



Appendix 1 – Confirmation of Instructions

John Broadbent Consulting Limited (JBCL) was instructed by Paul Cook Developments (Whitehaven) Limited to undertake an Independent Assessment and to provide advice on the viability case put forward by Paul Cook Developments (Whitehaven) Limited in respect of the site at Station Works, Bury Road, Radcliffe, M26 2UA.

The Independent Assessment report has been prepared in light of the most recent government legislations; NPPF (updated 2019) and PPG on Viability (updated 2019). The PPG on Viability (2019) sets out a standard approach in how to view viability for both plan and decision making. The PPG on Viability defines viability as:

“In plan-making and decision-making viability helps to strike a balance between the aspirations of developers and landowners, in terms of returns against risk and the aims of the planning system to secure maximum benefits in the public interest through the granting of planning permission.” (Para. 10).

The emphasis in relation to viability in planning has changed. The PPG (2019) states that:

“The weight to be given to a viability assessment is a matter for the decision maker, having regard to all the circumstances in the case, including whether the plan and viability evidence underpinning the plan is up to date, and site circumstances including any changes since the plan was brought into force, and the transparency of assumptions behind evidence submitted as part of the viability assessment.” (Para. 8).

The Independent Assessment report has also been prepared in light of the RICS Guidance Note ‘Financial Viability in Planning’ 1st Edition published August 2012 (RICS Viability GN) and the RICS Professional Statement: Financial Viability in Planning: conduct and reporting, 1st Edition, published May 2019. The RICS Viability Guidance Note provides users with recommendations for accepted good practice as followed by “competent and conscientious practitioners in undertaking Financial Viability Assessments”. The RICS Professional Statement “sets out mandatory requirements on conduct and reporting in relation to FVAs for planning in England”.

This Independent Assessment report on the Paul Cook Developments (Whitehaven) Limited proposal does not constitute alternative formal valuation. The advice contained in this report is exempt from the current RICS Valuation Professional Standards January 2014 – Global and UK Edition (the Red Book).

JBCL reserves the right to update, amend or vary our advice should the matter progress to a Planning Appeal Hearing or Inquiry.

1. RICS Professional Statement - This report has been prepared in accordance with the RICS Professional Statement: Financial Viability in Planning: conduct and reporting, 1st Edition published May 2019, UPDATED GUIDANCE NOTE March 2021. The aim of the RICS Professional Statement (Section 1.2) is to:
 - Set out mandatory requirements on conduct and reporting in relation to FVAs for planning in England
 - Recognises the importance of impartiality, objectivity and transparency when reporting on such matters



- Support and complement the government's reforms to the planning process announced in July 2018 and subsequent updates, which include an overhaul of the NPPF and PPG on viability and related matters.
- Independent assessment of a Development Financial Appraisal Station Works, Bury Road, Radcliffe, M26 2UA.

The RICS Professional Statement explains that: "The primary policy and guidance on assessing viability in a planning context is provided in the NPPF 2019 and the PPG 2019. These have sought to change the emphasis on how viability should be approached in the planning system and the weight that should be given to viability assessments at the plan-making and development management stages" (Section 1.4). This report has been set out in accordance with the government guidance on assessing viability in planning which is provided in the NPPF (2019) and PPG (2019). Sections 2.1 to 2.14 of the RICS Professional Statement set out the fourteen mandatory reporting and process requirements for all FVAs prepared on behalf of, or by applicants, reviewers, decision-makers and plan-makers.

We confirm that this Independent Viability Assessment has been carried out in accordance with Sections 2.1 to 2.14. The mandatory reporting requirements are set out under the headings below and expanded on where relevant in this Independent Viability Assessment report.

- 1.01 Section 2.1: Objectivity, Impartiality and Reasonableness Statement - We confirm that this Independent Viability Assessment has been carried out by a suitably qualified practitioner who has acted with: • objectivity; • impartially; • without interference and • with reference to all appropriate available sources of information.
- 1.02 Section 2.2: Confirmation of Instructions and Absence of Conflicts of Interest - We were instructed by Paul Cook Developments (Whitehaven) Limited to undertake an Independent Assessment and to provide advice on the viability case put forward by Paul Cook Developments (Whitehaven) Limited in respect of the site at Station Works, Bury Road, Radcliffe, M26 2UA. We can confirm that there is no conflict of interest. We are currently working for a number of private clients and housebuilders in the North West which we do not consider is a conflict of interest.
- 1.03 Section 2.3: A No Contingent Fee Statement - We can confirm that we have no performance related or contingent fees agreed with our Client, Paul Cook Developments (Whitehaven) Limited.
- 1.04 Section 2.4: Transparency of Information - The PPG (2019) states that "Any viability assessment should be prepared on the basis that it will be made publicly available other than in exceptional circumstances" (Para. 21). We can confirm that this viability assessment has been prepared on the basis that it will be made publicly available should our Client, Paul Cook Developments (Whitehaven) Limited, require it to be as under our terms of engagement.
- 1.05 Section 2.5: Confirmation Where the Practitioner is Acting on Area-Wide and Scheme-Specific FVAs - As stated above, we only act for the public sector in the North West in matters to do with financial viability in planning. We are currently working in a number of Local Planning Authorities in the North West on both Area Wide and Scheme-Specific FVAs, which we do not consider is a conflict of interest.



- 1.06 Section 2.6: Justification of Evidence - In this Independent Viability Assessment, we have provided a detailed response to the viability case set out below and outlined areas with more detailed evidence, justification and explanation. This is in accordance with the government national guidance PPG on Viability (2019) as well as the RICS Guidance, Financial Viability in Planning (2012).
- 1.07 Section 2.7: Benchmark Land Value - We have assessed the Benchmark Land Value in accordance with the requirements of Section 2.7 of the RICS Professional Statement. The RICS Professional Statement is clear that, when estimating the Benchmark Land Value, practitioners must follow the PPG on Viability (2019) and as updated March 2021 – new guidance by RICS.

The PPG defines Benchmark Land Value as “To define land value for any viability assessment, a benchmark land value should be established on the basis of the existing use value (EUV) of the land, plus a premium for the landowner”. The premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The premium should provide a reasonable incentive, in comparison with other options available, for the landowner to sell land for development while allowing a sufficient contribution to fully comply with policy requirements.

The primary approach is EUV+ (or AUV where appropriate). The other two approaches are cross-checks only to check the robustness of the results of the primary approach:

- The first cross-check is a policy-compliant residual land value, found by applying the residual valuation approach set out in Valuation of development property, RICS guidance note
- The market comparison approach can be used to provide a further cross-check.

Where the evidence allows, land transactions adjusted for policy compliance can be used. Outliers should be disregarded as specified in PPG Paragraph 011. Both cross-checks must assume policy compliance. The plan-maker / decision-taker will establish a reasonable premium for the landowner and determine the BLV informed by the professional judgement of the assessor, based on these three approaches.

The assessment of the BLV requires the assessment of five components. They should be calculated and reported to the plan-maker / decision-maker separately to counter circularity arguments that BLVs from one method of valuation have been used as an input into another method, to reduce developer contributions.

The components that need assessing are:

- EUV
- Premium to the landowner
- AUV, where appropriate
- Policy-compliant site value assessed by the residual method and
- Policy-compliant site value assessed by the comparative method.

This evidence should be based on developments which are fully compliant with emerging or up to date plan policies, including affordable housing requirements at the relevant levels set out in the plan” (Para. 14).



- 1.08 Section 2.8: FVA Origination, Reviews and Negotiations - This document is an independent review of an FVA. It is clear from the RICS Professional Statement that negotiations occur subsequent to the production of a viability case review. If the reviewer / assessor is unable to form an opinion due to limited information being provided by the Applicant, then it is not possible to get to the negotiation phase. If the requirements of the PPG (and thus the RICS Professional Statement) have not been followed, then the viability case does not meet the required criteria.
- 1.09 Section 2.9: Engagement - We can confirm that we advocated and will advocate reasonable, transparent and appropriate engagement between the parties at all stages of the viability process.
- 1.10 Section 2.10: Non-technical Summaries - The executive summary of this report has been provided as a non-technical summary, which outlines the key figures and issues that support the conclusion of our Independent Viability Assessment.
- 1.11 Section 2.11: Author(s) Sign-off - This report has been produced by John Broadbent on the 1st December 2023.
- JBCL have extensive experience in undertaking Independent Viability Assessments on behalf of private clients on their viability cases.
- 1.12 Section 2.12: Inputs to Reports Supplied by Other Contributors - We can confirm that all contributions to this report relating to assessments of viability comply with the mandatory requirements as set out in the RICS Professional Statement.
- 1.13 Section 2.13: Timeframes for Carrying Out Assessments - We can confirm that adequate time has been allowed to produce this Independent Viability Assessment having regards to the scale and complexities of this particular project.

CONFIDENTIALITY - This Independent Assessment report is confidential to Bury Council as the Local Planning Authority (LPA) – the Client – and their advisors. It has been prepared in accordance with our terms of engagement. This Independent Assessment report has been prepared on the basis that it will be made publicly available should our Client, Paul Cook Developments (Whitehaven) Limited, require it to be as under our terms of engagement. No party other than the Client is entitled to rely on this report for any purpose whatsoever and we accept no responsibility or liability to any other party other than our Client in respect of the contents of this report. This report must not, save as expressly provided for in our terms of engagement, be recited or referred to in any document, or copied or made available (in whole or in part) to any other person without our express prior written consent. This report is for the purpose of the addressee and its contents should not be reproduced in part or in full without our prior consent. PPG makes clear, FVAs need not contain commercially sensitive data but, in certain instances within the body of the report, commercially sensitive information has been referred and therefore should not be published in the public domain. Our Valuations and Reports are for the specific purpose to which they refer and no responsibility whatsoever is accepted to any third parties for the whole or part of their contents. **We reserve the right to provide an aggregated copy, containing less commercially sensitive material.**