

ORGANISATION	LONDON FIRST
ID	1588
MATTER	M92 VIABILITY AND DELIVERING THE PLAN

M93. Is Policy DF1 justified and consistent with national policy, and would it be effective? In particular:

a) Would the policy be effective in helping to ensure the timely delivery of infrastructure to support development proposed in the Plan?

1. Policy DF1 parts A to E, concerning the delivery of the Plan and planning obligations, should be read as a whole and be consistent with the National Planning Policy Framework (NPPF), National Planning Guidance (NPG) on Viability, and Planning Practice Guidance (PPG) on Planning Obligations. Terminology within the viability and planning obligation sections of national planning guidance, whilst not wholly consistent, are not material in this instance.
2. In considering the effectiveness of draft Policy DF1, paragraph 007 of the NPG ("should viability be assessed in decision-taking?") is a key reference to which Policy DF1 should be consistent. This states:

"Where up to date policies have set out the contributions expected from development, planning applications that comply with them should be assumed to be viable. It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage.

Such circumstances could include, for example where development is proposed on unallocated sites of a wholly different type to those used in viability assessment that informed the plan; where further information on infrastructure or site costs is required; where particular types of development are proposed which may significantly vary from standard models of development for sale (for example build to rent or housing for older people); or where a recession or similar significant economic changes have occurred since the plan was brought into force."

Paragraph: 007 Reference ID: 10-007-20180724

3. The most relevant evidence base where a requirement for scheme-specific viability may be necessary would be at the local plan level, not the evidence base for a spatial development strategy at the strategic level. This position,

that scheme specific-viability is a local consideration, is acknowledged in the LPVS Response in a number of instances. This is partly due to local knowledge, combined with the fact that it is the boroughs which allocate sites for development. This is notwithstanding London First's views expressed in respect of M92 with regard to the adequacy of the LPVS, LPTR and LPVS Addendum.

4. In light of the evidence provided by London First, it has been demonstrated that the LPVS has significant limitations and shortcomings, and the Plan policies should reflect that. It follows that:

- i. DF1 A, B and C are not Justified for NPPF soundness purposes by the current LPVS; and
- ii. the shortcomings in the evidence base emphasise the importance of thorough viability testing at the Local Plan stage (and primacy of that process).

b) Is the approach to viability assessments set out in parts A, B and C consistent with national policy and is it necessary for this to be set out in the Plan rather than left to be determined at the local level?

1. NPPF 2012 paragraph 173 is clear that the burdens imposed by plan policy requirements should not make development unviable. Subsequent paragraph 174 further requires that the cumulative impact of these burdens should not put implementation of the Plan at serious risk and should facilitate development throughout the economic cycle. Evidence supporting the assessment should be proportionate, using only appropriate available evidence.
2. Given that all development is heterogenous, the homogeneous approach of a strategic plan – and, in particular, the strategic evidence base provided by the LPVS – is not appropriate for boroughs to rely upon to deter applicants from submitting scheme-specific viability assessments.
3. It follows that the approach to viability assessments set out in parts A, B and C, once adjusted to be consistent with national policy, should be left to be determined at a local level.
4. Notwithstanding the above, DF1B and DF1C, as currently worded, suggest that it has to be agreed by the GLA at pre-application stage if a scheme-specific viability assessment can be submitted as part of any subsequent planning application. London First considers that, in the event there is disagreement between the GLA and the applicant over any

abnormal costs and viability issues, the applicant should have the right to submit a viability statement of their own accord. Should Policy DF1 be retained in the Plan in a similar format to that currently proposed, London First requests the following amendment to DF1C:

- C Where it is ~~accepted that~~ **considered necessary to assess the** viability of a specific site ~~should be considered~~ as part of an application, the borough should determine the weight to be given to a viability assessment alongside other material considerations...

c) Is the infrastructure prioritisation set out in Part D justified?

1. It is unclear from the infrastructure priorities set out in part D as to whether in certain cases public transport improvements would be given the same priority as affordable housing.
2. Viability testing at scheme-specific level would normally determine the maximum reasonable level of contribution that could be made available for infrastructure from a proposed development. Negotiations with the local planning authority will determine the appropriate funds to be allocated to affordable housing, transport infrastructure and other planning obligations, having regard to all material planning considerations. This would be a matter to be agreed at a local level having regard to the particular circumstances in each case.
3. The London Plan can set out an order of priorities, but this will be subject to local planning considerations under section 38(6) of the Planning and Compulsory Purchase Act 2004, having regard to the viability of proposed development and cumulative policy impact. In this context, London First recommends that DF1D should be modified to be clearer about this since it is otherwise unlikely to be effective.