

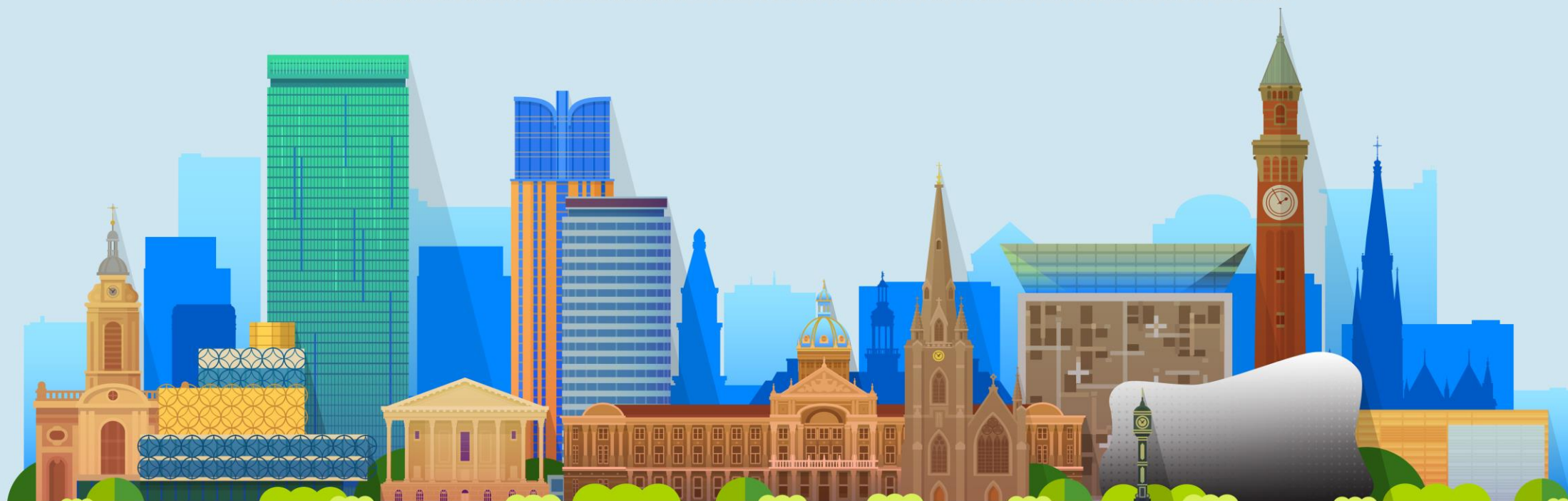
# Young Planners' Conference

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Planning for legacy – regeneration and  
place in the West Midlands

13 – 14 October 2023 #YPCConf2023

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# Breakout 2: Development Viability and Sustainability

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**Rob Csondor** - Managing Director RCA Regeneration Limited

**Sian Griffiths** - Director, RCA Regeneration Limited

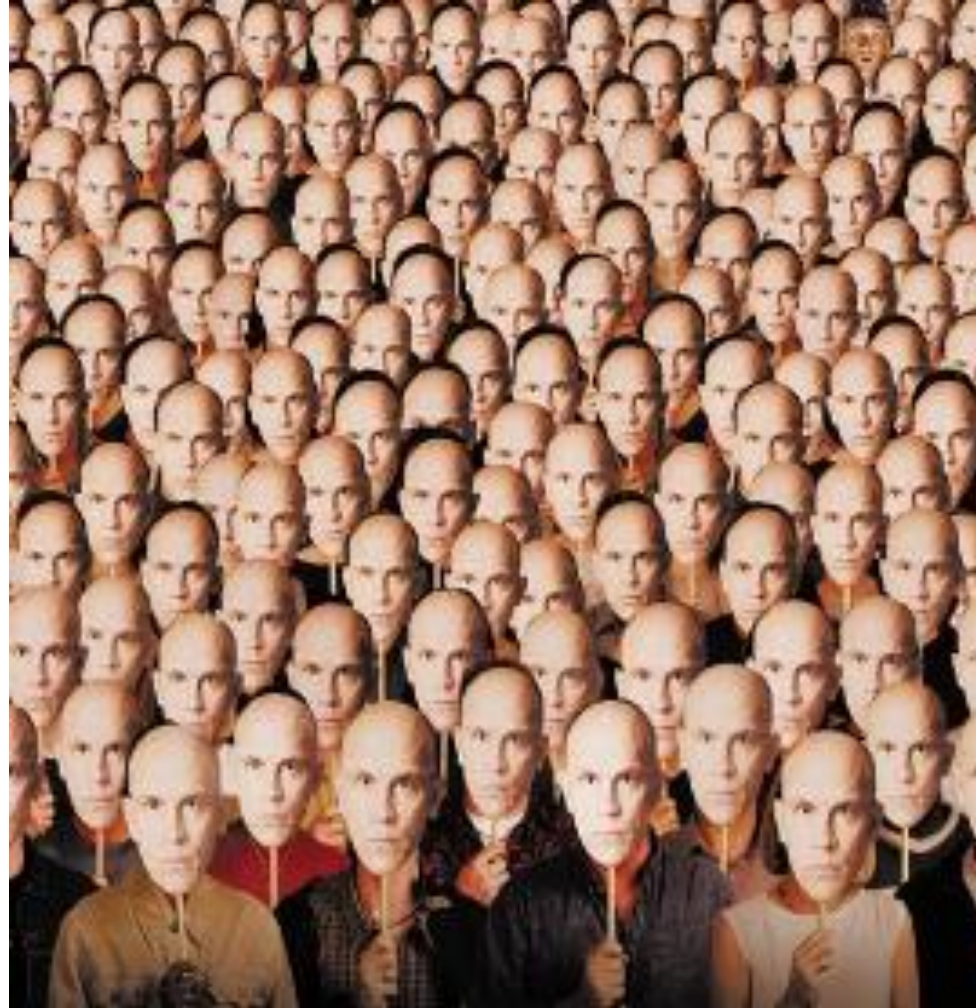


YP Conference 2023

Sian Griffiths BSc(Hons) DipTP MScRealEst MRTPI MRICS  
Robert Csondor BSc (Hons) MA PGDip MRTPI MRICS



# WHO ARE YOU?



*In the context of build cost inflation and the competing demands of creating quality buildings and places, rising to the challenge of **net zero construction and affordable housing delivery** and other potential section 106 contributions, it is more important than ever to understand development economics.*

*This session will provide an overview of **development viability** and its role in the planning balance and introduce the interplay between build costs, land values and deliverability.*

# WHAT WE ARE DISCUSSING TODAY

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- What is Net Zero?
- Achieving Net Zero
- What is Planning Gain
- The Basics of Viability Appraisal
- Example
- Discussion Session

# WHAT IS NET ZERO?



informed by the 2016 Paris Climate Agreement's conclusion that global emissions must be almost halved by 2030, and eliminated completely by the middle of the century

For a building's **construction**, the net zero definition provided is "when the amount of carbon emissions associated with a building's product and construction stages up to practical completion is zero or negative, through the use of offsets or the net export of on-site renewable energy."

For a building's **operational** energy, it is "when the amount of carbon emissions associated with the building's operational energy on an annual basis is zero or negative". A net zero carbon building is "highly energy efficient and powered from on-site and/or off-site renewable energy sources, with any remaining carbon balance offset."

## COUNTDOWN TO NET ZERO

■ PM'S 'PAINLESS' PLAN TO SPEND £1TRILLION ON HIS GREEN STRATEGY ■ £620m ON ELECTRIC CAR GRANTS PLUS £500m FOR CLEANER TECHNOLOGIES ■ BUT CRITICS SAY IT IS MORE PICK 'N' MIX THAN A FULL MEAL

Press release

### UK enshrines new target in law to slash emissions by 78% by 2035

The UK's sixth Carbon Budget will incorporate the UK's share of international aviation and shipping emissions for the first time, to bring the UK more than three-quarters of the way to net zero by 2050.

# ACHIEVING NET ZERO: THE FUTURE HOMES STANDARD AND RETROFITTING



- Net-zero carbon housing: housing that contributes no additional carbon to the environment
- The UK's independent [Climate Change Committee](#) (CCC) has said that to achieve net-zero, the UK's building stock needs to be almost completely decarbonised by 2050. It has also recommended that all buildings achieve an EPC rating of C over the next 10 - 15 years
- Retrofit can include: better insulation; more efficient boilers; air source heat pumps; PV cells and batteries for storage; improved glazing- estimated at £70K per dwelling on average (RICS, Modus, June 2022)
- The additional budget per average dwelling is estimated as being around 4–8% increase in build costs for a typical house. To reach net zero emissions including heat recovery systems, and extensive PV, as well as air source heat pumps and thicker insulation, the cost could be closer to an additional £20k per home (Future Homes Hub, June 2023)



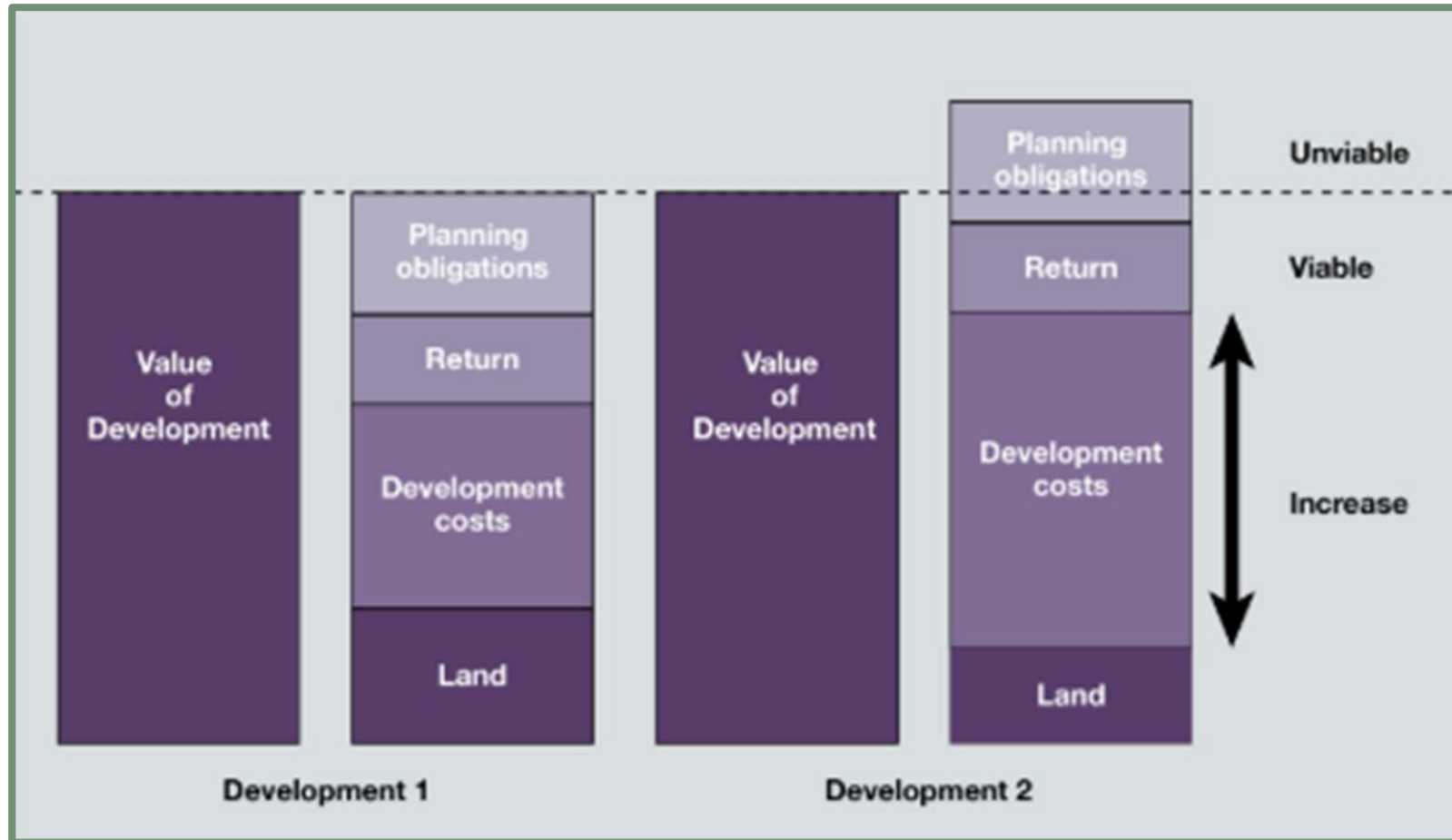


## WHAT CONSTITUTES TYPICAL PLANNING GAIN?

- Community Infrastructure Levy (CIL)
- Affordable Housing (on site provision and offsite contributions)
- Education (nursery, primary and secondary)
- Transport and Highways (road, cycle, pedestrian)
- Sports Pitches (including leisure centres, swimming pools)
- Open Spaces and Equipped Play Areas (useable and amenity areas, formal and informal play, walking routes and picnic areas)
- Biodiversity Net Gain (on site provision and offsite contributions)
- Healthcare (GP surgeries, other NHS provision)
- Miscellaneous: bins, public art, strategic flood attenuation.....



# THE BASICS OF A VIABILITY APPRAISAL



Source: RICS Financial Viability in Planning (2012)

# EXAMPLE: GREENFIELD SITE, WORCESTER

- New full planning application for 100% affordable, 92-unit, exemplar sustainable scheme.
- Policy requirement for 40% affordable housing (80% social rent, 20% shared ownership).
- Appraised 100% affordable scheme.
- Conclusions
  - Scheme was unviable as 100% affordable
  - no education contributions and other SUE planning obligations as sought by LPA.



# DISCUSSION SESSION: THE PLANNING BALANCE



- Is net zero a good metric?
- How can we balance competing demands of net zero and existing planning gain on land value and/or developer profit?
- Who should absorb the cost – the landowner or the developer?
- How will landowners behave if land values are suppressed?
- Which types of planning gain are most likely to ‘lose out’ if viability becomes a problem adding net zero into the mix?
- Is energy performance more important than biodiversity net gain? Is the provision of affordable housing more important than education contributions?
- What are the most important benefits of development and how should decision takers determine this?
- Should grant funding for affordable housing also fund the achievement of net zero? Or should it be purely there to ensure the delivery of affordable housing in areas where need is highest?
- Should there have been a more gradual move to net zero targets?





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# Q&A

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**Rob Csondor** - Managing Director RCA Regeneration Limited

**Sian Griffiths** - Director, RCA Regeneration Limited



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# Networking Lunch

12:00 – 12:50

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Please be back and seated for the next session by 12:50



# THANK YOU



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