Matlock
TOWN COUNCIL

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Tuesday 22nd June 2021

Dear Sir/Madam

I write on behalf of Matlock Town Council.

Re: Planning reference number 18/01242/EIA
William Davis Limited, land between Sandy Lane, Bent Lane and Gritstone Road, Matlock, Derbyshire

Matlock Town Council has reviewed the additional documents provided by the applicant and placed on the Derbyshire Dales District Council planning database on 5th May 2021. Comments on those documents are provided as attachments to this letter. In addition, Matlock Town Council notes the submission from Matlock Civic Association, dated 29th May 2021.

Matlock Town Council initially raised its objection to this site in the consultation stage and stand by their comments made in the letter dated 22 January 2019. Matlock Town Council believes that this application should be refused, due to the many technical issues arising from the use of the proposed site for built development. Unless those issues are addressed, Matlock is likely to suffer greatly.

Further, if the development is approved, Matlock Town Council requests that Derbyshire Dales District Council ensure that the requested S106 contributions are made by the developer and that 30% of the housing is affordable.

Please find enclosed responses on the following areas:

- Appendix A- Financial Viability Assessment
- Appendix B- Environmental Impact Assessment
- Appendix C- Residential Travel Plan

Yours faithfully

S. C. Smith.

Susan Smith
Town Clerk

Appendix A- Review of the Financial Viability Assessment (FVA), 13th May 2021 by Matlock Town Council

This review concerns the Financial Viability Assessment prepared by Highgate Land and Development dated 13th May 2021 for William Davis in support of its application to develop land off Gritstone Road and Pinewood Road, Matlock.

It is our understanding that this viability assessment is evidence presented by the applicant for its discussions with the LPA leading to an agreed level of affordable housing and S106 contributions that enable the development to go ahead with a reasonable risk premium (profit) for the developer. We understand that the LPA is conducting its own appraisal that will also be used in such discussions.

The viability assessment submitted by the applicant suggests that the proposed development is not viable given the proposed level of investment in affordable housing (15%; half that required by the Local Plan), and requested S106 contributions towards local community assets and services.

Although not strictly a Planning Application matter it is noted having reviewed the Viability Assessment calculations, we are concerned that the applicant appears to be showing that the proposed development would still be unviable even if no affordable housing was provided and if no S106 contributions were made.

Our concerns

We are concerned that any watering down of affordable housing and S106 contributions will lead to a loss of amenity to the Matlock community including the new residents in the proposed development. This loss will be felt in the following ways:

- Loss of housing for people who work locally and are subject to the wage rates prevalent in the Derbyshire Dales, which make houses at market value unaffordable.
- Crowded schools or loss of school places in local schools leading to inferior education or a need for children to commute to more distant schools, rather than walk to their nearest school.
- Delays in obtaining medical treatment in local doctors' surgeries and the possibility that the nearest surgery for new patients is a car or bus ride away, making access for sick patients and those without transport difficult.
- More crowded sports and recreational facilities.
- Road delays through additional traffic without the necessary road modifications.

These are real losses to the local community that will endure until central government allocates additional funds for schools, doctors' surgeries, social housing and roads.

The minimum value of this S106 amenity is £4.535 million, the cost of providing the additional facilities and services. However, if not provided, the lost amenity is considerably more since the value of those facilities and services will be substantially greater than the cost of provision.

We have not attempted to value the amenity provided by affordable housing. However, the transfer values set out on page 22 of the Viability Assessment are clear and would enable any loss to the applicant to be calculated. This loss is equivalent to a lowest bound for additional amenity attributable to affordable housing.

The Cushman & Wakefield (C&W) viability assessment undertaken for the Local Plan

The Highgate Viability Assessment refers to an assessment of the Gritstone Road site undertaken for the Local Plan conducted by Cushman & Wakefield (C&W) in a report entitled "Local Plan and Community Infrastructure Levy Viability Study" dated 14th December 2016. The Highgate Assessment notes that no estimate of Section 106 contributions was made in the C&W assessment. Highgate notes, also, that as is to be expected many cost and value assumptions have changed over the last five years.

Comments on the Highgate Viability Assessment

The Highgate assessment adopts the Benchmark Land Value (BLV) assumptions used by C&W that were based on consultation with developers and land owners in Derbyshire Dales. C&W determined that the BLV for sites in Derbyshire Dales was in a range from £200,000 to £250,000 per acre. The Highgate assessment of the BLV for the 27.58 acres of land to be built on was estimated using the higher of this range of values (the report states that it uses the lower, but that is incorrect). On this basis, the value of the development site is £6,895,000. The Highgate assessment also estimates the value of the additional 30.73 acres assigned for the Country Park using an Existing Use Value (EUV) of £10,000 per acre yielding an additional £307,300. Therefore the total land value before development of any kind is £7,202,300. Looking at this value in another way, the Existing Use Value of that land is estimated as £583,100 and the premium paid by the developer to the landowner is £6,619,200 in addition to that value.

This method of assessing land value assumes that all land has the same value to the developer. However, all things being equal, the value of the land to the developer is determined by the value when it is sold in the form of housing and the cost of developing that land. Clearly, land that is ideal for development will require the minimum of work to turn it into serviced land suitable for building on. It might therefore be considered to be more attractive to a developer since with only minimal development costs, the developer's profit would be greater. The more work needed to adapt the land for building the greater the cost and hence the less attractive that land would be to a developer. Therefore, the more costly the adaptation of the land for building, the lower the propensity of a developer to pay a premium for the land. Land with high development costs should therefore sell at a lower price than land with low developments costs.

Similarly, any obligations placed on a development site might be considered to reduce the value of the land to the developer. In this case the target of 30% affordable housing and S106 payments might be considered to be obligations that may reduce the value of the land.

A discussion of the premium paid to the landowner in relation to the cost of adapting the land for building and the obligations placed upon the applicant, is not present in the Highgate Viability Appraisal. Indeed, it hints that a price has already been agreed with the landowner based on the Local Plan assumptions.

Rather, the Viability Appraisal appears to place the onus on the LPA to reduce the requirement for affordable housing and S106 contributions to ensure the viability of the development. This may well be customary but we argue that it is not fair to the community. If the LPA foregoes these obligations, the loss of value to the Matlock community will be at least £4.535 million in comparison with a premium paid to the landowner for change of use of £6.62 million. On the one hand a community loses amenity. On the other hand a landowner makes a capital gain on the basis of a planning decision.

Matlock Town Council, as a representative body for the community of Matlock, objects to what is effectively a transfer of value from the community to a landowner. Matlock Town Council therefore requests that Derbyshire Dales District Council does not negotiate away the S106 contribution to the additional infrastructure and services required as a consequence of this development, and of the affordable housing obligation which is so necessary to ensure housing for local people.