



Solihull MBC Local Plan Publication Stage Representation Form

Ref:

(For
official
use only)

Name of the Local Plan to which this representation relates:

Please return to psp@solihull.gov.uk or Policy and Engagement, Solihull MBC, Solihull, B91 3QB BY Monday 14th December 23:59

Our Privacy Notice can be found at <https://www.solihull.gov.uk/About-the-Council/Data-protection-FOI/Solihull-Council-Statement/Economy-and-Infrastructure/Policy-Engagement>

This form has two parts –

Part A – Personal Details: need only be completed once.

Part B – Your representation(s). Please fill in a separate sheet for each representation you wish to make.

Part A

1. Personal Details*		2. Agent's Details (if applicable)
<i>*If an agent is appointed, please complete only the Title, Name and Organisation (if applicable) boxes below but complete the full contact details of the agent in 2.</i>		
Title	Miss	Miss
First Name	Zoe	Zoe
Last Name	Curnow	Simmonds
Job Title (where relevant)	Strategic Land & Planning Manager	
Organisation (where relevant)	Taylor Wimpey	Lichfields
Address Line 1	c/o agent	3 rd Floor
Line 2		15 St Paul's Street
Line 3		Leeds
Line 4		
Post Code		LS1 2JG
Telephone Number	c/o agent	
E-mail Address	c/o agent	

(where relevant)

Part B – Please use a separate sheet for each representation

Name or Organisation:

3. To which part of the Local Plan does this representation relate?

Paragraph Policy Policies Map

4. Do you consider the Local Plan is :

4.(1) Legally compliant	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
4.(2) Sound	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox" value="x"/>
4 (3) Complies with the Duty to co-operate	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>

Please tick as appropriate

5. Please give details of why you consider the Local Plan is not legally compliant or is unsound or fails to comply with the duty to co-operate. Please be as precise as possible.

If you wish to support the legal compliance or soundness of the Local Plan or its compliance with the duty to co-operate, please also use this box to set out your comments.

The delivery of affordable housing as part of residential developments is strongly supported and aligns with chapter 5 of the National Planning Policy Framework – delivering a sufficient supply of homes and specifically, paragraph 64 which relates to major developments.

There are, however, a number of concerns over the detail (or lack of) contained within Policy P4A which it is considered, does not meet the test of soundness in that it is not consistent with national policy.

Part 2

This part of the policy states that the definition of 'affordable' will be set out in a Meeting Housing Needs Supplementary Planning Document (SPD), which will be updated periodically to ensure it is up to date. While in principle this is accepted, due to the significant viability implications affordable housing can have on a development, the SPD should be made available now or the contents of the document included in the Local Plan and available for review/comment. It is not a sound approach to not publish a fundamental part of the evidence base prior to the submission and adoption of the Local Plan.

Part 3

To be Sound, the level of affordable housing proposed needs to be justified by the evidence and currently the Local Plan does not appear to tie in with the more recent Viability Study. At the current time, there are concerns with some of the details in the Viability Study (the 'evidence') that need to be addressed to make

the evidence base robust and the Policy Sound. These are summarised below and explain in more detail in the Bruton Knowles 'Response the Cushman Wakefield Study' attached to these representations:

1. Typologies to include the entire range of potential sites from the largest to the smallest, so that parameters can be tested.
2. Housing mix to reflect need and demand.
3. Consistency regarding Benchmark Land Value.
4. Infrastructure costs to be revised to 2020.
5. Consistency regarding construction costs.
6. Contractors profit to be reinstated for base build costs.
7. Transparency regarding cashflow modelling, enhancements, etc.
8. Consistency with retirement care homes.
9. Sensitivity testing to be undertaken.

Part 6/7/8

These parts of the policy define the amount and type of affordable housing to be delivered. However, these policies make specific reference to certain types of affordable housing which is not consistent with Part 1 which lists the various types of affordable housing such as "*social rented, affordable rented, intermediate tenure and Starter Homes, which is available at below market price or rent and which is affordable to households whose needs are not met by the market.*"

These parts of the policy should be amended to refer to: affordable housing for rent (to include either social and affordable rent) and intermediate housing. The inclusion of Starter Homes is questionable.

With regards to the housing mixes specified for both affordable products, it is considered unnecessary to define these in a policy and certainly not applied to each and every site that comes forward. The mixes proposed are appropriate for the whole Borough and each site will have different characteristics that may make them more suitable for a certain mix than others (ie central urban sites would be more suitable for 1 and 2 bed homes, whereas greenfield urban sites would be more suitable for larger family homes. The mixes would not be the same for each location, but the blended mix would achieve the needs of the Borough as a whole). Overall, mix should be linked to SMBC latest Strategic Housing Market Assessment (SHMA)/Housing and Economic Development Needs Assessment (HEDNA) (or other future relevant evidence base document) but not applicable in the same mix for each site location. This will ensure this policy aligns with the latest evidence base and remains effective and deliverable over the lifetime of the Local Plan.

While it is noted that the dwelling mix for both tenures 'will take into account site circumstances', it is suggested that Part 3 of the policy is amended to specifically list these as the site circumstances'. The amended wording is included below.

(Continue on a separate sheet /expand box if necessary)

6. Please set out the modification(s) you consider necessary to make the Local Plan legally compliant and sound, in respect of any legal compliance or soundness matters you have identified at 5 above. (Please note that non-compliance with the duty to co-operate is incapable of modification at examination). You will need to say why each modification will make the Local Plan legally compliant or sound. It will be helpful if you are able to put forward your suggested revised wording of any policy or text. Please be as precise as possible.

The following changes to the policy are proposed:

Part 3

*Contributions will be expected to be made in the form of 40% affordable dwelling units on all development sites that meet the threshold, but will take into account **the following site circumstances...***

Part 6

On-site provision and off-site contributions should be calculated based on a tenure split of 65% **affordable housing for rent (to include social and affordable rent)** with 35% provided as **intermediate housing** ~~shared ownership~~.

Part 7

Homes for affordable rent ~~social rented~~ **should be provided having regard to the most recent HEDNA (or another relevant document), site characteristics and** ~~as follows, but will taking into account site circumstances listed in part 3 of this policy:-~~

- ~~i. 30% one bedroom maisonettes/apartments (2 person home)~~
- ~~ii. 35% two bedroom houses (4 person home)~~
- ~~iii. 25% three bedroom houses (5 person home)~~
- ~~iv. 10% four bedroom houses (6 person home)~~

Part 8

Intermediate homes ~~The shared ownership~~ **should be provided having regard to the most recent HEDNA (or another relevant document), site characteristics and** ~~as follows, but will taking into account site circumstances listed in part 3 of this policy:-~~

- ~~i. 15% one bedroom maisonettes/apartments~~
- ~~ii. 40% two bedroom houses/apartments~~
- ~~iii. 45% three+ bedroom houses~~

(Continue on a separate sheet /expand box if necessary)

Please note *In your representation you should provide succinctly all the evidence and supporting information necessary to support your representation and your suggested modification(s). You should not assume that you will have a further opportunity to make submissions.*

After this stage, further submissions may only be made if invited by the Inspector, based on the matters and issues he or she identifies for examination.

7. If your representation is seeking a modification to the plan, do you consider it necessary to participate in examination hearing session(s)?

No, I do not wish to participate in hearing session(s)

Yes, I wish to participate in hearing session(s)

Please note that while this will provide an initial indication of your wish to participate in hearing session(s), you may be asked at a later point to confirm your request to participate.

8. If you wish to participate in the hearing session(s), please outline why you consider this to be necessary:

Taylor Wimpey is a key landowner for one of the proposed key strategic residential allocations (BL2) and affordable housing and viability will have a impact on any development proposals. Taylor Wimpey should be represented where a policy materially effects any emerging development proposals.

Please note the Inspector will determine the most appropriate procedure to adopt to hear those who have indicated that they wish to participate in hearing session(s). You may be asked to confirm your wish to participate when the Inspector has identified the matters and issues for examination.

9. Signature:



Date:

14/12/2020

SOLIHULL LOCAL PLAN VIABILITY STUDY

Response to Cushman & Wakefield Report

Dated 14th October 2020

Prepared on behalf of Taylor Wimpey UK

1 Introduction

- 1.1 This report is to be submitted in conjunction with other submissions by Taylor Wimpey in response to the Cushman and Wakefield, Solihull Local Plan Viability Study dated 14th October 2020, which was prepared for Solihull Metropolitan Borough Council.
- 1.2 The report has been prepared by Mr Richard Brogden MRICS of Bruton Knowles on behalf Taylor Wimpey UK, who is a Partner at Bruton Knowles heading up the Planning and Development Team.
- 1.3 This report is not intended to be a fully detailed viability appraisal but a concise overview report highlighting the key issues that arise from the Cushman & Wakefield report.
- 1.4 Taylor Wimpey's principal interest is in the land south of Dog Lane, Shirley, (proposed housing allocation Site 12 of the draft Local Plan November 2016 or BL2 in the 2020 Draft Local Plan) which is a major urban expansion originally identified for circa 850 units but now revised to 1000 units [Taylor Wimpey believe that revised figure of 1000 units is achievable]. As such none of the typologies adopted by Cushman and Wakefield can be utilised to properly assess this site and the impact of this report upon it. I have, however, most closely studied Sites 11 and 16 to base my comments upon.
- 1.5 For the avoidance of doubt I confirm that this report has been prepared having regard to the latest guidance from the HBF Local Plan Viability Guide September 2019 and the RICS Financial Viability in Planning : Professional Guidance Note 2012 and Conduct and Reporting May 2019 including the draft consultation to update the 2012 GN and that I confirm that this valuation is prepared in accordance with the NPPF, PPG, RICS Valuation – Global Standards 2017 (and RICS Valuation of Development Property 2019 Guidance Note) and that I am acting as a Suitably Qualified Practitioner, with no Conflicts of Interest as defined therein.
- 1.6 I confirm that I have acted with objectivity; impartiality; without interference; with reference to all appropriate sources of information; and that no contingent or performance-related fee has been agreed.

2 Key Issues

- 2.1 As stated above I only intend to comment upon the key issues rather than a detailed assessment of all inputs into all typologies.

“Typologies Selected” and Housing Mix

- 2.2 A major urban expansion of green field land has not been fully tested for, albeit site 16 is 600 units. I would suggest that a larger site needs to be assessed and I suggest that the largest site (and smallest site) within the Draft Local Plan should be utilised as typologies so that the outturns to be utilised to set parameters for viability. The existing housing mix in Policy 4c has only 20% 4 beds and 30% 1 and 2 beds. For a location such as this the provision of 1 bed units is considered unnecessary and not in line with market demand or need. This will have a bearing on the viability if modelled with a different housing mix.

Benchmark Land Value (BLV)

- 2.3 Cushman and Wakefield have referred to a draft consultation document which was published in 2010 for context but not referred to this document for other inputs within their report. I suggest that this draft consultation document carries no weight for viability assessment studies as at 2020.
- 2.4 Cushman and Wakefield have arrived at Benchmark Land Values based on unknown but assumed net developable acreages. This is a fundamental flaw in their study. A willing Landowner would not arrive at a Benchmark Land Value by reference to an assumed net developable acreage only. If a site by site approach for Benchmark Land Value is to be adopted the hypothetical landowner in every case would wish to take into account all potential inputs (density, GDV cost etc), none of which are known at this stage. This approach I believe is incorrect. In reality the hypothetical willing landowner will be influenced more generally by the development land market in the locality and thus a single generic figure for greenfield land values should be used based on a gross area. Variances from this approach might arise where there are obvious site specific issues that would influence a hypothetical landowner's decision (ie known contamination on site).
- 2.5 In my opinion as it is agreed by Cushman and Wakefield that the Benchmark land Value should be arrived at by assessing the premium above existing use value[EUV] it is illogical to assume that a hypothetical landowner would expect a different return to another landowner in the immediate locality solely based on assumed net developable acreage differences. For that reason I believe it is appropriate to adopt a Benchmark Land Value of £225,000 per acre for all greenfield sites within the district unless there are specific on site issues, such as contamination.

Profit

- 2.6 Cushman and Wakefield have adopted a profit return of 20% of sales value (GDV) for market housing however, two queries arise.
- 2.7 Firstly, the stated 6% return for affordable housing should be based on GDV. It is not stated in this report. Secondly, 17% profit is stated for custom self build. It is queried why 17% is adopted- I suggest 20% for consistency.

Timescales and Finance

- 2.8 Within the Cushman and Wakefield report the cashflow is not visible therefore it is not possible to check the inputs utilised and how they all interrelate. Finance costs vary massively based on when the income and cost is modelled and the profiling of that cost. The calculations behind the report have not been made available to see whether in the round the overall finance costs are reasonable. This is particularly the case for large infrastructure heavy developments where significant upfront infrastructure is incurred. I suggest it is incorrect to use the same profiling for all development sites regardless of scale and likewise there should be a difference in cost between brownfield and greenfield.

GDV

- 2.9 It is noted that between £360.00 per sq ft and £375.00 per sq ft is adopted for market housing based on an average dwelling size of 954 sq ft and 45 units per hectare (blended).
- 2.10 I consider the above to be reasonable in respect of our subject site. However, I note that in the modelling Cushman & Wakefield have adopted revenues for affordable housing based on percentages of market value with social rent at 40% and shared ownership at 70%. The 40% adopted for social rent appears too low and is especially significant due to the proposed to the level of social rent housing within residential developments.

Other site infrastructure

- 2.11 Section 3.3 of the Cushman and Wakefield report allows £20,000 per unit for infrastructure. It is not clear whether this is for all units or market housing units but it should be for all units.
- 2.12 However, to arrive at this Cushman and Wakefield have not referenced any evidence but rely on a 2012 document. If this is to be used it should at least be indexed from 2012 to 2020. Furthermore the upper level in the range is £23,000 per unit and I suggest this should be used for larger greenfield sites.
- 2.13 It is unclear in respect of the schools cost (£3,500 per dwelling) how this is arrived at; whether it for construction of the school and / or the acquisition of land and whether it applies to all house types.

Construction Costs

- 2.14 It is unclear why different base build input costs are used based on either median or lower quartile rates. The logic that Site 11 is lower quartile but Site 16 is higher quartile is flawed. In both cases the scale of development will mean that “place making” is a significant feature. However, these enhancements are not base build costs but additional costs that should be addressed separately.
- 2.15 Thus, in our opinion median BCIS cost figures should be used. Cushman and Wakefield have then reduced this base build by removing contractors’ profit. This is fundamentally flawed. Regardless of who builds out, profit on build cost should be allowed for (as this principal also applied for garages, externals and infrastructure).
- 2.16 It is not clear if contingencies or professional fees have been added to garages, externals or infrastructure which should be. The contingencies and professional fees for infrastructure should be higher than the stated 3% and 8% respectively.
- 2.17 It is not clear where the “extra over costs” to reflect to zero carbon (car charging, building regs part L&F, Future Homes Costs) are addressed. It is referenced in section 1.6 but it does not appear as a separately itemised figure see table 3.1.

Other matters

- 2.18 It is noted that for retirement care homes higher input figures are utilised for professional fees at 10%, contingency at 5% and finance at 6.5% than for the residentially identified land. No logic

appears to be given for adopting different figures and we would suggest that these figures should be utilised for the residential modelling as well.

Sensitivity

- 2.19 No sensitivity has been undertaken in respect pricing, costing changes and assumptions regarding density. Cushman and Wakefield state that these are addressed within the “headroom methodology”. However, I do not believe that it is appropriate in that sensitivity testing should be undertaken prior to any assessment of headroom.

3 Summary

- 3.1 Therefore, in summary it is our opinion that there are a number of areas that the Cushman and Wakefield report is flawed and/or requires further clarification. These are stated as follows:

1. Typologies to include the entire range of potential sites from the largest to the smallest, so that parameters can be tested.
2. Housing mix to reflect need and demand.
3. Consistency regarding Benchmark Land Value.
4. Infrastructure costs to be revised to 2020.
5. Consistency regarding construction costs.
6. Contractors profit to be reinstated for base build costs.
7. Transparency regarding cashflow modelling , enhancements , etc.
8. Consistency with retirement care homes.
9. Sensitivity testing to be undertaken.

