

# **Lynton & Lynmouth Neighbourhood Plan**

## ***The Lyn Plan*** ***2013 - 2028***

***Examination Version***

**March**  
**2013**



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# 1 Introduction

1.1.1 This is the Neighbourhood Plan for the parish of Lynton & Lynmouth, containing the settlements of Lynton, Lynmouth & Barbrook<sup>1</sup>. We are a strong, self-reliant, living and working community on the Exmoor coast, fortunate to live in a stunning local environment. The parish is relatively remote, yet has the largest population of any parish on Exmoor. It is a centre for employment and services for those who live and work here, and for smaller surrounding settlements. We know the importance of and are well used to looking after ourselves and solving our own problems. This a Neighbourhood Plan is an important way of doing this.

## 1.2 The Plan

1.2.1 We need to secure a strong future for ourselves. Supporting the local economy and providing more affordable homes for local people are our priorities. We need to retain and attract more young people and families, and be somewhere new businesses come to. A strong community and local economy underpins the services we rely on.

1.2.2 This is a positive Plan for our future. We need sustainable development and growth to meet the needs of local people, businesses, and our many visitors, to underpin and add to the assets the community needs and values. We need to create opportunities for the community and local economy to be stronger and to prosper.

1.2.3 The Plan will enable the change we need whilst protecting what we hold dear about this place. It is a Plan specifically for this parish, put together from what local people and businesses have said they need and want.

1.2.4 We live and work in a National Park. This means that large scale new development is not allowed, and that the environment around us is strongly protected for us and visitors. This means that we need to make the best use of the more limited opportunities we have for development and growth. The environment around us is also one of our greatest assets, and we need to find new ways of capturing its benefits for the community and local economy.

1.2.5 Lynton, Lynmouth & Barbrook are special, beautiful places to live and work. New development and growth should enhance these qualities, making positive contributions and maintaining a good mix of uses. New development should provide things we need and want, but not mean that we lose things of existing value and importance to us – overall we should gain.

1.2.6 The Plan has three sections:

- **Environment**
- **Economy**
- **Community**

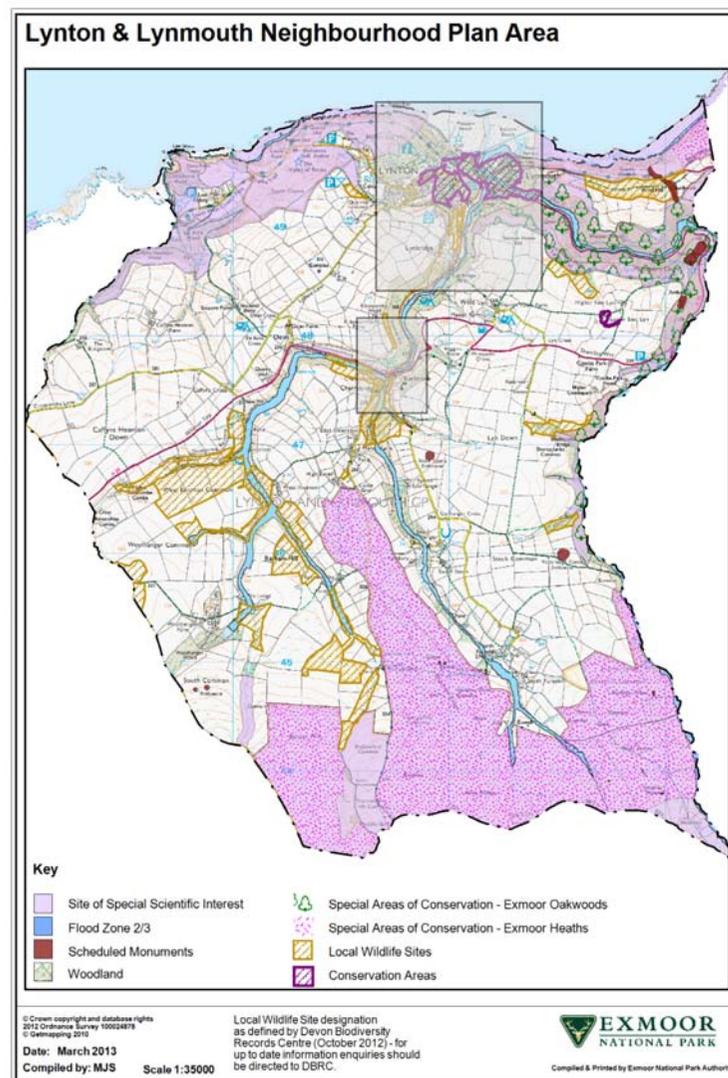
1.2.7 However the Plan is based on the central understanding that they are all closely linked. The local environment is our greatest economic asset, without a strong economy we cannot have a sustainable community, and if the community cannot meet its needs the economy will suffer. We are a small community and all see these linkages every day. Sustainable development here will meet our needs and create opportunities that are good for our economy, community and environment *at the same time*.

1.2.8 This Neighbourhood Plan will have effect over the 15 year period 2013 – 2028. A map of the area covered by the Neighbourhood Plan is below.

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1 Referred to in the Plan as 'the settlements'.

1.2.9 *The Plan contains detailed policies addressing issues of importance for the local economy and local community, because we need some different policies here to those in force in the rest of the National Park<sup>2</sup>. However, it does not contain similar detail for the protection of the local environment. This is because the Plan is able to rely upon the current adopted Exmoor National Park Local Plan and the emerging Local Plan, regarding the protection and enhancement of the natural environment, cultural heritage and the historic environment, and tackling and mitigating climate change (including reducing greenhouse gas emissions and taking account of flood risk), as these are issues we share with the rest of the National Park.*



2 The development plan for the National Park includes the adopted Exmoor National Park Local Plan and the Joint Somerset & Exmoor National Park Structure Plan Review. The emerging Local Plan, once adopted, will supersede both documents.

## 1.3 Objectives

1.3.1 The diagram of the Lyn Plan Objectives captures the Plan's overall objectives for the local economy, the community and the local environment, and the overall objective for the Plan which all development and growth is expected to support. These overall objectives are embodied in the primary policy of the of the Plan – P 1 - which sets out what new development<sup>3</sup> in Lynton & Lynmouth should make positive contributions to.

### **P 1 – Overall Objectives for New Development**

**New development which will be expected to make positive contributions to one or more of the following overall objectives for new development:**

- **delivering sustainable development and growth to enhance the self reliance of the local community and economy**
- **meeting known economic and social needs**
- **creating opportunities for the local community and economy to be stronger and to prosper**
- **underpinning and adding to the assets of the community**
- **making the most of and protecting the special environment in which we live for residents, visitors, and local businesses.**

1.3.2 We are relatively isolated, so if we can meet our needs better and create opportunities which will help us prosper, we can become more self reliant to better secure our future. Building up our assets is a critical part of this. Appreciating that our local environment is central to our quality of life, and one of the main reasons of visitors and businesses come here, means that we need to protect and enhance it for us enjoy and to increase the ways our visitors can enjoy it too, which will also support the local economy.

1.3.3 How best to meet these objectives will vary from site to site and over time. This Plan needs to be flexible and responsive enough to take account of this to ensure that the development we want and need is viable and deliverable to allow positive progress.

1.3.4 Each section of the Plan – Environment, Economy, and Community - contains additional specific objectives and policies for different sorts of development which add detail to the Plan's overall objectives. If a particular proposal is not well covered by the detailed objectives and policies of the Plan then reference should be made to the Plan's primary policy – P 1<sup>4</sup>.

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<sup>3</sup> New development includes new build, change of use and conversions.

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<sup>4</sup> And the policies of the Exmoor National Park Local Plan.

# Lyn Plan Objectives

## ECONOMY

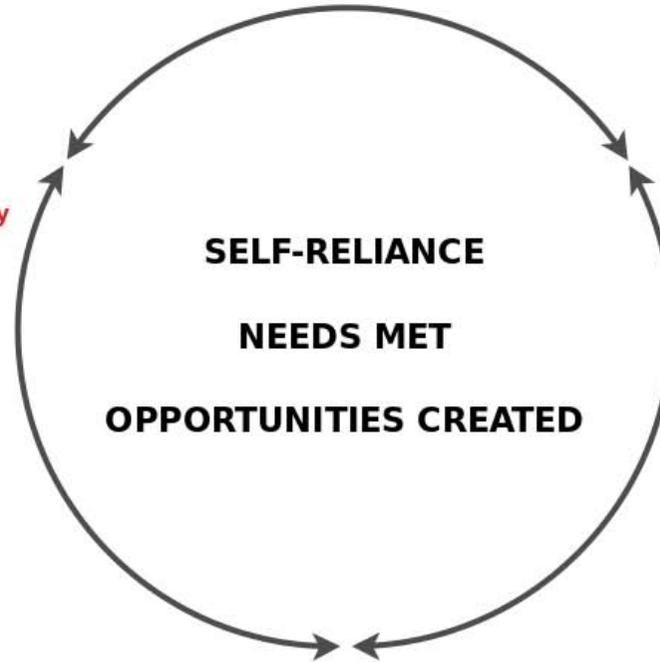
**Broad support for a strong local economy**  
**- essential for a sustainable community**

Flexibility  
Responsiveness  
Innovation

Tourism  
- strengthen  
- diversify  
- consolidate

Bedrock / crafts  
- better / flexible business space  
- storage

New enterprises



## COMMUNITY

**Protect what we have**  
**Meet needs we have**  
**Create opportunities for us to be stronger**

Housing  
- affordable homes for locals  
- living homes  
- accomodation for staff & seasonal workers  
- no more second homes

- opportunities for younger people  
- viable development proposals

Services / facilities  
- protect / enhance what we have  
- underpin and add to community assets

## ENVIRONMENT

**Protect and enhance this unique place**  
**- the key asset for visitors**  
**- critical for local quality of life**

Reuse and infill  
Protect community open spaces

## 2 Viability and Deliverability

- 2.1.1 For the Plan to positively bring forward the development we need and want, proposals need to be viable and deliverable. For the Plan to be flexible and responsive enough to promote sustainable development and growth consideration of the viability and deliverability of development needs to be built into the Plan's overall approach and detailed policies.
- 2.1.2 Viability is about whether proposals are financially able to proceed. Viability therefore varies from site to site, and development to development, and over time.
- 2.1.3 Deliverability is about whether proposals are practically capable of proceeding.

### 2.2 Viability

- 2.2.1 The viability of development is a simple concept – if the cost of development (including the price of the land and necessary borrowing) is less than the value of the development (sales, the value of rental streams and any available grant or other funds) then the development is viable and likely to go ahead.
- 2.2.2 For a given site the mix of types of development has a strong impact on viability. Affordable rented housing and new development for community use generally have low values. Housing for sale and commercial development have higher values. What combination of uses is sought can therefore determine whether the development of a site is ultimately viable. For sites with existing uses and development this is particularly important as these increase the existing value of the site and so the overall cost of its redevelopment.
- 2.2.3 The approach this Plan takes to the viability of a development is that to be acceptable it should be **fair to all parties** – the landowner should be fairly rewarded, the developer should make a fair profit, and the benefits the community receive are also fair. This last point is an important one. In certain cases more profitable types of development may only be allowed because they can provide cross subsidy (2.3) to enable the development the community needs. It is therefore of central importance that the maximum amount of such profit is received by the community whilst the land owner and developer also receive fair reward.
- 2.2.4 This can be ensured through an **open book** approach to viability – where the viability assessment is available to be checked by all as a central part of the planning application. Local planning authorities are able to insist on this.
- 2.2.5 With this approach everyone can be satisfied a proposal should be allowed because it maximises benefit to the community and local economy and is also financially capable of proceeding. Alternatively everyone can also see when a proposal should not be allowed because there would be insufficient benefit for the community and local economy, or because the land owner and / or developer are expecting levels of return which are too high – this would not be fair for the community.
- 2.2.6 *Policies E2 and H3 in the Plan rely on this open book approach to viability in order to determine the acceptable type and mix of development within proposals.*
- 2.2.7 *Detailed guidance on the open book approach to viability required by this Plan is contained in Appendix A.*

## 2.3 Cross Subsidy

- 2.3.1 Cross subsidy is where a more profitable form of development is allowed in order to subsidise a less profitable, but necessary, type of development. This can happen on a single site, as explained in the viability section above, but can also happen where development on one site subsidises development on another site in order that both can proceed. This is called off-site cross subsidy.
- 2.3.2 This Plan takes a positive approach to cross subsidy on the same site, though the open book viability approach, and also to off-site cross subsidy. Where the community and local economy would receive greater overall benefits through sites being linked through cross subsidy, this can be supported by the Plan, using the same open book approach to viability, covering all sites concerned and aspects of their development. It will normally be required that all parts of this 'package' will be linked and delivered through a coordinated approach. In exceptional circumstances payments ('commuted sums') may be accepted for the delivery of off-site community benefits instead of them being delivered as part of a 'package'<sup>5</sup>.

## 2.4 Deliverability

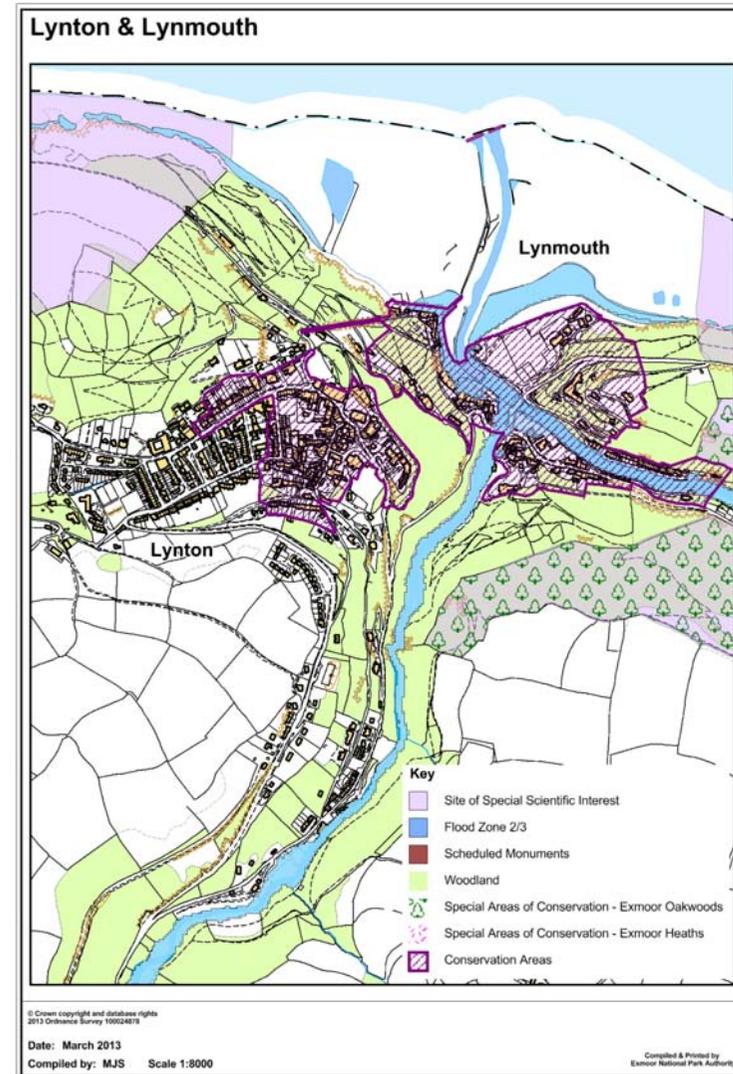
- 2.4.1 For proposals to be deliverable the site has to be available, and practical obstacles to its development, such as service connections, ground conditions and highway access need to be capable of being overcome.
- 2.4.2 If a site is failing to bring forward the development we need and want the Plan will support the delivery of that development on alternative sites if available.

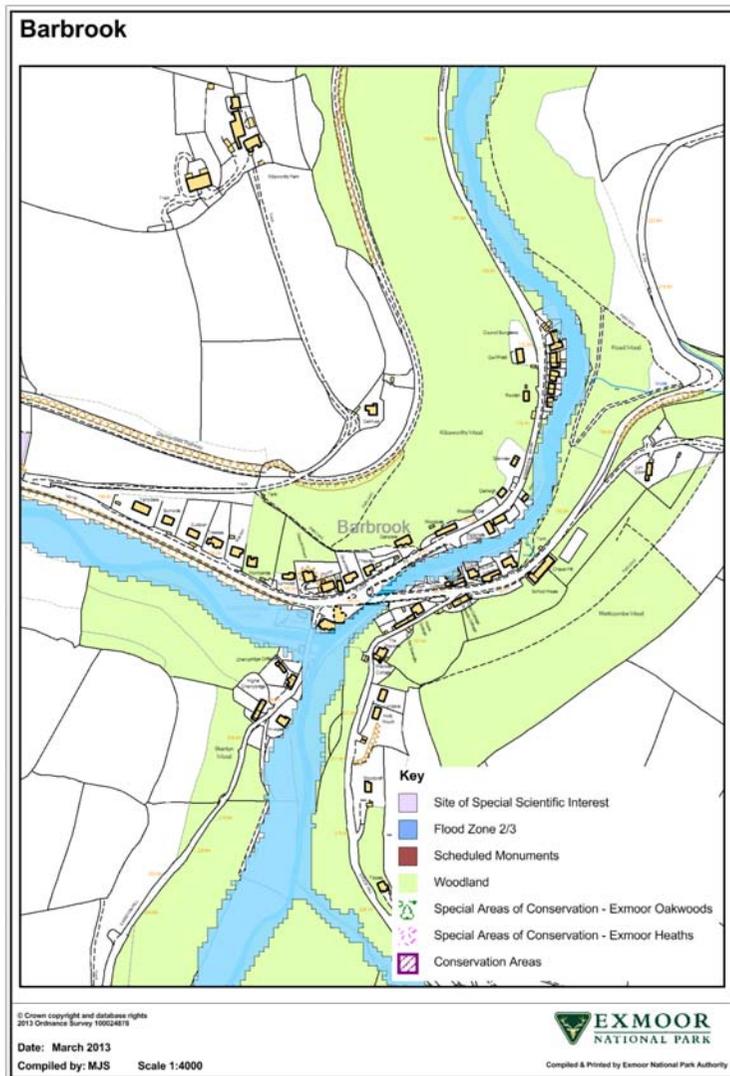
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<sup>5</sup> This will be achieved through use of a s106 legal agreement.

### 3 Environment

- 3.1.1 The natural environment that surrounds us, our cultural and historic heritage and the built environment of our settlements are some of our greatest assets – for our community, visitors and the local economy. The Plan strongly supports their protection and enhancement. Sustainable development has to be good for our economy, community and environment *at the same time*. New development and growth should respect and enhance all aspects of the environment we live and work in, making positive contributions when possible, and maintaining a good mix of uses.
- 3.1.2 The protection of the natural, cultural, historic and built environment are aspects of planning policy, nationally and for the National Park as a whole, which are well established and which the Plan does not need to repeat. This section of the Plan, therefore, concentrates on two issues: the location of development and opportunities for enhancement of the local environment.
- 3.1.3 The local environment includes natural, cultural, historic and built features of recognised importance that are shown on the settlement maps, as are areas of flood risk, which new development should avoid. Maps of the important identified environmental features and around the settlements are shown on the maps below. Areas of important open space of value to community are identified on the Exmoor National Park Local Plan proposals map.





## 3.2 Location Of Development & Enhancement of the Local Environment

- 3.2.1 Policy ENV 1 is an overarching policy for the whole Plan, directing development to the most suitable sites, and making sure that new development enhances the local environment where it can.
- 3.2.2 The community and local businesses strongly support new development on sites within the existing extent of the settlements which have been previously developed - 'brownfield' sites. This includes sites which are currently disused or still in use.
- 3.2.3 New development on sites which have not been previously developed - 'greenfield sites' - beyond the existing extent of the settlements is not well supported. Nor is the development of greenfield sites within the existing extent of the settlements which are of value to the community as open space.
- 3.2.4 On this basis the Plan will prioritise development of brownfield sites within the existing extent of the settlements<sup>6</sup>. The development of greenfield infill sites within the settlements will also be acceptable where they have no existing community use, or are not important to the character and quality of the local environment. Proposals should demonstrate how their particular site meets the priorities for locating new development, set out in ENV1.
- 3.2.5 The extension of the settlements onto adjoining greenfield sites is not generally supported by the Plan whilst the preferred sites within the settlements remain available. The exceptions to this are:

<sup>6</sup> Subject to the approach defined in the Viability and Deliverability section of the Plan.

- supporting the development of new business and storage space adjoining the settlements (Policies E7 & E8) – *because sites for these types of development may be harder to find within the settlements and also because some uses of this type may not make good neighbours for residential development*
- supporting the commercial reuse of rural buildings and land in commercial use outside the settlements – *to give additional support to the local economy within the parish*
- supporting the provision of accommodation for staff and seasonal workers at business premises outside the settlements – *as a better option than off-site accommodation.*

#### **ENV 1 - Location of Development & Enhancement of the Local Environment**

**Previously developed sites within the existing extent of the settlements of Lynton, Lynmouth and Barbrook are the preferred locations for development.**

**The development of greenfield, infill sites within the settlements will also be supported subject to the following criteria:**

- **the proposals would not result in the loss of open space used by and of value to the community**
- **the proposals would not result in the loss of open space that is important to the character and quality of the local environment**

**The extension of the settlements onto adjoining greenfield sites is not supported by the Plan whilst brownfield and greenfield, infill sites within the settlements remain available, unless the proposals are covered by policies E7 and E8 (business and storage space), E9 (rural buildings and land in commercial use outside the settlements) and H4 (staff & seasonal workers).**

**New development should enhance the local environment where possible, both through its own attributes, and how it integrates with its surroundings.**

## 4 Economy

- 4.1.1 Because of our relative remoteness and the need for self-reliance the strength of our local economy and of our community go hand in hand and have to be addressed together. Supporting the growth of a stronger local economy is a central concern of the Plan.
- 4.1.2 The key to this is clear broad support for a strong local economy - greater positivity, flexibility, responsiveness, and encouraging innovation. We are a unique place where the right sorts business should grow and flourish.
- 4.1.3 Support for existing local businesses is vital – their needs should be accommodated wherever possible and they should be encouraged to stay and grow. We also want to attract new enterprises here to boost and diversify the local economy.
- 4.1.4 Economic development proposals should only be seen as unacceptable if they would have significant harmful impacts on other matters agreed to be locally important such as the needs of the community, the needs of visitors, and local environment.
- 4.1.5 The core of the local economy is tourism. This needs broad support to make the changes needed to secure its future. Meeting the needs of local trades such as construction and maintenance, gardening, and other local services is also critical. Many local businesses are very small – this should be taken into account. We also want to attract all sorts of new enterprises including those in knowledge and technology sectors and craft and food businesses.
- 4.1.6 Some of the existing business premises are seen as poor quality or unsuitable. There is a need for new and replacement premises both within the centres of the villages and elsewhere such as workshops, storage units, higher quality offices and a business 'hub'.

- 4.1.7 On this basis the Plan's objectives for the local economy are:
- *to give broad, positive support for the development and growth of the local economy through flexible and responsive planning, and to encourage local economic innovation. Support will not be given to proposals benefiting the local economy only where they would conflict with the needs of the community, visitors, or harm the local environment*
  - *to give specific support to the local visitor economy to allow it to become stronger, to diversify, and to consolidate its resources where necessary*
  - *to meet the needs of the range of local businesses, including for quality workspace and storage*
  - *to encourage new enterprises to move to the area to boost and diversify the local economy and create new jobs*
- 4.1.8 Policy E 1 is an overarching policy for the whole of the economy chapter of the Plan, which the policies dealing with specific issues sit beneath.

### **E 1 – Local Economy**

**Proposals for economic development and premises for business will be supported, subject to the following criteria:**

- **proposals should not have significant harmful impacts on the local community or prevent them meeting their needs**
- **proposals should not have significant harmful impacts on visitors and visitor attractions and facilities**
- **proposals should not have significant harmful impacts on the natural and historic environment of the area or the built environment of the villages**

## 4.2 Tourism

4.2.1 Tourism is the core of the local economy. Strengthening, diversifying and consolidating the tourist sector is strongly supported by the Plan. Policy **E 1** provides broad support for tourism.

### Change of use of hotels & guest houses

4.2.2 Hotels and guest houses can be sources of valuable local employment. It is important to retain flexibility so that some premises can change their use as market conditions change, but might return to hotels or guest houses in future should there be demand. The Plan, therefore, supports change of use *from* and *to* hotels and guest houses and also requires that alternative uses bring other benefits to the local economy and community.

#### **E 2 - Change of Use of Hotels & Guest Houses**

**The change of use of hotels and guest houses (C1) to other uses will be supported subject to the following criteria:**

- **the alternative use will also support local tourism, including self catering accommodation**
- **the alternative use will otherwise support the local economy by providing employment**
- **the alternative use will contribute to the needs of the community – including providing affordable and principal residence housing – either on-site or through contributions to development on other sites**

- **where the hotel / guest house use provides employment in addition to the proprietors then it will be necessary for an independent assessment to demonstrate that the premises are non-viable in their current business use, or for the premises to be marketed for 12 months at reasonable value**
- **the proposals are justified by an open book assessment of viability as defined by this Plan**

### High Street Uses

- 4.2.3 The Plan supports the vibrancy and vitality of the centres of Lynton and Lynmouth, as they are essential for the local economy and also important for the community.
- 4.2.4 For a premises to change use from a shop (A1) to any other use requires planning consent. Change of use of a restaurant / café (A3) to a shop or bank / estate agent etc. (A2) does not, but change of use to any other use does.
- 4.2.5 Most shops, restaurants and cafés here serve mainly visitors, though some are also important for local people. The loss of shops, restaurants and cafés to other uses should be resisted due to their contribution to the local economy and community. However, the Plan believes that a flexible and responsive approach where the market decides whether units should be used as shops, restaurants or cafés is best here. The Plan therefore supports changes between these 'high street' uses unless there would be harmful impacts on neighbouring residents as a result of the change.
- 4.2.6 The loss of pubs and bars (A4) and takeaways (A5) should also be resisted. Their change of use to A1, A2 or A3 uses, however, does not require planning consent.

### **E 3 – Loss of High Street Uses**

**The loss of business premises used for A1, A2, A3, A4 and A5 uses to other uses will not be supported unless:**

- **it can be demonstrated that the use of the premises for these purposes is no longer viable**
- **the proposed alternative use would provide equal or greater benefits for the local economy and community than the current use**

### **E 4 – Change of Use of Shops**

**The change of use of premises used for A1 purposes to A2, A3, A4 and A5 uses will be supported subject to the following criterion:**

- **the change of use would not result in significant harmful impacts on the amenities of neighbouring residents**

### **Other Tourist Facilities**

- 4.2.7 Tourists also make use of other facilities – commercial and non-commercial – such as information centres, exhibitions and museums. The loss of such facilities to other uses should be resisted due to their contribution to the local economy and visitor experience.

### **E 5 – Loss of Tourist Facilities**

**The loss of tourist facilities to other uses will not be supported unless:**

- **it can be demonstrated that the tourist facility is no longer viable**

- **the proposed alternative use would provide equal or greater benefits for the local economy and community than the current use**

### **Temporary Uses**

- 4.2.8 The use of buildings and open spaces for temporary purposes in connection with organised events means that we can offer more to our visitors and residents. This is therefore supported by the Plan provided that the temporary use would not be harmful to the wider visitor experience or have harmful impacts on neighbouring residents.

### **E 6 - Temporary Uses**

**The temporary use of buildings and open spaces for organised events will be supported subject to the following criteria:**

- **the temporary use would not have significant harmful impacts on the wider visitor experience**
- **the temporary use would not have significant harmful impacts on the amenities of neighbouring residents**

## 4.3 The Wider Economy

4.3.1 In addition to the broad support for the wider economy given by policy **E 1** the following detailed policies are also necessary.

### Business Space

4.3.2 We have a shortage of business space of a good standard. The Plan supports the provision of additional business space and the replacement or upgrading of existing business space within the settlements, and adjoining them if no suitable site is available within them. The Plan will prevent any net loss of business space.

#### **E 7 - Business Space**

**The provision of new business space within and adjoining the settlements will be supported subject to the following criterion:**

- **the proposals would not have significant harmful impacts on the amenities of surrounding residents and other activities**
- **the proposals would not have significant harmful impacts on the surrounding rural landscape and landscape setting of the settlement**

**The loss of business space will not be supported unless:**

- **it is to be replaced with business space of an equal or higher quality on the same site or another site within the parish**
- **the proposed alternative use would overall provide equal or greater benefits to the local economy and community**

## Storage

4.3.3 Adequate storage space is important for local businesses and residents. We have a shortage of storage space for both. The Plan supports the provision of additional storage space within the settlements, and adjoining them if no suitable site is available within them. The Plan will prevent any net loss of storage space.

#### **E 8 – Storage**

**The provision of new storage space within and adjoining the settlements will be supported subject to the following criterion:**

- **the proposals would not have significant harmful impacts on the amenities of surrounding residents and other activities**
- **the proposals would not have a significant harmful impact on the impact on the surrounding rural landscape and landscape setting of the settlement**

**The loss of storage space will not be supported unless:**

- **it is to be replaced with storage space of an equal or higher quality on the same site or another site within the parish**
- **the proposed alternative use would overall provide equal or greater benefits to the local economy and community**

## 4.4 Rural Buildings and Land in Commercial Use Outside the Settlements

- 4.4.1 Opportunities to meet the premises needs of existing businesses and provide opportunities for new businesses also occur outside the settlements. This includes tourism businesses. The reuse of farm and rural buildings, and development of land already in commercial use, can strengthen the local economy, as it is better to make provision in the parish rather than further away, or not at all.
- 4.4.2 In particular, such sites can offer opportunities for commercial and storage uses which may be more difficult to accommodate within the settlements due to the lack of suitable premises or sites, and potential impacts on neighbouring residents and other uses.
- 4.4.3 The reuse of rural buildings or development of land in commercial use in the open countryside needs to be sensitive to its rural location. It should not have significant harmful impacts on the surrounding rural landscape - this may mean that isolated or prominent buildings will not be suitable for conversion. Nor should it cause traffic problems on rural roads, or conflict with agriculture and other land-based activities.
- 4.4.4 To be suitable for reuse, rural buildings should not require substantial rebuilding or extension in order to accommodate the proposed new use/s. In addition the proposed reuse should not have a harmful impact on historic and architectural importance of traditional buildings.
- 4.4.5 New development will only be allowed on land already in commercial / business use (other than agriculture and other land-based businesses) when it would deliver environmental enhancement of the site and / or result the overall landscape impact of the site being reduced.

## E 9 - Rural Buildings and Land in Commercial Use Outside the Settlements

**The reuse of farm and rural buildings outside the settlements for business purposes will be supported subject to the following criteria:**

- **the proposed reuse would not have significant harmful impacts on the surrounding rural landscape**
- **the proposed reuse would not have unacceptable impacts on the local road network**
- **the proposed reuse would not cause unacceptable conflicts with agriculture and other land-based activities**
- **the proposals would not have significant harmful impacts on the amenities of neighbouring residents and other uses**
- **the buildings concerned would not require substantial rebuilding or extension**

**New business development on land already in commercial use outside the settlements will be supported subject to the following criteria:**

- **the scale and nature of the proposals would enhance the overall environment of the site and reduce the overall impact of the site on the surrounding rural landscape**
- **the proposals would not have unacceptable impacts on the local road network**
- **the proposals would not cause unacceptable conflicts with agriculture and other land-based activities**

- **the proposals would not have significant harmful impacts on the amenities of neighbouring residents and other uses**

## 4.5 Parking

- 4.5.1 At certain times of the year the capacity of available parking and its management is a problem in Lynton and Lynmouth for visitors and residents. There are three types of parking – on-street, public car parks and private areas of parking provided for commercial premises or housing. The Plan will maintain our overall parking capacity to allow us to cope with the peak demands for parking. It also supports the provision of additional temporary parking.
- 4.5.2 However, the Plan anticipates that overall parking capacity might be provided in more efficient and better managed ways, and that new development may offer opportunities to do this. Parking concerns need not hold up otherwise beneficial proposals and new development need not reduce parking capacity or the efficiency of its use.

### **E 10 - Parking**

**Development proposals resulting in a loss of parking capacity of all types will not be supported unless:**

- **for on-street and public car parks equivalent or better capacity is provided elsewhere in the settlement**
- **for private car parks equivalent or better capacity is provided elsewhere or the need for the private parking capacity can be shown to be reduced as a result of the development proposals**
- **proposals for new development will be expected to demonstrate how any additional parking requirements generated will be accommodated**

- **new parking should not significantly increase the risk of flooding**

*Areas of informal parking are not covered by this policy*

### **E 11 – Temporary Parking**

**Proposals for the temporary provision of additional parking capacity will be supported subject to the following criteria:**

- **the proposals would not have significant harmful impacts on the wider visitor experience**
- **the proposals would not have significant harmful impacts on the amenities of neighbouring residents and other uses**
- **the proposal is for a specified temporary period**
- **the proposals should not significantly increase the risk of flooding**

## 4.6 Lynton & Barnstaple Railway

- 4.6.1 The reinstatement and development of the Lynton & Barnstaple Railway is supported by the Plan. The return of the railway could give a tremendous economic boost to Lynton & Lynmouth. It can bring new visitors to us and could also contribute to our parking capacity through the provision of further parking at Blackmoor Gate from which visitors will be able to park-and-ride. The Railway aspires to reinstate all of the route from Blackmoor Gate to Lynton within the lifetime of the Plan.
- 4.6.2 The location of the new Lynton station and the route of the track to it will partly be determined by what is cost effective and technically feasible. It is also important that there is an effective way of getting from the station to the centre of Lynton and then on to Lynmouth. This may be by foot or by other means.
- 4.6.3 The Lynton station and the track to it, and the link from the station to the centre of Lynton should not have unacceptable impacts on the wider visitor experience on residents and other neighbouring uses.
- 4.6.4 On the approach to Lynton through the parish the railway will pass through the open countryside where other types of development in this Plan would not be supported. The reinstatement and development of the railway should take account of this and not have significant harmful impacts on the local landscape including other environmental features and assets.

### E 12 - Lynton & Barnstaple Railway

**The reinstatement of the Lynton & Barnstaple Railway, including the provision of a new Lynton station and the link from the station to the centre of Lynton will be supported subject to the following criteria:**

- **the proposals should be demonstrated to be technically feasible and financially viable**
- **the proposals should include an effective means of accessing the centre of Lynton for passengers**
- **the proposals are in keeping heritage characteristics of the of the former railway**
- **the proposals would not have significant harmful impacts on the wider visitor experience**
- **the proposals would not have significant harmful impacts on the amenities of residents and other neighbouring uses**
- **the proposals would not have significant harmful impacts on the local landscape including other environmental features and assets**

## 5 Community

- 5.1.1 We are a strong, self-reliant community which steps up to take care of its responsibilities and problems. For us to prosper, as well as needing a strong local economy we also have to meet the needs of the community and add to the assets it needs and values.
- 5.1.2 We want local people to want to stay here because there are high quality homes for them they can afford, and because their quality of life, including local services, is good. We also want to attract new people to live and work here, to add to our community and strengthen the local economy.
- 5.1.3 The delivery of affordable housing for local people has been insufficient here in recent years, and delivered only smaller units and flats. We have not met our affordable housing needs and some people have moved away and others are living in unsatisfactory housing conditions. This is an important way in which opportunities for younger people to live and work in the area can be secured. The Plan will tackle this.
- 5.1.4 We have also been failing to meet the needs of some local people, principally older people, wishing to 'downsize'. The main consequence of this is that they remain in houses which are too big for them. If they were able to move to more suitable homes their existing homes could be 'freed up' for different households. The Plan can give better support to 'downsizing'.
- 5.1.5 Provision of more accommodation for staff and seasonal workers in the hospitality sector is a specific issue the Plan will also address.
- 5.1.6 The community is rightly concerned about the creation of more second homes. For existing houses, without any occupancy ties, there is little which can be done about this. However, it can be ensured that all new dwellings cannot be used as a second home.
- 5.1.7 Services are good for a community of this size, but many services remain borderline and vulnerable to public sector cuts and market forces.
- 5.1.8 The 'virtuous circle' linking the community and its housing needs, the local economy, and the local environment is important here. Services, both public and private, need people as customers. People need somewhere to live and many households also need to find employment. To protect and enhance local services and facilities we need to strengthen the community and the local economy as a whole. We need the Plan to help retain service premises by not allowing their loss to other uses, but we also need to reinforce their ongoing use.
- 5.1.9 On this basis the Plan's objectives for the community are:
- *to meet the housing needs of local people - for affordable housing, to 'downsize', and to bring greater balance and mix to the local housing market by rebuilding the missing rungs of the parish's housing ladder*
  - *to create new opportunities for people to live and work here, to strengthen our community and the local economy*
  - *to meet the particular housing needs for staff and seasonal workers in the hospitality sector*
  - *to ensure than no new housing can be used as second homes now or in future, and to return existing second homes and empty homes to local housing where practical and viable*

- *to protect and enhance the services we rely on and enjoy, and add to the community assets we need and value.*

## 5.2 Housing

5.2.1 The Plan supports the development of two types of housing:

- affordable housing – housing for sale or rent at reduced price, available only to people with a local connection and unable to meet their needs in the open market
- 'principal residence' housing which has to be used as the principal residence of the household living in it, but without price controls or any local connection requirement

**5.2.2 The greatest priority for housing in the Plan is the provision of affordable housing.**

**5.2.3 principal residence housing is only supported by the Plan in order to provide cross subsidy for affordable housing or other development directly benefiting the community<sup>7</sup>.**

**5.2.4 The Plan does not support the development of open market housing without any restrictions on occupation which could be used as a second or holiday home.**

5.2.5 Meeting our housing needs and creating the new opportunities for people to live and work here through principal residence housing on sites within the existing extent of the settlements is most likely to take the form of relatively small scale developments. Developments may only be viable if they contain a mix of affordable and principal residence housing, but for both types of new housing it is important that there is the right mix of types of housing to meet the housing needs of local people, and bring greater balance and mixture to the local housing market.

5.2.6 It is also important that new housing is as environmentally sustainable as possible in construction and use, to reduce its environmental impact and costs to occupiers. Where new housing includes open space and / or gardens opportunities to enhance local biodiversity and green infrastructure should be taken.

### Affordable Housing

5.2.7 We need to provide more 'affordable housing' for local people. The community supports this - nearly half of all householders responding to the consultation thought that the lack of affordable local housing was a big problem, and a further quarter a small problem. Respondents know local people in housing need, know people who have moved away unable to meet their housing needs, think that young people can remain in the community, that local wages mean that people cannot afford decent housing, about the pressure staff and seasonal workers cause in the local housing market, and about the number of second homes.

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<sup>7</sup> As explained in the Viability and Deliverability section of the Plan.

- 5.2.8 People have relayed stories of local people unable to find an affordable home or suitable accommodation, despite having strong local ties. Parents still have grown-up children living at home, despite them having good jobs; others have had to help their children buy homes. It was also pointed out that people may have moved here some time ago and are contributing to the community but do not yet qualify for new affordable housing under the existing planning policies.
- 5.2.9 Starter homes and family homes with adequate gardens or shared greenspace are priorities for the community as we need to retain and attract young families.
- 5.2.10 Businesses also highlighted that they have been unable to employ local people, as employees cannot find affordable housing, and so tend to employ people from further afield.
- 5.2.11 Affordable housing is a technical term, defined nationally. In summary it:
- *is only available to households whose housing needs are not met by the market (with regard to their income and local house prices) and so is made cheaper to rent or buy than housing in the open market*
  - *can be rented housing either at 'social rent' which is around 50-60% of local open market rents, 'affordable rent' which can be up to 80% of local open market rents<sup>8</sup>, or 'intermediate rents' which may be higher but below open market rents*
  - *can be housing for sale at rates below market levels either on a 'shared equity' basis where households own part of their own house and pay rent on the rest, or sold at a reduced cost compared to the local open market value*

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8 But not exceeding the Local Housing Allowance.

- *has to remain as affordable housing for future eligible households.*

5.2.12 In addition, all affordable housing allowed by the Plan will be subject to a local connection meaning that people with one of a number of local connections to the area are first in line to live in it.

5.2.13 In practice this means that proposals will be expected to deliver the maximum provision of affordable housing which is viable and deliverable<sup>9</sup>. What mix of the types of affordable housing should be delivered should be determined by:

- the needs of the community to be met in terms of the sizes and types of dwelling
- the needs of the community to be met in terms of the different levels of affordability which might be provided, and the mix of renting, shared equity, and affordable ownership
- the nature of the site and how this affects what it is feasible to deliver.

Affordable homes for downsizing will be part of this.

5.2.14 Grant may be available for the delivery of affordable housing, and can greatly improve viability and so result in more affordable housing being delivered. Where grant may be available it should be pursued where it can be demonstrated that it will deliver the greatest benefit for the community in terms of addressing the affordable housing needs of local people.

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9 As defined in the Viability and Deliverability section of the Plan.

5.2.15 Where affordable housing for owner occupation is provided privately it will also be subject to a size restriction of 90m<sup>2</sup>, as a means of limiting the value of the property<sup>10</sup>. Self-build is one way of providing affordable housing privately, as it can offer considerable savings in the provision of a new home, and so is supported by the Plan.

### **H1 – Affordable Housing**

**Proposals for affordable housing will be supported, subject to the following criteria:**

- **the proposals will contribute to meeting the affordable housing needs of the community in terms of types and sizes of dwelling, levels of affordability, and mix of tenures**
- **the dwellings will be occupied by local persons in housing need in accordance with the definition in policy H2**
- **for owner occupied properties the net internal floorspace will be less than 90 square metres**

### **Local Connection**

5.2.16 All affordable housing allowed by the Plan will be subject to a local connection meaning that people with a local connection to the area are first in line to live in it. To date the Exmoor National Park Local Plan has defined this as someone who:

- *has a minimum period of 10 years permanent and continuous residence in the parish or an adjoining parish*

- *is not now resident in the parish or an adjoining parish but with a local connection with the parish including a period of permanent and continuous residence of 10 years or more within the last 20*
- *has an essential need to live close to another person who has a minimum of 10 years permanent and continuous residence in the parish or an adjoining parish, the essential need arising from proven age or medical reasons*
- *needs to live close to their place of work in the parish or an adjoining parish.*

5.2.17 If a qualifying person cannot be found then a 'cascade' takes place to find someone who meets the local connection criteria from a wider area. This cascade is slightly different for social rented properties than owner-occupied affordable housing. The cascade for social rented properties goes first to the North Devon part of the National Park, then the whole Park, and then from the whole of North Devon.

5.2.18 This Plan will change the cascade, such that people will be sought first with a 10 year local connection from this parish and adjoining parishes, then a five year local connection from this parish and adjoining parishes, and then a 10 year local connection from parishes wholly or partly within the National Park, adjoining the first set of parishes. This is to better reflect the service and local economy roles of Lynton & Lynmouth for the surrounding area.

### **H2 – Local Connection**

**Affordable houses in the Parish shall only be occupied by:**

- **persons (and their dependants) whose housing needs are not met by the market; and**

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10 Nett internal floorspace.

- who have a minimum period of 10 years permanent and continuous residence in the parish or an adjoining parish; or
- are not now resident in the parish or an adjoining parish but with a local connection with the parish including a period of permanent and continuous residence of 10 years or more within the last 20; or
- has an essential need to live close to another person who has a minimum of 10 years permanent and continuous residence in the parish or an adjoining parish, the essential need arising from proven age or medical reasons: or
- need to live close to their place of work in the parish or an adjoining parish

Where such a person (and their dependants) cannot be found an affordable house may then be occupied by:

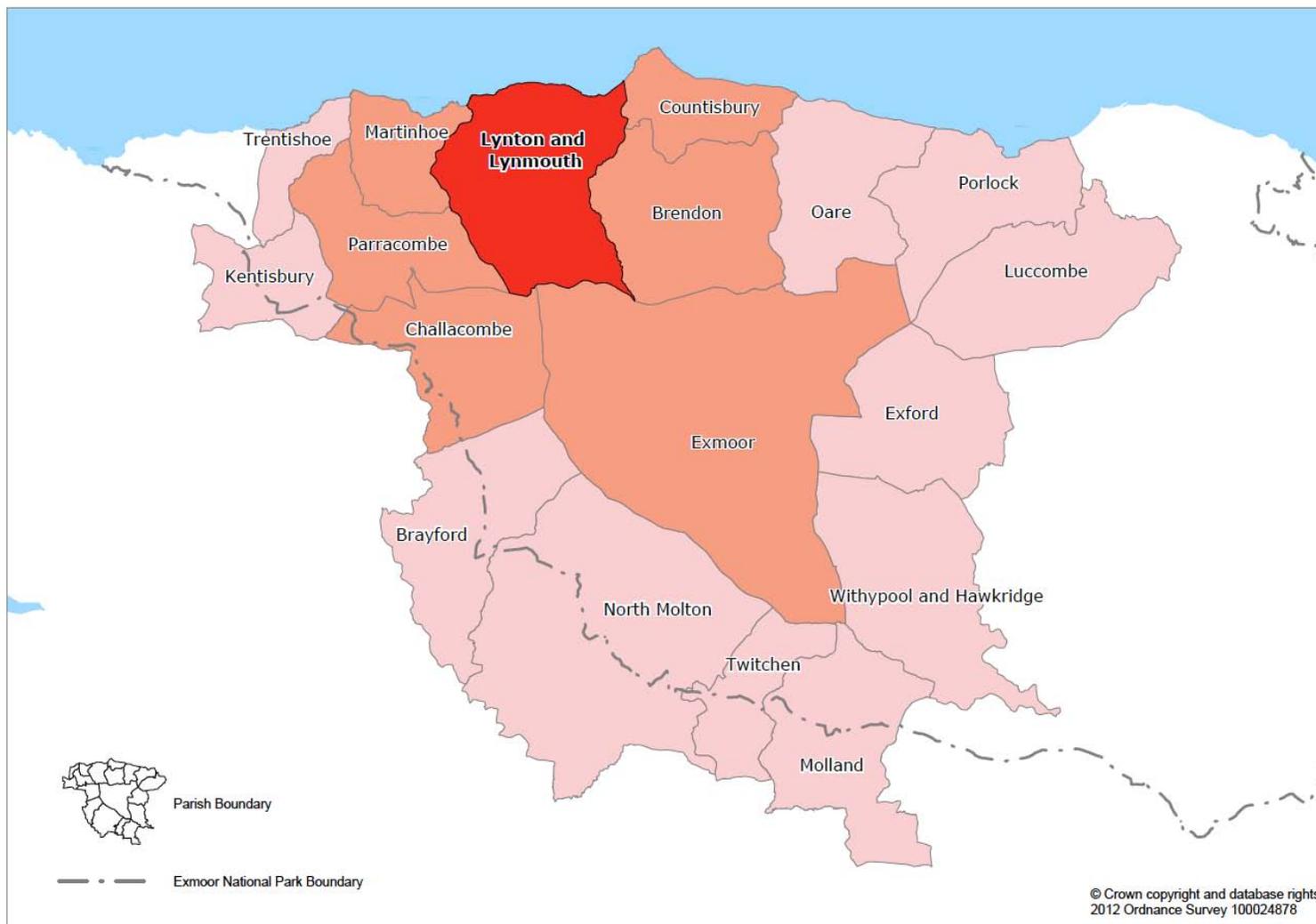
- persons (and their dependants) whose housing needs are not met by the market; and
- who have a minimum period of five years permanent and continuous residence in the parish or an adjoining parish; or
- are not now resident in the parish or an adjoining parish but with a local connection with the parish including a period of permanent and continuous residence of five years or more within the last 10; or
- has an essential need to live close to another person who has a minimum of five years permanent and continuous residence in the parish or an adjoining parish, the essential need arising from proven age or medical reasons

Where such a person (and their dependants) cannot be found, affordable homes may then be occupied by:

- persons (and their dependants) whose housing needs are not met by the market; and
- who have a minimum period of 10 years permanent and continuous residence in the additional adjoining parishes listed below; or
- are not now resident in the parish or an adjoining parish but with a local connection with the additional adjoining parishes listed below including a period of permanent and continuous residence of 10 years or more within the last 20; or
- has an essential need to live close to another person who has a minimum of 10 years permanent and continuous residence in additional adjoining parishes listed below, the essential need arising from proven age or medical reasons: or
- need to live close to their place of work in the additional adjoining parishes listed below

The additional adjoining parishes are: Oare, Porlock, Exford, Withypool & Hawkridge, Molland, Twitchen, North Molton, Brayford, Kentisbury, Trentishoe.

## Additional Adjoining Parishes



## Other Types of Housing

- 5.2.19 In order to meet the housing needs of local people, bring greater balance and mixture to the local housing market and create new opportunities for people to live and work here, to strengthen our community and the local economy the Plan also supports the provision of '**principal residence housing**'. This is new housing which has to be used as the principal residence of the household living in it, but does not have the price controls that affordable housing does, or any local connection requirement.
- 5.2.20 As for affordable housing it is important that the right mix of types of principal residence housing should be delivered based on meeting the housing needs of local people, bringing greater balance and mix to the local housing market and creating new opportunities for people to live and work here. The nature of the site and how this affects what it is feasible and viable to deliver may also influence what mix can be delivered. principal residence homes for downsizing will be part of this, as can live / work units to meet the needs of small businesses.
- 5.2.21 Should a dwelling permitted as a principal residence housing cease to be used as such (such as being used as a second home) then it will be required that the dwelling is offered for sale or rent as affordable housing instead.

## H3 – principal residence Housing

**Proposals for principal residence housing will be supported, subject to the following criteria:**

- **the proposals are necessary to provide cross subsidy for affordable housing or other development directly benefiting the community, on the same site or another site within the parish**
- **the proposals would either meet the housing needs of local people or bring greater balance and mixture to the local housing market and creating new opportunities for people to live and work here**
- **the proposals are justified by an open book assessment of viability as defined by this Plan**

**Open market housing without a restriction to ensure its occupation as a principal residence is not supported by this Plan.**

## Staff and Seasonal Workers

- 5.2.22 The need to accommodate staff and seasonal workers, particularly arising from the tourism industry, can create pressure in the local housing market. Lack of such accommodation can mean that not enough workers are available to support the local economy in general and the tourism industry in particular.
- 5.2.23 Proposals for staff accommodation will be supported by the Plan where the need for them can be demonstrated. Outside the settlements additional staff accommodation needs to be sensitive to its rural location in terms of scale and design. It should not have significant harmful impacts on the surrounding rural landscape, and be provided through an extension to the existing premises or conversion of an existing building unless this is not feasible. Should the need for the staff accommodation cease the accommodation should be offered for sale or rent as affordable housing instead.

### **H4 - Staff and Seasonal Workers**

**Proposals for accommodation for tourism staff and seasonal workers will be supported, subject to the following criteria:**

- **the need for such accommodation can be demonstrated, in terms of the business needs and the lack of existing suitable accommodation**
- **that the accommodation is provided on the site of the business concerned - if this is not feasible then the accommodation should be provided within or adjoining the settlements**
- **the accommodation is tied to the tourism business concerned for the purposes of staff accommodation**

- **that should the need for the accommodation cease that it will be required to be offered for sale or rent as affordable housing as specified in policies H1 and H2**

## 5.3 Services and Community Assets

- 5.3.1 We are a strong, self-reliant community, which steps up to take care of its responsibilities and problems. Service provision is good for a parish this size, including a health centre, primary school, fire and police station, a library, a good range of shops and private services used by local people, a petrol station, thriving societies and churches, and the Town Hall and other assets owned by and available to the community including space for formal and informal recreation.
- 5.3.2 We need to protect all of this, and build upon it, if we are to remain a strong community and continue to be able to meet our needs and prosper, often by finding community-led solutions through our own resources and efforts.
- 5.3.3 The need to strengthen the 'virtuous circle' linking the community, local economy, and the local environment through new development is an underlying theme of the Plan. In particular we need to create the right conditions to retain and attract younger people and families.

### Services and Facilities

- 5.3.4 We need to protect the services and facilities we already have, and add to them where possible.

#### **S1 - Loss of Services and Facilities**

**The loss of services and facilities of use to the community will not be supported unless:**

- **they are to be replaced with services and facilities of an equal or higher quality and value to the community on the same site or another site within the parish**

- **where the the services and facilities can be demonstrated to be no longer needed or viable, any proposed alternative use would overall provide equal or greater benefits to the local economy and community, including through contributions to development on other sites**

#### **S2 – Improving Existing Services and Facilities and the Provision of New Services and Facilities**

**Proposals for the improvement of existing services and facilities and the provision of new services and facilities of use to the community will be supported, subject to the following criterion:**

- **the proposals would not have significant harmful impacts on the amenities of residents and other neighbouring uses**

## Community Assets

5.3.5 Community assets, such as buildings, facilities, housing, playing fields, open spaces, and land, are not only of direct use to the members of community, they also are a financial asset for the community as a whole and often source of income too. Our community holds and manages key assets across the parish. The Plan supports the creation of new community assets and improvement of existing assets – built and environmental. This is part of how we can ensure our ongoing self-reliance and well being.

### **S3 – Community Assets**

**The creation of new community assets and improvement of existing community assets through new development will be supported subject to the following criterion:**

- **the proposed asset meets a community need or creates opportunities the community wants**
- **the proposed asset would be financially self-sustaining**
- **the asset will be held by a suitable body\***

5.3.6 The creation of new community assets and improvement of existing community assets is one way in which new development can directly provide benefits to the community, as required by the policies in this plan, either by direct provision of the asset, or exceptionally through commuted sums.

*\* a community or voluntary group, community or social, who are 'not for profit' and asset locked to secure the future of the community asset*

## Appendix 1 – Viability Assessment

### Introduction

1. Viability is a central material consideration when assessing development proposals.
2. A key element of the Plan is to set out a recognised basis for assessing viability, which can be used as the basis for realistic and transparent negotiations on the content of proposals brought forward. To do this requires the establishment of a fair and open method of appraising viability.
3. This is consistent with the National Policy, which requires that the viability of plan policies must be tested and set out clearly in the plans, and that applications consider viability<sup>11</sup>.
4. This appendix sets out the principles of assessing development viability, and their use in the policies of this Plan, particularly policies E2 and H2. The Plan will be accompanied by a Technical Assumptions document, kept up to date by LLTC and ENPA, where the current accepted working assumptions for viability assessments can be found. It will include critical inputs and assumptions for assessments such as typical built costs, land costs, and interest rates, recommended tools to use, a fully detailed worked example, and a collection of actual viability assessments for the parish, built up as they are submitted.

<sup>11</sup> NPPF para 173-175

## Development Viability

5. Viability appraisal of any development proposal is essentially a consideration of whether it is financially able to proceed when all factors are taken into account. These are listed in the table below - factors affecting viability. *Full detail of how to take all of these factors into account in viability assessments, and the current accepted working assumptions and critical inputs can be found in the Technical Assumptions document.*

### Factors affecting viability

<b>Viability</b>	<b>Costs</b>	Build costs – <i>including contractors' overheads and profits</i> On-costs – <i>professional fees, statutory fees, development finance, marketing</i> (Land value)
	<b>Value</b>	Sales income Rental income Grant Other funding
<b>Risk</b>	<b>In Development</b>	Costs, time, quality
	<b>After Completion</b>	Sales, rental income
<b>Finance</b>	<b>Capital</b>	Short term development finance
	<b>Revenue</b>	Long term mortgage finance Management and maintenance
<b>Affordability</b>	<b>Sales</b>	Open market prices Controlled occupancy prices
	<b>Rental</b>	Open market rents Controlled occupancy rents

6. To be viable, the **value** of any completed project must exceed the nett **cost** of its development. This applies whether the developer is selling the completed home, or is providing it for rent long term. It also applies whether the development is for a profit making organisation or not: the only difference in that case is whether or not a profit margin is included in the appraisal. The cost of development includes all costs of construction, fees and other 'on-costs', and the land price. Costs and value are central concerns for viability assessment.
7. As the table shows the **costs** of development are made up of build costs and on-costs, including development finance. Although the land value is shown as a cost, it is often worked out as what is left over once all other costs have been taken into account – a 'residual' land value.
8. The **value** of a development is mostly made up of sales, and rental streams. For sales, open market sales can be based on the values of similar properties locally. For principal residence housing there will only be a small reduction in price as a result of the occupancy restriction, if at all. For affordable homes for sale the price is discounted for the first and all subsequent purchasers, using a legal agreement.
9. The value of all rental streams is determined by a Nett Present Value (NPV) calculation, as explained below. The rent levels used for this calculation are the prevailing local market rents for open market housing (including principal residence housing), and for affordable homes are set through nationally agreed approaches, taking local prices and / or local incomes into account. There are two common affordable rent levels – social rents (set in accordance with the National Rent Regime), and affordable rents (up to 80% of the 30% decile of local market rents, but not exceeding the Local Housing Allowance)<sup>12</sup>.
10. Grant funding may be available through the Homes & Communities Agency (HCA), and can significantly assist viability. It is available to Registered / Investment Providers that develop regularly, and also through single project applications for small organisations - the Community Grants Programme which is aimed specifically at community led housing projects. Local authorities may also fund affordable housing, and proceeds from the New Homes Bonus may make this more common.
11. This is a time of great change in the delivery of affordable housing, for providers and tenants. Things may change significantly through the life of the Plan. Where grant may be available for affordable housing which would meet the needs of the community it should be pursued as in order to achieve greatest benefit for the community.
12. Development carries **risk**, primarily in relation to costs, time and quality in the development stage, and sales or rental income following completion. The higher the risk, the higher the target profit margin or more cautious appraisal assumptions used, affecting overall viability.
13. The **financing** of a development need to be looked at both in terms of capital and revenue. Capital costs are those costs incurred in developing the home. Revenue costs are those associated with managing and maintaining a rented property. Virtually all housing developments are debt financed, both for the developers and the owners of the completed homes. Private house builders buy land, build homes and sell them. Their activities are largely debt financed through that development period. Similarly, most purchasers of housing for sale will require a mortgage. Landlords of rented property will require long term finance. The need for and costs of borrowing are therefore central factors in viability assessment.

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<sup>12</sup> The CLTF tool explains how to work these out.

14. The **affordability** of the completed development to the local market is also important. For affordable housing rents and sales prices are controlled by nationally agreed approaches, taking local prices and / or local incomes into account. For open market properties rents and prices still have to be such that they are able to be sold or rented. Affordability is a significant issue for the area, as the Plan explains.

## Viability Assessments Through the Development & Planning Process

15. Viability should be reviewed throughout the development process. It is normal to undertake appraisals not only before purchase negotiations, but similarly before acquisition and before building work commences.

16. Similarly, the viability assessment must be considered before a planning application is submitted. It is good practice to produce the viability assessment to inform consideration of any pre-application discussions.

17. Open book viability assessment is a vital component of this Plan. It is required that viability assessments are available to be checked by all as a central part of the planning application. This means that viability assessments will not be treated as confidential.

## Techniques & Tools

18. In assessing a development, the financial viability comparing nett cost with value, can be calculated as follows:

Costs	<i>minus</i>	Value
Total cost of development	<i>minus</i>	Grant income Other funding Sales income – <i>market sales</i> Sales income – <i>shared ownership</i> NPV of rental streams

19. To be financially viable the cost of development needs to be lower than the value – i.e. the costs are lower than the value of the development.

20. The value of **sales** is relatively straightforward - the prices that can be achieved in local housing market conditions, subject to any occupancy conditions, less development period finance charges and the costs of marketing and sales.

21. The value of a **rental streams** is calculated by projecting forward the income and expenditure of the homes over time and then discounting these cash flows back to today's value. The cash flows are discounted to recognise that the same money in 30 years time is worth less than it would be today. This is known as a Discounted Cash Flow (DCF). The result of this DCF is known as the Nett Present Value (NPV) (the CLTF tool does this automatically). This must include allowances for void levels, expenditure on management, repairs and long-term renewal of components such as heating and electrical installations, kitchens, doors, windows, roofs, etc..

22. There is a broad range of viability tools available. For this Plan the use of the tool provided by the Community Land Trust Fund (CLTF) is recommended as it is designed for use in small projects such as will be brought forward in the Plan area, and is recognised for use in rural locations.
23. The approach outlined above is used in the CLTF appraisal tool, which can be accessed using the following link: [www.cltfund.org.uk/tool](http://www.cltfund.org.uk/tool). The web site also provides comprehensive guidance notes on how to use the tool.
24. The Technical Assumptions document contains fuller guidance on the use of this tool, a full worked example, and over time will also include actual examples from the Plan area. A simplified version of the worked example is run through below, to give an overview of how viability assessment can work in practice.

## Simplified Worked Example

25. This is a hypothetical scheme using the CLTF appraisal tool. Full detail and a working copy of this appraisal are part of the Technical Assumptions document.
26. The scheme is based on a six unit development of three bedroom houses. It is a mixed tenure site, with two principal residence properties for sale at £200,000 and four properties to be rented at affordable rents at 80% of market rents. The market rents have been assumed to be £140 per week, and the affordable rent set at 80% of that, i.e. £112.
27. A build cost of £1100/m<sup>2</sup> is assumed and taken the default values in the CLT model for all other variables. It is important to understand what is included in – and excluded from – a build cost figure. Using a house of 85 m<sup>2</sup> floor area as an example, a typical rural developer on a smaller site, building to a reasonable environmental standard such as Code for Sustainable Homes Level 3, might expect to be able to build the house for £76500 or £900/m<sup>2</sup>. External works, roads, sewers, etc. could account for an additional £8,000, and statutory fees, bonds and charges £2,000. In addition, if the developer uses a general contractor, the contractor requires a contribution to overheads and profit – say £8,000. This brings us to an all-in figure of £95,500 i.e. just over £1100/m<sup>2</sup>. Professional fees add an estimated 10% to the total project cost, and planning and building regulations fees also have to be added. This gives a total project cost of £1235.80/m<sup>2</sup>.
28. Factors such as the use of modern methods of construction or involvement of social enterprises can help reduce build cost.
29. *Part of the viability assessment will be to ensure that suggested build costs are reasonable and well justified.*

30. Overall the scheme has a surplus of **£91,006** and so is viable. The sum of £91,006 is effectively the value of the land. What is also happening here is that the principal residence housing is cross subsidising the affordable housing, allowing both to proceed, as the Plan requires. If the developer is for a non-profit distributing organisation such as a Community Land Trust then there will be no further cost, but if the developer is a commercial developer, then part of the surplus would be a contribution to gross profit, which would reduce the land value.

32. The Technical Assumptions document, kept up to date by LLTC and ENPA, is where the current accepted working assumptions for viability assessments can be found. It will include critical inputs and assumptions for assessments such as typical built costs, land costs, and interest rates, recommended tools to use. These should be used as starting points for any appraisal.

Costs	<i>minus</i>	Value
Total cost of development	<i>minus</i>	Grant income - none Other funding - none Sales income – market sales - <b>£400,000</b> Sales income – none NPV of rental streams - <b>£321,266</b>
Build cost <b>£561,000</b>		
Fees <b>£61,100</b>		
Development interest <b>£8,159</b>		
<b>£630,258</b>	<i>minus</i>	<b>£721,266</b>
<b>= £91,006</b>		

31. *Cash flow deficits in the early years of a development, interest cover, and the point in time at which all borrowing could be paid off are also important to take into account and explained in greater detail in the Technical Assumptions document.*