

MATTER 9b

Further Evidence on Deliverability and Viability of Site Development.

1. The St Francis Group (“SFG”) have supplied a statement entitled **Brantham Regeneration Area Development Feasibility Analysis** (appendix 1 to this Statement). This is a fair summary of the broad discussions so far held on the site. It represents a snapshot at this point in time and has been provided on a “without prejudice” basis. It does not fetter or commit the local planning authority or the landowner to any particular course of action or scheme. It demonstrates that based upon the scenario presented, that development is viable.
2. Some months ago SFG produced the development scenario as explained in the note and this is being worked upon by a joint viability group, attended by specialist Viability experts from SFG, BDC and the HCA/Atlas.
3. All of the costs mentioned in section 3 of the note have to be verified, and other models of development, besides that explained at section 5, have to be explored. This is a complex and time-consuming business, but constitutes the essential foundations to bringing forward development.
4. There may be development models which reduce down the costs identified in section 3. A view also has to be settled upon in relation to land costs, legals, funding and return on capital. The quid pro quo for the residential side of the development package in employment terms needs to be defined further, in terms of development on the ground and timescales. The impact of third-party land on the development scenario needs to be understood.
5. The scenario put forward by the developer represents the maximum physically possible on the landholding, but there may be lesser developments which require less Greenfield land and/or less residential development on the employment land, and yet deliver worthwhile benefits.
6. All of this needs time to resolve, but the Council and the landowner are committed to the process. Therefore the Council believes that confirming the draft policy CS6a, with the suggested proviso D, is entirely appropriate.
7. The Inspector asked for the key elements of the policy to be included in a map, and this is shown on an updated Map F, at appendix 2 to this statement.

Appendices:

1. St Francis Group’s Brantham Regeneration Area Development Feasibility Analysis, dated 27 March 2013.
2. Updated Map F, Brantham Regeneration Area Allocation, showing associated land, including Proviso D land

**BABERGH DISTRICT COUNCIL CORE STRATEGY EXAMINATION MARCH 2013
MATTER 9B**

**BRANTHAM REGENERATION AREA
DEVELOPMENT FEASIBILITY ANALYSIS**

1. Development objectives

As laid out in original extant policy EM06 and emerging policy CS6a (as proposed to be modified in the statement of common ground)

- Retention and enhancement of existing employment uses and creation of new employment opportunities
- Creation of new employment land/floorspace
- Creation of public open space
- Enhancement of pedestrian and cyclist links and,
- Provision of appropriate level and type of residential development (as necessary to deliver other land uses and benefits) and community facilities.

2. Principle Constraints

- Defend from Flood and create a non-mechanical access to achieve the same, this equates to putting a second line of flood defence around the entire seaward side of the site.
- Demolition and clearance of substandard and unsuitable buildings
- Decontaminate areas to a suitable for use status
- Upgrade main access within the confines of highway land
- Upgrade, modernise and deal with utilities to deal with current and proposed loadings.
- Works to Storm Drainage and Tidal Outfalls
- Foul Drainage remodel and upgrade to suitable standard, including new pump stations.
- Stabilise ground in targeted areas
- Works to Peninsula area to achieve Public Access and Flood Protection and Environmental benefits.
- Need for second access due to flood zone and quantum requirements.



3. Site preparation and Land Acquisition Costs

- Section 278 upgrade works from A137 to Factory Lane £385,000
- Foul Pumping station, Rising Main and Storm storage and outfalls £636,000
- Contamination remediation and treatment to base site £1,600,000
- Ground Stabilisation/Piling £500,000
- Demolition , Asbestos removal Hardstanding lift /Crush £2,838,000
- Utility and overhead power changes and reinforcement £2,050,000
- Second access £978,000
- Peninsula clearance, stabilisation, landscaping £380,000
- Flood Risk Works, second defence, protected access £3,612,165
- Land costs , legals, funding and return on capital employed £6,966,000

Total £19,945,000

4. Section 106 Costs

Section 106 costs have been identified and incorporated following liaison with key stakeholders and amounts to £3.687 million if the maximum number of residential dwellings are constructed, equating to an average of £6,250 per dwelling , this covers Pre and Primary school, health, transportation enhancement and library contributions.

5. Development Proposals

- 30.64 acres of serviced employment land and the retention of current employers employing 90 people
- A maximum of 600 dwellings to include 120 affordable units (20%) with circa 320 on the green field land within our ownership (the proviso D land), the remainder to be on the western part of the main site.
- 60 acres public open space and amenity land to consist of land to the East of the main allocation (including the 5.5 acre Decoy pond) and the Peninsula site to the South of the railway.

6. Development Income

The estimated value to be derived from the residential development land area, at a maximum of 600 plots, and incorporating the provision for 20% affordable housing and payment of S106 financial contributions, is approximately £20million. Using the estimated project costs of £19,945,000 as the benchmark figure for viability the development appraisals confirm that sufficient revenue can be generated from the disposal of 590 residential development plots to cover the cost of the enabling works , land costs funding costs and a return on the cost of the works , on this basis the site is viable and deliverable in the short term , requires no further 3rd party land other than what is already secured to proceed and requires no public funding to deliver the outcomes outlined in section 5.



The development viability has been modelled using our internal appraisal format; cross checked using the Haven Gateway 3 Dragons model and then reviewed and updated by means of the HCA DAT. The result of the viability testing is that the development proposals are viable at or close to the maximum number of residential dwellings. The HCA DAT appraisal and the core assumptions upon which it is based are available should you require further clarification.

7, Ongoing viability consultation

Currently Babergh DC, HCA ATLAS and ourselves are reviewing alternative scenarios to enable the justification of the position above and also to test the sensitivity of a range of alternative development scenarios with a lesser element of residential provision, and variable levels of affordable housing provision and/or section 106 financial contributions.

This process is well advanced however the above benchmarks show that on this basis the site is viable and deliverable in todays market without the need for public funding.

Date 27/3/2013

Signed

