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Council

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29 July 2025

Dear Rachael

Viability Assessment – Land at Hogshaw Farm, Buxton, High Peak

I am writing following receipt of the Viability Review undertaken by Fisher German (“FG”) on the Council’s behalf, issued in January 2025 following submission of the Roger Hannah (“RH”) Viability Assessment dated August 2024 on the Applicant’s behalf. This is in relation to the application (ref: HPK/2023/0192) for the development of 99 residential dwellings.

Roger Hannah’s viability assessment concluded that with full policy compliant provision of affordable housing at 30% and S106 contributions, the scheme is unviable, because it generates a significant negative land value. Roger Hannah, however, concludes that the scheme is viable on a 100% market sale basis with no affordable housing and no S106 contributions.

The full Viability Assessment report and accompanying Executive Summary that we produced is available on the planning portal. This sets out the evidence base and assumptions adopted to assess scheme viability in line with the required planning and professional guidance.

In their assessment on behalf of the Council, Fisher German undertook a review of the Viability Assessment we produced as per the requirements of the planning and professional guidance. They agreed with Roger Hannah that the scheme is unviable with policy compliant affordable housing provision at 30%. Fisher German proceeded to undertake an alternative scenario to calculate the maximum contribution for the scheme, i.e by reducing the number of affordable units to produce a viable scenario. In doing so, their assessment concluded that the scheme can support a reduced affordable housing contribution of 12 units (i.e. 12%) and a commuted sum payment of £155,028 towards S106 contributions.

There are areas of agreement between the parties and areas of disagreement, which is typical in a viability review process as there can reasonably be differences of professional opinion. Whilst Roger Hannah and the applicant do not agree with all the assumptions adopted by Fisher German acting on the Council’s behalf, the applicant has accepted the findings reported by Fisher German in order for the scheme to progress to committee. The applicant’s agreement has been conveyed to both Fisher German and the Council.

We would highlight that both viability assessments have been undertaken in compliance with the relevant NPPF and PPG guidance. In particular viability has been undertaken at a site-specific stage due to the following reasons:

- The adopted Local Plan evidence base in respect of viability is considered out of date
- Additional information is now available in respect of infrastructure or sites costs, compared to the assumptions adopted at the plan-making stage

The Council’s Local Plan Viability assessment was adopted in April 2014, which is 11 years out of date. The site-specific viability assessment was undertaken in August 2024 by RH. It is therefore not appropriate to assume that the relevant markets have remained the same since 2014.

The viability of the proposed scheme has therefore been assessed at the relevant date in August 2024 which is the date of the report and informs current values and costs. The guidance on how viability is assessed has also changed since this date, with the recent PPG guidance largely coming into effect in 2019.

Viability assessed at the Local Plan stage is high level and does not take into account site specifics. More detailed site due diligence has been undertaken by Barratt Homes regarding technical constraints and abnormal costs which would not have been assessed at the Local Plan viability stage, and this has impacted on the viability of the site.

We would also reiterate that Roger Hannah's viability assessment has been assessed by the Council's assessor (Fisher German) and Barratt Homes have agreed with the conclusions of Fisher German in order for the scheme to progress. The Council's own assessor, acting in compliance with the guidance, has concluded the scheme is unviable with full policy compliant levels of affordable housing and S106 contributions.

We would comment that following the submission of the viability assessment, the Council has pointed out an error in the site area reported in the viability assessment. The correct gross site area measures approximately 5.6 hectares (13.84 acres). The net developable area remains the same. Given this change, we have recalculated the benchmark land value using the methodology detailed within the viability assessment. Our reassessed benchmark land value is £1,718,640 compared to a residual land value of £1,687,466 for the proposed 100% market sale scheme with no S106 contributions. As the revised benchmark land value is only marginally above the residual land value for the scheme, we can confirm that the conclusions within the submitted viability report remain the same in that the proposed scheme on a 100% market sale basis is marginally viable and the scheme tested on a policy compliant basis is unviable. The change in the site area has no other impact on appraisal assumptions.

Despite the above Roger Hannah viability conclusions, the applicant is willing to progress with the scheme based on the conclusions within the Fisher German viability report.

Kind regards

Jessica Mistry MRICS
Associate Director
Land & Development

For and on behalf of
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