

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 – Viability¹ ('PPGV'); and
- is inconsistent with the mandatory relevant RICS Guidance²

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.

¹ MHCLG (2019) Planning Practice Guidance - Viability

² RICS (2021) Assessing viability in planning Under the National Planning Policy Framework 2019 for England Guidance Note, 1st 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’)³, 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.

³ 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*”⁴.

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.

⁴ 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 stating⁵ 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 020⁶, 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.”

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

⁶ 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 Statement⁷:

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 guidance⁸ in the preparation of this document.

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

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

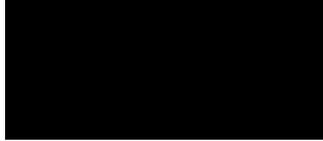
⁸ RICS (2021) Assessing viability in planning under the National Planning Policy Framework 2019 for England Guidance Note, 1st Edition, March 2021

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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')⁹ in December 2024 and updated National Planning Practice Guidance for Viability ('PPGV')¹⁰ 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 010¹¹ 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 002¹² states that policies introduced to the plan should be realistic and deliverable.

PPGV Paragraph 020¹³ 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 PPGV¹⁴, 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

⁹ MHCLG National Planning Policy Framework ('NPPF') (as amended in July 2021)

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

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

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

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

¹⁴ 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/REMAJ	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/REMAJ 22/00792/REMAJ	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 stating¹⁵ 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

¹⁵ 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	£150,000	£370,650
Residential	Medium Value Area	Greenfield	£10,000	£24,710	75%	£13,333	£32,947	14.0	£200,000	£494,200
Residential	High Value Area	Greenfield	£10,000	£24,710	75%	£13,333	£32,947	17.8	£250,000	£617,750
Residential Strategic Sites	Borough-wide	Strategic Greenfield	£10,000	£24,710	60%	£16,667	£41,183	9.0	£166,666	£411,832
Residential/Commercial	Low Value Area	Brownfield	£140,000	£345,940	100%	£140,000	£345,940	7.1%	£150,000	£370,650
Residential/Commercial	Medium Value Area	Brownfield	£190,000	£469,490	100%	£190,000	£469,490	10.5%	£210,000	£518,910
Residential/Commercial	High Value Area	Brownfield	£240,000	£593,040	100%	£240,000	£593,040	14.6%	£275,000	£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 PPGV¹⁶

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.

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



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