

Site: Former B&Q, Trafford
Local Authority: Trafford Council
Job: Planning Appeal
Date: 14th December
Title: Viability Proof of Evidence Summary

Summary

- I have been instructed by Trafford Metropolitan Borough Council to act as an expert witness and to give my opinion as to the financial viability in planning case submitted by Accrue Capital (hereafter “the Appellant”) pursuant to the planning application (ref: 100400/OUT/20) at the Former B&Q, Great Stone Road, Trafford (the “site”);
- I have been involved with the Former B&Q site in Old Trafford since 2018, when I reviewed the original viability case (ref: 94974/OUT/18) made by the then Applicant. The first application on the site argued that the scheme was unable to fund any contributions (Affordable Housing or S106). The viability case for the revised planning application on the site (June 2020) argued that no viability case was required as the application was being made on a fully compliant basis. The Financial Viability Assessment (FVA) provided was, in essence, a confirmation that policy compliance and a viability assessment of the site were aligned;
- Based on the view of Trafford Council that the fourth bullet point Policy L2.12 is a relevant consideration in relation to the subject site, I was asked to review the FVA produced by Cushman & Wakefield (CW) to ascertain if the information provided was sufficiently robust and evidenced for the case they had made of 10% affordable housing plus S106 contributions. My conclusion in September 2020 was that the FVA was not sufficiently robust and evidenced and that further information was required to fully understand the case being made. The key areas were:
 - Gross Development Value (sale values);
 - Benchmark Land Values; and
 - the application of Finance Costs.
- Following my initial review I was happy to agree with CW in relation to the adopted costs (provided by Edmund Shipway) used in the June 2020 FVA;
- The Appellant maintained that in their opinion, the fourth bullet point of Policy L2.12 was not a relevant consideration in regard of the proposed scheme at the Former B&Q site and in late 2020 sought leave to appeal for non determination of their planning application. The questions posed by me in the response to their June 2020 FVA remained unanswered;
- In Nov 2020 the Appellant produced a Statement of Case (SoC). The approach taken to the SoC was to attempt to respond to the questions I had posed in my assessment of their FVA in Sept 2020. The conclusion being that everything stated in the June 2020 FVA was appropriate/correct and that my requests for greater

detail and further justification had either been dealt with or did not require a response. It is important to reiterate that Appellant maintained in their SoC that their planning application was policy compliant;

- Following an extended hiatus I produced my SoC in August 2021. I highlighted the same issues that I had referenced in my FVA response and again confirmed that I agreed with the cost assessment produced by ES;
- Following the case management hearing of the 3rd November 2021 I have attempted to follow the Inspectors express wishes that as many of the outstanding issues relating to viability should be dealt with through Statement of Common Ground (SoCG) discussions in advance of the production of Proof of Evidence statements. This has proved impossible as the Expert Witness in viability matters (Stephen Miles) appointed by the Appellant has not been in a position to provide an updated FVA for me to review. Key areas of debate such as Gross Development Value (GDV) and approach to Benchmark Land Value (BLV), identified as far back as September 2020, have remained closed to discussion and thus agreement;
- A major disappointment from my perspective is that the Appellant has now revisited costs (an area of agreement) and fundamentally changed their approach. I only became aware of this on the 3rd December when a revised cost plan produced by ES was made available. The cost plan comes with no narrative explanation. Its impact is to increase base costs before inflation by circa £8,500,000 (circa 19%). I have sought the views of an experienced cost consultant in relation to the approach taken. His response as in **appendix 8** of this proof of evidence;
- With a dramatic rise in costs, it is clear that the new FVA produced by the Appellant will be substantially different to that previously produced. All I can do is anticipate what changes will have been made in relation to BLV and GDV. The fourth bullet point of Policy L2.12 when applied is clear, it is for the applicant/appellant to make their case for what they believe to be a policy compliant in terms of viability. That case is yet to be made, so it makes my position as reviewer of that case more than difficult;
- Notwithstanding the difficult position in which I have been placed, I have attempted, based on my knowledge of the local market coupled with a reasoned approach to cost inflation over time, to produce what I believe to be a viability tested policy compliant outcome for the subject site. That outcome is detailed at **appendix 12**.