

TELFORD & WREKIN COUNCIL

CABINET - 28 FEBRUARY 2013

INVEST IN TELFORD – A PROGRAMME OF CHANGE

REPORT OF THE ASSISTANT DIRECTOR: DEVELOPMENT, BUSINESS & HOUSING

LEAD CABINET MEMBER – COUNCILLOR CHARLES SMITH

PART A) – SUMMARY REPORT

1. SUMMARY OF MAIN PROPOSALS

- 1.1 Having a competitive offer to deliver development and growth is key to the Borough's future and a fundamental part of the budget strategy. This report sets out proposed actions to establish Telford as the destination of choice for development and business investment in the region.
- 1.2 This report highlights the unique opportunities for investors and the interventions that are being taken to implement the Business & Development Charter and which have already placed Telford in Building Magazine's top 10% of Local Authorities in terms of positive planning and economic conditions for investors. Recognising the tough economic conditions which continue to impact on development viability, this report sets out further changes proposed to support investors, including the development management process to speed up the determination of planning applications. This report also highlights the opportunities for investors from the Council's management of all employment land assets across the Borough and marks the launch of the Council's Business Support Programme.

2. RECOMMENDATIONS

- 2.1 That Cabinet approve all the measures and changes as set out in the report
- 2.2 That Cabinet commend that Plans Board approve the changes to powers of delegation in relation to determination of planning applications as set out in the report
- 2.3 That Cabinet delegate approval to the Assistant Director: Development, Business & Housing in consultation with the Cabinet Member for Housing, Regeneration and Economic Development, to further expand the Business & Development Charter and introduce a Development Management Guidance Note for Planning Obligations as described in this report
- 2.4 That Cabinet delegate authority to the Assistant Director: Law, Democracy & Public Protection to seal or sign any documents necessary to give effect to the above recommendations

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Priority Plan objective(s)?	
	Yes	Business Winning, Business Supporting Council
	Will the proposals impact on specific groups of people?	
	Yes	The delivery of new homes including affordable dwellings should be maintained which benefits the whole Borough. The business community will benefit from certainty in decision making.
TARGET COMPLETION/ DELIVERY DATE	March 2013 - Implementation of refreshed Business & Development Charter March 2013 - Implementation of Development Management Guidance Note	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes	The changes to processes and service enhancements proposed within this report aim to encourage business growth and property development within the Borough. This growth will have both direct and indirect financial benefits to the Council through increased Council Tax, Business Rates, New Homes Bonus and increased employment and economic activity. The enhancements to the Planning and Business Support functions will be contained within existing budgets and the potential to access third party and

		grant funding to support service developments will be maximised. The budget proposals for 2013/14 include an investment of £150,000 to support the Destination Telford programme of works which is another key theme in becoming a Business Supporting, Business Winning Council Full financial support and advice will be provided as the business cases for the initiatives outlined within this report are developed. Any financial implications will be reported as necessary. JAC 1/2/13
LEGAL ISSUES	Yes	As the report makes clear, the Business Development Charter and the Development Guidance Note set out a series of positive improvements to service and do not seek to change Planning Policy. Legal advice will be provided in respect of the proposed report to Plans Board regarding powers of delegation. Legal advice will also be provided as the Council responds to the Community Infrastructure Levy (CIL) Legislation and continues to put in place appropriate Section 106 Planning Agreements to facilitate development.
OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes	The recommendations carry no inherent risks but seek to maximise the opportunity for investors to favour Telford & Wrekin as the place to invest.
IMPACT ON SPECIFIC WARDS	Yes	Borough wide impact.

PART B) – ADDITIONAL INFORMATION

4. INFORMATION

- 4.1 In April 2012, Cabinet approved a report entitled ‘Encouraging Growth - A New Way of Working’. This recognised the challenges facing businesses and developers wishing to invest in the Borough both from global economic conditions but also those identified by investors as local barriers. The report launched a Business & Development Charter which pledged to ensure a more streamlined, consistent, personalised and supportive service to all our customers. Since its adoption in June 2012, these pledges have been embedded in new ways of working and new initiatives with a number of achievements including:
- The opening of a dedicated ‘Business & Planning’ First Point within our Wellington Office. The service is resourced by Business Support Officers and Planning Customer Services Officers providing a ‘one stop shop’ for all business, planning and property inquiries. It provides immediate access to Officers dealing with property, land, planning, development, funding for business and wide ranging business support advice all under one roof.
 - Regional recognition for the Council’s Strategic Application Workshop approach. This Project Team approach is available for all investors that are bringing forward planning applications covering all schemes. We offer ‘**free pre-planning application advice**’ relating to all issues facing investors so as to provide support and explore their ideas prior to investor’s spending money at risk.
 - Introduction of public speaking at Plans Board.
 - Implementation of a more responsive Development Management Service with faster registration, timely consultation responses and early advice on viability.
 - The implementation of the ‘Stewardship Agreement’ with the Homes and Communities Agency (HCA) which provides that the Council is the single property agent for all Public Sector commercial land assets in Telford. The Council is able to market, negotiate terms and tailor opportunities to specific business needs, providing a flexible and responsive service. Within the first three months of the Agreement we have delivered the first commercial receipt on HCA land in many years. Delivering value to the Treasury but more importantly for Telford creating 160 jobs for the Borough. As a Council we are also acquiring land from HCA to deliver speculative development and facilitate growth. Speculative development has been a key issue with the approach of managing HCA land previously; we have negotiated the removal of this restriction with interest in development increasing significantly.
 - Delivery of 800 new homes in the last year continuing a year on year increase in delivery - bucking the regional and national trend and placing the Borough in the top 10% of Authorities for growth in housing stock (2010/11) indicating yet again that confidence is returning and with national house builders showing their assurance in Telford as an investment opportunity.

- Recognition by the National Building Group and Building Magazine of the Council's performance providing a positive economic and planning environment for investment. This ranked Telford at 36 out of 379 Authorities nationally, within the top 10%, and well ahead of Shropshire (122), Herefordshire (201) and Birmingham (267). This measure is important as it provides a quick reference to investors regarding the regulatory and economic risks of investing in a particular area.

Business & Development Charter

4.2 Since the Charter was launched we have continued our engagement with business and investors and recognise that the economic conditions remain tough and we need to continue to improve the local offer and the Borough's competitiveness in line with our growth strategy. The Council is committed to a strategy for growth which will create more jobs, support services, regenerate our communities and deliver new investment through New Homes Bonus, Council Tax and Business Rates. To drive this agenda we propose to further strengthen the Business & Development Charter by revisiting and extending the pledges with a focus on ensuring development viability. The revised Charter is included at Appendix 1. This remains in draft form and will be finalised prior to Cabinet.

Increased Officer Delegation of Planning Decisions - It is proposed that Cabinet commend to Plans Board changes to the delegation of Planning Applications that would see all applications delegated unless:

- The application is accompanied by a S106 including financial contributions
- It is a 'major' application submitted by Telford & Wrekin Council
- Any application recommended by Officers for approval where there are significant levels of objection as determined by the Development Management Service Delivery Manager (SDM) in consultation with The Chair of Plans Board
- Any application recommended by Officers for refusal where there are significant levels of objection as determined by the Development Management SDM in consultation with The Chair of Plans Board
- Any application departing from Planning Policy or subject to a Compulsory Purchase Order
- Green carded by Parish or Town Councils or by Ward Members with a planning reason, as determined by the Development Management SDM in consultation with The Chair of Plans Board
- Applications submitted by Senior Council Officers and Councillors.

These proposed changes will improve the efficiency of the planning process and provide quicker resolution for investors.

4.3 **Planning Obligations** - The Charter pledges focus on ensuring the viability of development. Planning obligations play a positive role, producing quality development and creating attractive places to live, work and visit. However, nationally, the business community has delivered a clear message regarding planning obligations that they typically take too long to execute, contributions are not always transparent and policy obligations can undermine the viability of a development. The impact of this is stalled developments and homes left unbuilt impacting on communities and the loss of revenue from New Homes Bonus and Council Tax and fundamentally restricting growth.

4.4 **Affordable Housing** - Under our current policy for sites of fifteen or more units or 0.5 ha + developers are required to provide 38% Affordable Housing in Telford, 35% in Newport and 40% in the Rural area. The Telford figure has been revised to 20% for the Central Telford Area following adoption of the Central Telford Area Action Plan (CTAAP) reflecting an updated viability assessment.

4.5 Nationally levels of affordable housing delivered via S106 have been impacted by the recession. In Telford the average was closer to 25% pre 2008 and circa 15% in more recent years with specific sites on occasion attracting 0% due to extreme abnormal ground conditions and increased pressure on viability. This position was endorsed by the Council's Affordable Housing Viability Study. In response, for circa five years schemes where viability is raised as a concern, these have been subject to a viability assessment. While viability has led to a reduction in affordable homes delivered via S106, this has ensured the continued delivery of housing development locally. It also compares with Shropshire Council who use a dynamic model which currently has a 13% requirement and Herefordshire Council who require between 25% and 40% depending on area. A

robust, open and transparent viability assessment is required from the outset of scheme development so as to reflect market conditions and to ensure we deliver on our Growth aspirations.

- 4.6 **Commercial Development** - Whilst viability discussions are more common on residential development sites, speed of delivery and cost certainty at an early stage and if possible prior to land acquisition, are of equal importance on commercial developments where viability can still be undermined through large S106 contributions. An approach to calculating contributions, which also shows a direct relationship between the impact of the development and the contribution is favoured. The Central Telford Area Action Plan (CTAAP) successfully captures this approach in relation to highway contributions enabling a developer to calculate their likely contributions, even prior to land acquisition, allowing them to reflect this in land values to maintain viability. This approach has been successful in relation to the developments within Telford Town Centre.
- 4.7 It is standard for S106 agreements to contain a clause relating to indexation with contributions increasing in accordance with RPI from the point at which the S106 agreement is signed. However indexation can represent another abnormal cost for developers, especially in the prevailing economic climate and this also needs to be addressed as detailed in this report.
- 4.8 **CIL** - The Government has responded to investors concerns with planning obligations by allowing Councils to introduce the CIL. CIL is a single charge or tariff, based upon a predetermined level of contributions for education, open space and highways, intended to give both the developer and Council greater certainty when considering development proposals. Local Authorities can choose whether or not to introduce a CIL and can continue to use Section 106 Agreements. The development industry's view of CIL is mixed with some welcoming the transparency and certainty of a clear set of charges but with the majority concerned at the viability and inflexibility of tariff levels. Nationally a north/south divide has emerged with few authorities in the Midlands/North (aside from pilots such as Shropshire Council) finding a CIL viable to implement at this point. Locally, there are a number of factors which are relevant to considering the introduction of CIL. These are:
- TWC currently has around 11,000 residential plots with planning permission that are unimplemented and are CIL exempt (CIL cannot be retrospective). On current build rates that represents many years supply.
 - Recent analysis indicates that low sales values and high abnormal costs make it unviable to impose a CIL charge on the majority of development in Telford.
 - Affordable housing is not part of CIL and as such there would still be a need to negotiate an additional S106 for this contribution.
- 4.9 The introduction of CIL would require a formal change in policy. At this stage it is not considered that CIL offers a viable alternative to S106 for the summary reasons mentioned above. However this position will be kept under review and when and if it is considered to be viable CIL preparation will run in line with the work underway to prepare a new Local Plan – Shaping Places. An assessment would need to follow examination of the Local Plan anticipated in 2014/15 (see separate report on Cabinet agenda). Similarly changes to adopted affordable housing policy, including % requirements, will be considered through the preparation of the Local Plan.
- 4.10 However in the immediate term the Council wishes to be proactive in addressing investors concerns and to maintain a positive reputation with the development community and establish the Borough as an attractive, competitive investment opportunity for new investors. It is therefore proposed to publish Development Management Guidance on Planning Obligations as detailed in Appendix 2 which will support and enable the effective implementation of adopted policy and the delivery of viable development.

Development Management Guidance Note – Planning Obligations

- 4.11 A draft of the Guidance Note on Planning Obligations is included at Appendix 2. This does not replace adopted policy but aims to ensure a clear, consistent approach to considering viability, provide greater clarity on LA expectations and embed strong governance of S106 negotiations. In summary the note proposes:
- The formalisation of the process for undertaking viability assessments for any development where there is a concern that the required level of planning obligations cannot be met. Developers will submit their assessment using a standard template (Note A in Appendix 2) and the Council will review and respond to the submission of a formal viability assessment within 10 working days.

- While on-site provision remains the preference, for schemes in Telford of less than 50 units, where robust evidence through viability assessment indicates it acceptable, a commuted sum may be accepted in respect of all or part of the affordable housing requirement.
- Schedules of rates and agreed formula in relation to contributions particularly in relation to drainage, open space, leisure and education will be made available for investors to calculate anticipated obligations prior to taking forward schemes and spending money.
- A Planning Project Manager will be allocated to every scheme to lead on negotiations on behalf of the Council and to coordinate all input to respond to the investors in a timely, open, clear and transparent way and at all times providing the highest quality customer service.

4.12 **Commuted Sums** - The Guidance Note refers to a commuted sum in respect of affordable housing. In line with adopted policy and National Planning Policy Framework (NPPF) the Council will seek on site provision unless robustly justified. The Council's aim is to deliver wide ranging choice of high quality homes, to widen opportunities for home ownership and create sustainable, mixed communities. It is recognised that in Telford, on small sites (50 units or less) which lack economies of scale, a commuted sum may make the difference between a site being delivered or being left undeveloped.

4.13 The commuted sum must be applied in order to deliver affordable housing. This may be through pooling of contributions to deliver a scheme although the Council also intends to explore the potential to apply sums to bringing long term empty properties back into use.

4.14 With the reduction in delivery of affordable homes via S106 nationally, Government are channelling grant directly to Registered Providers via HCA. Our local Registered Providers are mid way through a four year programme of investment and the Council will continue to work proactively to identify sites, support delivery and create opportunities for investment. The first of the 'Small Sites Programme' of affordable homes being built through a partnership between HCA, TWC and Bromford, is on site and will deliver 200 homes over the next two years.

Supporting All Our Businesses

4.15 Adding to the pro business, pro investment changes outlined in previous sections the Borough's offer will be further enhanced by our new Business Support Service. Charged with providing effective support to all existing businesses and business start ups, building the profitability and sustainability of the business community and raising the profile of the Borough, the new service will offer:

4.16 **Account Management** - A new business facing approach which will see all Business Support Officers (BSO's) act as client or account managers for businesses ensuring a joined up, consistent, responsive approach to business needs from services across the Council. This will also add value for services across the organisation needing to engage with the business community. For example, with the rolling out of the flex card scheme to businesses, or where a service wishes to offer a service to business, BSO's will be able to advise, help promote the scheme and where appropriate make introductions to businesses or business networks who they know will be open to this type of opportunity.

4.17 **Meeting Business Needs** - Through regular contact with and market intelligence from businesses, we will determine ongoing business needs, identify barriers to growth, and working with partners, develop creative and effective solutions to enable growth and business success in the borough. As an example, skills gap analysis is already underway, with contact being made with 'every' business across the borough to determine their skills needs. This will culminate in the development of an action focussed employer's skills plan and through engagement with providers will ensure Telford's businesses have access to people with skills that meet their business needs and we are equipping our young people to find jobs in the Borough.

4.18 Face to face contact is always the preferred method of communicating with and supporting businesses, however we recognise that different methods are needed based upon business requirements and we are enhancing our approach through social media, website, e-newsletter, networking and printed materials available to the business community making it easy for them to engage with us in a method appropriate to their needs so we can provide support as needed.

4.19 **Open for Business Events** - On 29 January over 100 businesses attended the inaugural Telford Business Summit delivered in conjunction with Telford Business Board. This provides a platform to

liaise with the local business community, to communicate successes achieved in facilitating business growth, promote business networking, listen to business needs and to outline future plans.

- 4.20 In Spring/Summer 2013 a series of further events are planned to launch Telford as 'Open for Business'. The target audience for these events will be existing local businesses who we want to excite about the future of the borough but also intermediaries such as the development community who we want to bring their clients to the borough, and new businesses and investors to whom we want to showcase what Telford has to offer for them and their staff. The programme will include events in Telford and Birmingham.
- 4.21 The annual Telford Enterprise Week focuses on promoting entrepreneurship, business start up and business growth. The recent event in November 2012 engaged with and supported over 250 local businesses and won an award for 'High Impact' from the organisers of Global Entrepreneurs Week. 2013's event will build on this success and deliver even more benefit for business.
- 4.22 **Funding for Business Growth** - Access to finance remains a concern for many businesses locally. Working with the Marches Local Enterprise Partnership (LEP) we have secured ERDF funding to provide tailored business support to business and business start ups locally. In addition a range of other projects and funding opportunities are directly or indirectly enabling business growth in the borough. This includes Redundant Buildings Grant, Capacity Funding (to undertake research into the opportunities in the Advanced Manufacturing Sector), investment in tourism and Growing Places Funding which is supporting the delivery of the Box Road Project.
- 4.23 The Small Business Loan Fund delivered through Impetus and the Council will lead to the allocation of £400,000 investment into businesses in the Borough. This provides a model for future investment to support business and development locally. In addition the Council is considering how it can support business through investing in certain markets and offering direct support to businesses in preparing bids for funds.
- 4.24 Local Enterprise Partnerships (LEP) are the geography of choice for Government to channel investment to drive growth. As part of the Marches LEP T&WC, working with the Telford Business Board, will look to drive the delivery of an effective Growth Plan for the LEP that ensures that both LEP wide and Borough investment priorities are delivered.
- 4.25 Changes to Business Rates to be introduced in April 2013 could offer opportunities to attract business and investment and to raise revenue. The Council are currently exploring options to offer incentives which could be on an area or sector basis to attract and retain businesses locally ensuring we are able to compete with neighbouring Enterprise Zones. In addition a central element of our offer to investors is a commitment to consider flexible finance packages including, for example, rent free periods and deferred payment arrangements tailored to the business requirements.
- 4.26 **Destination Telford** - Success depends to a large degree on image and perception. Working with partners Destination Telford is a new Programme to promote the Borough's unique selling points and establish a new way of working for the whole Council to raise the profile and reputation of Telford to all of its audiences – businesses, potential investors, residents and visitors. This will be achieved through enhancing the promotion of Telford's strong proposition and making continual improvements to the 'product' of Telford. The later will include actions across the Council ranging from improving gateways, addressing signage, investing in our older Industrial Estates to focussed lobbying around road and rail priorities and maximising the offer from our Town Park facilities and significant events programme. Details regarding the Destination Programme will be the subject of a separate future report to Cabinet. A budget allocation of £150k has been included in the budget strategy for 2013/14.
- 4.27 Telford & Wrekin offers a complete package for investors which are unique in the West Midlands – we have the location, networks, skilled workforce, land, quality housing, education and lifestyle offer set to be further enhanced in the next 12 months with the completion of major developments such as Southwater in Telford Town Centre. Fundamentally however we offer a 'can do' and an 'open for business' approach. The changes proposed in this report strengthen that offer – removing more red tape, addressing economic conditions, ensuring we can compete for business and investment and vastly improving the quality of support to existing and new investors.

5. **PREVIOUS MINUTES**

Cabinet – 24 April 2012 - Encouraging Growth – A New Way of Working -

6. **BACKGROUND PAPERS**

None

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Business & Development Charter

Invest in Telford... What we can do for you

‘One Stop Shop’ - Open for business
Through our Business & Planning First Point we offer a range of services tailored to suit your business needs. Whether you are thinking of starting up your own business, expanding your business or developing in the Borough, our team of experts in inward investment, property, regeneration, housing delivery, planning, building control, recruitment, funding, procurement, legal and marketing can help, support and advise you.

■ Personal Service

We will provide you with a dedicated point of contact to cover all your needs so as to ensure a seamless and quick response.

■ Accessing Finance

We will provide you with an in house bid writing and advisory service, as well as access to a range of funding streams, to help start up and develop your business.

■ Business to Business

We offer a regular programme of business events and introductions to networks, run by businesses for businesses to provide support, advice and networking opportunities to new and existing companies.

■ Spend Local

We will develop and host a database of business services covering all business in Telford which will be a free of charge facility to encourage local procurement.

■ Development Planning

We will maintain an up to date Development Plan that gives you certainty on development opportunities and supports investment and growth.

■ Free and Timely Pre Planning Advice

We will provide you with free planning advice as well as a free development viability appraisal prior to you submitting a formal planning application.

■ Getting Your Application Validated and Registered Quickly

We will check your planning application prior to submission and then validate it within three working days.

■ Speeding up the Decision Making Process

We will delegate the decision on as many planning applications as possible in order to speed up the decision making process.

■ Cost Certainty Regarding Planning Obligations

We will publish a clear, transparent and viable system of planning obligations and can provide S106 template to ensure we complete the S106 agreement within six weeks of planning approval.

■ Relief on Indexation

We will waive indexation on financial contributions in a S106 agreement if development commences within 12 months of the date of the agreement.

■ Speeding up the Discharge of Conditions

We will reduce the number of onerous planning conditions, especially pre commencement conditions which can undermine funding agreements.

■ Support with Building Control

We will actively encourage early engagement with our team of experienced building control officers and will offer 15% discount on Building Regulations where this is sought at the same time as planning.

■ Responsive Property Service

We will arrange property viewings within 24 hours of your initial enquiry and will, upon request and subject to other consents, get you into the property within 48 hours.

■ Flexible Property Terms

We will offer flexible lease terms to suit your business and property needs and adapt these in response to your expansion plan whilst being transparent at all times in the costs and charges due under a lease/licence.

Appendix 2 - Development Management Guidance Note - Planning Obligations

Responding to the economic downturn and creating the conditions for the continued growth and regeneration of the Borough is a top priority for the Authority. Planning has a key role to play in achieving these ambitions guiding development, creating attractive places to live, work and visit and enabling the provision of infrastructure to support growth. The Council is committed to providing the conditions for growth including ensuring the viability of development. For circa 5 years the Authority has successfully addressed investors concerns with the viability of delivery of sites through the use of viability appraisal. This has maintained the delivery of housing schemes in the Borough. Although this flexible approach has been in place for some time, given the continued economic downturn and reflecting the requirements of the National Planning Policy Framework (NPPF), the Authority is now formalising its approach to viability.

In addition the Council recognise the need to provide investors with as much cost certainty regarding planning obligations, at as an early stage as possible and to ensure negotiations with the Council are coordinated and decision-making is timely.

Telford & Wrekin Council is currently preparing a revised Local Plan – ‘Shaping Places’ that is anticipated to be adopted in early 2015. The introduction of a Community Infrastructure Levy remains under review. The Local Plan and any related CIL will recommend appropriate changes to policy in relation to planning obligations and affordable housing considering the viability of development. In the interim this ‘Guidance Note’ provides advice on planning obligations usually contained within a Section 106 Agreement. The guidance does not establish new planning policy. Adopted policy is set out in the Core Strategy, Central Telford Area Action Plan (CTAAP) and saved policies from the Wrekin Local Plan.

Affordable Housing

In line with adopted policy the following % of affordable housing will be sought:

- Telford – 38% or 20% for sites within CTAAP
- Newport – 35%
- Rural Area – 40%

Where viability is identified as a concern in achieving the Policy position, a viability statement will need to be provided. Information must be submitted using a standard template (Note A detailed below) and the Council will review and respond to appraisals within 10 working days.

While on-site provision remains the preference, for schemes in Telford of less than 50 units, where robust evidence through viability assessment indicates it acceptable, a commuted sum may be accepted in respect of all or part of the affordable housing requirement

Other Planning Obligations

Developers are encouraged at an early stage to access our schedule of rates and agreed formula which will be available on our web page and as part of pre application advice in order to assist with calculating anticipated obligations and to maximise cost certainty, they will cover:

- Drainage
- Open Space
- Recreation
- Education

In relation to Highways contributions these will be calculated on an open book basis. Sites within the CTAAP area will continue to have contributions determined by the adopted formula model.

Template S106 Agreements will be available on our website and through pre application discussions. Applications and the level of contributions will vary in scale, location, ground conditions and a range of other factors. All potential applicants and investors are encouraged to approach the Development Management Team at the earliest opportunity to seek free pre application advice. From pre application stage a dedicated Development Management Project Manager will be allocated who will lead on behalf of the Council in relation to all aspects of negotiation of S106 Agreements. The Project Manager will coordinate a team approach ensuring all relevant issues are addressed at the outset.

Note A - VIABILITY APPRAISAL SUMMARY - Residual Model

Site Name.....

1. REVENUE or SALES

Gross Development Value (GDV) of all units

2. TOTAL COSTS

- 2.1 Acquisition Costs inc Land or Site value, Stamp Duty, legal fees, etc
- 2.2 Construction costs including Contingency, Abnormals, S106, etc
- 2.3 Professional Fees
- 2.4 Marketing and Letting including Disposal Fees of legal & agents
- 2.5 Finance Costs

3. PROFIT (GDV less TOTAL COSTS)

- 3.1 Profit on Total Costs %
- 3.2 Profit on GDV %

Appraisal Models available:

- 1. Commercial software such as Argus Developer Version
- 2. Planning Advisory Service guidance on Viability with suggested models
<http://www.pas.gov.uk/pas/core/page.do?pagelid=575110>
- 3. HCA Development Appraisal Tool (free to download from HCA website)
<http://www.homesandcommunities.co.uk/ourwork/development-appraisal-tool>