

Mr Reed
via Ian Kemp
Programme Officer
Via email

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Dear Mr Reed

Please find attached the consultants updated viability work taking on board the latest Gloucestershire County Council position on contributions, for the Inspector.

There are two notes, Addendum note 1 and Addendum note 1a.

Note 1 fulfils the Inspector's request for updated work to contain the same assumptions as the existing viability study. Table A2 sets out Viability at full Policy on a 'traffic light' system. Briefly stated it leads to the conclusions that:

- a) The bulk of the allocated sites are able to come forward during the next 5 years and beyond with an increased S106 contribution of £10,000 per dwelling on average to pay for education requirements
- b) Some sites in the mid and lower value areas may, as before, remain a problem, but noting that there may be little or no need for S106 contributions, including no education contributions on sites where there is existing infrastructure capacity able to absorb potential impacts, and
- c) Again, as before there will need to be some flexibility for some sites within the lower band values and smaller sites in mid banded areas

Note 1a updates the inputs for sales values and building costs, noting that the existing viability work is using figures now almost two years old. There is nothing 'speculative' or 'subjective' about the updates. For sales values the latest Land Registry transaction data is taken. For build costs the figures are from the Build Cost Information Service (BCIS), published by the RICS. These are industry norms for viability assessment inputs. Local Planning Authorities will often refresh their viability inputs prior to examination so the latest sales values and build costs are available to the Inspector. The more up to date the inputs the greater the reliability which can be placed on the viability assessment. We commend Note 1a as a proper basis on which to make a judgment on viability.

The 'Traffic lights' assessment is at Table A6. Because sales values have shown increases and build costs which had 'spiked' in the previous work have now fallen back in line with the long-term trend, viability is improved.

A full assessment leading to the conclusions is given in each Note

Kind regards



Sandra Ford
Head of Development Services

