

London Borough of Barnet Local Plan – Examination

Inspectors' Matters, Issues and Questions for Hearing Sessions - Autumn 2022

Matter 7: Viability and Policy Requirements

Issue:

Whether the Plan is positively prepared, justified, effective, consistent with national policy and in general conformity with the London Plan in relation to viability and policy requirements?

Questions:

- 1) Is the Council's viability evidence proportionate and up-to-date having regard to relevant national policy and guidance, and has it taken full account of and influenced the policy requirements of the Plan?

Yes. The Council refers to its Technical Note on Viability (EXAM1F) which serves to justify the robustness of the assessment of the viability of the Local Plan's policy requirements. The Viability Assessment (Core_Gen_01), published in May 2021 acknowledges that the housing and commercial property markets are inherently cyclical. It highlights that the Council is testing the viability of its draft policies at a time when both commercial and residential markets have experienced a period of turmoil resulting from the impact of COVID-19. Since the Assessment was undertaken, sales values in the Borough have increased by 11.4% and the BCIS Tender Price Index has increased by the same percentage. However, increases in sales values have a more significant impact on viability than increases in costs, as scheme Gross Development Values (GDVs) are larger in comparison to costs. Consequently, the results reported in the Viability Assessment will slightly understate scheme viability in current terms.

The Viability Assessment reviews the policy requirements in the Local Plan and identifies where policies introduce additional costs. All costs identified as arising from policy requirements are reflected in the assessment.

The Council has reflected on the results of the Viability Assessment prior to publishing its Regulation 19 Local Plan for consultation. Given that the Assessment identified that the emerging policies will not have an adverse impact on viability and deliverability of sites in the Borough, the Council has proceeded with policies set out in the Regulation 18 consultation, subject to relatively minor revisions.

- 2) Are the identified development requirements and principles in the policies of the Plan, including affordable housing, the housing mix, on-site and off-site provision of services

and facilities and financial contributions toward infrastructure – justified, effective, consistent with national policy and in general conformity with the London Plan?

Yes. Consistency with the NPPF is evidenced by the PAS Local Plan Route Mapper Toolkit – Part 4 – Local Plan Soundness and Quality Assessment (Core_Gen_24) which also demonstrates at Q39 that the viability and delivery of development will not be put at risk by the requirements in local plan policies.

The Council refers to the Mayor’s Statement of General Conformity (Core_Gen_6) which confirms no issues of general conformity with the London Plan. As highlighted in the response to Matter 3, Issue 2, Q2a the Council has made modifications (MM118 and MM120) with regards to improving consistency with London Plan policies on affordable housing.

- 3) Are the policy requirements set at a level such that the cumulative cost of all relevant policies would not undermine deliverability of the Plan objectives?

Yes. The Council considers that it has, through the Local Plan Viability Assessment, justified all its policy requirements. The Viability Assessment identifies some scenarios (e.g. certain combinations of sales values and benchmark land values) where developments may be unviable. However, these situations are addressed by the flexibility in the policies which are consistent with the ‘threshold’ approach to affordable housing in London Plan policy H5.

- 4) Notwithstanding the Council’s proposed modifications, is there any clear evidence that the policy requirements of the Plan would affect the viability or deliverability of sites in strategic policies (Policies BSS01 and GSS01 to GSS13) or the proposed allocation of sites as listed in Annex 1 of the Plan or that any further changes are required to achieve soundness in those respects?

The Council has produced a Viability Assessment (Core_Gen_01) as clear evidence to justify its policy requirements. This is further supported by its Technical Note on Viability (EXAM1F), the Council’s letter in response to the Inspector’s Initial Questions on the Local Plan (EXAM 1A) and the Local Plan Viability Assessment - Workshop Q and A Paper (EXAM 1C). Given that key policies are applied flexibly, as noted above, there is no evidence that the policy requirements of the Plan would adversely affect the viability or deliverability of sites in the Borough.