

## Technical Note

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### CYC Local Plan Viability Assessment Technical Note on Site ST7

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<b>Quality Statement:</b>	In preparing this Technical Note, the authors have acted with objectivity, impartially, without interference and with reference to all appropriate available sources of information. No performance-related or contingent fees have been agreed, and there is no known conflict of interest in advising the client group about the viability of the proposed CYC Local Plan.
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### Introduction

1. This Technical Note assesses the viability implications of the Local Plan under changes that have occurred since document CD018 - City of York Local Plan Viability Assessment Update Study (April 2018) and Local Plan Examination Matter 6 Document HS/P2/M6/IR/1b App 2 City of York Council (29 Mar 2022) have been produced. It relates specifically to reviewing and testing the site trajectory and infrastructure phasing for Strategic site SS9 Land East of Metcalf Lane (ST7). This is based on the statements of common ground for Phase 2<sup>1</sup>.
2. The main purpose of this supplementary plan viability assessment technical note is to address the requirements of the National Planning Policy Framework (NPPF) 2012. That is that the policy requirements in the proposed Local Plan should not undermine the deliverability of the plan.

### Viability Testing Revisions

3. The testing in this note follows the same approach and method as followed in CD018. It also uses the same assumptions tested in CD018 as updated in Matter 6 Document HS/P2/M6/IR/1b App 2. The only changes considered in this note are the Council's housing trajectory and anything different in the statement of common ground for ST7, for which there will be a viability impact.

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<sup>1</sup> For helpful details on ST7 phasing matters see: <https://www.york.gov.uk/downloads/file/7939/ex-socg-11-cyc-and-barratt-taylor-wimpey-and-tw-fields-re-st7-16-may-22-incl-appendix-a>

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### ST7's Housing Trajectory

4. To help better understand the potential impact of infrastructure delivery on the viability cashflow, the following phasing based on the Council's trajectory and/or, where relevant, the statements of common ground for ST7 have been tested:
- **Period 1 (Pre-submission stage)** - January 2022 to December 2022: No costs assumed.
  - **Period 2 (Post-submission stage)** - January 2023 to December 2023: Land payments, land purchaser costs and Stamp Duty Land Tax are phased into the cashflow as a straight line monthly payment over 12 months.
  - **Period 3 (Post-submission stage)** - January 2024 to June 2025: Site opening up costs, site abnormalities and the following transport items are phased into the cashflow as straight line monthly payments over 18 months:
    - Provision of junctions to Murton Way and Stockton Lane at a total cost of £2,000,000 (£2,367 per unit); and
    - Bus enhancement at a total cost of £500,000 (£592 per unit).
  - **Period 4 (Build period) - January 2026 to December 2033:** Build costs, Externals, Professional Fees, Biodiversity Net Gain, Electric Vehicle Charging Points, Policy GI2a (Stenshall SAC), Policy H15 (Gypsy & Traveller Provision) and Climate change policies (CC1, CC2 & CC3) are phased over 96 months (8 years) in accordance with the trajectory in Appendix A of the Statement of Common Ground with the developer, which is also copied in **Appendix A1** of this document.
  - **Period 5: (Sales period)** - June 2026 to May 2034: Sales Values and marketing costs follow the same timeframes and phasing as for the build costs (as shown in **Appendix A1** of this document) with a 6 month lag between when a property is built and when it is sold.
  - **Period 6: (Developer contributions)** - January 2023 to June 2028: Beyond the transport infrastructure costs noted in Period 3, it is unknown when the remainder of the s106 requests are likely to be required. It is, however, thought that there may be a greater degree of cost phasing than the other s106 items. Therefore, the remaining s106 figure of £13,541,240 (£16,025) is phased as a straight line across the first half of the development period.
  - **June 2034:** Profit is accounted for at the end of the development, as previously tested in the CD018.
5. It should also be noted that all the strategic sites, including ST7, are tested with lower quartile build costs. This was tested in the previous work and has since been agreed with the site promoters that this would reflect the likelihood of the site developers being national and large volume housebuilders, who are able to achieve economies of scale in their costs.

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### Viability Testing Results

6. Based on the noted changes to the viability testing assumptions, this section reviews the viability results to identify and assess the risk to the future delivery of strategic site ST7 in meeting the full emerging Local Plan policies requirements.
7. The result is summarised by using a RAG 'traffic light' system, as follows:
  - Green means that the development is viable with financial headroom that could be used for further planning gain;
  - Amber is marginal in that they fall within a 20% range (i.e., 10% above or below) around the benchmark land value; and
  - Red means that a viable position may not be reached if required to be policy compliant and all other assumptions such as land value remain unchanged.
8. Site ST7's viability result at full policy requirements is shown in **Table 1**, with the full development appraisal included in **Appendix A2**.
9. Under the proposed site trajectory and the phasing of infrastructure funding, the viability appraisal results show that site ST7 would be viable and therefore it is a deliverable site. However, the available financial headroom would be less than when compared with the previous testing result in CD018, as updated in Matter 6 Document HS/P2/M6/IR/1b App 2.

**Table 1 CYC Local Plan viability result at full policy, plus headroom per dwelling**

ID	Typology	Viability and headroom per dwg
36a	SS9 Land East of Metcalf Lane (ST7)	£7,142

### Conclusions

10. Based on the revisions and revised viability findings in this technical note, we would conclude the strategic site ST7 would be able to meet the full policy requirements and identified developer contributions in the emerging Local Plan. As such, it should not require any flexibility in the policy ask to avoid undermining its delivery or the delivery of the emerging CYC local plan.



## *Appendix A1*

### *ST7 Agreed Housing Trajectory*



**Site Ref. ST7 – Agreed Housing Trajectory**

**Current Local Plan Allocation**

Total	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
845	0	0	0	0	50	90	120	120	120	120	120	105
Cumulative	0	0	0	0	50	140	260	380	500	620	740	845

## *Appendix A2*

*DVA for strategic site SS9 Land East of Metcalf Lane (ST7) under full cumulative Local Plan policies*





