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Vale of Glamorgan Council
Cyngor Bro Morgannwg

Replacement Local Development Plan 2021 - 2036

Independent Financial Viability Assessments

undertaken by

Burrows-Hutchinson Ltd

on

5 Key/Strategic Housing Sites

identified by the Council for its

Deposit Draft Replacement Local Development Plan

DECEMBER 2025 **A.J.L.B.**

Contents

Appendices

List of Acronyms / Abbreviations

BHL	Burrows-Hutchinson Ltd
DVM	Development Viability Model
FVA	Financial Viability Assessment (or Appraisal)
GDV	Gross Development Value
GIA	Gross Internal Area
LDP	Local Development Plan
LHMA	Local Housing Market Assessment
LPA	Local Planning Authority
NIA	Net Internal Area
POSW	Planning Officers Society Wales
PPW	Planning Policy Wales (Edition 12 : February 2024)
RDP	Replacement Deposit Plan
RICS	Royal Institution of Chartered Surveyors
RLDP	Replacement Local Development Plan
RTPI	Royal Town Planning Institute
SAB	SuDS Approving Body
SME	Small-to-Medium Enterprise
SoCG	Statement of Common Ground
SPG	Supplementary Planning Guidance
SuDS	Sustainable Drainage System(s)
The Manual	Welsh Government Development Plans Manual (Edition 3) : March 2020
TAN	Technical Advice Note
ULEV	Ultra-Low-Emission Vehicle
VoGC	Vale of Glamorgan Council
VSG	Viability Study Group
WDQR	Welsh Development Quality Requirements
WG	Welsh Government

1. EXECUTIVE SUMMARY

1.1 Burrows-Hutchinson Ltd ("BHL") has reviewed **Financial Viability Appraisals** for five Housing Allocations that the Vale of Glamorgan Council ("VoGC") intends to identify as "key strategic sites" in its Replacement LDP.

1.2 The primary objective of the review has been to establish whether it is "financially viable" for the development of each of the sites, if allocated in the Replacement Local Development Plan, to meet detailed policy objectives, which include (in summary)

- meeting all appropriate criteria and national policy objectives for sustainable development;
- creating communities that offer a genuine sense of identity and place;
- making appropriate and necessary contributions to the need for affordable housing and community infrastructure, including local schools and transport networks.

For any development proposal to be "financially viable", it must also be demonstrated that it is capable of delivering a competitive, market risk adjusted return to the developer; and a land value that is sufficient to encourage a land owner to sell for the proposed use.

1.3 BHL has discussed the sites and their development potential with each of the site promoters, all of whom have worked up proposals to an appropriate level of detail at this stage in the Planning process. In all cases, there has been sufficient detail available for BHL to carry out the Appraisals to a standard/level that is consistent with national planning policy and guidance.

1.4 More detail on this process and the inputs to each appraisal is set out in the ensuing sections of this Report. In deciding on appropriate inputs for each site appraisal, BHL has considered all views expressed by the promoters of each site, balanced with BHL's experience and evidence from other similar appraisals/work elsewhere. Matters agreed (and comments made) at the Viability Study Group meeting of industry stakeholders in June 2024, recorded in the minutes at **Appendix B**, have also been taken into account.

1.5 The conclusion that BHL draws from the appraisals is that **all five "key sites" are considered to be financially viable** in the context explained in para 1.2 above. This is a position of "common ground" with each of the parties promoting those sites for inclusion in the Replacement LDP.

1.6 A summary of the 5 viability appraisals is set out at **Appendix C** to this Report. More detailed comments on each of the sites, in a format based on Table 26 in the Development Plans Manual, are made in **Appendices D to H**.

1.7 BHL confirms that its work on this Review has been undertaken in accordance with the RICS Professional Standard on Financial Viability in Planning: conduct and reporting (April 2023); and the RICS Practice Statement and Guidance Note for Surveyors acting as Expert Witnesses.

2. RICS COMPLIANCE

2.1 Prior to accepting the commission referred to in paragraph 1.1 above, it was confirmed that BHL has no actual/potential conflict of interest in undertaking the Review. BHL does not act for any site promoter(s), landowner or developer, with a financial or other beneficial interest in the outcome of the Review.

2.2 BHL also confirms that the fees agreed for this work are not performance-related or in any way contingent on the outcome of the Review or the conclusions reached in this Report.

2.3 In accordance with the RICS Professional Standard entitled Financial Viability in Planning: conduct and reporting (April 2023), BHL confirms that its review of all individual site appraisals has been undertaken impartially, in an objective way and without interference.

2.4 It is also confirmed that all relevant and available sources of information have been taken into account; and that, in accordance with best practice, the Review has relied on market-based, rather than client-specific, information.

2.5 BHL's role in this Review has been to act in a similar capacity to that of an independent expert, who may be called to give evidence at Examination of the Replacement LDP in due course. It is therefore also confirmed that BHL has followed the principles and standards contained in the RICS Practice Statement and Guidance Note for Surveyors acting as Expert Witnesses; and in the consultation document for a 5th Edition of the Guidance, which is expected to be published as a Professional Standard in 2026.

3. BACKGROUND and CONTEXT

3.1 **Planning Policy Wales (PPW 12)** directs that "*as part of demonstrating the deliverability of housing sites, financial viability must be assessed prior to their inclusion as allocations in a development plan. At the 'Candidate Site' stage of development plan preparation, land owners/developers must carry out an initial site viability assessment and provide evidence to demonstrate the financial deliverability of their sites*."[A]

3.2 **Welsh Government's Development Plans Manual (Edition 3)** – "the Manual" – contains a specific section on Viability Testing for Development Plans, in Chapter 5, reinforcing the above policy objective; and stating too that "*site specific viability appraisals should be undertaken for those sites which are key to delivering the plan*."[B] The same paragraph in the Manual says that "*the preferred approach is for this to be done in conjunction with a site promoter who has access to the detail, or conversely through more detailed modelling with site-specific assumptions*."

3.3 Additional guidance on Financial Viability in Planning in England and Wales has been available from the RICS Guidance Note GN94/2012; although some would now regard this as outdated. The RICS has published more recent guidance on Financial Viability in Planning[C], but this refers specifically to the National Planning Policy Framework for England; and therefore might not be considered to have a direct application to viability issues and decisions in Wales.

3.4 Burrows-Hutchinson Ltd ("BHL") was therefore commissioned by the Planning Officers Society Wales ("POSW") to prepare a Guidance Note for Wales on Financial Viability in Planning, as a supplement to guidance in the Development Plans Manual; and incorporating important and relevant elements of the guidance that now applies in England, thereby ensuring that there is a consistent approach to Viability issues and practice, wherever that is appropriate.

3.5 That new Guidance Note for Wales is attached to this Report as **Appendix A**. It is endorsed by POSW, who suggest that its contents can be adopted by LPA's by means of Development Plan policy and/or as Supplementary Planning Guidance.

3.6 In July 2024, BHL submitted a proposal to Vale of Glamorgan Council ("VoGC") for reviewing Financial Viability Appraisals ("FVA's") on all sites that might be identified as "key sites" in the Deposit Draft of the Council's Replacement LDP. The geographical extent and nature of each site is more particularly described in that Deposit Draft RLDP; together with the draft policy requirements for each site.

3.7 Having first established that there would be no conflict of interest in BHL undertaking this work, BHL discussed arrangements with the promoters of each site for delivering up-to-date FVA's that would meet the requirements of the Manual (as above) and establish the extent of the "common ground" between each site promoter's aspirations and VoGC's draft policy objectives for each site in the emerging Replacement Local Development Plan ("RLDP").

3.8 VoGC provided BHL with a set of proposed site-specific policies (in draft) for each of these potential strategic housing allocations in the RLDP. BHL confirms that those draft policies

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[A] Extract from para 4.2.20 of Planning Policy Wales Edition 12 Feb 2024

[B] Extract from para 5.89 of the Development Plans Manual (Edition 3)

[C] Guidance entitled Financial Viability in Planning: conduct and reporting (1st edition, May 2019) was originally published as a Professional Statement; and has been republished as a Professional Standard under the same title in April 2023. A further RICS Guidance note was published in March 2021 entitled Assessing Viability in Planning under the National Planning Policy Framework 2019, with the purpose of updating/replacing the original guidance in GN94/2012.

accord with the site-specific policies that are set out in the soon to be published Deposit Draft of the RLDP.

3.9 The 5 FVA's have been carried out, and are presented in this Report, in a way that is intended to reflect the following key principles of good practice regarding Viability in Planning:

- judgements and assumptions should be evidence-based and reflect industry benchmarks;
- inputs and assumptions used in an appraisal should be based on collaborative effort and discussion, using an "open book" approach as far as possible;
- the process and content should be as transparent as it can be – so as to give the reader confidence in the conclusions reached – whilst respecting (in an appropriate way) the confidentiality of data that may be commercially sensitive; and
- appraisals should be based on a consistent and standardised approach, whilst recognising (and striking a sensible balance with) the heterogenous nature of development sites and opportunities.

3.10 The FVA's covered by this Report have also taken on board the comments made and matters agreed at the Viability Study Group meeting of industry stakeholders in June 2024, recorded in the minutes at **Appendix B**. In instances where it has been necessary for the FVA to rely on other evidence, of a more site-specific nature, this Report makes it clear how and where that has been the case.

3.11 For each of the sites, an FVA has been prepared using the Excel-based Development Viability Model ("DVM") that is now widely used for financial viability assessments in Wales. Each FVA has been discussed in detail between BHL and the site promoters; and the conclusions for each site are the result of a collaborative effort between those site promoters and BHL, as the independent assessor. Copies of each FVA are now held by the Council and each site promoter as a baseline record of the assumptions made at this stage in the Planning process; enabling those parties to undertake any review of the costs and values (as at today's date) that have been used in each FVA, should that be necessary or appropriate at any time in the future.

3.12 Some of the information used in these FVA's is commercially sensitive, especially at this stage in the plan-making process. For that reason, this Report contains a site-by-site summary of the core information used in, or derived from, each FVA at **Appendix C**; rather than a full account of all costs and values used in each appraisal.

3.13 This Report also includes (in **Appendices D to H**) a brief commentary on the characteristics of each strategic site, the form of development that is proposed and basic information on key infrastructure and policy requirements.

3.14 It is understood that this Report will form part of VoGC's Evidence Base in support of the Replacement LDP, which will be publicly available. As is customary in such circumstances, BHL confirms that it has undertaken its work on these FVA's on what amounts to a joint instruction from VoGC and the five site promoters, for the purposes of establishing whether each potential "key site" is likely to be viable. The FVA's have been carried out with all reasonable skill, care and diligence, and in a manner consistent with the RICS Practice Statement and Guidance Note for Surveyors acting as Expert Witnesses. Nevertheless, no duty of care can be accepted to third parties for the whole or any part of this Report or the contents of the FVA's.

3.15 This Report is solely concerned with the issue of financial viability, and not with any broader issues or constraints (of which BHL is unaware) that might have an effect on the deliverability of these five key sites. Such broader issues are beyond the remit of this Report.

4. THE VIABILITY APPRAISALS

4.1 The process of making a financial assessment for a development proposal involves deducting all estimated costs for that development from the total estimated gross revenue (usually known as the scheme's Gross Development Value, or "GDV"). As stated in the Development Plans Manual, "d*evelopment can be considered viable if, after taking account of all known costs including: Government policy/regulations, all construction and infrastructure costs, the cost of and availability of finance, other costs such as fees and a contingency sum, the value of the development will generate a surplus sufficient to provide both an adequate profit margin for the developer and a land value sufficient to encourage a land owner to sell for the proposed use*."[D]

4.2 In the course of its engagement with industry stakeholders, who came together as a Viability Study Group ("VSG") in June 2024, VoGC also asked the promoters of all candidate housing sites to submit evidence on likely development costs associated with those sites, in order to demonstrate initially whether each development proposal was likely to be "viable" in the context of current planning policies in the Vale.

4.3 BHL has engaged separately and independently with the promoters of each of the 5 potential key/strategic sites, to discuss the extent of the information available about known or likely site-specific development costs in particular; but also to review the promoters' views on other costs and values more generally. The relationship between the gross area of each site and the estimated net developable area (in hectares/acres) has also been considered.

4.4 Proposed development densities and dwelling types (including the proposed mix of dwelling types on each site) have all been "sense-checked" to establish that those aspects of each development also appear realistic. Special attention has been paid to the proposed mix of affordable dwellings in each development scheme; to ensure that it matches the Council's latest assessment of housing need, in terms of dwelling size and type.

4.5 The process has involved not only some interrogation of site-specific (or "abnormal") works and costs that are likely to be associated with each site; but also some ongoing discussion with VoGC about new evidence and emerging policy changes from other studies commissioned by the Council. The latter has been focused on a more detailed assessment of educational costs, and the capacity of existing schools, leading to revised estimates of the financial contributions that each strategic site would need to make towards educational requirements/facilities in the Vale. Transport consultants working with the Council have also been refining the nature and extent of proposed strategic improvements to the highway network, the cost of which has been apportioned between both key and larger non-key future development sites.

4.6 It must be recognised that, at this stage in the planning process, viability appraisals will often be based on a number of high-level assumptions; pending more detailed site investigation work, for example, or other more detailed studies and assessments relating to transport or environmental issues. Hydraulic Modelling Assessments will be required for most sites, but will not be undertaken until a later stage in the Planning process.

4.7 Although a site promoter may have expended not insignificant sums in promoting a site through the candidate site process, it is relatively rare for this more detailed work to be undertaken until there is greater certainty of a site being allocated for development in the local development plan.

4.8 Nevertheless, where high-level assumptions have been made, the background to them has been interrogated by BHL as far as is reasonably possible at this stage. Any assumptions that

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[D] From the paragraph entitled "What is Viability?" on page 138 of the Development Plans Manual.

might be considered unrealistic, or out of line with general market evidence, have been discussed with the relevant site promoter; and have been amended where appropriate. Each site-specific appraisal is therefore considered to be sufficiently robust to meet the national policy requirements and guidance contained in Planning Policy Wales and the Development Plans Manual at this stage in the planning process. Site promoters are aware that "only in exceptional circumstances should further viability appraisals be undertaken at the planning application stage"[E] .

4.9 The following paragraphs provide an overview of the evidence base that lies behind the cost and value assumptions used in the Strategic Site FVA's that are covered by this Report.

Gross Development Value ("GDV")

4.10 Data on the prices at which houses have sold in different parts of the Vale is available from HM Land Registry's website, and can be readily downloaded for further analysis. Other relevant information is also available from the EPC Register, websites such as Rightmove and Zoopla, as well as from an LPA's own records. Both the Council and BHL subscribe to the Hometrack database, which combines evidence from all these (and some additional) sources.

4.11 Careful and thorough analysis of this data is necessary to provide a reliable and robust evidence base for viability assessments. One must also recognise that there are differentials in the popularity of specific housing areas, sometimes not all that far apart geographically, which have a bearing on the market values that may be achievable on a particular development site.

4.12 Housing values can also be affected/enhanced by good design, and by creating attractive living environments that are well-serviced and sustainable (i.e. by "place-making"). Well-conceived and well-executed housing developments, in particular, will usually command higher values/ selling prices than those achieved for second-hand stock.

4.13 VoGC undertook an analysis of house prices across the Vale in 2024 as a pre-cursor to its plan-wide high-level viability study, the results from which are reported in the Viability background paper (November 2025). Verifiable evidence submitted with candidate site FVA's by site promoters was also taken into account. The findings from this study were then discussed and confirmed at the Viability Study Group meeting in June 2024[F].

4.14 In undertaking and reviewing the FVA's for these five strategic sites, BHL has focused on the most relevant market evidence to the location of each strategic site; and has drilled down into the detail of that evidence, including a comparison of the most recent sales evidence with current asking prices on schemes that are still under construction. Values have been discussed with individual site promoters, so that BHL is able to report that in all cases there is common ground with those site promoters on the GDV assessments in each FVA.

4.15 It can also be seen from **Appendix C** how the estimated selling prices for open market homes from all the strategic site FVA's broadly align with the range of values discussed and agreed at the Viability Study Group meeting in June 2024, allowing for a modest adjustment over the intervening 12 – 18 months.

4.16 In October 2024, the Council decided to increase the transfer values paid to developers via s.106 agreements for **new social rented homes** on the sites allocated in the Deposit RLDP, in line with the changes in the Social Rent Cap (published annually by Welsh Government). Those transfer values are still based on figures set out in Welsh Government's "2021 ACG's including land"; but changes in the Social Rent Cap since 2021 have been used to increase the values derived from the 2021 tables by 20.3%, with effect from 1st April 2025. The Council will

[E] See, for example, paragraph 5.90 in the Development Plans Manual
[F] See Appendix B

continue increasing these transfer values with effect from 1st April in each future year[G], in line with changes in the Social Rent Cap.

4.17 Transfer values for **intermediate affordable housing** (generally for low-cost home ownership) in the Vale of Glamorgan are based on 70% of the full market value.

4.18 Each of the strategic site FVA's makes provision for delivery of affordable housing on-site in line with the current and proposed affordable housing policies in the Vale; and in line with the transfer values described above. In all cases, tenure is split 65% social rent and 35% intermediate tenure, to align with the Council's latest assessment of housing need.

4.19 All five FVA's are primarily concerned with residential development, although two of the sites will also include the creation of neighbourhood/local centres that contain commercial facilities of a scale that is appropriate to normal place-making criteria. No specific financial assessment has been made of either costs or values that are likely to be associated with those additional facilities; partly because the precise nature of those facilities has yet to be determined. In each case, it has been assumed that this element of the development will be "cost neutral".

Rates of Sale and Development Programme

4.20 The rate at which new homes may be sold on the open market will vary from site to site, depending not only on the demand for new homes in any given location (which will also determine their selling price), but also very often on the size of the site being developed. A higher volume of sales each year will normally be achieved on the larger sites; although this is also influenced by the market knowledge of the larger/volume housebuilders, who will tend to build on sites where they expect a higher volume of demand.

4.21 Where possible, developers will try to match the rate at which they build to the rate at which the new homes can be sold; but this is not always possible to achieve, particularly when there are fluctuations in the market and/or when macroeconomic conditions create uncertainty. This is one area of risk for a developer that may not always be appreciated or understood. It is one of the things that need to be reflected in the percentage margin/return that is allowed to the developer.

4.22 On a majority of new housing developments, there will be an "overhang" period between the date on which final construction works are completed, and the date on which the last market sale is completed. Each of the strategic site FVA's makes an appropriate allowance for that "overhang"; as well as incorporating a suitable initial construction period before any sales revenue appears in the cashflow forecast for the development.

4.23 Paragraph 3.2 in the Guidance Note at **Appendix A** discourages site promoters from basing FVA's on an over-optimistic delivery timeframe. In this context, it is considered that the monthly sales rates for each site, shown at **Appendix C**, are reasonable and realistic. The assumed rate of sales on the site at Readers Way, Rhoose (KS3) is higher than the others; reflecting the strongest probability that this site will be delivered from more than one outlet.

4.24 The rate at which affordable homes within a mixed tenure scheme are delivered will not necessarily be the same as the rate at which the open market dwellings are sold. It will often be a requirement of a s.106 obligation for the affordable housing to be delivered before all the open market homes are occupied. All the strategic site FVA's reflect that principle.

Normal Development Costs

4.25 The normal costs of <u>building</u> a new dwelling (commonly referred to as "plot costs") are usually distinguished from costs associated with <u>servicing</u> each dwelling (e.g. providing access roads,

[G] See the Council's Affordable Housing SPG (Revised October 2024) utility and drainage connections, garages/parking areas, gardens and boundary features) all commonly referred to as "external costs". These two cost categories apply to all development sites, as opposed to "abnormal" costs, which include off-site infrastructure, land remediation and other works/costs that are <u>not</u> typical of all development sites. This Report also deals with another cost category – Community Infrastructure – which is used to embrace costs deriving from any s.106 obligations and/or the Community Infrastructure Levy (where applicable – CIL is not relevant in this Vale).

4.26 Appropriate rates to be applied for "**plot costs**" in VoGC's high-level viability testing across the Vale as a whole were discussed and agreed by the Viability Study Group ("VSG")[H]. Recognising that further economies of scale can be achievable on larger/strategic sites, BHL had further discussions with individual site promoters about the rates to be applied in each FVA. The rates used for each site are shown in Appendix C, and mainly align with the lowest rate agreed with the Viability Study Group in June 2024. There are minor variations (no more than 5%) from that rate in two cases, where the site promoters have made a reasonable case for the cost rate that has been adopted. The rates in all five FVA's are considered appropriate, in the broader context of BHL's evidence and experience from other development appraisals in South Wales.

4.27 Plot cost rates have historically been compared with the median and lower/upper quartile rates in the BCIS Average Prices database. That database records historic information from submissions made by subscribers. There is therefore a time lag between the date on which changes to Building Regulations take effect and the date when the impact of those changes on building costs flows through to BCIS Average Prices. In the interim, it is necessary to ensure that the anticipated impact of such changes is allowed for in viability assessments associated with the plan-making process.

4.28 As a follow-up to the Viability Study Group meeting in June 2024, a further meeting was held with much the same group of stakeholders in July 2024 to discuss the cost implications of the Council's proposal to include a policy in the Replacement LDP setting a higher standard of energy efficiency in new dwellings (similar to the LETI standard[I]) by comparison with the likely changes to Welsh Building Regulations which, at that stage, had not yet been put out to public consultation.

4.29 Based on the evidence from both Viability Study Group meetings, the following additional costs (over and above the basic "plot cost" rates referred to above) have been allowed for in all the strategic site FVA's:

a) an average of £2,550 per dwelling for sprinkler systems and ULEV charging points;

b) an average of £3,000 per dwelling for the cost of changes to the Building Regulations that were introduced in 2022; and

c) an average of £6,000 per dwelling to cover the additional cost of meeting the Council's proposed policy on energy efficiency in new homes.

4.30 Estimating the cost of changes in building specification is not an exact science; and does not always take account of the probability that the <u>collective</u> cost of extra works and/or materials may not be as great as the sum of the individual costings for each item. Economies of scale may also be achievable on larger sites. Technical innovation and increased levels of production are also likely to reduce unit costs, particularly for larger scale housing schemes.

[H] See Appendix B.

[I] See the Council's Viability Paper for further information.

4.31 In addition, little if any account has been taken in four of the FVA's of a possible enhancement in market values for new homes arising from improved energy efficiency and the potential cost savings to householders. That is because, as yet, there is relatively little evidence from house sales (particularly on larger schemes) to support a definitive adjustment to current market values. The one exception in this case is the site at Readers Way, Rhoose (KS3), where the site promoter is assuming an uplift in selling prices equivalent to approximately 5% on current values, arising from the more energy efficient specification sought by the Council.

4.32 Sums equivalent to between £18,000 – £18,500/dwelling have been allowed for "**external costs**" in each FVA. This translates into percentages ranging from 15% to nearly 19% of total "plot costs" for each site (see **Appendix C**). This is within the same parameters as those established at the Viability Study Group meeting in June 2024.

4.33 The following additional costs have also been allowed for in each FVA, in line with the rates discussed and agreed at the same VSG meeting:

a) an allowance of £4,500/dwelling for the adoption of **sustainable drainage systems** by the SAB authority;

b) allowances to cover the cost of professional fees and building warranties, based on a range from 4% – 5% of total plot and external costs; plus allowances of between 7% – 10% for fees related to abnormal site costs;

c) a contingency sum equating to 5% of all construction costs (including fees); and

d) allowances of between 2.0% – 2.5% of gross revenue from the sale of open market homes to cover agency commission and costs associated with on-site sales offices and staff, show homes and general publicity/marketing; together with an appropriate allowance for legal costs on open market sales and the transfer of affordable homes to an RSL.

Abnormal Development Costs

4.34 Abnormal development (or site) costs are those not included in the description of Normal Site Costs set out in the immediately preceding paragraphs of this Report. They are "site-specific" by nature, and may encompass works associated with ground conditions or contamination, steep or difficult terrain or other topographical features; and/or site-specific infrastructure works and requirements. On larger, strategic sites, the cost of such infrastructure (sometimes referred to as "opening-up costs") can be quite substantial by comparison with smaller sites, particularly where off-site highway works and/or the upgrading of a mains drainage network or other utility supplies is necessary.

4.35 A breakdown of the estimated abnormal costs relating to each strategic site, based on all information that is currently available, has been set out in the confidential Excel files (copies of the DVM) referred to in paragraph 3.11 of this Report. At this stage in the planning process, those files are treated as confidential because such detailed information can be commercially sensitive. However, an overview of the total abnormal costs that are anticipated for each site is given in **Appendix C**; and in the commentaries on each site at **Appendices D to H**.

4.36 At this stage in the Planning process, estimating abnormal costs is usually quite a "high-level" exercise. It is one area in a development appraisal where there is significant scope for change, as more detailed information becomes available; and where the developer and landowner are exposed to that risk of change. It is not the role of the Planning system to insure a landowner or a developer against risks of this nature; and valuations of development sites will generally take account of the level of abnormal costs in determining land value. Equally, once the price for development land has been negotiated or paid, it is the developer who carries the risk of managing such costs.

Community Infrastructure

4.37 The principal cost for most of the SHA's under this heading relates to building capacity within the Vale's education facilities – at nursery, primary and secondary levels – to serve the new residents on these strategic development sites. During the last 12 – 18 months, VoGC has undertaken more detailed assessments of anticipated capacity in existing schools and the resultant need for additional school places across the Vale.

4.38 The sums allowed in each FVA for each site's financial contribution to educational facilities are based on that review. The results of this review were passed to the site promoters and to BHL and have been incorporated in the FVA's. They will be subject to review when outline planning applications are made; but BHL is advised by the Council that the contributions that have been allowed for in each FVA are considered to be based on a "worst case" scenario; so as to give confidence that, if anything, the FVA's contain an appropriate "viability buffer" at this stage in the planning process.

4.39 Another significant requirement for each of these strategic sites are financial contributions towards sustainable transport and improvements to the strategic highways network. The nature, extent and likely cost of those improvements has been assessed for the Council by external consultants; who have also reached provisional agreement with the Council on how those costs should be apportioned between the five key/strategic sites and other sites that potentially benefit from (and should contribute towards the cost of) those improvements.

4.40 Each strategic site is expected to make its own on-site provision for appropriate community facilities, outdoor recreation and public open space; and this has been factored into each FVA.

4.41 It is expected that all contributions (financial and physical) towards Community Infrastructure will be secured by s.106 obligations, as and when planning consents are granted for the sites. Financial contributions that have been estimated for the purposes of this Report will still have to pass the usual tests of reasonableness associated with s.106 obligations; and may also be subject to variation due to other circumstances, such as a change in costs or need.

Finance Costs & Development Timelines

4.42 An "all-in" debit interest rate of 5% p.a. has been agreed with the promoters of all five sites as being appropriate for the calculation of finance costs for each development.

4.43 After cutting its base rate to 3.75% in December 2025, there is some expectation that the Bank of England will make further reductions in the base rate to around 3.25% – 3.5% by mid-to-late 2026. Inflation, now at 3.2%, appears to be easing and could fall to 2.5% by late 2026. Mortgage rates are dropping, with some fixed rates at their lowest level since 2022.

4.44 BHL has discussed the capacity of the housing market, relevant to each strategic site, with each site promoter; and, in tandem with that, a target rate (in numbers per annum) for the sale of open market homes. This has been translated into a monthly sales rate at **Appendix C**. In all cases, the development timeline for each FVA has been determined by that estimated sales rate; and in some cases includes an assumption that for at least part of the development period, sales will be taking place from more than one outlet.

4.45 Efforts have been made to apply a realistic timescale to major infrastructure works and other abnormal costs within the overall timeframe for each strategic site; recognising that in many instances, for sites of this scale, a significant part of those costs may be incurred in the earlier stages of the development.

Sensitivity Testing

4.46 In accordance with best practice, the results from each FVA have been sensitivity tested to show the effect on developer's profit of the following changes to the basic inputs:

- plus/minus 10% in gross development value;
- plus/minus 10% in build (plot + external) costs;
- plus/minus 15% in land value.

4.47 For all five FVA's, this indicates a broad range of possible outturns. In the least profitable scenarios – for example where a 10% shortfall in GDV is accompanied by a 10% rise in build costs – the profit margin may be significantly less than that to which a developer would aspire at the outset of the project; but those scenarios are equally matched by the opportunities to exceed the margin estimated at the outset. At no point in the sensitivity tables derived from any/all of these IFVA's is the developer likely to incur a financial loss on the project. That is an important consideration from a funding viewpoint.

5. BENCHMARK LAND VALUE and DEVELOPMENT PROFIT

5.1 VoGC's Viability Study Group discussed land value benchmarks at some length[J]. A land value that is "sufficient to encourage a land owner to sell for the proposed use"[K] will vary between sites in lower and higher housing value areas, and should also be influenced by the level of "abnormal site costs" that are expected to be associated with a particular site.

5.2 In the FVA's undertaken for this Report, BHL has adopted the benchmark land values agreed in the VSG's SoCG; and those benchmark values are included in the table at **Appendix C** as a comparison with the land values that have been used in each FVA. This demonstrates that, when abnormal site costs are taken into account (where necessary), all five key strategic sites should be capable of generating a "sufficient" return to the land owner(s).

5.3 The DVM used for all five FVA's calculates and adds Land Transaction Tax to the development appraisal automatically. An allowance for other acquisition costs, calculated at 1.5% of the land value, is also common to each FVA.

5.4 The Development Plans Manual recognises[L] that a "viable" profit margin for developers, and one that is "necessary to meet most lenders' requirements", will normally range from 15% to 20% of the estimated Gross Development Value ("GDV") from property that will be let or sold on the open market; whilst a lower margin, based on 6% of cost, will normally be appropriate for any affordable housing in a scheme.

5.5 The level of developer profit that is applied to a site-specific FVA should reflect the assessor's view on the level of risk that is attached to the development proposal, as seen in the context of the likely demand for the site/opportunity within the development market – the expected profit should be a "market risk adjusted return to the developer"[M].

5.6 The expected/target profit margin for larger scale development opportunities, such as these key sites, will generally be at the upper end of the range referred to in para 5.5 above. That reflects the higher level of risk associated with developments that will take several years to complete, and which may therefore be subject to changing economic circumstances during the overall development period; as well as the risks inherent in carrying the costs of upfront expenditure on infrastructure, in addition to the potential uncertainties associated with such costs.

5.7 In all five FVA's, BHL considers the following target profit margins to be appropriate:

- 20% on GDV for residential property that will be let or sold on the open market;
- 6% on the construction costs with the affordable housing in each scheme;
- 15% on the Net Development Value (GDV less an investor's typical acquisition costs) for any non-residential property that is appraised as a specific element in the FVA.

5.8 The results from all five FVA's show that these key sites should all be capable of achieving that target level of developer profit, with a (proportionately) small surplus as a buffer; in addition to delivering a "sufficient" land value, as shown at **Appendix C**. Each of the site promoters has also confirmed to BHL that the land values shown at Appendix C exceed the minimum value expectations of the relevant landowners.

[J] See Appendix B.
[K] See quotation from the Development Plans Manual at para 4.1 of this Report.
[L] See commentary on Developer Profit in Table 24 on page 145 of the Manual.
[M] See RICS Guidance Note 94/2012 on Financial Viability in Planning; and Section 6 in Appendix A to this Report

6. CONCLUSIONS

6.1 The FVA's undertaken for this Report have involved a level of site-specific investigation that is appropriate for what Welsh Government's Development Plans Manual describes as "key sites"[N]. Nevertheless, and as is commonly the case, the level of firm information available in some cases is limited in extent, particularly as far as infrastructure and site "opening up" costs are concerned. So, the FVA's summarised in this Report, for each of the key/strategic sites, are still, to some extent, "high-level" estimates of financial viability.

6.2 All the FVA's have been prepared with the benefit of at least an illustrative masterplan; and after discussion with each site promoter about the type and mix of dwellings for each site. Although that may or may not accord with final outline or reserved matters applications/ consents, the assumptions made in each FVA are considered to be sufficiently robust and proportionate to the information one expects to be available at this stage in the planning process.

6.3 In the course of the work undertaken on each IFVA, information and comments have been received from site promoters on the likely cost of major infrastructure, "abnormal" and opening up" costs that they expect to be associated with the development of each site, based on whatever studies have been undertaken to date. There has been a satisfactory degree of transparency in this respect, given that some of the information is considered commercially sensitive. The process has involved what might best be described as "an open dialogue" with the site promoters, which has enabled BHL to "interrogate" the information supplied by each site promoter to a sensible and proportionate extent.

6.4 BHL concludes that at current costs and values there should be no fundamental concerns about the viability of any of the key/strategic sites covered by this Report. The FVA's are all based on realistic and reasonable assumptions concerning costs and values, and demonstrate that all the sites are capable of meeting the proposed RLDP policy requirements in full, whilst also providing competitive returns to both the landowner(s) and the developer(s) involved. In addition, the Council expects there to be further engagement with the site promoters during the period when the Replacement LDP is on deposit, and prior to the plan being submitted for Examination, to ensure that the viability evidence that supports relevant policies in the RLDP is as up to date and robust as possible[O].

6.5 All the IFVA's have been undertaken using the DVM; and a copy of the Excel file for each site has been given to VoGC and to each site promoter. This will facilitate any review of the data and assumptions upon which the FVA's have been based, should that be necessary and/or appropriate at a future date.

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30th December 2025

[N] See para 5.89 in the Development Plans Manual
[O] Paragraph 5.97 in the Development Plans Manual refers to the need for evidence "to remain relevant, up to date and proportionate to the stage reached" in the statutory plan preparation process.

APPENDICES

APPENDIX A : FINANCIAL VIABILITY in PLANNING – GUIDANCE for WALES

FINANCIAL VIABILITY in PLANNING

GUIDANCE for WALES

Author : Andrew Burrows MA FRICS July 2025

Foreword by the Planning Officers Society Wales

The Planning Officers Society Wales (POSW) provides the collective voice of local planning authorities across Wales, working collaboratively across sectors and with all partners involved in the development process to ensure we deliver great places in Wales.

POSW commissioned and endorses this Guidance Note as an important means of ensuring there is a clear and consistent approach to the way financial viability is factored into decision making in the planning process in Wales, including how Financial Viability Assessments are used and applied in the context of Welsh planning policy.

The purpose of this Guidance Note is to supplement existing policy and guidance from the Welsh Government on financial viability in planning. Its contents can be adopted by a Local Planning Authority by means of Development Plan policy and/or as Supplementary Planning Guidance to form a material consideration in determining planning applications.

However, the focus remains on ensuring that Financial Viability Assessments undertaken at the plan-making stage are sufficiently robust; so that only in exceptional circumstances will a further viability assessment be undertaken at the planning application stage.

Contents

1. Introduction and Context

1.1 The primary objective of national planning policy in Wales (Planning Policy Wales 2024 (PPW), para 1.2)[1] is to ensure that the planning system contributes towards the delivery of sustainable development and improves the social, economic, environmental and cultural well-being of Wales. A crucial element of this is facilitating deliverable and financially viable developments which contribute to the creation and enhancement of sustainable places.

1.2 This Guidance is based around the policy and guidance in PPW and the Development Plans Manual[2] produced by the Welsh Government. It does not replace any part of those documents; but is intended to add some practical interpretation to them when addressing specific instances where financial viability is a material consideration, principally in a plan-making context, but also in the context of other decision-taking (e.g. in determining planning applications).

1.3 Where appropriate and relevant, this Guidance Note has also drawn on principles and advice contained in the following publications:

- Viability Testing Local Plans (June 2012) – also known as the Harman Report[3];
- A Longitudinal Viability Study of the Planning Process in Wales (February 2017)[4];
- English Planning Practice Guidance on Viability (March 2014, last updated December 2024);
- Financial Viability in Planning: conduct and reporting (May 2019)[5];
- RICS Guidance Note GN-94/2012 Financial Viability in Planning 1st edition[6];
- Updated RICS Guidance (March 2021) on Assessing Viability in Planning[7].

1.4 The use of Financial Viability Assessments (FVAs) in a Planning context came to the fore in the wake of the 2008/9 Financial Crisis, when many residential developments in the UK faced significant financial difficulties. Initial guidance was issued by the Advisory Team for Large Applications (ATLAS) to help "unlock" developments that had stalled. This was followed by the Growth & Infrastructure Act 2013 and specific guidance[8] relating to a fast-tracked appeals process under that Act, which came to an end in 2016.

1.5 Since then, the use of FVAs and the guidance on Viability in Planning has evolved; placing greater emphasis on viability testing at the plan-making stage (before sites are allocated

[1] https://www.gov.wales/sites/default/files/publications/2024-07/planning-policy-wales-edition-12.pdf
[2] https://www.gov.wales/development-plans-manual-edition-3-march-2020
[3] https://www.local.gov.uk/sites/default/files/documents/viability-testing-local-p-42b.pdf
[4] https://www.gov.wales/sites/default/files/publications/2018-10/viability-study-of-the-planning-process.pdf
[5] First published as a RICS Professional Statement; and re-issued as a Professional Standard in April 2023 https://www.rics.org/profession-standards/rics-standards-and-guidance/sector-standards/land-standards/financial-viability-in-planning-conduct-and-reporting
[6] https://www.local.gov.uk/sites/default/files/documents/document-fdc.pdf
[7] This Guidance specifically relates to Viability in the context of the National Planning Policy Framework for England and is therefore not directly applicable to Planning Policy or Practice in Wales. However, it clarifies, updates and expands earlier guidance in GN-94/2012; and is applicable here in that context. https://www.rics.org/content/dam/ricsglobal/documents/standards/Assessing%20viability%20in%20planning%20under%20the%20National%20Planning%20Policy%20Framework%202019.pdf
[8] Section 106 affordable housing requirements – review and appeal (DCLG April 2013)

in a Local Development Plan); and on minimising the number of cases where policies in a Plan may be challenged on viability grounds at the Development Management stage[9].

1.6 Viability therefore has a purpose at the plan-making stage, not only in helping to ensure that sites allocated for development in a Local Development Plan are capable of being delivered[10]; but also in informing communities where new development is planned on the nature and extent of the infrastructure, affordable housing, local facilities and/or any other measures that such development is able to provide, including by means of 'Section 106' Agreements. These objectives are a critical part of an overall assessment of the sustainability credentials of any new development.

1.7 A development plan that is founded on agreed FVA's for all sites that are allocated in the plan will be more robust and less open to question than a plan which relies more heavily on high-level plan-wide viability studies.

1.8 Both in plan-making and decision-taking, viability helps to strike a balance between the aspirations of landowners and developers, in terms of returns against risk, and the aims of the Planning system to secure the maximum appropriate benefits in the public interest through the granting of planning permission.

2. Planning Policy Wales

2.1 Paragraphs 4.2.20 to 4.2.22 of PPW12 are of particular relevance to Viability in Planning in Wales. Paragraph 4.2.20 makes the following key points:

a) Financial viability must be assessed prior to the allocation of housing sites in a development plan;

b) When putting forward a 'candidate site', landowners/developers must carry out an initial viability assessment and provide evidence to demonstrate that it is financially viable to deliver the proposed development;

c) The local planning authority (LPA) must have undertaken a high-level plan-wide viability appraisal prior to placing a development plan "on deposit", to give certainty that the plan and its policies can be delivered in principle;

d) A more detailed, site specific viability appraisal must be undertaken for any site that is considered key to the delivery of a plan's strategy.

2.2 Although the requirement at (c) above is only triggered at the 'Deposit' stage of a plan's preparation, good practice will often dictate that an initial high-level viability appraisal is carried out at an earlier stage in the plan-making process. This particularly applies where an LPA is considering changes to policies in an adopted plan. The Development Plans Manual is clear that consideration of "viability and deliverability starts at the candidate site stage" in the plan-making process[11].

2.3 Viability appraisals submitted by site promoters at the 'candidate site' stage can be a useful source of evidence on development costs and values (including land values) to inform high-level plan-wide viability appraisals; alongside data assembled from and by

[9] "**Only in exceptional circumstances should further viability appraisals be undertaken at the planning application stage**" (para. 5.90 in the Development Plans Manual).

[10] "One of the key tests of 'soundness' of a plan is to demonstrate it is deliverable and viable" (para. 5.86 in the Development Plans Manual).

[11] See also paragraph 3.55 in the Development Plans Manual

Viability Study Groups [12]. Viability appraisals from Development Management cases are also a source of evidence; and can lend consistency to the assessment process.

2.4 Viability appraisals undertaken during the plan-making process are therefore "a tool that can assist with the development of plan policies"; and will often be "iterative" in nature[13], as both policies and site-specific development proposals are worked up. PPW paragraph 4.2.21 makes it clear that policies in a development plan should "take account of the economic viability of sites and ensure that the provision of community benefits would not be unrealistic or unreasonably impact on a site's delivery".

2.5 This is in contrast to any site-specific viability appraisals carried out in a Development Management context, where the onus is on the planning applicant to demonstrate why it may not be viable to meet the full policy requirements in an adopted plan.[14]

2.6 PPW paragraph 4.2.22 identifies two examples of the 'exceptional circumstances' where a review of the policy requirements in an adopted development plan, on viability grounds, might be justified when considering a planning application.

2.7 The first example is where further information on infrastructure or site costs is required (or has come to light). Additional costs of this nature should normally first have an impact on the price to be paid for land; or, if the site in question has already been purchased at a fixed price, the additional costs could be offset against the developer's anticipated profit margin. It is not a function of the Planning system to insure any landowner or developer against the risks typically associated with real estate development. The realisation of risk does not in itself necessitate further viability assessment. Nor should viability be used as an excuse to avoid a landowner's responsibilities under Environmental Protection law or any other legislation.

2.8 Only in a situation where there is clearly no incentive for a developer to proceed with development of a site that is important to the overall delivery of a local development plan should consideration potentially be given to some relaxation in the policy requirements of an up to date and adopted plan. In those circumstances, an LPA can consider whether a possible use of compulsory powers would achieve a better solution.

2.9 The second example concerns circumstances where significant (adverse) economic changes have occurred since the plan was adopted. In such circumstances it may be incumbent on local planning authorities to review the viability of policies in an adopted plan in a more general way; particularly if there is evidence that developments across a significant part of the plan area have stalled or are in danger of stalling. There have been examples, particularly in the wake of the 2008/9 Financial Crisis, where local planning authorities have temporarily reduced or suspended policy requirements in an adopted plan, based on revised viability assessments, pending a return to stronger market and economic conditions.

3. Key Principles

3.1 Key principles of good practice for Viability in a Planning context are as follows:

a) Judgements and assumptions should be evidence-based; and should be informed by <u>all</u> the relevant available facts. Assessing viability requires a realistic understanding of the costs and the value of development in the local area; and an understanding of the operation of the market. This includes recognition that markets are not static; and that

[12] See paragraphs 5.87 and 5.93 to 5.97 in the Development Plans Manual.
[13] From "key principles" in the Executive Summary to the Harman Report
[14] See too the guidance in sections 5 and 6 below

this is one of the risks associated with real estate development[15] (see further guidance in section 6 below). Understanding past performance, in relation to build and delivery rates (for example), is also important.

b) Inputs and assumptions in an appraisal should be based on collaborative effort and discussion, using an “open book” approach. In the plan-making process, an important part of that collaboration is the setting up of Viability Study Groups; and ensuring that information relating to viability is kept up-to-date throughout the plan-making process.

c) Inputs and assumptions in an appraisal should also be based on market- rather than client-specific information[16]. They should reflect industry benchmarks; and disregard either benefits or disbenefits that are unique to a planning applicant or site promoter, whether landowner, developer or both[17].

d) The process and content of viability assessments should be as transparent as possible – so as to give a reader confidence in the conclusions reached – whilst respecting (in an appropriate way) the confidentiality of data that may be commercially sensitive[18].

e) Appraisals should be based on a consistent approach, whilst recognising (and striking a sensible balance with) the heterogenous nature of development sites/proposals.

3.2 The physical delivery of sustainable development is a defining objective of development plans. At the Deposit stage in the plan-making process (if not before) candidate site FVA’s should include a realistic forecast of the timescale within which the development of that site could be delivered. Wherever possible, that trajectory should be agreed with the LPA. For sites where the development may take 6 or more years to complete, thought should be given to whether possible changes in market demand are more or less likely to affect build out rates in a particular case; rather than assuming a “best case” scenario in every situation. Site promoters should avoid promising to over-deliver on what is a reasonable and realistic timeframe for the proposed development.

3.3 The Building Cost Information Service (BCIS) is generally cited as an appropriate source of data on build costs. However, there has been relatively little input to that database in recent years from projects in Wales. It is noticeable too from the BCIS Locational Factors that in some, more rural, locations the database relies on a very small sample of reported development projects; sometimes in single figures over a timeframe of approximately 40 years.

3.4 It is also the case that volume housebuilders do not generally contribute to the database. This underlines the importance of:

a) gathering as much information as possible on local construction costs from other sources, such as Viability Study Groups[19], candidate site FVA’s in the plan-making

[15] The updated RICS Guidance (March 2021) on Assessing Viability in Planning points out at para. 4.1.5. that “simply using current costs and values and ignoring changes over the life of a development can distort the analysis of all but the simplest of cases.” Para. 4.1.6 recommends that “where assessors consider that the impacts of value and cost change are a significant factor in the market, these changes are identified and taken into account in an FVA”; but that “any assumptions made concerning projections of costs and values in FVA’s must be stated; and the evidence used to underpin projections explained.”

[16] Section 2.4 in the RICS Professional Standard (April 2023)

[17] Paragraph 2.5.2 in RICS Guidance Note GN-94/2012.

[18] See further comments on the issue of confidentiality in section 7 below

[19] Paragraphs 5.93 to 5.97 in the Development Plans Manua

process and detailed site-specific viability assessments whenever those occur in a development management context;

b) interpreting data drawn from BCIS in a way that not only recognises the limited input to the database from companies that are best placed to achieve economies of scale; but also reflects the fact that the BCIS data is presented as a range of costs. Whilst it may have been customary to adopt either the mean or the median BCIS rate as a starting point, the way in which build costs vary according to the complexity and scale of each development, in addition to construction specification and underlying characteristics of a site, must be reflected in any site-specific FVA.

c) recognising that, in the absence of input from volume housebuilders, BCIS data is not a complete and fully-balanced industry dataset; and that the median, upper and lower quartile cost rates would present a different picture, if cost information from those larger companies were included; and

d) accepting that data is often submitted to BCIS in differing degrees of detail. Examining the more detailed cost analyses for individual sites on the database reveals a degree of inconsistency in the way that costs are set out/recorded on the database.

3.5 The BCIS database records historic builds costs. At a time when new Building Regulations are being introduced to meet the challenges of climate change, there is and will be a time lag before the cost implications of those Regulations are fully reflected in the cost rates drawn from the database. Where viability is being considered in a plan-making context, allowances will need to be made for the likely cost implications of regulatory changes that are expected to be introduced during the plan period, as well as the likely effect of those changes on the end values in a development.

3.6 A lack of financial viability should not be an excuse for permitting development that fails to meet other criteria that are necessary for a development to be “sustainable”. If viability constraints prevent a development from meeting the appropriate sustainability criteria, planning permission should not be granted unless other funding mechanisms can be identified to overcome the viability issues.

3.7 In National Parks and other areas of special landscape value, where development would normally be subject to more stringent constraints, all viability assessments in the plan-making process should be sufficiently thorough to avoid planning policies being qualified with phrases such as “subject to viability”. There would then be a strong presumption against the grant of planning consent for development proposals on windfall sites that do not fully comply with relevant policies in an adopted plan.

3.8 In viability assessments for larger sites, where it may be the best part of a decade or more before development is expected to be completed, allowance may need to be made for a review of the FVA that was agreed prior to allocation of the site in a development plan, at a later stage or stages in the course of the overall development. In cases where a review (or a series of reviews) is considered appropriate, the process and terms of engagement for each review should be clearly set out in a site-specific policy in the plan. Such cases could include (*inter alia*):

a) a site where risks associated with initial remediation works, the provision of off-site infrastructure or abnormal groundworks are such that the developer reasonably requests some deferral in the full provision of affordable housing or other community benefits; and/or

b) where the gross development value of a scheme in a lower value location is expected to be enhanced as a result of place-making measures.

An appropriate use of a review mechanism is to provide flexibility in the early stages of a development; and to enable a developer to manage risk. Review mechanisms are not a tool to protect or guarantee a particular level of return to a developer; but may be used to strengthen an LPA's ability to seek compliance with relevant policies over the lifetime of a project and to secure maximum benefits in the public interest from the grant of planning permission. Review mechanisms should never be a means for a landowner or developer to escape the consequences of their commercial decisions or to burden an LPA or a local community with the risk(s) normally associated with development.

3.9 With the exception of any liability to Land Transaction Tax, other potential tax liabilities are normally excluded from an FVA. However, where tax incentives are available (such as Land Remediation Relief) to a developer, it may be appropriate to take account of their supplementary benefit in an FVA (over and above the tax relief more normally available on relevant expenditure).

4. Reporting Standards

4.1 An objective and impartial assessment of financial viability is key to establishing an appropriate balance between the aspirations of landowners and developers on the one hand; and the aims of the Planning system to secure maximum benefits in the public interest through the release of land for development.

4.2 All viability appraisals will normally be accompanied by a commentary or report that explains key assumptions made in the financial appraisal; and which sets out the evidence upon which the appraisal has been based. Collectively, the appraisal and supporting documents are described in this Guidance Note as a Financial Viability Assessment or FVA.

4.3 The RICS Professional Standard (April 2023) sets reporting (and conduct) standards for RICS Members when undertaking and reporting on financial viability appraisals. Certain key elements from these standards, as set out in Appendix B, should be mandatory for all financial viability appraisals and reports in Wales, whether undertaken by a Member of the RICS or any other person. This does not exempt RICS Members from fully complying with the requirements of the Professional Standard.

4.4 A commentary accompanying an FVA should be clear about the evidence and/or the assumptions upon which it is based; including, where abnormal development or site costs are involved, whether cost estimates are based largely on desktop studies or more detailed investigations, for example. Even at the plan-making stage, it may be appropriate for cost estimates to be supported by correspondence with statutory undertakers, where a site is potentially "key"[20] to the delivery of a development plan.

4.5 Nevertheless, it is recognised that, in the plan-making process, the nature of the evidence required to support an FVA must be proportionate[21] to the stage reached in that process; and the significance of the site to the prospects of delivering development policies in the plan in a timely manner.

4.6 Topographical surveys, and studies that are essential to an understanding of the impact of a development on highway and utility networks, may be considered necessary for sites of any significant size; whilst commissioning more expensive ground investigation works and/or detailed hydrological assessments will often take place at a later planning stage (e.g. in tandem with an outline planning application).

[20] See paragraph 5.89 (et al) in the Development Plans Manual
[21] Paragraph 5.97 in the Development Plans Manual

4.7 A higher bar will normally be set for the evidence required wherever viability is cited as a ground for relaxing the policies in an up to date development plan. In those exceptional cases, the onus is on the applicant, adopting an "open book" approach, to provide the LPA with all sufficient verifiable evidence as may be necessary to demonstrate the case for a relaxation of the full policy requirements in the development plan. It should include reference back to any previous FVA, with a full explanation of what has changed since. It should also be assumed in these circumstances that the FVA and supporting evidence will be made publicly available, as may be required under the Environmental Information Regulations.[22]

4.8 The results from all viability assessments should be subject to sensitivity testing, to show the impact of incremental variations in the primary inputs to a financial appraisal; and thus enable a sound judgement to be made on viability issues. The assessor will decide in each case on the appropriate range of variations; but the following range is the one most commonly used:

- plus/minus 10% in gross development value
- plus/minus 10% in build (plot + external) costs
- plus/minus 15% in land value

4.9 In cases where the Development Viability Model (DVM)[23] has been used in producing an FVA, anyone promoting a candidate site in the plan-making process, or (in the exceptional circumstances described in section 2 above) submitting a viability appraisal during the Development Management process, can expect to receive an initial, high-level response from the LPA; by means of the proforma documents at Appendix C and Appendix D[24], which have been specifically designed for an LPA's use in this context.

5. Benchmark Land Value

5.1 For a development to be considered viable it should yield "a land value sufficient to encourage a landowner to sell for the proposed use".[25] This means a value that offers a reasonable incentive for a landowner to bring forward land for development, while fully complying with planning policy requirements. In a situation where these twin criteria may appear to be at odds, professional judgment supported by market evidence must be applied in striking an appropriate balance[26].

5.2 An FVA should include evidence that is clear as to what financial return (or benchmark land value) would realistically entice a landowner to sell land for the proposed use in a particular location or sub-market area. Before allocating a site for development at the plan-making stage, an LPA may seek a written statement to confirm that the land value used in an FVA offers the landowner a sufficient incentive to sell the land for the proposed use. Such a statement will be considered to be binding on the landowner concerned.

5.3 Landowner expectations are an important element in the voluntary release of land for development; but they may include individual criteria. Viability assessments have to be undertaken on a more objective level.

5.4 Evidence of prices paid for comparable land will be a starting point for determining an appropriate benchmark land value for a site or sites in a sub-market area, but must be

[22] See further guidance in section 7 below
[23] The DVM, endorsed by POSW, is now commonly used by developers and local planning authorities throughout Wales and was initially developed using grant funding from Welsh Government.
[24] These appendices are available to each LPA in Wales, with its own individual title and logo.
[25] From the paragraph entitled "What is Viability?" on page 138 of the Development Plans Manual
[26] See paragraph 1.7 above.

adjusted (where necessary) to take account of any differences between past, current and proposed planning policy and/or infrastructure requirements; as well as differences in the scale, form, density, location and other characteristics of the development site(s) under consideration. In the plan-making process, evidence of the minimum land values that are often written into option or promotion agreements between landowners and developers may also be relevant.

5.5 Benchmark land values are usually expressed in terms of values per net developable acre or hectare (rather than gross site area) in order to aid comparison between development sites. But reference to values per gross land area and/or per unit of accommodation may provide a secondary means of comparing market evidence. Any likelihood of abnormal site costs (including "opening up" costs) should also be taken into account when defining benchmark land values.

5.6 Land values are sensitive to the forecast gross development value for a development; and are likely to vary across an LPA's administrative area. The market value of new homes, for example, or the rental and capital values of new commercial development, are generally influenced by their location; while build costs in a popular or higher value location may be very similar to those in a lower value area. This not only means that a developer will expect to pay less for land in a lower value area; but also that the proportion of affordable housing that it will be viable for a market-led residential development to provide in a lower value location, is likely to be less than in a higher value area.

5.7 Consequently, when conducting a plan-wide viability assessment for a range of site typologies, it may be appropriate to test a range of benchmark land values associated with a range of house prices (for example), in order to differentiate the viability of policy requirements across all sub-market areas within an LPA's administrative area.

5.8 Reference may also be made to the existing use value of land when considering whether the benchmark land value used in an FVA is "sufficient to encourage a landowner to sell for the proposed use". However, the prices that are typically paid for development land reveal such a wide range of "premium" over and above land values for agricultural use, that a methodology based on applying a multiplier to values for an existing agricultural use, in order to arrive at a benchmark value for development land, is considered less reliable than the methodology described in paragraphs 5.1 to 5.5 above. Any comparison with existing use value is more likely to be relevant where the existing use value is greater than the value of agricultural land; or where the land value for the proposed use is adversely affected by abnormal development costs associated with that proposed use.

5.9 If a site has potential for an alternative use, which is more valuable than its existing use, this may also be taken into consideration, subject to the following:

a) any alternative use must be one that would fully comply with up to date development plan policies, including any policy requirements for the provision of affordable housing and/or other community infrastructure and facilities; and

b) it must be demonstrated that the alternative use could be implemented on the site and that there is market demand for that use; together with a robust explanation as to why the alternative use has not been pursued.

The costs and timescales associated with implementing the proposed use on the one hand and any valid alternative use on the other, could also be a material consideration.

5.10 No prudent developer makes a contractual commitment with a landowner to promote land in the plan-making process without first undertaking at least a preliminary or outline financial assessment of the development they intend to promote.

5.11 The form used by a local planning authority[27] for obtaining information from candidate site promoters will usually request details pertinent to an assessment of infrastructure and/or other "abnormal" development costs. Unless the site is being promoted as a potential "key site", it is unlikely that the promoter will have undertaken more than a desktop study of possible "abnormal" site costs at this stage in the plan-making process.

5.12 When, following initial filtering, a 'candidate site' is being considered for allocation in the Deposit Plan, it is reasonable to expect the site promoter to provide further information, if it is considered that abnormal site costs may adversely affect the deliverability of the site, proportionate to the degree of importance of that site allocation to delivery of the overall plan. As mentioned in section 4 above, more detailed (and more costly) investigations on-site would often not be undertaken until a later stage in the planning process.

5.13 Nevertheless, from the point at which a plan has been submitted for examination, the risks arising from the later discovery of higher than forecast abnormal site costs lie with the landowner (or the developer). It is not reasonable for a landowner to expect the same price to be paid for land on which development will require significant remediation work or "opening up" costs (in the form of off-site infrastructure or topographical groundworks, for example), compared with a site that is free of such constraints.

5.14 It is the responsibility of landowners and developers who are promoting candidate sites to engage with LPA's and other stakeholders in the plan-making process. This includes full and meaningful participation in Viability Study Group meetings.[28]

5.15 Developers and other parties buying (or interested in buying) land must pay due regard to the total cumulative cost of all relevant policies in a development plan, when agreeing a price for land. Under no circumstances will the price paid for land be a justification for failing to accord with relevant policies in the plan. LPA's may ask for evidence of the price paid for land (or the price expected to be paid under the terms of an option or promotion agreement). If a landowner or developer is seeking a relaxation of any policy requirements in an adopted plan, in the development management process, it will be obligatory for the landowner or developer to provide full disclosure of that information.

6. Development Profit

6.1 The term "competitive return" has been used to describe developers' profit margins; reflecting the nature of the marketplace as well as its inherent risks.

6.2 The level of developer profit that is applied to a viability assessment should reflect the assessor's view on the level of risk that is attached to the development typology (in the case of high-level plan-wide viability assessments) or a specific development proposal; as seen in the context of the likely market demand for that development site or typology. The expected profit margin in each case should represent a "market risk adjusted return to the developer"[29]; recognising (for example) that it is not uncommon for there to be stronger competition between developers for smaller sites than for some larger sites.

6.3 Potential risk is accounted for in the assumed or target return for developers at the plan-making stage. It is the role of developers, not plan-makers or decision-takers, to mitigate these risks. Market cyclicality is one element of development risk and is accounted for in the risk-adjusted return referred to in paragraph 6.2 above. For example, the developer's target return in an FVA will not only be based on a variety of assumptions on revenues and

[27] See Table 4 on page 40 of the Development Plans Manual
[28] See paragraphs 5.93 to 5.97 in the Development Plans Manual
[29] See RICS Guidance Note 94/2012 on Financial Viability in Planning

costs, but also on a forecast development cashflow. The developer's target return in an FVA takes account of the risk of all unexpected variation(s) from these assumptions.

6.4 Consequently, there is generally a higher level of risk associated with developments that will take several years to complete; and which may therefore be subject to fluctuations in economic and market conditions during the overall development period. Another relevant factor when assessing risk is the extent to which the development involves significant upfront expenditure on infrastructure or other abnormal works, particularly where there may be some uncertainty over the amount of those costs.

6.5 As set out in the Development Plans Manual[30] and other published guidance, the profit margins expected by developers, and necessary to meet a typical lender's requirements on residential developments, will normally range between 15% and 20% of the forecast gross income from open market sales. A lower margin, based on 6% on cost, is normally applied to the provision of affordable housing within a mixed tenure development. The appropriate level of margin for self-build or other single unit developments may typically be taken at 10% on GDV[31].

6.6 The level of market demand for new homes in a particular location or sub-market area is also a material consideration, along with the speed at which houses are likely to sell, in determining an appropriate profit margin for each viability assessment.

6.7 The developer's profit margin on commercial development schemes may alternatively be expressed as a percentage of Net Development Value; that being the price an investor is expected to pay for the completed development after making allowance for the costs in professional fees and LTT that will be incurred in acquiring it. The assumed or target profit margin for the developer should again represent a "market risk-adjusted return"; and will be influenced by the extent to which the development may have been pre-let, rather than being largely or wholly speculative.

6.8 The development or extension of industrial estates, in situations that may appear not to be "viable" or to deliver any significant development profit, is a reminder that investors' criteria and preferences vary; and should be taken into account. Where there is demand from occupiers for commercial space at rents that show a sufficiently attractive annual return on the capital cost of developing that floorspace, by comparison with the return available from other forms of investment, development may be seen to take place with a relatively small margin over the development cost. Where this occurs, it is a reflection, not only of the level of risk associated with such development, but of a broader investor's perspective too.

7. Transparency and Confidentiality

7.1 The Environmental Information Regulations contain rules governing the potential public disclosure of either the whole or part of a Financial Viability Assessment. The way that the Regulations should be applied in individual cases is set out in those Regulations; and is beyond the scope of this Guidance Note.

7.2 However, the main reason that is commonly cited to avoid full or partial disclosure of an FVA is based on the commercial sensitivity or confidentiality of information within that FVA. There is likely to be a stronger case for non-disclosure of information that may be commercially sensitive within an FVA, during the plan-making stage of a development plan; as compared with the situation where viability is being cited as a ground for relaxing

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[30] Within Table 24 in the Development Plans Manual, at the top of page 145

[31] Note that BCIS Average Prices already include an allowance for a contractor's overheads and profit

the full policy requirements of a development plan at the development management stage of a project.

7.3 Inputs that could be commercially sensitive typically relate to:

a) current or future negotiations on land assembly (including obtaining vacant possession), option arrangements, third-party rights (e.g. rights of way, visibility, ransom, light, oversailing, etc.), disturbance, relocation, compulsory purchase and land compensation, etc;

b) specific business information, such as funding details and marketing agreements; and

c) intellectual copyright, such as a development toolkit and build-cost modelling.

7.4 It is important that candidate site promoters feel able to share information with those involved in creating or updating a development plan, in an “open book” manner; at the same time having confidence that any commercially sensitive information will not be available to any third party, who might (for example) be promoting a competing candidate site, or be a business competitor in a more general way.

7.5 Particularly in the case of larger development sites, it should be recognised that

a) significant sums may have to be expended (at risk) on transport and environmental impact assessments and/or other similar studies, before a site allocation is secured in the development plan; and

b) unless the site promoter is the landowner, much, if not all, of this expenditure will be incurred before a developer has acquired a full legal title to the land in question. If the promotion of the site is being undertaken by a developer, under the terms of an option, conditional contract or other form of promotional agreement, there is the added risk that, if the developer is unable to conclude a successful purchase of the site, others could benefit from information that has been released into the public domain.

7.6 The Development Plans Manual acknowledges these issues. It suggests, for example, that aggregated figures, rather than a more detailed cost breakdown, could be used when presenting viability evidence in support of a development plan[32]. The purpose of such evidence is to demonstrate convincingly that the approach to the viability assessments on key sites (for example) has been consistent and sufficiently thorough. This can be achieved by presenting the main inputs and outputs from each assessment in a table; which also enables comparisons to be drawn between those inputs and outputs for each site.

7.7 In any case where viability is cited as a ground for relaxing the full policy requirements in an adopted plan at the development management stage of a project, a higher level of disclosure can be expected; and is justifiable. It should be the norm, at this stage in the planning process, that an FVA is prepared on the basis that it will be made publicly available; and that (for example) this may include publication of a detailed breakdown of any costs that the planning applicant is relying on in the case for some relaxation of the full policy requirements in the plan. It will also be incumbent on the planning applicant to demonstrate that the price paid (or being paid) for the site took (or takes) full and proper account of the guidance set out in paragraph 5.15 above.

[32] See paragraph 5.96 in the Development Plans Manual

Appendix A : Glossary of Terms

Abnormal Costs	Costs that are associated with abnormal site conditions such as contamination, flood risk, substructures, listed buildings etc
Affordable Housing	Housing, either for sale or to rent, where there are secure mechanisms in place to ensure that it is accessible to those who cannot afford market housing, both on first occupation and for subsequent occupiers. Affordable housing includes social rented housing owned by local authorities and RSLs; and intermediate housing where prices or rents are above those of social rent but below market housing prices or rents.
Alternative Use Value	The value of land for any lawful use other than its existing use.
Existing Use Value	The value of land for its existing or most recent lawful use, with no expectation of that use changing in the foreseeable future. Existing use value should therefore exclude any "hope value" in connection with an alternative and possibly more valuable use.
Hope Value	An element of market value in excess of existing use value that reflects the prospect of some more valuable future use.
Market Value	The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing; and where the parties have each acted knowledgably, prudently and without compulsion.
Decision-taker	The local planning authority, planning inspector or any other body required to make decisions in response to an outline or full planning application; or an application for approval of reserved matters following an outline planning permission.
Development Management	The stage in the planning process that is associated with the determination of a planning application; and which may include pre-application consultation(s).
Plan-making	The stage in the planning process that is associated with the preparation of a development plan, including the process of updating or replacing an existing development plan.
Opening-up Costs	Expenditure incurred to make a site accessible and deliverable for an intended development. The term is most commonly applied to costs associated with the improvement of off-site infrastructure (e.g. roads, drainage or other service networks) to facilitate development; but may also include certain on-site works, such as land remediation or a spine road to serve the new development.

Appendix B : Requirements for Written Reports and FVA Commentaries

1) Objectivity, impartiality and reasonableness

A collaborative approach involving the LPA, business community, developers, landowners and other interested parties will improve understanding of the viability and deliverability for everyone involved in the process.

The written report or commentary in support of a Financial Viability Assessment must include a statement that the FVA has been carried out:

- with objectivity,
- impartially,
- without interference, and
- with reference to all appropriate available sources of information.

This applies both to those acting on behalf of planning applicants and candidate site promoters as well as those acting on behalf of the plan-makers and decision-takers.

A similar statement must appear in plan-wide studies and submissions.

Objective means not being influenced by personal feelings, sentiment or by other parties in considering and representing facts. Impartiality means that any person or body involved, either in creating or reviewing an FVA, should not be influenced by whether their role is to originate or to review that FVA. Neither should they bow to commercial or political pressures.

All those involved with an FVA, due diligence review or plan-wide viability assessment have a duty of care to ensure that the information provided is balanced, is reasonable and reflects an appropriate level of judgement. This is especially pertinent given the public interest and reliance that third parties may have on the content of viability assessments and the conclusions drawn from them. This duty of care applies to all those inputting to a viability assessment, whether in the primary or a subsidiary and supporting capacity. In practice this requires all those making a contribution to a viability assessment to confirm that they have met these requirements, in much the same way as if they were providing expert evidence.

All inputs to a viability assessment should be reasonably justified by evidence in a supporting statement or commentary. If the person reviewing an FVA disagrees with any element of an FVA or with the conclusions drawn from it, those differences should be cleared explained. Similarly, if the reviewer considers that additional information is needed before a conclusion can be reached, the nature of the further information required should be clearly stated. Where inputs are agreed, that too should be made clear.

Where the originator of a viability assessment and the reviewer have different views, both should supply appropriate evidence or explanations as to why they interpreted the evidence differently and reached an alternative opinion.

LPAs and third party interests need to be confident that an FVA fully reflects the way that the development would actually be carried out. If that is not the case, this should be stated and explained. All those contributing to or reviewing an FVA must consider whether the advice they are giving represents an effective and efficient way to deliver a reasonable development performance proportionate to the scheme being assessed; or whether that performance might be improved by what is commonly referred to as “value engineering”.

2) No Contingency Fees and Conflicts of Interest

The written report or commentary in support of a Financial Viability Assessment must also include a statement confirming that no performance-related or contingent fees have been agreed in relation to the FVA. Any circumstances where a contributor to an FVA stands to gain from their appointment beyond a normal fee or commission must also be disclosed.

Each report or commentary should also contain a statement confirming that no individual or body involved with the FVA has any conflict or risk of conflict of interest in contributing to the FVA. Thereafter, all those who have contributed should take all reasonable steps to avoid any conflict of interest arising.

Before accepting instructions, if any person or body advising either the applicant or the LPA on a planning application has previously provided advice, or is still providing advice through plan-wide viability assessments to help formulate policy, this must be declared.

In circumstances where an individual or body is providing advice in connection with policy while also carrying out or reviewing the financial viability of a specific scheme, this must be declared. They must also declare whether they have previously provided advice in connection with policy before accepting instructions to undertake or to participate in an FVA relating to a specific scheme. This applies to individuals as well as the firm/company advising either the applicant or LPA, and includes sub-practitioners. It applies both before accepting instructions and also to the content of a subsequent report or commentary,

3) Sensitivity Analysis

All viability assessments and subsequent reviews must provide a sensitivity analysis of the results and an accompanying explanation and interpretation of respective calculations on viability, having regard to risks and an appropriate return(s). This is

a) to allow the applicant, plan-maker and decision-taker to consider how changes in inputs to a financial appraisal affect viability; and

b) to understand how these results arrive at an appropriate conclusion on the viability of the application scheme or of a plan-wide viability assessment.

This analysis also forms part of an exercise to ‘stand back’ and apply a viability judgement to the outcome of the viability assessment.

4) Non-technical summaries

Both in plan-making and development management, FVAs must be accompanied by non-technical summaries, so that non-specialists can better understand them. The summary must include key figures and issues that support the conclusions drawn from the assessment.

5) FVA origination, reviews and negotiations

During the viability process there should be a clear distinction between preparing and reviewing an FVA and any subsequent negotiations. Negotiations, which take place later and separately, commonly relate to section 106 agreements. This distinction is to retain the objectivity and impartiality of the origination and review of an FVA; and to clarify where respective parties, or their professional advisers, are seeking to resolve differences of opinion by comparison with subsequent negotiations.

6) Author(s) sign-off (all reports)

Viability assessments on behalf of candidate site promoters, planning applicants and an LPA must be formally signed off and dated by the individuals who have carried out the assessments. Their respective qualifications should also be included.

The authors of FVAs and subsequent reviews must come to a reasonable judgement on viability on the basis of objectivity, impartiality and without interference, taking into account all inputs, including those supplied by other contributors.

Appendix C : Proforma for Candidate Site FVA's

City & County of Swansea

Cyngor Abertawe Swansea Council

REPLACEMENT LOCAL DEVELOPMENT PLAN 2023 – 2038

High-Level Review of Candidate Site FVA's

This document has been prepared in response to the Financial Viability Assessment ("FVA") submitted for the site named below.

Site Details:

Site Name	
Site Area (acres/hectares)	
Candidate Site Reference	
FVA submitted by	
Date FVA submitted	
Spatial Area / Location	
Proposed Use	
Reviewer (for internal use)	
Date reviewed	

Thank you for your Financial Viability Assessment (FVA) in support of your Candidate Site submission. The comments in this proforma offer a high-level review of the appropriateness of the information submitted; and a check that cells on each relevant worksheet in the DVM have been appropriately completed. The review also considers whether:

a) the evidence supplied to support costs and values in the FVA is proportionate/sufficient at this stage in the plan-making process;

b) the assumptions made in the FVA are reasonably appropriate to the scale, location and form of the proposed development;

c) the suggested timescale for the development is realistic; and

d) the FVA accords with the broad policy requirements set out by the Council in its call for Candidate Sites and/or in other guidance and/or policy statements that are pertinent to the assessment of Viability in the context of the plan-making process.

Important note: The comments and findings set out in this proforma are the views of an officer, on behalf of the Planning Authority. This high-level viability review forms only part of the evidence gathering required in the preparation of the RLDP; it is not a commitment from the LPA that this site will be allocated in the Plan. The evidence of viability for sites that are allocated in the Plan may be tested at Examination of the Plan. If it is necessary or appropriate for information from an FVA to be released as evidence, e.g. to support a specific site allocation, the Council will discuss with the site promoter the extent to which such information may be released. Ultimately, however, a decision on what information the Council is obliged to disclose must rest with the Council.

Summary of LPA’s Response:

Viability Appraisal Summary	Comments
Has the FVA been submitted using the Development Viability Model for Wales?	Yes/No [*if “No”, describe the nature of the information submitted*]
Are the assumptions made in the FVA consistent with general market evidence of which the Council is aware and/or assumptions contained in a relevant Guidance Note or Statement of Common Ground? If not, has evidence been provided to justify why different assumptions have been used? Does the Council consider that the FVA, including assumptions, submitted is reasonable and appropriate?	
If the FVA suggests that the proposed development is financially viable, has the site promoter confirmed that the land/site value sufficient to encourage the landowner to sell the site for the proposed use?	
If not, does the site promoter intend to rely on Social Housing Grant or other funding mechanisms to make the site financially viable; and are such funds likely to be available?	
Is the Council satisfied that the site is “viable”, in a plan-making context?	

(continued on next page)

Further Comments relating to Various Elements of the Site Promoter's FVA:

Proposed Development	Officer Comments
Is the proposed **number of homes** (together with any commercial elements in the development) appropriate in the context of (a) planning policies and (b) the site's location, its size and any other relevant factors/constraints? Is the difference between the site's **gross and net developable area** appropriate; and has it been clearly stated and explained?	
Have dwelling types and sizes been specified; and is the **mix of dwellings** broadly appropriate in the context of the LHMA or other guidelines?	
Is the amount of affordable housing and is the proposed tenure mix in line with policy requirements or other relevant guidelines? Do all the affordable dwelling types conform to Welsh DQR's?	
Are the delivery timescales realistic in the context of normal planning practice/process, the likely lead-in time(s), and both build and sales rates generally?	

(continued on next page)

<u>GROSS DEVELOPMENT VALUE</u>: a) Are the estimated open market sales values appropriate and has sufficient/proportionate evidence been supplied to support them? b) Has the appropriate method of calculating transfer values for the affordable dwellings been used? c) Are the forecast rents, yields and/or capital values relating to commercial/investment elements in the development appropriate: has sufficient/proportionate evidence been supplied to support them?	
<u>DEVELOPMENT COSTS</u>:	
Is the suggested **land/ site value** appropriate in the context of any agreed "benchmark" values? Has sufficient information been supplied to support it?	
Are the **Build (i.e. "plot") costs** appropriate and has sufficient and proportionate information been supplied to evidence those costs?	
Are all the **Normal Site Costs** appropriate; including costs for site clearance/preparation; "external" plot costs; costs of complying with building regulations; internal site roads; and SuDS, etc.? Has sufficient and proportionate information been supplied to evidence the cost rates used in the FVA; and/or has the basis for those rates been adequately explained?	

Has sufficient provision been made for **Community Infrastructure;** including education, highway measures, public open space, biodiversity, etc. – in line with policy requirements and/or other relevant guidelines?	
Has allowance been made for any **Abnormal Costs** (including land remediation, former mine workings, service diversions, archaeology, groundworks relating to topography and/or other on- or off-site matters) and has sufficient/proportionate information/evidence been supplied to support those costs?	
Are the allowances made for professional/other fees, and any contingency sums appropriate?	
Are the allowances made for sales, lettings fees and marketing costs appropriate?	
Are the estimated finance costs (including the interest rates used in the FVA) appropriate?	

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DEVELOPMENT PROFIT	
Are the **target profit levels** used in the FVA sufficient to provide an adequate margin for the developer in the context of national planning guidance on viability? Does the proposed development achieve those target profit levels?	
Does sensitivity testing of the primary appraisal outcome show sufficient **head room/contingency** to cope with changing markets?	
If not, are there considered to be funding mechanisms that could be secured to make the site viable?	

Conclusions	Officer Comments
Has sufficient/appropriate evidence been provided to indicate that the Candidate Site should be able to accord with emerging policy requirements and be viable for development within the RLDP?	
Is further information/evidence required?	

Appendix D : Proforma for Site-Specific FVA's

City & County of Swansea

REPLACEMENT LOCAL DEVELOPMENT PLAN 2023 – 2038

High-Level Review of Submitted FVA's

This document has been prepared in response to the Financial Viability Assessment ("FVA") submitted for the site named below.

Site Details:

Site Name	
Site Area (acres/hectares)	
Candidate Site Reference	
FVA submitted by	
Date FVA submitted	
Spatial Area / Location	
Proposed Use	
Reviewer (for internal use)	
Date reviewed	

Your Financial Viability Assessment (FVA) for this site has been received. The comments in this proforma offer a high-level review of the appropriateness of the information submitted; and a check that cells on each relevant worksheet in the DVM have been appropriately completed. The review also considers whether:

a) the evidence supplied to support costs and values in the FVA is proportionate/sufficient to enable your case to be determined;

b) the assumptions made in the FVA are reasonably appropriate to the scale, location and form of the proposed development;

c) the suggested timescale for the development is realistic.

Important note: The comments and findings set out in this proforma are the views of an officer, on behalf of the Planning Authority. This high-level viability review forms only part of the evidence gathering required for full consideration of this case.
Any commercially sensitive information you have supplied will be treated in confidence; but it will normally be necessary for Planning Officers to provide a financial summary of the case to Members of the Planning Committee – and potentially to third parties who have declared an interest – before a formal decision is made.
If it is necessary or appropriate for information from an FVA to be released in response to a request under the Freedom of Information Act, or under the Environmental Information Regulations, the Council will initially discuss with the applicant the extent to which such information should be released; but the final decision as to what is released will rest with the Council.

Summary of LPA's Response:

Viability Appraisal Summary	Comments
Has the FVA been submitted using the Development Viability Model for Wales?	Yes/No [*if "No", describe the nature of the information submitted*]
Are the assumptions made in the FVA consistent with general market evidence of which the Council is aware and/or assumptions contained in a relevant Guidance Note or Statement of Common Ground? If not, has evidence been provided to justify why different assumptions have been used? Does the Council consider that the FVA, including assumptions, submitted is reasonable and appropriate?	
If the FVA suggests that the proposed development is not financially viable, is the proposed land/site value no more than is reasonable sufficient to encourage the landowner to sell the site for the proposed use?	
Does the proposed development rely on Social Housing Grant or other funding mechanisms to make the site financially viable; and are such funds likely to be available?	
Is the Council satisfied that there are no reasonable alterations to the proposed development that would enable a viable scheme to be delivered?	

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Further Comments relating to Various Elements of the Site Promoter's FVA:

Proposed Development	Officer Comments
Is the proposed **number of homes** (together with any commercial elements in the development) appropriate in the context of (a) planning policies and (b) the site's location, its size and any other relevant factors/constraints? Is the difference between the site's **gross and net developable area** appropriate; and has it been clearly stated and explained?	
Have dwelling types and sizes been specified; and is the **mix of dwellings** broadly appropriate in the context of the LHMA or other guidelines?	
Is the amount of affordable housing and is the proposed tenure mix in line with policy requirements or other relevant guidelines? Do all the affordable dwelling types conform to Welsh DQR's?	
Are the delivery timescales realistic in the context of normal planning practice/process, the likely lead-in time(s), and both build and sales rates generally?	

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GROSS DEVELOPMENT VALUE: d) Are the estimated open market sales values appropriate and has sufficient/proportionate evidence been supplied to support them? e) Has the appropriate method of calculating transfer values for the affordable dwellings been used? f) Are the forecast rents, yields and/or capital values relating to commercial/investment elements in the development appropriate: has sufficient/proportionate evidence been supplied to support them?	
DEVELOPMENT COSTS:	
Is the suggested **land/ site value** appropriate in the context of any agreed "benchmark" values? Has sufficient information been supplied to support it?	
Are the **Build (i.e. "plot") costs** appropriate and has sufficient and proportionate information been supplied to evidence those costs?	
Are all the **Normal Site Costs** appropriate; including costs for site clearance/preparation; "external" plot costs; costs of complying with building regulations; internal site roads; and SuDS, etc.? Has sufficient and proportionate information been supplied to evidence the cost rates used in the FVA; and/or has the basis for those rates been adequately explained?	

Has sufficient provision been made for **Community Infrastructure;** including education, highway measures, public open space, biodiversity, etc. – in line with policy requirements and/or other relevant guidelines?	
Has allowance been made for any **Abnormal Costs** (including land remediation, former mine workings, service diversions, archaeology, groundworks relating to topography and/or other on- or off-site matters) and has sufficient/proportionate information/evidence been supplied to support those costs?	
Are the allowances made for professional/other fees, and any contingency sums appropriate?	
Are the allowances made for sales, lettings fees and marketing costs appropriate?	
Are the estimated finance costs (including the interest rates used in the FVA) appropriate?	

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DEVELOPMENT PROFIT	
Are the **target profit levels** used in the FVA sufficient to provide an adequate margin for the developer in the context of national planning guidance on viability? Does the proposed development achieve those target profit levels?	
Does sensitivity testing of the primary appraisal outcome show sufficient **head room/contingency** to cope with changing markets?	
If not, are there considered to be funding mechanisms that could be secured to make the site viable?	

Conclusions	Officer Comments
Has sufficient/appropriate evidence been provided to indicate that the site should be able to accord with current policy requirements? If not, explain why.	
Is further information/evidence required?	

APPENDIX B : VIABILITY STUDY GROUP – JUNE 2024

Vale of Glamorgan Council Viability Study Group

Meeting minutes (25/06/24)

Arising from a meeting arranged by the Vale of Glamorgan Council (VOGC), attended by the following stakeholders and chaired by Andrew Burrows MA FRICS of Burrows-Hutchinson Ltd.

Attended by:

Organisation	Attendee
Alder King	Tom Jackson
Barratt Homes	Cai Parry
Burrows-Hutchinson	Andrew Burrows
Burrows-Hutchinson	Tom Butcher
Edenstone Homes	Katie Peters
Hafod Housing Association	Neil Taylor
Hallam Land Management	Hal Parsons
Home Builders Federation	Mark Harris
Newydd Housing Association	Rhian Lees
Persimmon Homes	Luke Davies
PMG	Andrew Crompton
Pobl	Sarah Smith
Savills	Andrew Weeks
Savills	Annamaria Sgueglia
United Welsh Housing Association	Alys Pride
United Welsh Housing Association	Christopher Boardman
Vale of Glamorgan Council (Estates)	Lorna Cross
Vale of Glamorgan Council (Estates)	Ian Tomkinson
Vale of Glamorgan Council (Environment and Housing)	Andrew Freegard
Vale of Glamorgan Council (Planning)	Ian Robinson
Vale of Glamorgan Council (Planning)	Liam Jones
Vale of Glamorgan Council (Planning)	Victoria Morgan
Vale of Glamorgan Council (Planning)	Andrew Wallace
Vale of Glamorgan Council (Planning)	Lucy Butler
Vale of Glamorgan Council (Planning)	Marcus Bayona-Martinez

Organisations invited that did not attend:

Acorn Homes
Bellway
Cooke and Arkwright
Dandara Homes
Federation of Master Builders
Herbert R Thomas

Llanmoor Homes
NP Linnells
Redrow
Taylor Wimpey
Wales and West Housing Association
Welsh Government Land Division

1. Background

1.1. This report has been prepared to minute the findings from the Vale of Glamorgan Viability Study Group Workshop that took place on the 25/06/24. The purpose of the workshop was to inform the assumptions for the high-level viability assessment that will be carried out to inform the VOGC Replacement Local Development Plan (RLDP)

1.2. The following agenda was followed to steer the session:

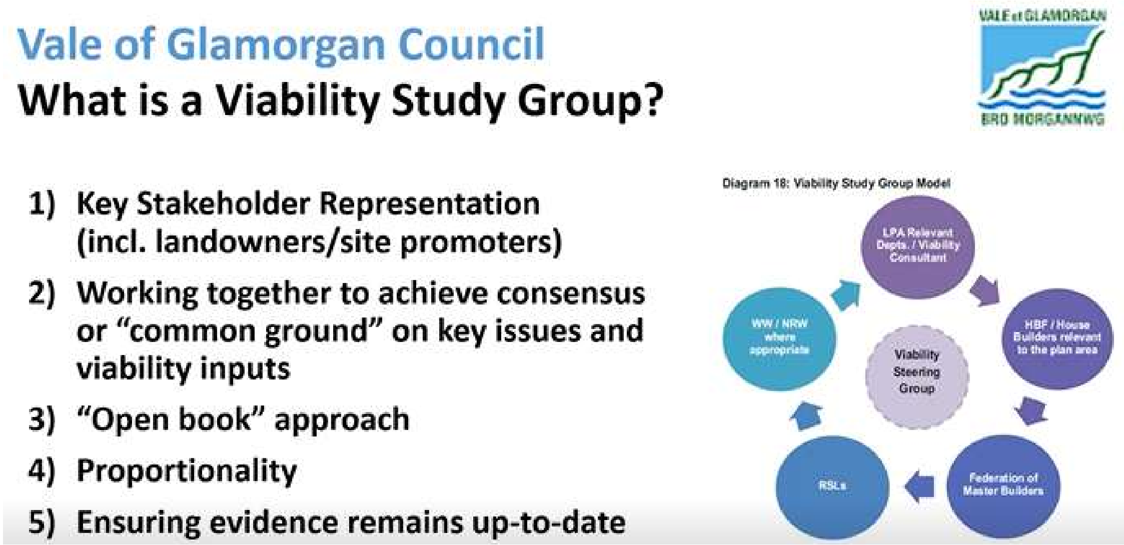
1) Introductions
2) Replacement Local Development Plan – Timetable
3) House prices and sales in the current economic climate
4) Transfer values for affordable homes
5) Impact of changes to building regulations
6) Construction and development costs generally
7) Benchmark land values
8) Any other issues

2. Introductions and RLDP Timetable

2.1. The session and its purpose, to agree assumptions for high level viability testing, were introduced. Current progress on the Replacement Local Development Plan was identified, as was the policy context within which viability work is required.

2.2. It was identified that an Initial Consultation Report (ICR) for the VOGC RLDP had been prepared following the Preferred Strategy consultation, which took place between December 2023 and February 2024. Full Council agreement to endorse the ICR and progress work on the RLDP will be sought in the early autumn 2024. Consultation on the Deposit Plan was anticipated in early Spring 2025.

2.3. The context concluded by recognising what the purpose of the viability group was, as displayed on Slide 4. It was emphasised that the working group had been established so that the Council could work with the development industry to ensure that Plans are capable of delivering.



Slide 4: What is a Viability Study Group

3. <u>House Prices and Sales in the Current Economic Climate</u>

Sub-Market Areas

3.1. Andrew Burrows presented the sub-market areas, as shown in Slide 5. Similar housing market values are shared within the sub-areas, whereas there are notable variances between the different sub-areas. The sub-areas are broadly similar to those identified in the adopted Local Development Plan and it was proposed to carry these forward again into the Replacement LDP.

3.2. One comment was made, querying whether these areas align with the LHMA, and it was clarified that the LHMA identifies areas based on wards (aside from Barry and Penarth that combine several wards to form their own distinct areas). To replicate that would have resulted in 13 different market areas being identified for viability testing, and that would have been too many for this exercise. No concerns were raised in relation to the sub-market areas.

Slide 5: Sub-Market Areas

Housing Market Overview

3.3. A general overview of trends in the housing market in the Vale of Glamorgan was provided and this was informed by Slide 6. The premium on the price for a new house of c.15% in the 2022 and 2023 statistics fits with industry expectations; but the greater premium suggested by the February 2024 figures was questioned.

3.4. Participants suggested that this uplift was due to the majority of the houses sold recently being larger in size; i.e. 3 and 4 bed units. Caution in respect of these figures was thus proposed, as the housing market was still considered to be ‘fragile’. Caution was also advised as the dataset behind the 2024 data had notably less inputs, in terms of transactions, than previous years. It was advised that Help to Buy data reaffirmed that transactions were down in 2024. The Land Registry HPI shows just 60 recorded sales in the VoG in Feb-24, which is the lowest monthly since the 1st lockdown (Mar/Apr 2020). There is danger in using a single month's data for analysis of a new build premium, especially when it relies on so few transactions in that month.

Slide 6: General Overview of the Vale's Housing Market

3.5. Rates of sales were discussed. It was agreed that 40-50 units per annum would be appropriate from a single outlet, with more on larger sites, where there may be more than one outlet. It was noted that where there are multiple outlets, whilst overall sales rates are higher, the rates from individual outlets will be lower. Keeping homes below the threshold to be eligible for Help to Buy (currently £300,000) was also considered to assist in maintaining rates. It was also suggested that on smaller sites, the rate of sales might be reduced to c.30 dwellings p.a.

Sales Values

3.6. Slide 7 displayed average sales values for sub-market areas. Discussion on sales values began with Andrew Burrows highlighting a disparity between the estimates in the candidate site submissions (displayed on DVMs) and the evidence available on Hometrack from new build sales and valuations.

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SALES VALUES by Sub-Market Area

Market Area	Mean Average 21-22	Upper Quartile 21-22		Mean Average 23-24	Upper Quartile 23-24	DVM Averages	23-24 and DVM combined.Average
Barry	£2,495	£2,688		£2,827	£3,182	£3,588	£2,957
East Vale	£2,888	£3,054		£3,121	£3,370	£3,843	£3,337
Penarth	£3,064	£3,249		£3,854	£3,802	£3,939	£3,895
Coast	£2,547	£2,743		£2,786	£2,997	£3,641	£3,367
Rural	£3,345	£3,352		£3,393	£3,482	£4,390	£3,863

Slide 7: Sales Values by Sub-Market Area

3.7. The age of the original DVMs was cited as a reason for this disparity by a participant, as the original call for sites was in the summer 2022. It was questioned whether the number of developments on site, or anticipated lack of, were previously considered to be a factor that might have pushed prices up. The market being much stronger during the call for sites was also considered to be an influence of the higher figures.

Vale of Glamorgan Council

SALES VALUES by Dwelling Type

Dwelling Type	GIA m2	£3,000	£3,200	£3,400	£3,600	£3,800	Approx. Range
1-bed flat	50	£150,000	£160,000	£170,000	£180,000	£190,000	£150,000 - £190,000
2-bed flat	61	£183,000	£195,200	£207,400	£219,600	£231,800	£185,000 - £230,000
2-bed flat	70	£210,000	£224,000	£238,000	£252,000	£266,000	£210,000 - £265,000
2-bed terraced	83	£249,000	£265,600	£282,200	£298,800	£315,400	£250,000 - £315,000
3-bed flat	74	£222,000	£236,800	£251,600	£266,400	£281,200	£225,000 - £280,000
3-bed flat	86	£258,000	£275,200	£292,400	£309,600	£326,800	£260,000 - £325,000
3-bed terraced	86	£258,000	£275,200	£292,400	£309,600	£326,800	£260,000 - £325,000
3-bed detached	96	£288,000	£307,200	£326,400	£345,600	£364,800	£290,000 - £365,000
3-bed townhouse	102	£306,000	£326,400	£346,800	£367,200	£387,600	£300,000 - £390,000
4-bed detached	100	£300,000	£320,000	£340,000	£360,000	£380,000	£300,000 - £380,000
4-bed townhouse	106	£318,000	£339,200	£360,400	£381,600	£402,800	£320,000 - £400,000
4-bed detached	107	£321,000	£342,400	£363,800	£385,200	£406,600	£320,000 - £410,000
4-bed townhouse	113	£339,000	£361,600	£384,200	£406,800	£429,400	£340,000 - £430,000

Slide 8: Sales Values by Dwelling Type

3.8. A breakdown of a suggested sales values and how they related to various dwelling types was displayed on Slide 8. Help to Buy was identified as enabling sales, particularly as it was currently a weaker market, and it was suggested that the 2 and 3 bed dwellings should be below this figure (£300,000) to allow for that. One participant suggested that at the upper end these figures were perhaps too low; the range of figures were not considered to reflect the demand for larger houses in the Vale.

3.9. It was reiterated that the DVM figures are somewhat high for these areas. However, it was noted that Building Regulations and potential Net Zero Buildings policy may increase build costs. The contributor suggested that the uplift in costs could be recouped through higher sales costs and whether these factors would need to be reflected in the anticipated sales values. However, another contributor stated that this ‘net zero premium’ needs to be evidenced. Research by Savills on this point shows that there is some premium in the UK for large, more expensive properties being net zero, but nothing discernible for mainstream new build properties.

Sales Values for Barry, East Vale, Penarth and Rural Areas

3.10. Overall, there was a consensus from contributors that the figures displayed in the DVMs were too high, and that the upper quartile 23-24 figures were more reasonable. It was suggested that the following figures were appropriate for the Barry, East Vale, Penarth and Rural areas:

- **Barry – £3,200**
- **East Vale – £3,400**
- **Penarth – £3,800**
- **Rural – £3,500**

3.11. It was proposed to move forward on this basis for these areas and there was a general consensus with that proposal.

Sales Vales for the Coast Area

3.12. The upper quartile figures for the Coast area were considered to be low, and this was thought to be a stronger market that could show figures closer to those agreed for Barry. The fact that a lot of the houses being delivered currently were in St Athan, which is where prices are the lowest in the area, was indicated as a reason for lower values in the market evidence here.

As two of the key housing sites proposed in the Preferred Strategy were located in St Athan, the promoter of one of these sites reasoned that values should be reflective of St Athan prices. The benefits of placemaking and the introduction of services and facilities to St Athan were considered as factors that may uplift values there in time. The contributor suggested that increasing St Athan 'slightly' from the upper quartile 23-24, but no higher than the upper quartile figure for Barry (£3,200), would be reasonable. A participant agreed and there were no further comments.

3.14 It was decided that £3,200 psm is therefore appropriate for the Coast area.

Sales Values – Conclusion

3.13. There was general consensus that the values shown in paragraphs 3.10 and 3.14 were appropriate for the high-level countywide viability assessments. One participant pointed out that it was hard to argue with the upper quartile evidence.

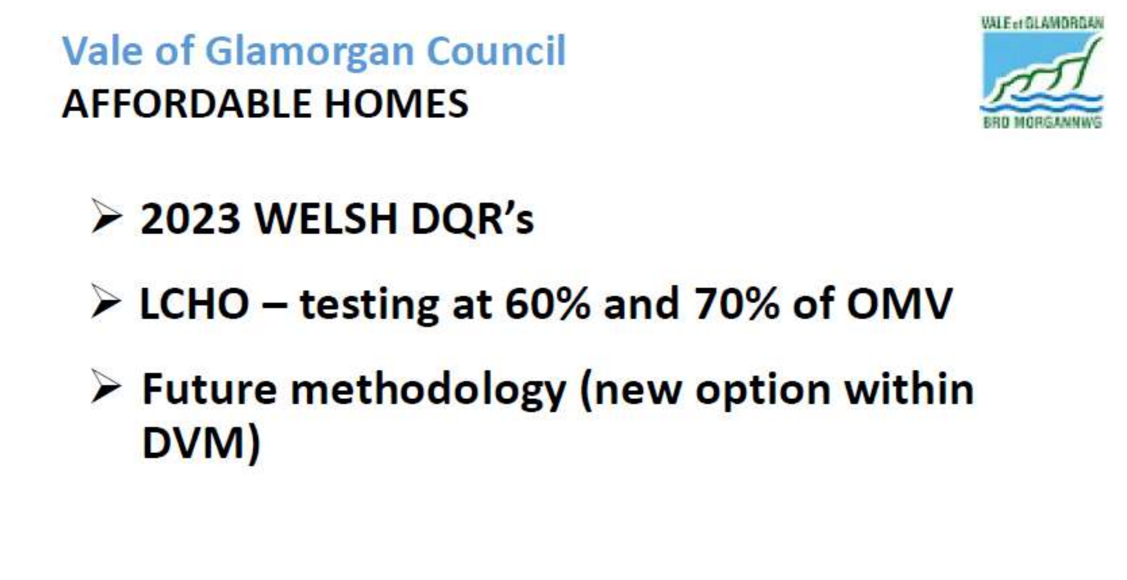
4. Affordable Homes

LCHO

4.1. Affordable Homes and their values were discussed next. Andrew Burrows acknowledged that some Registered Social Landlords (RSLs) had raised concerns about the affordability of low-cost home ownership at 70% of market value, and said that the Council proposed testing viability at both 60% and

70% of market value. The purpose of testing at the lower percentage would be to make homes more affordable in areas where this was an issue.

4.2. An RSL participant identified that they were experiencing issues selling low-cost ownership (LCHO) schemes at 70%. There was no further discussion on this.



Slide 9: Affordable Homes

4.3 RSLs receiving social housing grant are required to build to EPC A. There are some exceptions, for instance existing buildings that are being converted to provide social housing using SHG can achieve a lower EPC, but that needs to be agreed by WG. However, it was confirmed by the Council's housing team that new affordable homes delivered via s.106 sites only have to meet the WDQR space standards at present. This position will be kept under review; and may be affected by the introduction of "zero carbon" policies in a Local Plan or on a broader National scale.

4.3. It was highlighted that the Vale were currently out on consultation on with amendments to the transfer values for social rented tenure. These are based on the August 2021 ACGs (including land), uplifted annually in line with WG changes to the social rent cap.

4.4. There was concern that the August 2021 base figures did not account for the significant increase in build cost inflation, changes to building regulations or requirements for EPC A, whereas the latest "build cost only" ACGs (May 2022) do account for this. It was suggested that build costs had increased by 38% since August 2021 and sales values only gone up by 15%.

4.5. The discussion was closed at that point; and it was agreed that the outcome of the current consultation (see paragraph 4.5) would determine this.

5. Development Costs

5.1. The BCIS database has customarily been taken as a starting point for basic build/"plot" costs. It was identified that the Vale had a higher locational factor (index of 95) than the Wales average (93), but still marginally lower than Monmouthshire (98). The BCIS basic plot cost rate for the Vale is therefore c.£1,400 psm. However, potential uncertainty was identified due to a limited sample size from Wales; it also being noted that this does not take account of additional costs associated with Welsh Building Regulations.

5.2. The following "plot" costs were suggested, as shown on Slide 14, and it was clarified that these costs relate solely to the cost of sub- and superstructures for each dwelling, and not wider site costs.

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Build / "Plot" Costs

Suggested range of basic "plot cost"

- £1,150 psm (£107 psf) for sites of 40+ units
- £1,300 psm (£121 psf) for 20 – 39 units
- £1,400 psm (£130 psf) for 10 – 19 units
- £1,500 psm (£139 psf) for 2 – 9 units
- £1,550 psm (£144 psf) for 3-bed single unit
- £1,600 psm (£149 psf) for 5-bed single unit

BCIS Median c.£1,400 psm (£130 psf)

Slide 14: Build / "Plot" Costs

5.3. The impact of changes to Welsh Building Regulations, and particularly changes to Part L, were not taken into consideration in Slide 14. Andrew Burrows set out that typical assumptions for sprinklers and ULEV charging points have been made at £2,550 per dwelling, £3,000 per dwelling for the recent Part L changes. In total, these changes meant that between £5,500-£6,000 per dwelling needed to be added on for these. Andrew Burrows suggested that further work needed to be done to consider the implications of further changes to the Building Regulations that are set to come in in 2025.

5.4. The methodology for working out the additional costs of the Building Regulations changes was queried by a participant, as original Welsh Government predictions are now outdated, as material costs have increased. It was clarified that the figures in paragraph 5.3 are taken from those currently being used in a majority of viability assessments throughout Wales. Andrew Burrows' view was that these are reasonable current figures, and this wasn't disputed. It was pointed out though that the method for providing water to the sprinklers may be changing and that this may have implications for their costs (see also paragraph 5.11 below). Evidence of this was requested.

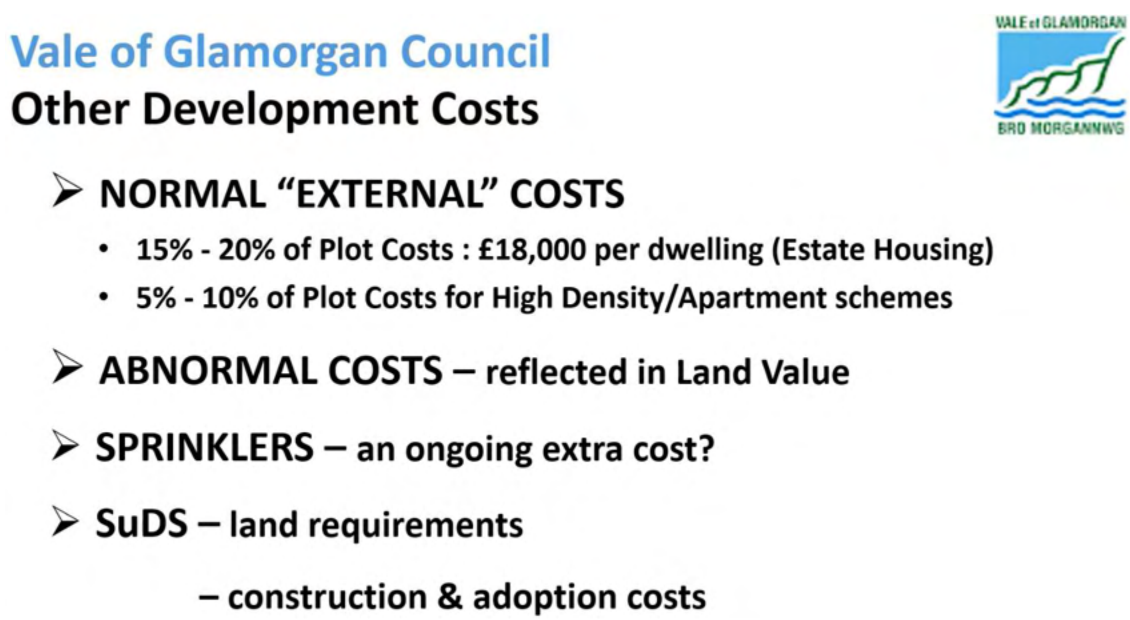
5.5. One participant considered that the cost rates on slide 14 were reasonable for standard houses; but they wouldn't be applicable for flats. It was suggested that they should be higher for these, and these concerns were reiterated.

Build / Plot Costs – Conclusions

5.6. Andrew Burrows suggested a consensus on the figures, other than in relation to flats, and no further comments were received.

Normal "External Costs"

5.7. Discussion on other development costs began by identifying what normal external costs were considered to be, as set out on Slide 15.



Slide 15: Other Development Costs

5.8. The differentiation between estate housing and higher density / apartment schemes was explained, as usually the latter type of schemes have less externals. Andrew Burrows asked whether participants felt that these assumptions were broadly acceptable.

5.9. Due to the need for bike stores, bin stores and in some cases public open space even on flatted development, one participant thought the 5-10% for higher density schemes was too low. These concerns were reiterated. Andrew Burrows suggested some of the costs may come into the overall build costs, particularly for bike stores and bin stores; but it was agreed that an allowance based on 10% may be more reasonable.

Abnormal Costs

5.10. Abnormal costs were considered to be reflected in the land value.

Sprinklers

5.11. It was highlighted by one participant that in the past cost savings have been achieved (compared with original WG estimates) by the use of a separate private main. This practice may be coming to an end, as some local highway authorities are not accepting this in the adopted highway. This could result in the need to go back to tanks and pumps, with costs going back up as a result. This will need to be monitored.

Sustainable Drainage Systems

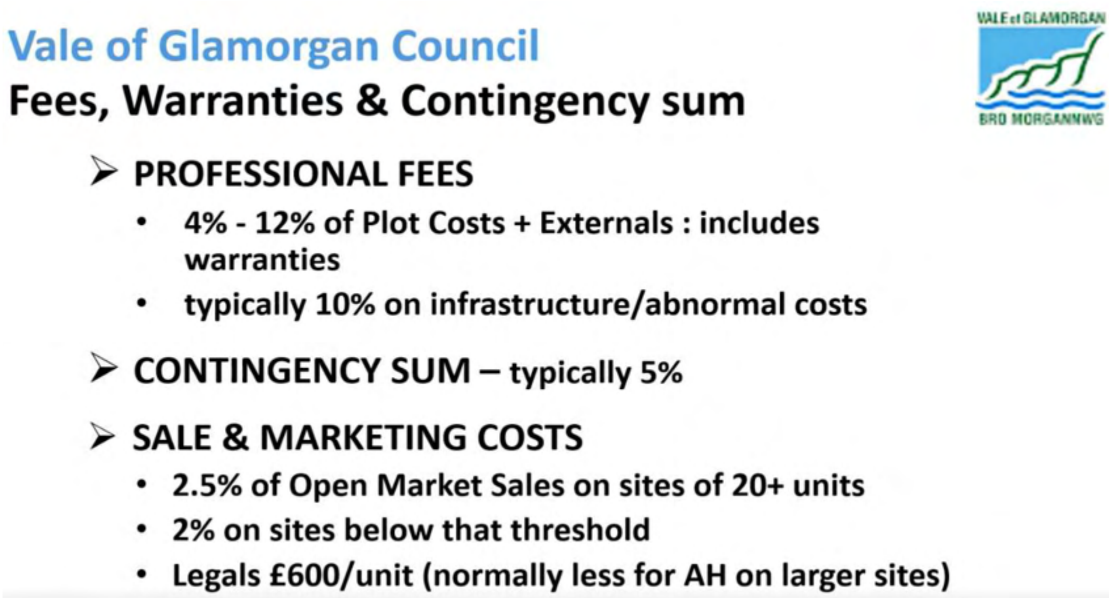
5.12. Andrew Burrows introduced SuDS with two issues to consider: the density implications in relation to the net developable area and the resultant number of homes that can be built; the construction and adoption costs. It is proposed by Andrew Burrows that a cost of £4,000-£5,000 per dwelling was appropriate for SAB commuted sums. This is higher than other predominantly rural areas (e.g. Pembrokeshire, Carmarthenshire, Powys) but lower than Caerphilly and Newport. There is limited evidence available in the Vale.

5.13. The need for certainty on this was communicated. A participant identified that the average cost per dwelling from a sample of 6 adoptions across Wales this year was £4,500. Features that require high maintenance were currently the preference as these had less land take, so a better balance was suggested. Another participant identified that in a recent scheme they had achieved costs of £3,300 per plot.

5.14. The Council will run its high-level countywide viability assessments on the assumption that the average SAB commuted sum for SuDS adoption will be £4,500 per dwelling, as this broadly aligns with the Council's initial research and the examples provided by contributors. But it is recognised that this might need to be reviewed at a later stage, if and when other evidence is available.

Fees, Warranties and Contingency Sums

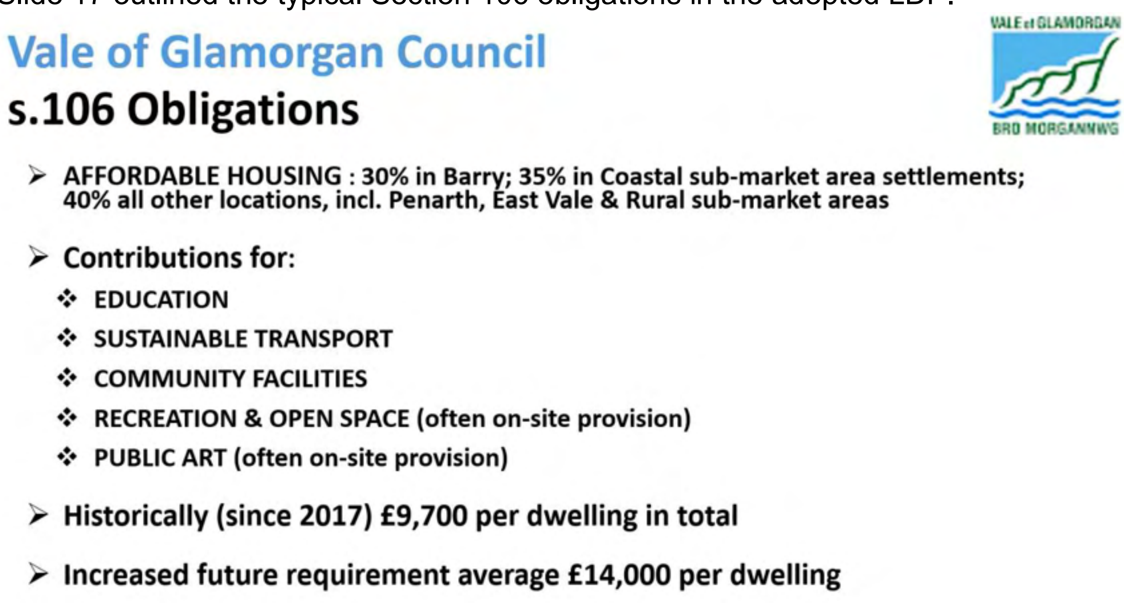
5.15. Assumptions/allowances relating to fees, warranties and contingencies were identified as shown on Slide 16. No comments or objections were made, thus indicating a general consensus that these are fair and reasonable.



Slide 16: Fees, Warranties and Contingency Sum

Section 106 Obligations

5.16. Slide 17 outlined the typical Section 106 obligations in the adopted LDP.



Slide 17: S106 Obligations

5.17. It was clarified that the £14,000 figure was based on uplifts to the existing S106 requirements when taking into account inflation. It was pointed out that the levels of contribution sought under the adopted LDP have largely been acceptable, with some exceptions.

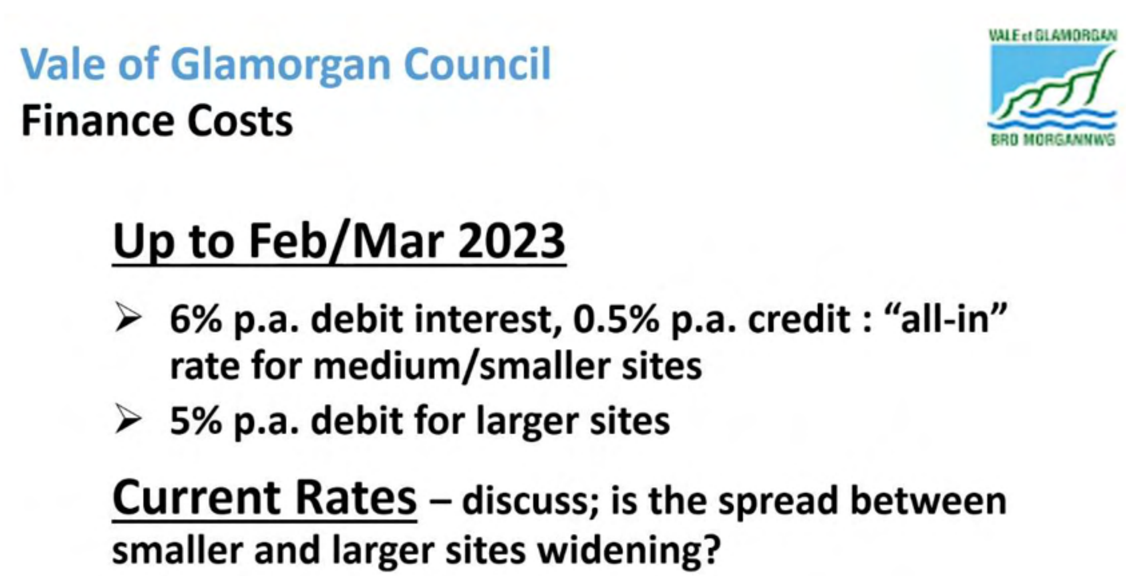
5.18. It was queried whether the £14,000 figure took into account proposed amendments to adopted LDP figures, as one participant was aware that the VOGC Education Department were reviewing the sums that they required. The VOGC clarified that the £14,000 figure was taken as an average across all sites and not all required new schools, and where they were required, they were schools of varying scales.

5.19. Variances between the adopted LDP's Strategy and the proposed RLDP strategy were identified as having different implications for the education figures. Caution was also advised to ensure that sums were spent as soon as practicable. The VOGC clarified that this work was for high level viability testing and that the key sites would have their own detailed viability work.

5.20. Clarification was offered that there may be overlap in the £14,000 between on-site public open space and public art, because these items may have been delivered incidental to the development and not through the S106 agreement.

5.21. Phasing of Section 106 payments was discussed, and it was confirmed that there is flexibility in the DVM on the timing/spread of payments. The VOGC suggested exercising caution on this issue, as each site has a different context; and increasingly there was pressure to deliver infrastructure upfront.

Finance Costs



Slide 18: Finance

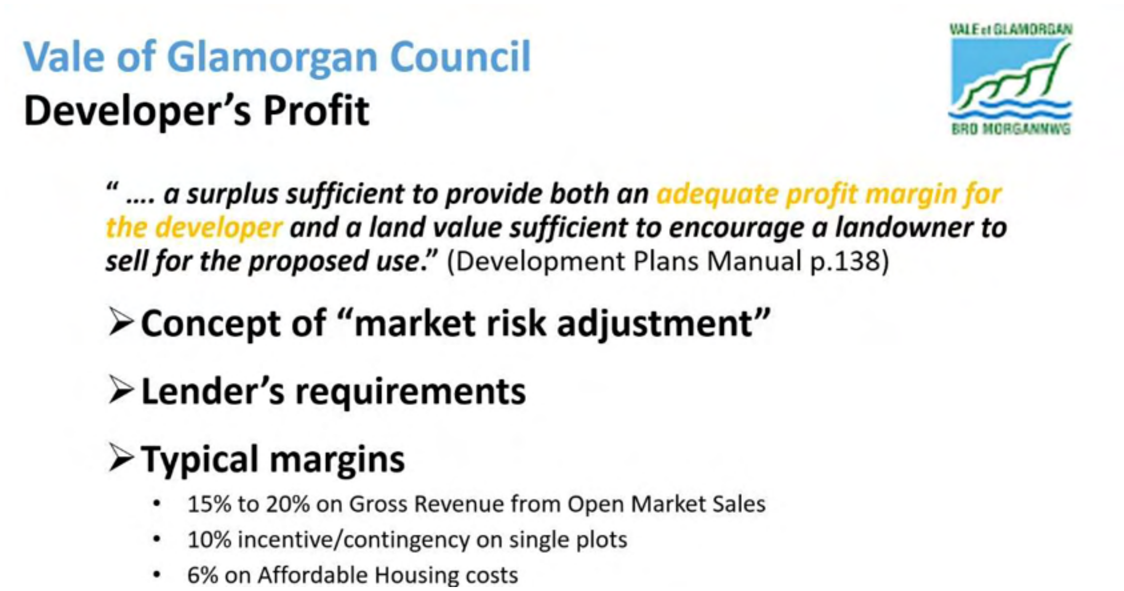
5.22. Andrew Burrows introduced finance costs as set out on Slide 18, and this included an appreciation of the uncertainty surrounding interest rates and inflation.

5.23. A participant suggested that base rate should stabilise around 3-3.5% and that with a view over the next 10 years [to account for the Plan period], where further stabilisation is anticipated, the rates identified seem appropriate.

5.24. Another participant pointed to the broader range of debit interest rates that had been used for recent high-level viability assessments in Pembrokeshire, from 6% p.a. for sites of 50+ units up to 8% p.a. for sites of less than 10 units, suggesting that these might better represent likely borrowing costs for SMEs in the medium term. SME/local developers cannot currently borrow at 6%.

Developer's Profit

5.25. Slide 19 covered the typical figures expected for developer profit, and Andrew Burrows suggested that these were long standing. For gross revenue from open market sales higher percentages were expected for larger sites, with greater risk, and lower percentages for smaller sites with less risk. No comments or objections were made, indicating a general consensus that this range of margins is considered appropriate.



Slide 19: Developers Profit

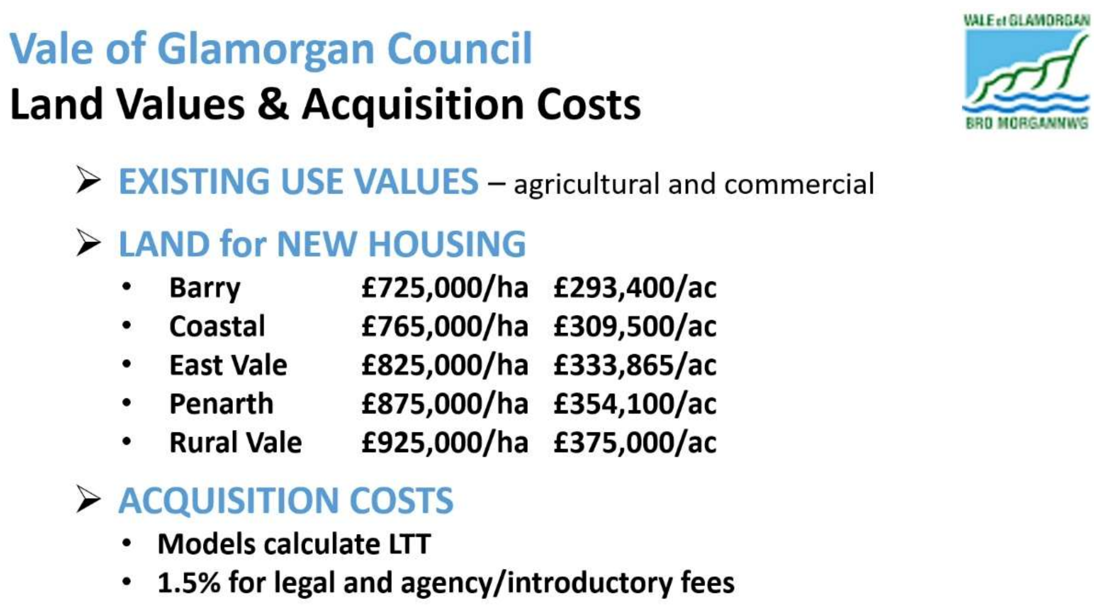
6. Benchmark Land Values

6.1. Comments were sought on land values for agricultural, commercial and housing land.

6.2. A participant was able to provide an overview for agricultural land. It was suggested that £12,000 an acre was considered reasonable for 'good' arable land. The value of agricultural land has increased in Wales since 2022, but there are multiple implications that have to be considered. There were no comments on commercial land values.

6.3. A range of land values were displayed on Slide 20, and it was explained that these were largely informed by the DVMs that had been received. One participant considered these reasonable, but, similar to the sales values, they pointed out that the Coastal area may be lower than expected. Another participant thought that the values were low compared to market values experienced recently; but clarified that there is a recognised difference between benchmark land values and market values. They suggested that the figure on slide 20 for Penarth might be low. Andrew Burrows asked for further evidence in this context, if anyone present felt that different values should be used.

6.4. It was pointed out that the landowner views the land value from the gross site area, whereas viability work is generally based on values per net developable site area; and consideration of the landowner's perspective should be borne in mind. It was acknowledged that, although the definition of Viability in the WG Development Plans Manual refers to "a land value sufficient to encourage a landowner to sell for the proposed use" (recognising a landowner's viewpoint); for practical purposes, viability assessments (and benchmark land values) will always be based on values per net developable site area. Any comparison between sites that is based on values per gross acre/hectare is considerably less reliable, as gross to net ratios vary from one site to another.



Slide 20: Land values and acquisition costs

7 . Closing Remarks

7.1 All participants were thanked for attending the session and for their contributions. An email address is provided on the final slide (21) for any further thoughts/contributions following the meeting.

Vale of Glamorgan Council

Other Issues & Next Steps

- ➢ **OTHER POINTS / ISSUES to discuss ?**
- ➢ **THANK YOU for your contribution**
- ➢ **RECORD of this meeting**
- ➢ **Additional Contributions to ldp@valeofglamorgan.gov.uk**
- ➢ **VIABILITY STUDY GROUP**
  - **who?**
  - **when?**

APPENDIX C : SUMMARY of KEY SITE VIABILITY ASSESSMENTS

Site Name & Ref.	NW Barry KS1	Dinas Powys KS2	Rhoose KS3	Church Farm KS4	W of St Athan KS5
Development Period	c. 6 years	c. 5 years	c. 5 years	c. 8 years	c. 8 years
N° of dwellings	376	250	520	532	600
% Affordable	30%	40%	35%	35%	35%
Gross Site Area (ha)	17.99	13.10	29.34	24.29	29.67
Net to Gross ratio	42.2%	45.8%	44.4%	65.5%	48.4%
Density (sqm/net ha)	3,970	3,385	3,580	3,232	3,713
Average GIA (sqm) *	80.3	81.2	89.8	96.7	88.9
OM Values (£psm)	£3,295	£3,886	£3,641	£3,475	£3,401
Monthly Sales Rate **	3.9	2.9	6.6	3.8	4.5
Build/Plot Costs (£psm)	£1,150	£1,150	£1,170	£1,210	£1,150
Externals (% of Build)	18.67%	18.25%	17.25%	15.00%	15.00%
Externals £/dwelling	£18,000	£18,000	£18,122	£18,500	£18,000
Abnormals (£/net ha)	£528,026	£972,500	£635,890	£366,563	£389,092
s.106 Obligations (£/dwg)	£18,212	£24,657	£25,021	£19,565	£27,348
Finance Costs (% p.a.)	5%	5%	5%	5%	5%
Land Value (£/net ha)	£769,737	£825,000	£765,000	£753,769	£765,662
cf. VSG Benchmark	£725,000	£875,000	£765,000	£765,000	£765,000

* the average dwelling size arising from the assumed mix of dwelling types in each FVA

** indicates the average monthly sales rate of open market homes that has been assumed for each site

APPENDIX D : Land at Waycock Cross, North West Barry (KS1)

Site Name/Ref: Land at Waycock Cross, North West Barry (KS1)

Gross Site Area: 17.99 ha **Net Developable Area : 7.60 ha** **Net/Gross Ratio : 42.2%**

Proposed Development: 376 new homes, of which 113 (30%) will be affordable tenures, with substantial areas of greenspace.

The indicative cashflow for the development shows delivery over a period of approximately 6 years in a single phase.

Site Description:

A greenfield site on the northwestern fringe of Barry, with access from the A4226 Port Road. The site topography is either level or gently sloping for the most part, which readily lends itself to residential development. It is currently in agricultural use.

The location is well served by existing services and facilities, including a major supermarket, GP surgery, community centre, 3 primary schools and 2 high schools all within a reasonable walking distance.

Key Site Issues and Constraints:

Development will be contingent on the execution of works to improve the capacity of the Waycock Cross roundabout and its approach roads, which form part of the Council's plan for strategic improvements to the main highway network.

A small watercourse crossing the central part of the site is safeguarded in the site promoter's Concept Masterplan by the creation of landscape buffers and rainwater attenuation basins. The indicative layout also respects the setting of listed buildings at Cwm Ciddy Farm to the west; and shows the creation of a substantial area of open space between the proposed new housing development and Mill Wood to the south.

Key Infrastructure and Policy Requirements:

These are described in more detail in the Council's Infrastructure & Delivery Appendix, but the following s.106 obligations have been factored into the financial viability assessment:

- c. £3.73 million towards new school places at secondary, primary and nursery levels;
- c. £1.86 million towards anticipated improvements to the strategic highways network and to sustainable transport;
- c. £1.25 million for community facilities, public art and other local requirements.

Significant allowances have been made in the FVA for possible adverse ground conditions, strategic landscaping and the creation of new public open space, reinforcement of utility and drainage networks, active travel, and access to the site from the A4226; all of which are considered adequate and proportionate at this stage in the planning process. The cost of forming an access to the proposed development from Port Road includes the proposed signalised junction and associated road widening at the site entrance, west of the Waycock Cross roundabout.

For reasons of confidentiality, a breakdown of the total allowance for abnormal site works is not given in this Report; but BHL considers that the total allowance of c.£528,000 per net developable hectare takes appropriate account of the issues and constraints identified in the Council's Infrastructure & Delivery Appendix, at this stage in the planning process

It is anticipated that the site promoter will undertake further investigatory studies over the period leading up to the Deposit RLDP being submitted for Examination.

Supporting Information:

A Concept Masterplan for the proposed development (Drawing 24673/3200A) is attached.

DEVELOPMENT

1. Dwellings to front Port Road West across a landscape edge
2. Key buildings to aid legibility
3. Medium to high density residential development to body of the site
4. Lower residential density towards the western residential area

ACCESS

5. Active travel accesses from the A4226 Port Road West
6. Active travel and vehicular access from A4226 Port Road West
7. A distinctive street hierarchy, including an internal vehicular loop, designed to adoptable gradients will encourage active travel and swales alongside the primary streets

LANDSCAPE & ECOLOGY

8. Landscape edge to soften the interface with Port Road West, with tree-lined entrance
9. Focal open spaces with equipped play areas
10. Central open space sitting along foot/cyclepath from Port Road West to Cwm Ciddy Lane
11. Wide west-east landscape corridor, with play trail, drainage features and foot/cyclepath
12. Green corridor accommodating retained hedgerow and tree planting to soften roofline
13. Multi-functional landscape edge along the western boundary
14. Extensive landscape edge alongside Knock Man Down Wood Site of Importance for Nature Conservation (SINC) including new community woodland

Amendments		By	Chk'd	Date
A	Reduction in development area + additional landscape	MD	PG	10/03/2025

DRAFT FOR COMMENT

Job No/Drawing No: **24673**/3200A

Job Title: **Weycock Cross, Barry**

Scale	Date	Drawn	Chk'd
1:2500 @ A3	11/24	MD	PG

Drawing Title: Concept Masterplan

All Dimensions to be checked on site OS Licence No:

pad
MASTERPLANNING. ARCHITECTURE. URBAN DESIGN.

pad Design Ltd - The Tobacco Factory - Raleigh Road - Bristol BS3 1TF - Tel. 0117 9530059 - www.pad-design.com

APPENDIX E : Land North of Dinas Powys (KS2)

Site Name/Ref: Land North of Dinas Powys (KS2)

Gross Site Area: 13.10 ha **Net Developable Area : 6.00 ha** **Net/Gross Ratio : 45.8%**

Proposed Development: 250 new homes, of which 100 (40%) will be affordable tenures. The development will also seek to preserve existing trees and hedgerows, creating a green corridor through the centre of the new housing area and a linear park along the northern site boundary, adjacent to the East Brook watercourse.

The indicative cashflow for the development shows delivery over a period of approximately 5 years in a single phase.

Site Description:

A greenfield site on the northern fringe of the existing settlement, consisting of relatively small enclosures of grazing land with a mainly north/northeast-facing, sloping topography. However, land at the eastern end of the site, adjoining the A4055 road, is generally level. The only means of vehicular access to the site is (and will be) from the A4055 road.

Key Site Issues and Constraints:

The site is crossed by an 18" dia. watermain and 1450mm dia. public sewer, both of which are accommodated within the promoter's framework masterplan (attached). The masterplan also shows how the additional constraints of site topography and the East Brook watercourse can be addressed.

There is satisfactory visibility in both directions along the A4055 road at the point of access to the site.

Key Infrastructure and Policy Requirements:

These are described in more detail in the Council's Infrastructure & Delivery Appendix, but the following s.106 obligations have been factored into the financial viability assessment:

- c. £4.32million towards new school places at secondary, primary and nursery levels;
- c. £1.03 million towards anticipated improvements to the strategic highways network and to sustainable transport;
- c. £810k for community facilities, public art and other local requirements.

Significant cost allowances have been made in the FVA for cut and fill earthworks, works to address possible adverse ground conditions, strategic landscaping and the creation of new public open space, reinforcement of utility networks, active travel links, and access to the site from the A4055; all of which are considered adequate and proportionate at this stage in the planning process.

For reasons of confidentiality, a breakdown of the total allowance for abnormal site works is not given in this Report; but BHL considers that the total allowance of c.£972,500 per net developable hectare takes appropriate account of the issues and constraints identified in the Council's Infrastructure & Delivery Appendix, at this stage in the planning process

It is anticipated that the site promoter will undertake further investigatory studies over the period leading up to the Deposit RLDP being submitted for Examination.

Supporting Information:

A Framework Masterplan for the proposed development (Drawing 10466-SK06) is attached.

Roberts Limbrick

Project
Dinas Powys

Client
Persimmon Homes

Drawing
Framework Masterplan
Phase 1

Drawing Number
10466-SK06

Date
05-July-2023

Scale
1:1000 @ A1

N

0m 20m 40m 60m 70m

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APPENDIX F : Land at Readers Way, Rhoose (KS3)

Site Name/Ref: Land at Readers Way, Rhoose (KS3)

Gross Site Area: 29.34 ha **Net Developable Area : 13.04 ha** **Net/Gross Ratio : 44.4%**

Proposed Development: 520 new homes, of which 182 (35%) will be affordable tenures, complemented by small-scale commercial uses and an extensive area of public open space.

The indicative cashflow for the development shows delivery over a period of approximately 5 years, anticipating that (with more than one point of access to the site) the development is likely to involve more than one sales outlet.

Site Description:

A greenfield site on the northern edge of the existing settlement; and lying to the southwest of Cardiff International Airport, but away from the main flightpath. Land closest to the airport is designated for public open space.

The land has a topography that lends itself to residential development, reasonably level or only gently sloping for the most part. It is currently in agricultural use. The primary means of access is from Readers Way, with a secondary access through Celtic Way.

Key Site Issues and Constraints:

The site is crossed by a 9" dia. watermain and 150mm dia. public sewer, both of which are accommodated within the promoter's indicative masterplan (attached). That masterplan also takes account of the farm track and bridleway running north-south through the site.

The site's proximity to the airport will necessitate some acoustic mitigation measures. There are also important archaeological and ecological issues, which will be comprehensively addressed at an appropriate stage in the planning process.

All these issues are covered by appropriate cost allowances in the site promoter's Financial Viability Assessment.

Key Infrastructure and Policy Requirements:

These are described in more detail in the Council's Infrastructure & Delivery Appendix, but the following s.106 obligations have been factored into the financial viability assessment:

- c. £9 million towards new school places at secondary, primary and nursery levels;
- c. £2.5 million towards anticipated improvements to the strategic highways network and to sustainable transport;
- c. £1.475 million for community facilities and public art.

It has been assumed that the policy requirement for the delivery of some A1/A3 uses on site, to enhance the development's mixed use offer, will be "cost neutral". This is a reasonable assumption at this stage in the planning process.

Significant allowances have been made in the FVA for possible adverse ground conditions, strategic landscaping and the creation of new public open space, reinforcement of utility and drainage networks, the provision of additional community facilities, enhancement of active travel routes, acoustic and ecological mitigation works; all of which are considered adequate and proportionate at this stage in the planning process. Provision has also been made for an archaeological watching brief.

It is anticipated that the site promoter will undertake further investigatory studies over the period leading up to the Deposit RLDP being submitted for Examination.

(continued on page 2)

For reasons of confidentiality, a breakdown of the total allowance for abnormal site works is not given in this Report; but BHL considers that the total allowance of £635,890 per net developable hectare takes appropriate account of the issues and constraints identified in the Council's Infrastructure & Delivery Appendix, at this stage in the planning process.
Supporting Information : Indicative masterplan for the proposed development (Drawing 24053 (05) 101) is attached.

This drawing must not be scaled.
Figured dimensions and levels to be used.
Any inaccuracies must be notified to the architect.
Detail drawings and large scale drawings take precedence over smaller drawings.

Rev:		Rev:		Rev:	

PRELIMINARY	✓
PLANNING	
DESIGN	
TENDER	
CONSTRUCTION	

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Drawing No.	Rev.
24053 (05) 101 - Masterplan	-

Contract: **Land at Reader's Way, Rhoose**
For: PMG

Title: **Masterplan**

Scale: **1:2500 @ A2**
Date: **10.10.24**
Drawn: **TP**
Checked:

Registered Office: Powell Dobson Ltd. Suite 1F, Building One, Eastern Business Park, Wern Fawr Lane, Old St Mellons, Cardiff CF3 5EA . Powell Dobson is a trading name of Powell Dobson Ltd a company registered in England and Wales No 3873802.

APPENDIX G : Church Farm, St Athan (KS4)

Site Name/Ref: Church Farm, St Athan (KS4)

Gross Site Area: 24.29 ha **Net Developable Area : 15.92 ha** **Net/Gross Ratio : 65.5%**

Proposed Development: an overall total of 532 new homes in two phases, of which 186 (35%) will be affordable tenures. Phase 1 concerns a strategic site identified in the current LDP (Policy MG2 Site 3), which is set to deliver 232 new homes together with a new foodstore. Phase 2 is a proposed Key Site in the Replacement LDP to deliver a further 300 new homes.

Phase 1 will be developed from Gileston Road to the west. Phase 2 will be partly served from the roads created for Phase 1; and partly from a new access onto the B4265 road.

An outline planning application for Phase 1 is imminent. An indicative cashflow for the whole scheme is based around a commencement of Phase 1 in 2026 and an overall delivery period of approximately 8 years. The FVA covers both phases of the scheme.

Site Description:

A greenfield site on the southeastern fringe of the existing settlement; and adjacent to an existing primary school, which is scheduled to be rebuilt and enlarged. The land is currently in agricultural use.

Its general topography is fairly level; with gentle slopes in a southerly/southeasterly direction towards the B4265 road.

Key Site Issues and Constraints:

There is limited capacity in West Aberthaw Waste Water Treatment Works, but this is due to be upgraded as part of the current AMP between 2025 – 2030.

A new means of access to the primary school from Phase 1 of the development, and land in Phase 2 to enable the construction of new buildings and sports facilities, are to be provided as part of the scheme.

Key Infrastructure and Policy Requirements:

These are described in more detail in the Council's Infrastructure & Delivery Appendix, but the following s.106 obligations have been factored into the financial viability assessment:

- c. £6.895 mill towards new school places at secondary, primary and nursery levels;
- c. £2.068 million towards anticipated improvements to the strategic highways network and to sustainable transport;
- c. £1.445 million for community facilities and public art.

Various studies have been undertaken by the site promoter, and cost estimates prepared, in relation to Phase 1 of the development. The FVA includes allowances for possible adverse ground conditions, strategic landscaping and the creation of new public open space, works relating to foul and surface water drainage, reinforcement of utility networks, site access and active travel measures in relation to both phases of the proposed development. BHL has reviewed these allowances and considers them to be adequate and proportionate at this stage in the planning process.

For reasons of confidentiality, at this stage in the planning process, a breakdown of the total allowance for abnormal site works is not given in this Report; but the total allowance equates to some £366,560 per net developable hectare. BHL considers that this takes appropriate account of the issues and constraints identified in the Council's Infrastructure & Delivery Appendix, at this stage in the planning process.

Supporting Information:

An Illustrative Masterplan and Placemaking Vision statement are attached.

ILLUSTRATIVE MASTERPLAN

Our vision for Land at Church Farm is to create a new neighbourhood that is a legible extension to the eastern side of St Athan, that respects local distinctiveness and by having a recognisable character and quality centred on a Green Infrastructure and Placemaking strategy.

Key elements to the illustrative masterplan are:

- Attractive gateway into the site with mixed use retail and homes fronting on to spine road
- Expansive central linear park and green corridors provided with further open spaces to the north, south and east to soften edge of development within the wider countryside setting, to include ecology zone, play areas, community food production and open SuDS features;
- Spine road provides a link throughout, connecting all character areas to form a cohesive and legible development;
- Existing hedgerows retained and enhanced buffer planting provided as a strong network of ecological corridors;
- Sustainable drainage features designed to support the multi-functional green infrastructure. Green/blue corridors provides wildlife habitat and car-free space through the development;
- Pedestrian footpaths/cycleways throughout the development link to the wider context, provide opportunities for legible connections; and
- Development parcels designed to ensure a permeable development and car-free connections to surrounding facilities.

APPENDIX H : Land West of St Athan (KS5)

Site Name/Ref: Land West of St Athan (KS5)

Gross Site Area: 29.67 ha **Net Developable Area : 14.37 ha** **Net/Gross Ratio : 48.4%**

Proposed Development: 600 new homes, of which 210 (35%) will be affordable tenures, complemented by employment uses (on the smaller part of the site, as described below), new community facilities within the main development area and additional recreational facilities as an extension to the St Athan Recreation Ground.

An area of land within the SE parcel, adjoining the railway line, is to be safeguarded for a possible rail station with associated car parking/public transport interchange. This part of the site is also expected to accommodate some small-scale commercial uses at ground floor level, with residential flats above.

The indicative cashflow for the development shows delivery over a period of approximately 8 years; with the open market dwellings being potentially delivered from more than one sales outlet.

Site Description:

This greenfield site consists of two parcels of land on the southwestern edge of St Athan. The main parcel, to the north of the B4265 road and Vale of Glamorgan railway line, has an area of approximately 28.1 ha; the smaller parcel to the southeast of that and lying between the B4265 and the railway, is approximately 1.5 ha.

The land is currently in agricultural use as grazing pasture and has a fairly level topography with only gentle slopes.

Key Site Issues and Constraints:

It is understood that all works required to gain access to the site from the B4265 road can be accomplished within the boundaries of the adopted highway and/or on land within the site promoter's control.

The means of achieving other policy requirements for this site are illustrated on the attached Concept Masterplan. This includes safeguarding land for the potential delivery of pedestrian/ cycle access to the site for a new Welsh Medium secondary school, between the railway lane and the B4265 road.

Key Infrastructure and Policy Requirements:

These are described in more detail in the Council's Infrastructure & Delivery Appendix, but the following s.106 obligations have been factored into the financial viability assessment:

- c. £11.560 mill towards new school places at secondary, primary and nursery levels;
- c. £3.173 million towards anticipated improvements to the strategic highways network and to sustainable transport;
- c. £1.674 million for community facilities and public art.

It has been assumed that the mixed use development on the southeastern land parcel will be "cost neutral". This is a reasonable assumption at this stage in the planning process.

The site promoter has commissioned a desktop environmental study, which has included reference to historical mapping, a search of Historic Environmental Records, a review of geological and mining information and screening for unexploded munitions. The promoter is aware of the probable need for more detailed archaeological investigations and appropriate allowance has been made for that in their estimates of likely abnormal site costs.

(continued on page 2)

For reasons of confidentiality, at this stage in the planning process, a breakdown of the total allowance for abnormal site works is not given in this Report; but, based on preliminary estimates prepared by a well-known cost consultancy, the total allowance equates to some £382,000 per net developable hectare. BHL considers that this takes appropriate account of the issues and constraints identified in the Council's Infrastructure & Delivery Appendix, at this stage in the planning process.
Supporting Information & Commentary: A Concept Masterplan for the proposed development (Drawing 22553/3006/B) is attached.

Landscape

1. Multi-functional landscape edge to north, with active travel routes, surface water attenuation, new and retained planting and providing a sensitive setting for Listed buildings and Scheduled Ancient Monument
2. North-south green corridor including retained hedgerow, new planting and swales
3. Community allotments and orchard
4. Neighbourhood Equipped Area of Play (NEAP)
5. Local Equipped Area of Play (LEAP)
6. New sports pitch sitting adjacent to existing pitches
7. Parkland sitting alongside St Athan Park accommodating retained and diverted sections of Public Right of Way (PRoW), retained hedgerow and drainage
8. Surface water attenuation within Green Infrastructure
9. Multi-functional setting for south-east parcel, including Local Area of Play (LAP) and drainage
10. Landscape edge with footpath network and swales
11. Retained hedgerows, strengthened with new planting
12. Open space with second LEAP and attenuation pond
13. Landscape edge with retained hedgerow alongside lane

Development

14. Potential St Athan Parkway Railway Station
15. Flexible employment provision alongside station, including local retail/commercial use
16. An increase in scale and density at key nodes, including feature buildings at the gateway to development
17. A range of residential densities across the development to create a varied character and aid placemaking
18. Potential mixed use / community uses around focal space
19. Built form to face the public realm
20. Community building, including toilets for allotment users

Access

21. Signalised junction along B4265 with safe pedestrian crossing
22. New foot/cycle path alongside the B4265
23. Potential railway station / transport interchange
24. PRoW route across footbridge to south
25. Tree-lined primary street as part of a distinctive street hierarchy
26. Retained PRoW network to support active travel
27. Land for the potential delivery of crossing / bridge over railway line to proposed Welsh Medium secondary school site
28. Existing PRoW crossing of railway
29. Pedestrian access to lane
30. Retained PRoW access to site
31. Network of active travel routes (including diverted PRoW) within landscape edges
32. Pedestrian link towards employment area
33. Foot/cycle connection to Llantwit Road
34. Internal highway loop to support potential bus service
35. Pedestrian access to Llantwit Road
36. Foot/cycle link to Llantwit Road
37. Retained PRoW access from Llantwit Road
38. Pedestrian footway improvements along Llantwit Road
39. Improvements to Gileston Road and B4265 crossroads
40. Potential extension to St Athan Park and green space

Context

41. Community Centre with two sports pitches and skate park
42. Play area and MUGA
43. St Athan Local Centre with a range of facilities
44. St Athan Primary School
45. Co-op foodstore
46. Proposed Enterprise Zone

B	B4265 access, commercial area, school link updates	MD	JE	13/08/2025
Amendments		By	Chk'd	Date

SITE PROMOTION

Land West of St Athan: Concept Masterplan

0 10 25 50 100 200m

NORTH

Job No/Drawing No **22553**/3006/B	Job Title **Land West of St Athan**
Scale 1:5000 @ A3 · Date 02/24 · Drawn MD · Chk'd JE	Drawing Title Concept Masterplan
All Dimensions to be checked on site	OS Licence No: 100022432

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