



## The District Plan and Financial Viability

Member Workshop  
17<sup>th</sup> January 2013

### What do we need to do?

...To ensure viability, the costs of any requirements likely to be applied to development, such as requirements for affordable housing, standards, infrastructure contributions or other requirements should, when taking account of the normal cost of development and mitigation, provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable.

NPPF, Paragraph 173

## Evidence-based approach

- Lambert Smith Hampton
- Levels

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## The conundrum

- **Plan-maker:** where should development go (and how much will the infrastructure cost)?
- **Infrastructure provider:** where do you want to put development?



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## The conundrum: a solution

- **Plan-makers** need to know enough information about infrastructure provision to put forward a reasonable consultation draft plan
- **Infrastructure providers** give initial comments on range of options, then conduct more detailed investigations on the consultation draft plan

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## Iterative/stepped approach

1) Initial evidence



2) interim/consultation draft plan



3) more evidence



4) Final (submission) plan

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| Evidence                                       | District Plan                         |
|--|---------------------------------------|
| 1) Stage 1 viability:<br>Land values           | 2) Preferred Strategy<br>consultation |
| 3) Stage 2 viability:<br>Policy priorities/IDP | 4) Viability<br>consultation          |
|  | 5) Examination                        |
|  | 6) Monitoring and<br>plan review      |

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## Financial Viability/Deliverability

- Is determined in part by the 'basket' of policy costs



- Local planning authorities need to prioritise items on their shopping list

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## Step 1 - Land Values

- Stage 1 Viability Study
- a funding 'cake' of finite size
- The size of cake depends on the development value of the land

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### From a funding perspective...

High value areas



Can support greater level of policy requirements

More or bigger 'slices'

Low value areas

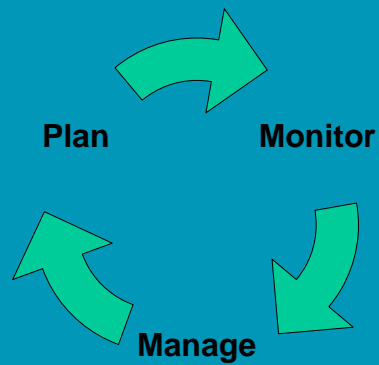


Can support fewer/no policy requirements

Fewer (or no) slices

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## Planning in a changing economic environment



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## Stage 2 - Policy Priorities

- Essential infrastructure
- Affordable housing
- Local standards
- Other?

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## Group Exercises

1. **Policy brainstorming:** write down a list of at least 12 spending ideas
2. **Viability assessment:** decide which 8 ideas to attach to the cake
3. **Prioritise and justify:** from your original list of policy requirements, add priority numbers starting with 1.

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