is the case, these assumptions are regarded as acceptable.
- M4(2), M4(3) and biodiversity net gain – costs adopted in line with nationally published documents. Costs are regarded as appropriate if it can be confirmed that they have been inflated to current day levels.
- EV charging – no cost is applied on the basis that it is incorporated into BCIS costs on the basis that “EV charging points have been required on all new homes (Part S) since 2022”.

The requirement for electric charging points is recent and BCIS acknowledge that they rely on historic data and charging costs will not have worked their way into the average cost data set. A separate cost allowance is required.

MVR 5.52 states that the above costs are considered to be representative of a “worst-case scenario” and, confusingly, the MVR references scope for some flexibility and pragmatism to the application of the policies in the Plan.

No reference is made in the MVR to costs relating to the Building Safety Levy and removal of Red Diesel, which we are informed has increased the duty paid by developers on fuel five-fold. These are costs to any residential developer and must be taken into account.

### 3.10.9 Other Cost Assumptions

- Contingency – 3% for greenfield and 5% for brownfield. These costs are regarded as acceptable.
- Professional fees – 6.5%. It is assumed that professional fees are applied at 6.5% to the base construction cost, although they should also be added to abnormal costs where appropriate. The costs are stated to be “based on recent evidence and industry standard assumptions”. A 6.5% allowance is regarded as an absolute minimum allowance which may be regarded as a minimum cost for a national housebuilder, but developers of smaller sites of 50 units or less are unlikely to have standard unit typologies and will have increased architect fees and an 8% professional fees allowance is regarded as appropriate for smaller schemes.
- OMS marketing and promotion – 1.5% - 2% of OMS GDV. The MVR states that higher costs are applied to larger sites but the scale of larger sites is not referenced and is requested. A 2% allowance is regarded as a minimum.
- Sales agents – 1%. Acceptable.
- Sales legal fees - £500 per unit. This is regarded as insufficient, with commonly accepted legal fees at £750 per unit.
- AH disposal - £750 per unit. The AH disposal cost will primarily cover legal fees and consistency with OMS legal fees is acceptable.
- Debit interest – 7.5%. Considering the current base rate, a debit interest charge of 8% is regarded as a minimum allowance.
- Profit on market sales – 20% Acceptable
- Profit on affordable housing – 6%. This is stated to be a standard assumption but, in our opinion, following discussions with registered providers of affordable housing, we regard this as insufficient and an 8% allowance is appropriate.

### 3.10.10 Residential Land Value Assumptions

The MVR adopts benchmark land values as follows:

Table 5.13 - Benchmark Land Value Assumptions

Typology	Location	Greenfield / Brownfield						x [X] x [Y]%	(per acre) (net developable) (rounded)	(per ha) (net developable) (rounded)
			(per acre) (gross)	(per ha) (gross)	Net: Gross (%)	(per acre) (net)	(per ha) (net)			
Residential	Low Value Area	Greenfield	£10,000	£24,710	75%	£13,333	£32,947	10.3	<b>£150,000</b>	£370,650
Residential	Medium Value Area	Greenfield	£10,000	£24,710	75%	£13,333	£32,947	14.0	<b>£200,000</b>	£494,200
Residential	High Value Area	Greenfield	£10,000	£24,710	75%	£13,333	£32,947	17.8	<b>£250,000</b>	£617,750
Residential Strategic Sites	Borough-wide	Strategic Greenfield	£10,000	£24,710	60%	£16,667	£41,183	9.0	<b>£166,666</b>	£411,832
Residential/ Commercial	Low Value Area	Brownfield	£140,000	£345,940	100%	£140,000	£345,940	7.1%	<b>£150,000</b>	£370,650
Residential/ Commercial	Medium Value Area	Brownfield	£190,000	£469,490	100%	£190,000	£469,490	10.5%	<b>£210,000</b>	£518,910
Residential/ Commercial	High Value Area	Brownfield	£240,000	£593,040	100%	£240,000	£593,040	14.6%	<b>£275,000</b>	£679,525

The above values are for Plan-making purposes only. This table should be read in conjunction with our Financial Viability Assessment Report and the caveats therein. No responsibility is accepted to any other party in respect of the whole or any part of its contents.

Source: AspinallVerdi, 2025

Commentary on Benchmark Land Values is provided separately, herein.

### 3.11 Viability Results

#### 3.11.1 Residential Viability Results

MVR 6.5 states that the “worst case scenario” viability testing includes “generous allowance for land value and profit.” The adopted land values are regarded as insufficient and the “Worst Case Scenario” profit is acceptable and in line with national housebuilder requirements.

Results of each brownfield and greenfield test on a “Worst Case Scenario” and “Pragmatic Scenario” are set out within MVR 6.16 – 6.121.

Unfortunately, many of the reported appraisal results do not match the results which are shown on the summary tables on MVR pages 72 – 100.

For example, the lower value brownfield – “Worst Case Scenario” reports an RLV for the 30 unit within settlement scheme at -£694,852 per acre and a deficit of -£844,8442 per acre. The appraisal summary table reports a RLV of -£669,911 per acre and a deficit of -£819,911 per acre. Also the 100 unit scheme within the settlements is in incorrect, meaning that 50% of the reported values are wrong.

For the Preston City Centre testing, five of the reported seven (71%) RLVs and deficits are incorrect.

It appears that the actual RLVs are improved from those included within the reporting, meaning that reductions in build costs and grant required as stated in the MVR will be slightly reduced when the values are corrected.

This is regarded as a significant issue, calling into question the credibility of the MVR and the conclusions reached therein.

We have drawn appraisal results from Appendix 8, as follows:

Worst Case Scenario								
Value Area	Location	AH	Scheme (units)	RLV per acre	Deficit per acre	AV Category	Build Cost Decrease Reqd	Grant Reqd (£ per unit)
Medium Value Brownfield	Town & District Centre	30%	100	£11,637	-£198,363	Marginal	10%	15,000
Medium Value Greenfield	Outside Settlement	35%	100	£26,697	-£173,303	Marginal	10-15%	25,000
Higher Value Greenfield	Outside Settlement	30%	100	£166,839	-£205,492	Marginal	10%	15,000
Higher Value Brownfield	Outside Settlement	35%	100	£89,705	-£185,295	Marginal	10%	15,000
Higher Value Brownfield	Within Settlements	30%	50	£158,238	-£116,762	Marginal	10%	20,000
Higher Value Brownfield	Within Settlements	30%	100	£169,605	-£105,395	Marginal	15	25,000
Medium Value Greenfield	Within Settlement	30%	8	£9,236	-£190,764	Marginal	20-25%	45,000
Medium Value Greenfield	Within Settlement	30%	75	£20,364	-£179,636	Marginal	15%	20,000
Medium Value Greenfield	Within Settlement	30%	150	£37,325	-£162,675	Marginal	10%	20,000
Medium Value Greenfield	Within Settlement	30%	350	£47,516	-£152,484	Marginal	Not stated	Not stated
High Value Greenfield	Not Stated	30%	8	£232,658	-£17,342	Marginal	2-3%	Not stated
High Value Greenfield	Not Stated	30%	75	£193,389	-£56,611	Marginal	5%	Not stated
High Value Greenfield	Not Stated	30%	150	£207,917	-£42,083	Marginal	5%	Not stated
High Value Greenfield	Not Stated	30%	350	£216,235	-£33,765	Marginal	Not stated	Not stated
Lower Value Brownfield	Town & District Centre	30%	30	-£961,727	-£1,111,727	Not Viable	35%	70,000
Lower Value Brownfield	Town & District Centre	30%	100	-£515,965	-£665,965	Not Viable	25%	40,000
Lower Value Brownfield	Within Settlements	35%	30	-£669,911	-£819,911	Not Viable	40%	70,000
Lower Value Brownfield	Within Settlements	35%	100	-£370,054	-£520,054	Not Viable	25%	50,000
Preston City Centre	Preston City Centre	30%	8	-£1,235,089	-£1,385,089	Not Viable	15-20%	40,000
Preston City Centre	Preston City Centre	30%	30	-£1,852,215	-£2,002,215	Not Viable	30%	55,000
Preston City Centre	Preston City Centre	30%	50	-£937,822	-£1,087,822	Not Viable	20%	30,000
Preston City Centre	Preston City Centre	30%	100	-£888,365	-£1,038,365	Not Viable	20%	Not stated
Preston City Centre	Preston City Centre	30%	8	-£1,923,911	-£2,073,911	Not Viable	25%	55,000
Preston City Centre	Preston City Centre	30%	30	-£2,426,256	-£2,576,256	Not Viable	25%	55,000
Preston City Centre	Preston City Centre	30%	50	-£1,798,042	-£1,948,042	Not Viable	Not stated	50,000
Medium Value Brownfield	Outside Settlement	35%	100	-£54,250	-£264,250	Not Viable	20%	35,000
Medium Value Brownfield	Within Settlements	30%	20	-£319,549	-£529,549	Not Viable	30%	55,000
Medium Value Brownfield	Within Settlements	30%	50	-£28,090	-£238,090	Not Viable	20%	30,000
Medium Value Brownfield	Within Settlements	30%	100	-£12,037	-£222,037	Not Viable	Not stated	Not stated
Higher Value Brownfield	Within Settlements	30%	20	-£110,058	-£385,058	Not Viable	20%	45,000
Lower Value Greenfield	Outside settlement	35%	8	-£396,095	-£550,000	Not Viable	35	65,000
Lower Value Greenfield	Outside settlement	35%	30	-£1,953,254	-£2,100,000	Not Viable	35%	70,000
Lower Value Greenfield	Outside settlement	35%	75	-£311,335	-£460,000	Not Viable	25%	45,000
Lower Value Greenfield	Outside settlement	35%	150	-£299,785	-£450,000	Not Viable	25%	45,000
High Value Greenfield	Not Stated	30%	30	-£58,250	-£308,250	Not Viable	20%	35,000
Medium Value Greenfield	Within Settlement	30%	30	-£259,967	-£459,967	Unviable	25%	45,000

It is noted that 10 of the “Marginal” schemes generate viability deficits of more than -£150,000 per acre and these should be labelled “Not Viable”, as follows:

Value Area	Location	AH	Scheme (units)	RLV per acre	Deficit per acre	AV Category
Low Value Brownfield	Town & District Centre	30%	30	-£480,524	-£580,524	Not Viable
Low Value Brownfield	Town & District Centre	30%	100	-£455,396	-£555,396	Not Viable
Low Value Brownfield	Within Settlement	35%	30	-£344,605	-£444,605	Not Viable
Low Value Brownfield	Within Settlement	35%	100	-£329,170	-£429,170	Not Viable
Preston City Centre	Preston City Centre	30%	8	£121,250	£21,250	Viable
Preston City Centre	Preston City Centre	30%	30	-£822,832	-£922,832	Not Viable
Preston City Centre	Preston City Centre	30%	50	-£807,599	-£907,599	Not Viable
Preston City Centre	Preston City Centre	30%	100	-£758,142	-£858,142	Not Viable
Preston City Centre	Preston City Centre	30%	8	-£828,093	-£928,093	Not Viable
Preston City Centre	Preston City Centre	30%	30	-£1,548,211	-£1,648,211	Not Viable
Preston City Centre	Preston City Centre	30%	50	-£1,709,606	-£1,809,606	Not Viable
Medium Value Brownfield	Within Settlement	35%	100	£57,905	-£42,095	Marginal
Medium Value Greenfield	Outside Settlement	35%	100	£9,595	-£90,405	Marginal
Medium Value Brownfield	Within Settlement	30%	20	£22,056	-£77,944	Marginal
Medium Value Brownfield	Within Settlement	30%	50	£40,740	-£59,260	Marginal
Medium Value Brownfield	Town & District Centre	30%	100	£73,971	-£26,029	Marginal
Higher Value Brownfield	Outside Settlement	35%	100	£239,270	-£35,730	Marginal
Higher Value Brownfield	Within Settlement	30%	20	£264,218	-£10,782	Marginal
Higher Value Brownfield	Within Settlement	30%	50	£279,277	£4,277	Viable
Higher Value Brownfield	Within Settlement	30%	100	£294,002	£19,002	Viable
Low Value Greenfield	Not Stated	35%	8	£33,592	-£66,408	Marginal
Low Value Greenfield	Not Stated	35%	30	-£218,440	-£318,440	Not Viable
Low Value Greenfield	Not Stated	35%	75	-£202,020	-£302,020	Not Viable
Low Value Greenfield	Not Stated	35%	150	-£181,494	-£281,494	Not Viable
Low Value Greenfield	Not Stated	35%	350	-£159,550	-£259,550	Not Viable
Medium Value Greenfield	Within Settlement	30%	8	£413,443	£313,443	Viable
Medium Value Greenfield	Within Settlement	30%	30	£109,941	£9,941	Viable
Medium Value Greenfield	Within Settlement	30%	75	£123,236	£23,236	Viable
Medium Value Greenfield	Within Settlement	30%	150	£145,159	£45,159	Viable
Medium Value Greenfield	Within Settlement	30%	350	£158,174	£58,174	Viable
Medium Value Greenfield	Outside Settlement	35%	100	£94,280	-£5,720	Marginal
High Value Greenfield	Within Settlement	30%	8	£694,347	£444,347	Viable
High Value Greenfield	Within Settlement	30%	30	£345,373	£95,373	Viable
High Value Greenfield	Within Settlement	30%	75	£359,806	£109,806	Viable
High Value Greenfield	Within Settlement	30%	150	£378,713	£128,713	Viable
High Value Greenfield	Within Settlement	0.3	350	£389,534	£139,534	Viable

### 3.12 Strategic Sites Assessment Appraisals

Four strategic sites are stated to have been viability tested, but no copies of the associated viability appraisals are provided within the MVR, so it is not possible to cross-check the stated results.

It is stated that limited information was provided by the stakeholders involved with the sites but they are at early stages of their development and it can be appreciated that limited information would be available and will be subject to confidentiality via option agreements.

MVR 7.24 states “without transparency on minimum land values it is not possible to state with certainty at this stage whether the sites are deliverable.”

However, adopting a BLV equating to £166,666 per net acre, the RLVs for the strategic sites range from £26,108 to -£984,565 per acre and the viability deficits are stated as -£20,273,610 to -£71,609,930.

Despite the need to use generic costs for the strategic sites it is clear that the viability assessments within the MVR are unviable.

MVR Table 7.2 – Strategic Site Appraisal Summary includes many appraisal inputs as “XXXXX” rather than including actual numbers. It is not, therefore, possible to determine the inputs adopted to assess the reported deficits. Again, the credibility of the MVR is reduced due to this lack of transparency. This approach does not comply with the transparency requirements of PPGV<sup>16</sup>

### 3.12.1 Conclusions and Recommendations

Conclusions are drawn from the “*Pragmatic Scenario*” testing, with no reference to the “*Worst Case Scenario*” testing.

This is not regarded as appropriate, as the pragmatic scenario testing includes assumptions which are not appropriate for Local Plan viability testing.

Local Plan viability testing should include a buffer to ensure that policy provisions will not impact on the deliverability of sites.

The strategic site conclusion again states that “*without transparency on minimum land values, it is not possible to state with certainty at this stage whether the sites are deliverable.*”

However, the viability testing does include BLVs at £166,666 per net acre. As referenced earlier, BLVs must relate to the gross site area and strategic sites will have a much reduced net : gross site differential due to the provision of additional public benefits.

It is clear from the very significant viability deficits that the sites are not viable.

The North West Preston / Bartle site generates a deficit of £39,529,507 and MVR 10.12 states that “*the site is currently showing as marginal at this stage.*” This comment appears highly inappropriate as the tested scheme is unviable.

It is essential that the Local Plan includes provisions for site specific viability testing due to the lack of policy viability shown within the Council’s evidence.

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<sup>16</sup> MHCLG Planning Practice Guidance: Viability December 2024 Paragraph: 010 Reference ID: 10-010-20180724

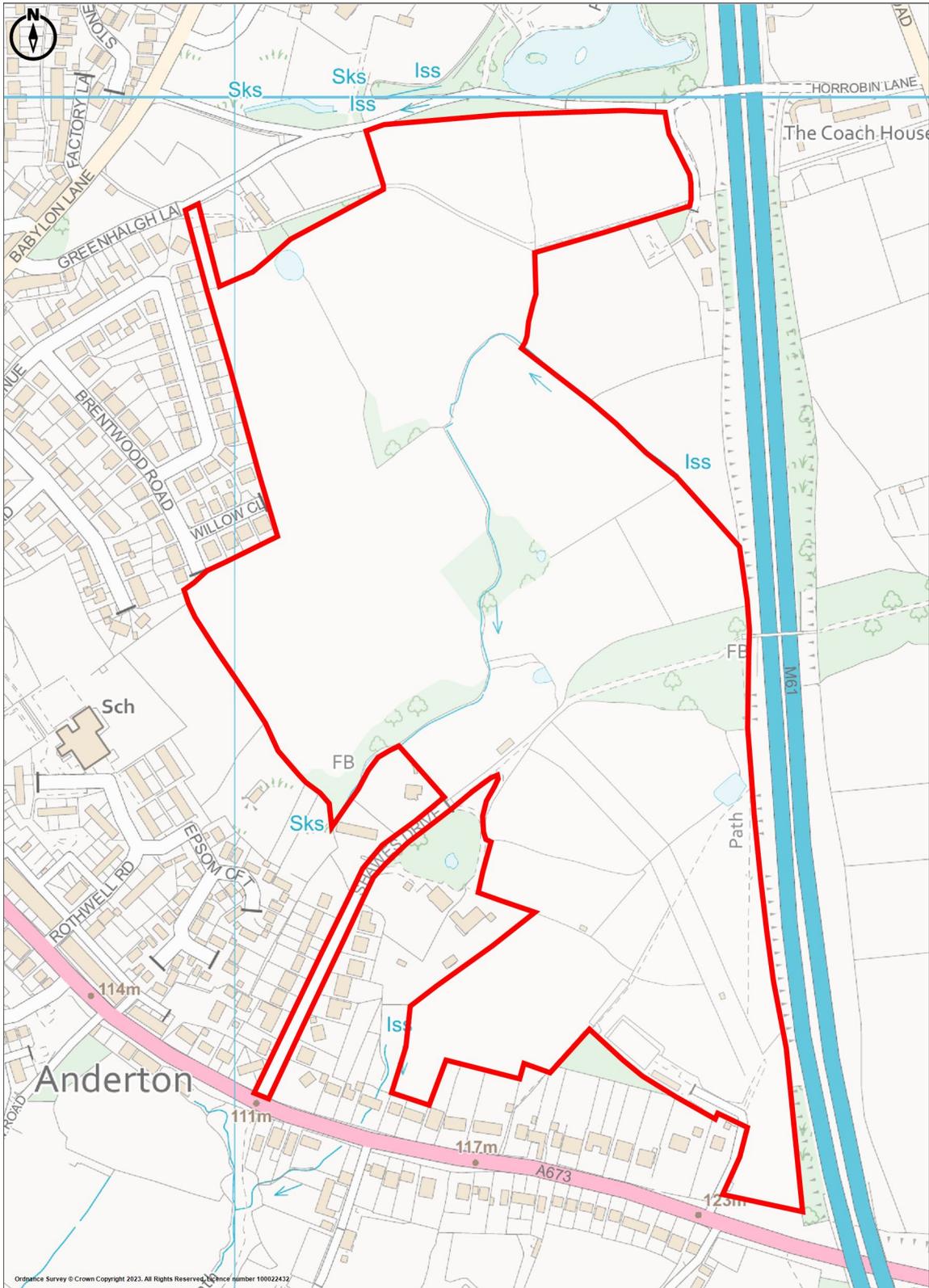


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EP2

Land to North of Bolton Road South of Brentwood Adlington

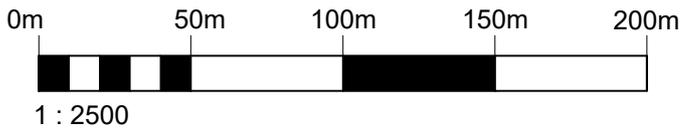
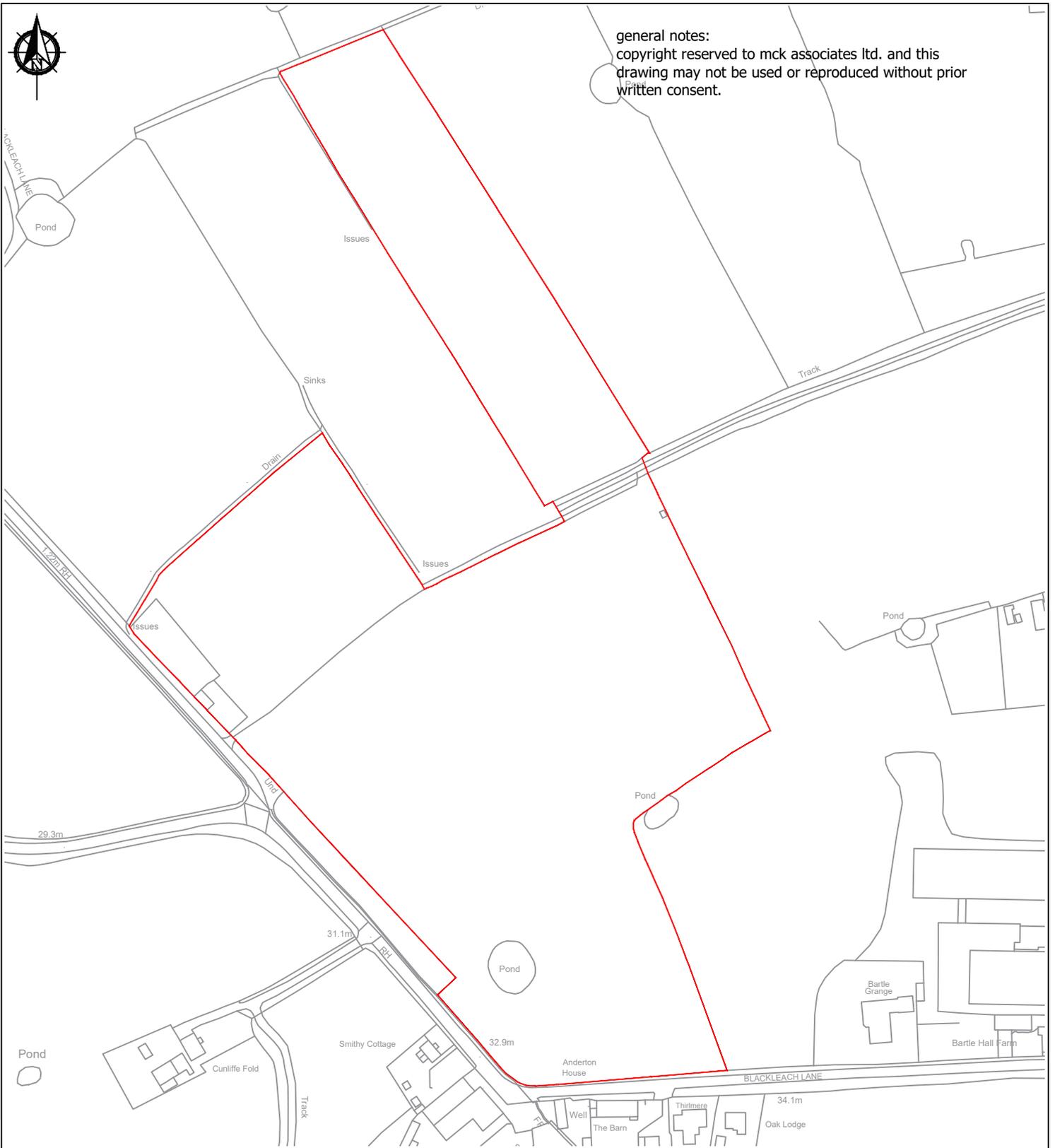


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EP3



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## PLANNING

Client:  
**PERSIMMON HOMES**

Project:  
**BLACK LEACH LANE, BARTLE**

Drawing Title:  
**SITE LOCATION PLAN**



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FEB 2023

Job No:  
**23-017**

Drawing No:  
**SL01**

Rev:



KEY

- BOULEVARD
- PRIMARY STREET
- TERTIARY STREET
- RAISED TABLE
- END JUNCTIONS
- PUBLIC OPEN SPACE
- PEDESTRIAN FOOTPATHS
- INDICATIVE UNITS
- INDICATIVE SECONDARY STREET
- INDICATIVE DEVELOPMENT PARCEL
- LANDSCAPING
- INDICATIVE FOCAL UNITS
- KEY NODES
- PEDESTRIAN PERMEABILITY
- EXISTING PUBLIC RIGHT OF WAY
- MAIN ACCESS

Zone C

