

TORFAEN  
COUNTY  
BOROUGH



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SIROL  
TORFAEN



**Torfaen Replacement Local Development Plan (2022-2037)**  
*Cynllun Datblygu Lleol Newydd Torfaen (2022-2037)*

**Call for Candidate Sites:  
Financial Viability Assessment Guidance Note**

*Galwad am Safleoedd Ymgeisiol:  
Nodyn Canllaw Asesu Hyfywedd Ariannol*

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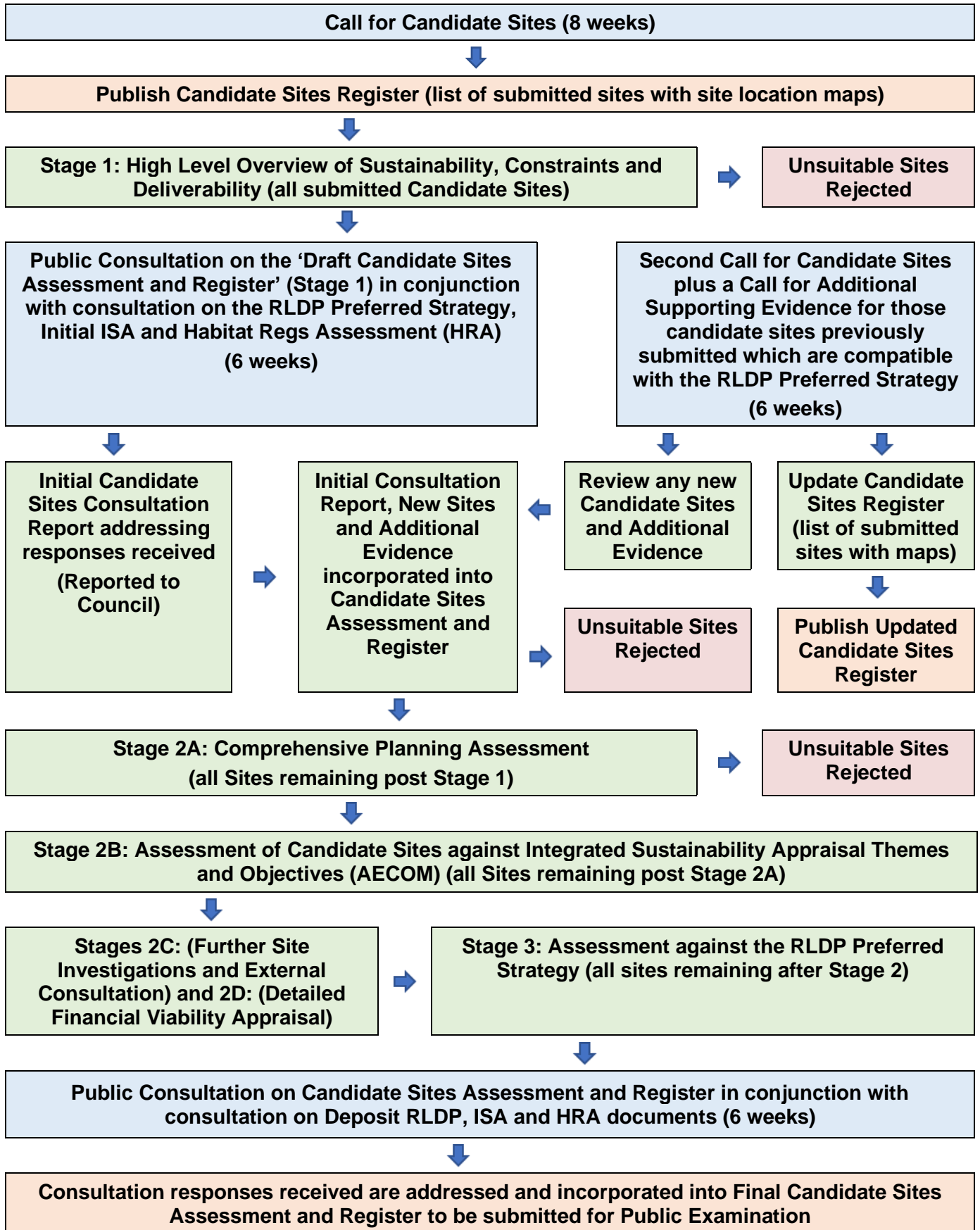
## 1. Introduction

- 1.1 National planning guidance in Planning Policy Wales 11<sup>th</sup> Edition, February 2021 (PPW11) makes it very clear that the deliverability of sites, including the financial viability of a proposal, should be demonstrated at the Candidate Site stage of Local Development Plan preparation. This approach reinforces the Development Plans Manual 3, March 2020 (DPM3) which states in paragraph 3.30 that *“to maximise involvement and the effectiveness of all stages of plan preparation, as much evidence as possible should be provided at the candidate site stage, including a financial viability assessment. This applies to all candidate sites.”*
- 1.2 The purpose of this document is therefore to provide guidance in relation to viability assessments for candidate site submissions during the Council’s Call for Sites and Second Call for Sites / Call for Additional Supporting Evidence. The viability and deliverability of sites **must** be clearly evidenced. If a site fails to provide such evidence or if the evidence demonstrates that the site is unviable, the site will **not** be considered for allocation within the Replacement Local Development Plan (RLDP). This document will be updated with the latest information and republished to inform the Second Call for Sites and Call for Additional Information in due course. Further advice on other supporting information is provided in the Candidate Site Submission Guidance Note.

## 2. Overview of the Candidate Sites Submission Process

- 2.1 In accordance with the Local Development Plan Regulations, the Council will undertake a Call for Candidate Sites comprising an eight-week period during which submissions will be invited from interested parties who wish to have land considered for inclusion within the RLDP, either for development, re-development or protection from development. Sites can be submitted for a wide range of land use purposes including housing, employment, community facilities, tourism, green infrastructure, waste, health, education, social care, Gypsy and Traveller provision, retail, recreation, renewable energy, biodiversity, transport infrastructure and minerals.
- 2.2 A Second Call for Sites and Call for Additional Supporting Evidence will be undertaken in conjunction with the public consultation of the Preferred Strategy. Figure 1 below sets out an overview of the Candidate Sites process with the blue boxes representing public engagement opportunities.
- 2.3 Details of the timetable for this process will be contained in the Council’s published Torfaen RLDP Delivery Agreement available on the Council’s website.

Figure 1: Overview of the Candidate Sites Process



### 3. Stage 1 Financial Viability Statement

- 3.1 DPM3 (2020) provides guidance in relation to demonstrating financial viability of sites and states that the level of detail and information required should be meaningful and proportionate to the site's potential significance within the development plan. Key sites and strategic allocations are critical to the delivery of the plan's strategy and must be supported by a detailed site-specific viability appraisal. For other proposals, the following should be submitted with the site submission as part of the Call for Candidate Sites:
- Confirmation that there is development potential for the proposed use. The site should be generally attractive to the market for development at the proposed location;
  - Confirmation that the site can accommodate the broad levels of affordable housing, other policy / Section 106 requirements and infrastructure costs set out by the LPA; and
  - Where there are financial shortfalls inhibiting development from coming forward, funding mechanisms are, or can be secured to make the site financially viable.
- 3.2 In line with the requirements of DPM3 (2020), all site proposers are encouraged to submit as much supporting information as possible. However, to accompany an initial site submission at the Call for Sites stage, the Council is asking for a Financial Viability Statement in line with the bullet points in para 3.1 above. The Statement can be submitted in any form but must specifically confirm that the site proposer is satisfied that, considering likely planning obligations (see Section 5 of this Guidance Note), and current / anticipated market conditions that a developer could return an acceptable profit margin. This Statement will comprise the Stage 1 viability assessment and is mandatory. It should be noted that an inadequate level of information to demonstrate the deliverability of a site (including financial viability) is a valid reason for rejecting a site from Stage 1 of the assessment process.

### 4. Stage 2 Financial Viability Assessment: Development Viability Model (DVM)

- 4.1 A Second Call for Sites and Call for Additional Supporting Evidence will be carried out alongside public consultation on the Preferred Strategy. At this time, a Stage 2 Financial Viability Assessment will be required for those sites which are progressing to the Stage 2 Candidate Site Assessment process. New Candidate Sites submitted as part of the Second Call for Sites will also have to submit a Stage 2 Financial Viability Assessment at this time.
- 4.2 DPM3 (2020) sets out detailed advice on viability testing in Chapter 5 'Viability Testing for a Development Plan' including guidance on core assumptions, viability components, modelling and inputs for both high level and site specific appraisals.
- 4.3 Candidate sites will be assessed for financial viability using a Development Viability Model (DVM) produced by Burrows-Hutchinson Ltd Chartered Surveyors who have worked with several Local Planning Authorities (LPAs) across Wales. Using this model ensures consistency for developers and LPAs regarding viability matters. The DVM is recognised by Torfaen Council as a suitable means of undertaking a financial viability assessment ("FVA") relating to a proposed development / Candidate Site.
- 4.4 Subject to payment of a standardised fee, the Council will make a **site specific** copy of the DVM available for site proposers / developers. The copy will be tied to a specific site although the model can be used to run numerous scenarios upon the identified site.
- 4.5 The standard fees cover the Officer input required to set up and issue the model for a named site, as well a high-level evaluation of the submitted FVA. It does not allow for any time that a site promoter might wish to spend debating the findings of the review. Further

discussion / resubmission, and / or the need for third party expertise will incur additional cost to be determined as appropriate.

4.6 The fee structure is based on site size and scale; and mirrors that adopted by other Local Planning Authorities using the DVM, recognising that the scale and scope of a development proposal will influence the amount of Officer time likely to be required to evaluate the completed FVA.

4.7 The standard fee schedule is as follows (all charges inclusive of VAT and may change over time):

**Table 1: Standard Fee Schedule for Development Viability Model**

Residential Schemes		Commercial Schemes	
1-9 dwellings	£195	less than 0.4ha	£195
10-50 dwellings	£345	0.4ha to <2.0ha	£345
51-100 dwellings	£495	2.0ha to <4.0ha	£495
Over 100 dwellings	£ to be agreed with Council depending on size / complexity of proposal	Over 4ha	£ to be agreed with Council depending on size / complexity / type of proposal

For mixed-use schemes, please contact the Council to agree a fee.

4.8 Upon submission of a completed DVM for a Candidate Site, we will evaluate the information provided and ensure that the spreadsheets have been appropriately completed. A brief DVM Summary Statement will be issued to the site promoter identifying the degree of compliance with the following tests:

- a) the evidence supplied to support costs and values used in the submitted DVM is sufficient and proportionate;
- b) the suggested timescales for the development are realistic; and
- c) the DVM accords with policy requirements of the Council and with other guidance and/or policy statements that are pertinent to the assessment of viability in a planning context.

4.9 Torfaen Council recognises that some of the information required to demonstrate viability may be considered by the site promoter as commercially sensitive. DPM3 (2020) addresses this by stating that the issue of sensitivity is not a sufficient reason to avoid providing the appropriate evidence (pp. 5.96). Torfaen Council will treat DVM's as confidential between the Council and the person or organisation that has submitted it. No submitted DVM will be publicly available. If it is considered necessary to present the details of a DVM as evidence, for example to support allocation of a site to an Inspector, the Council will discuss with the site promoter the extent to which such information may be released.

4.10 Please note that the DVM Summary Statement addressing the above tests, however, will be made public as part of Stage 2D of the Candidate Site Assessment publication.

4.11 A detailed User Guide has been produced to describe how the DVM works and to set out the information that the user is required to input in the relevant cells. This will be sent out with a copy of the DVM but is also available to view on the Council's website. Each copy of the DVM also incorporates a "Quick Guide", which is aimed at those undertaking an assessment of a purely residential development site of about 2 hectares. Users are also advised that 'Help Notes' are built into the model, embedded within the worksheets themselves, which remind the user what to do on each sheet.



4.12 To obtain a copy of the model for a specific site, and/or to discuss matters relating to the DVM more widely, please contact the Council on [ldp@torfaen.gov.uk](mailto:ldp@torfaen.gov.uk).

## 5. Potential Planning Obligations

5.1 In order for Candidate Sites Viability Assessments to take into account potential planning obligations that the Council is likely to seek, relevant policies within the Adopted Torfaen Local Development Plan (2013) and the Council's Revised Planning Obligations (2023) Supplementary Planning Guidance (SPG) should be used. Although the exact requirements may be subject to change within the RLDP, the existing Policies and SPG represent the best estimate of costs available at the present time. The adopted Torfaen Local Development Plan (Written Statement) and Revised Planning Obligations SPG (2023) are both available in full on the Council's website. The relevant adopted Policies are as follows:

- Policy S8 (Planning Obligations)
- Policy H4 (Affordable Housing)
- Policy H5 (Provision for Recreation, Open Space, Leisure Facilities and Allotments)
- Policy T1 (Transport Improvements)
- Policy T2 (Safeguarding Former Transport Routes)
- Policy T3 (Walking and Cycling Routes)
- Policy CF3 (Community Facilities)
- Policy CF5 (Protection of Allotments and Recreation and Amenity Open Space)
- Policy BG1 (Locally Designated Sites for Biodiversity and Geodiversity)

5.2 Table 2 below provides an overview of the likely obligation requirements.

**Table 2: Summary of Standard S106 Requirements**

Type of Obligation	Residential development threshold	Commercial development threshold	Obligation
Affordable Housing	3 dwellings or 0.1 ha (10 dwellings or 0.33 ha) <sup>1</sup>	N/A	Site Specific - On site provision for an RSL and / or commuted sum:- <ul style="list-style-type: none"> <li>▪ up to 5% North Torfaen HSMA<sup>2</sup></li> <li>▪ up to 25% Pontypool HSMA</li> <li>▪ up to 20% Cwmbran West &amp; North HSMA</li> <li>▪ up to 30% Cwmbran South &amp; East HSMA</li> </ul>
Highways & Transport	No Threshold	No Threshold	Site Specific - Highways Infrastructure Works and / or Sustainable Transport Works according to need
Educational Facilities	10 dwellings	N/A	Site Specific - Provision for additional capacity according to need
Community Facilities	25 dwellings	1 ha or 1,000 m <sup>2</sup>	Site Specific - Provision for additional capacity according to need
Biodiversity	No Threshold	No Threshold	Site Specific - Mitigation and / or compensation according to impact
Recreation, Open Space & Allotments	3 dwellings or 0.1 ha or loss of such facility	Loss of such facility	Site Specific - Provision of additional capacity and / or compensatory provision according to need (adopted FiT, Council, NRW and allotments Standards and / or LDP Policy)

Notes:

<sup>1</sup> Following a viability review (in the 2015 Torfaen LDP AMR) of the LDP residential development thresholds above which S106 obligations are sought (of 3 (0.1ha) or more dwellings in both Policies H4 (Affordable Housing) and H5 (Provision for Recreation, Open Space, Leisure Facilities and Allotments)), as these policies can only be changed via a review of the LDP, Council on 15<sup>th</sup> December 2015 "Notes, as a matter of 'planning practice', that until viability improves, ...affordable housing provision within the Torfaen LDP

*North Torfaen, Pontypool and Cwmbran North & West Housing Sub-Market Areas within planning applications for 10 or more dwellings or where the site area is 0.33ha or above.”*

<sup>2</sup> As LDP Policy H4 provides for the % of affordable housing sought in each Housing Sub-Market Area (HSMA) to be changed in 5% increments via SPG following an annual review of viability, Torfaen Council on 15<sup>th</sup> December 2015 also resolved to reduce the amount of affordable housing sought with the North Torfaen HSMA from up to 10% to up to 5%.

Viability matters will be reviewed annually as part of the Torfaen LDP AMR; so these thresholds and affordable housing % sought may change again. The 2017, 2018, 2019, 2021 and 2022 Torfaen LDP AMRs have confirmed the above conclusions which remain unchanged.

## Affordable Housing

- 5.3 In accordance with the Torfaen LDP, associated Revised Planning Obligations SPG and the latest 2020 Torfaen Local Housing Market Assessment, the Council will seek 75% Social Rented and 25% Intermediate (Low Cost Home Ownership) Affordable Housing on residential sites (see Table 3 below). A developer will receive the relevant ‘Social Rented Unit Tariff’ based upon Welsh Government’s affordable housing Standard Viability Model (SVM) for the Social Rented units (see Table 4 below); and 50% of Market Value for the Intermediate units.

**Table 3: Affordable Housing Requirements Across Torfaen**

Housing Sub-Market Area (HSMA)	Social Rented Housing	Intermediate Housing	Total Affordable Housing Requirement	Dwellings (Area) Threshold
North Torfaen (NP4 7 and NP4 9)	4%	1%	5%	10 (0.33ha)
Pontypool (NP4 0, NP4 5, NP4 6 and NP4 8)	19%	6%	25%	10 (0.33ha)
Cwmbran North and West (NP44 1, NP44 4 and NP44 5)	15%	5%	20%	10 (0.33ha)
Cwmbran South and East (NP18 1, NP44 2, NP44 3, NP44 6, NP44 7 and NP44 8)	23%	7%	30%	3 (0.1ha)

**Table 4: S106 ‘Social Rented Unit Tariff’ (April 2023)**

Houses			Flats			Bungalows		
Type	GIA m <sup>2</sup>	Tariff	Type	GIA m <sup>2</sup>	Tariff	Type	GIA m <sup>2</sup>	Tariff
7P 4B H	114	£92,224	3P 2B F	65	£50,330	3P 2B B	58	£73,588
6P 4B H	110	£91,709	2P 1B F	53	£43,875			
5P 3B H	94	£78,542						
4P 3B H	88	£77,935						
4P 2B H	83	£73,213						

- 5.4 A mix of affordable dwelling types and sizes will be required on all sites in order to create balanced sustainable communities. All affordable dwellings are required to meet Welsh Development Quality Requirements: Creating Beautiful Homes and Places (WDQR2021), July 2021 (especially the ‘three detailed requirements’ (1. Homes should be of high quality, innovative and sustainable; 2. Homes should be flexible, responsive to the changing needs



of the occupants, meet the changing needs of a variety of households who will occupy the building over its life and be of sufficient size; and 3. Homes should be safe and secure) and the 'space standards' of Appendices A and B) or any subsequent WG Standard.

## Highways and Transport

- 5.5 The Council's approach to addressing the growing demand for transport is to ensure that all new developments minimise demand for access by car while maximising opportunities for access by sustainable transport modes, especially walking, cycling and public transport. As such, obligations will contain an emphasis on maximising opportunities for additional trips to be made by public transport, walking or cycling as well as ensuring that the highway network is capable of accommodating road traffic movements associated with a development in a safe and efficient manner. A planning obligation relating to highways and transport may apply to any scale and any type of development, according to the specific characteristics of the proposed site and the potential impact from the proposed development. Sites will be considered on a case-by-case basis. There is no standard threshold or trigger.
- 5.6 Developers will be expected to provide parking and access, including any works to the highway necessary to construct access to the site and connection with any adjacent footway. Development will also be required to include pedestrian and cycle access, in addition to any principal access where these would provide more direct and convenient routes to and from the development for cyclists and people on foot. This will include providing links to existing footways and cycleways including the National Cycle Route and making access to nearby transport stops and other local facilities as convenient as possible. Wherever possible, obligations will be sought towards specific measures within the immediate vicinity of the site that may be required to enhance access to local facilities by sustainable modes.
- 5.7 Proposed obligations should demonstrate that such provision mitigates the effect of the development and provides sufficient transport capacity / improvements to the network to accommodate movement generated by the development in line with PPW11's Sustainable Transport Hierarchy.

## Education

- 5.8 A planning obligation in relation to educational facilities will be required where a proposed development is likely to result in the generation of additional pupil numbers in excess of that which local schools can accommodate. This policy guidance applies to residential units only and exemptions comprise one bedroom dwellings and studio flats, sheltered / elderly person housing, care homes, rest homes and nursing homes, hostels and student accommodation on the basis that such developments are unlikely to house children of school age.
- 5.9 Obligations will most likely form a financial sum (Education Facilities Payment) to be paid to the Council at an agreed stage in the development. The Payment would be utilised by the Local Educational Authority to provide the required works to increase pupil capacity at a specified school. The current Section 106 SPG methodology for calculating an Education Facilities Payment is based upon the anticipated yield of the development multiplied by costs per pupil for the provision of the additional facilities. The latest 2021 pupil yield from new residential development is split as follows:

**Table 5: Pupil Yield Multipliers**

Age Group	Number of Children Generated per 100 Applicable Dwellings	Yield Multiplier per Applicable Dwelling
Maintained Nursery (age 3-4)	3 pupils	0.03
Primary (age 4-11)	23 pupils	0.23
Secondary (age 11-16)	10 pupils	0.10
6 <sup>th</sup> Form (age 16-18)	2 pupils	0.02

- 5.10 Calculations for the provision of facilities are based upon an equivalent area measurement per pupil taken from the Department for Education 'Area guidelines for mainstream schools' Building Bulletin 103 (June 2014).

**Table 6: Area Guidelines for Mainstream Schools**

Age Group	Gross Building Area Per Pupil
Maintained Nursery (age 3-4)	4.2 m <sup>2</sup>
Primary (age 4-11)	4.5 m <sup>2</sup>
Secondary (age 11-16)	7.1 m <sup>2</sup>
6 <sup>th</sup> Form (age 16-18)	7.85 m <sup>2</sup>

- 5.11 The cost of works is derived from data held by the Council's Property Construction Group based upon the latest experience of building in Torfaen as follows:

**Table 7: Education Costs per Pupil Place (April 2023)**

Nature of Works	Cost per M <sup>2</sup>	Cost per Pupil Place (Cost / M <sup>2</sup> x Gross Building Area)	
New Build Capacity	£8,000 m <sup>2</sup>	Maintained Nursery (age 3-4)	£33,600
		Primary (age 4-11)	£36,000
		Secondary (age 11-16)	£56,800
		6 <sup>th</sup> Form (age 16-18)	£62,800
Light Refurbishment <sup>1</sup> to Increase Capacity	£1,950 m <sup>2</sup>	Maintained Nursery (age 3-4)	£8,190
		Primary (age 4-11)	£8,775
		Secondary (age 11-16)	£13,845
		6 <sup>th</sup> Form (age 16-18)	£15,308
Medium Refurbishment <sup>1</sup> to Increase Capacity	£3,045 m <sup>2</sup>	Maintained Nursery (age 3-4)	£12,789
		Primary (age 4-11)	£13,703
		Secondary (age 11-16)	£21,620
		6 <sup>th</sup> Form (age 16-18)	£23,904
Heavy Refurbishment <sup>1</sup> to Increase Capacity	£3,930 m <sup>2</sup>	Maintained Nursery (age 3-4)	£16,506
		Primary (age 4-11)	£17,685
		Secondary (age 11-16)	£27,903
		6 <sup>th</sup> Form (age 16-18)	£30,851

<sup>1</sup> Degrees of refurbishment are defined as follows in accordance with WG guidance used in the development of the 21<sup>st</sup> Century Schools and Colleges programme. Only refurbishment schemes that result in increased pupil capacity will be considered appropriate for funding by planning obligations.

Light Refurbishment: Investment focused on common areas and essential repairs only. Extension of economic life is approximately 5 years. Works include strip out of existing space, shell and core refurbishment including cosmetic upgrades. Assumes existing main plant, existing floors and ceilings are retained.

Medium Refurbishment: Investment involves full upgrade of the existing building services and finishes but stops short of major structural alterations. Extension of economic life is approximately 15 years. Works include strip out of existing space, shell and core refurbishment including cosmetic upgrades. No major structural or sub-structural alterations. Existing floors and ceilings are retained and minor repairs only to façade.

Heavy Refurbishment: Investment includes significant structural alterations and may also include the replacement of facades and roof finishes. The complete renewal of internal fittings, finishes, and MEP systems. The building is typically unoccupied. Extension of economic life is approximately 15 - 30 years. Works include strip out of existing space, shell and core refurbishment including cosmetic upgrades. Replacement to raised floors, ceilings and new services.

5.12 The figures above have been tested against the costs of recently completed new school construction projects and will be regularly reviewed and updated to reflect changes in school building costs. The most up-to-date data will be used at the time of any application.

5.13 The appropriate formula for an education contribution is therefore as follows: -

**Education Facilities Payment = Nursery / Primary School + Secondary School + 6<sup>th</sup> Form Contributions Contribution Contribution**

Where: -

**Nursery School Contribution** = (No. of applicable dwellings x 0.03) x Cost per Pupil Place for the Relevant Works

**Primary School Contribution** = (No. of applicable dwellings x 0.23) x Cost per Pupil Place for the Relevant Works

**Secondary School Contribution** = (No. of relevant dwellings x 0.10) x Cost per Pupil Place for the Relevant Works

**6<sup>th</sup> Form Contribution** = (No. of relevant dwellings x 0.02) x Cost per Pupil Place for the Relevant Works

5.14 In addition, for Strategic Sites where a new primary school is required, the following provides a guide:

**Table 8: Costs for the Provision of a New Primary School**

School Capacity	Nursery Places (FTE)	Total Cost (April 2023)
315	0	£11,907,000
420	0	£15,876,000
420	30	£16,934,400
525	30	£20,903,400

## Community Facilities

5.15 Planning obligations in relation to community facilities will be required where a proposed development is likely to result in the generation of additional households or work force so that the likely additional population would exceed the existing or planned capacity of local facilities. Such facilities may include community centres / halls and meeting places (**at a minimum standard of 0.75m<sup>2</sup> per dwelling (and a Qtr2 2023 cost of £2,145m<sup>2</sup>)**), community learning facilities, libraries, leisure centres and medical practices.

5.16 As a general guide, obligations may apply to residential development comprising a net increase of 25 or more dwellings or commercial development with a net increase of 1,000 m<sup>2</sup> floorspace or a site area exceeding 1 ha. In assessing which community facilities the

development may impact upon, the catchment areas of local facilities will be considered in relation to the proposed development site.

## **Biodiversity, Geodiversity and Ecological Resilience**

- 5.17 A contribution relating to ecology and biodiversity may apply to any scale and any type of development, according to the specific characteristics of the proposed site and the potential impact from the proposed development. This includes both direct and indirect impacts on the site and linked areas (e.g. water corridors, green corridors, foraging areas). There is no standard threshold or trigger. Site proposers are expected to undertake the required ecological survey work to determine the extent of species / habitats on site. This survey work will assist in determining necessary mitigation measures.
- 5.18 All circumstances will be considered on their individual merits and will be assessed on a case by case basis. The over-riding principle with regard to ecology and biodiversity is to ensure a net benefit in line with the Section 6 duty set out in the Environment Act (Wales) 2016.
- 5.19 It is the Council's expectation that wherever possible, works should be delivered directly by the developer in accordance with details and specification to be agreed with the Council. The developer would be expected to fund the development of the detailed scheme and carry out the works to the appropriate standard. Where a financial sum to contribute towards off site facilities / features is agreed in principle, the works agreed will be costed by the Council.
- 5.20 Where a Management Plan is required, it must provide reasonable costings for implementation of the proposed measures for a minimum period of 20 years. The Management Plan should include monitoring where appropriate.

## **Recreational Facilities, Open Space & Allotments**

- 5.21 The Council will seek an obligation to address any detrimental impact on the standard of provision of recreation facilities, open space and allotments within the vicinity of a site. The obligation may comprise the direct provision of facilities within the application site, off-site provision on land controlled by the developer and / or a financial contribution in lieu of direct provision as a last resort.
- 5.22 It is the Council's expectation that wherever appropriate, works should be delivered directly on-site by the developer in accordance with details and specification to be agreed with the Council. The developer would be expected to fund the development of the detailed scheme and carry out the works to the appropriate standard. Management of the facilities provided should be addressed either by the establishment of an appropriate site management company or by way of transfer of the land to the Council and payment of a commuted sum equivalent to the management costs for 20 years.
- 5.23 The FIT Standards (Guidance for Outdoor Sport and Play Beyond the Six Acre Standard Wales, Jan 2017) seek to ensure that provision of outdoor sport, play and informal open space is of a sufficient size to enable effective use; is located in an accessible location and in close proximity to dwellings; and of a quality to maintain longevity and to encourage its continued use. Fields in Trust recommended benchmark guidelines for formal outdoor space are as follows:

**Table 9: Accessibility Guidelines for Informal and Formal Outdoor Play Space (Fields in Trust)**

Typology of Space	Ha per 1,000 population	Walking distance from dwellings
Playing pitches	1.20	1,200m
All outdoor sports	1.60	1,200m
Equipped/designated play areas	0.25	LAPs - 100m LEAPs - 400m NEAPs - 1,000m
Other outdoor provision (MUGAs and skateboard parks)	0.3	700m
Parks and Gardens	0.80	710m
Amenity Green Space	0.60	480m
Natural and Semi-Natural	2.0	720m

- 5.24 Associated Quality Guidelines are provided, appropriate to the intended level of performance, with spaces designed to appropriate technical standards:
- Located where they are of most value to the community to be served
  - Sufficiently diverse recreational use for the whole community
  - Appropriately landscaped
  - Maintained safely and to the highest possible condition with available finance
  - Positively managed taking account of the need for repair and replacement over time as necessary
  - Provision of appropriate ancillary facilities and equipment
  - Provision of footpaths
  - Designed so as to be free of the fear of harm or crime
  - Local authorities can set their own quality benchmark standards for playing pitches, taking into account the level of play, topography, necessary safety margins and optimal orientation<sup>3</sup>
  - Local authorities can set their own quality benchmark standards for play areas using the Play Wales Access Assessment Table
  - Parks to be of Green Flag status
- 5.25 Therefore, using average occupancy at 2.3 persons per dwelling (2021 Census) and the FIT standards of provision, the requirements for formal and informal outdoor space per dwelling in Torfaen is calculated as follows:
- Total provision: 55.2 m<sup>2</sup> per dwelling**
- Sub-divided as follows:**
- **Outdoor Sport (Adult Provision) 36.8 m<sup>2</sup> / dwelling**  
**(of which 26.3 m<sup>2</sup> should be for pitch sports)**
  - **Children’s Play Space 18.4 m<sup>2</sup> / dwelling**  
**(of which 5.8 m<sup>2</sup> should be equipped / designated children’s play space and 12.6 m<sup>2</sup> should be casual / informal children’s play space)**
- 5.26 In addition, the Council has adopted SPG ‘Development and its Incorporation within the Landscape: A Guide for Developers’ (2000) which requires open space standards equivalent to 9.16 m<sup>2</sup> per dwelling. Provision for serviced allotments will be sought in line with national standards where these can be provided on site and to serve the needs of the development. Torfaen minimum provision of 25 standard (250 square metres) plots per 1,000 households should be used, i.e. 7.4m<sup>2</sup> of gross allotment space per dwelling which could take the form of community growing space or espaliers where appropriate.
- 5.27 Table 10 sets out recommended benchmark guidelines for the provision of equipped / designated play space. The exact form and type of open space and recreation facilities are TCBC RLDP: Financial Viability Assessment Guidance Note (May 2023)

to be determined on a site-by-site basis, reflecting the requirements of likely future occupiers and the characteristics of the site. Where there are existing facilities that are substandard, the Council will consider an Open Space and Recreation Payment in order to mitigate the impact of the development by way of upgrading the existing facilities as opposed to additional on-site provision. Further details can be obtained from the latest publication of the Revised Planning Obligations Supplementary Planning Guidance document available from the Council's website.

**Table 10: Recommended Benchmark Guidelines - Equipped / Designated Play Space**

Scale of Development	Local Area for Play (LAP)	Locally Equipped Area for Play (LEAP)	Neighbourhood Equipped Area for Play (NEAP)	Multi-Use Games Area (MUGA)
10-200 dwellings	On Site	On Site	N/A	Contribution
201-500 dwellings	On Site	On Site	Contribution	On Site
501+ dwellings	On Site	On Site	On Site	On Site

- 5.28 Appendix 6A of the Recreation and Public Open Space Annexe of the Revised Planning Obligations Supplementary Planning Guidance document sets out the current guidelines for typical capital and maintenance costs for recreation and open space facilities. At the time of writing these are as follows although the most up to date available / actual costs should be used for any viability assessment:

**Table 11: Capital and Maintenance Costs for Recreation and Open Space Provision (Feb 2023)**

Typology	Cost per dwelling		
	Capital	Maintenance	Total
Public Open Space	£247	£177	<b>£424</b>
Local Area of Play (LAP)	£1,410	£1,728	<b>£3,138</b>
Local Equipped Area of Play (LEAP)	£364	£305	<b>£669</b>
Local Area of Play (LAP) / Local Equipped Area of Play (LEAP)	£366	£315	<b>£681</b>
Local Equipped Area of Play (LEAP) / Neighbourhood Equipped Area of Play (NEAP)	£103	£106	<b>£209</b>
Football Pitch	£1,486	£1,202	<b>£2,688</b>
Multi-Use Games Area (MUGA)	£935	£1,164	<b>£2,099</b>

## 6. Additional Information

- 6.1 For housing sites, where the housing mix is unknown (but the dwelling numbers are) the following default dwelling mixes can be used as a starting point across all densities. The term "net site area" i.e. the area of developable land comprises access roads within the site, private garden space, car parking areas, incidental open space & children's play areas.



**Table 12: Default Net Site Density and Housing Type Mixes**

Dwelling Type	Net Density				
	25 DPH	30 DPH	35 DPH	40 DPH	50 DPH
2 Bed Flats				5%	20%
2 Bed Terrace	5%	15%	20%	20%	30%
3 Bed Terrace	10%	10%	15%	10%	30%
4 Bed Terrace				5%	5%
3 Bed Semi	25%	20%	25%	15%	10%
4 Bed Semi	15%	10%	10%	10%	5%
3 Bed Detached	20%	20%	15%	20%	
4 Bed Detached	20%	20%	15%	15%	
5 Bed Detached	5%	5%			

- 6.2 For housing sites where the net site area is unknown and given the need for Green Infrastructure, SuDS, biodiversity maintenance / enhancement, zero carbon measures / mitigation, etc., please use the following (Table 13) suggested gross to net site area ratios which vary with site size. They should not be used for strategic sites, which are more likely to be site specific / masterplan based.

**Table 13: Gross to Net Site Area Ratio**

Gross Site Area	Net Site Area
< 0.4 ha	100%
0.4 - 2.0 ha	90%
> 2 ha	75%

- 6.3 For housing sites where dwelling sizes are unknown, the following default dwelling sizes can be used.

**Table 14: Default Market & Affordable Housing Dwelling Sizes**

Dwelling Type	Size	
	Market	Affordable
1 Bed Bungalow	45m <sup>2</sup>	45m <sup>2</sup>
2 Bed Bungalow	58m <sup>2</sup>	58m <sup>2</sup>
1 Bed Flat	46m <sup>2</sup>	46m <sup>2</sup>
2 Bed Flat	65m <sup>2</sup>	58m <sup>2</sup>
3 Bed Flat (4P)	74m <sup>2</sup>	N/A
3 Bed Flat (5P)	86m <sup>2</sup>	N/A
2 Bed Terrace	67m <sup>2</sup>	83m <sup>2</sup>
3 Bed Terrace	78m <sup>2</sup>	88m <sup>2</sup>
4 Bed Terrace	110m <sup>2</sup>	110m <sup>2</sup>
3 Bed Semi	82m <sup>2</sup>	88m <sup>2</sup>
4 Bed Semi	110m <sup>2</sup>	110m <sup>2</sup>
3 Bed Townhouse	102m <sup>2</sup>	N/A
4 Bed Townhouse (5P)	106m <sup>2</sup>	N/A
4 Bed Townhouse (6P)	113m <sup>2</sup>	N/A
3 Bed Detached	94m <sup>2</sup>	94m <sup>2</sup>
4 Bed Detached	120m <sup>2</sup>	114m <sup>2</sup>
5 Bed Detached	135m <sup>2</sup>	120m <sup>2</sup>

- 6.4 From recent FVAs submitted in Torfaen, which have been independently produced from the developer's open book information, plot build costs are typically 5-10% below lower quartile BCIS build rates. It is also recognised that there is generally a reduction in build costs when moving from a smaller scheme to a scheme of 50 units plus.

- 6.5 Abnormal costs cannot be generalised but should usually be reflected in the land value; and if known can be included as site-specific costs.

**Table 15: Other Residential Development Costs to be used in the DVM**

Professional Fees	8% of build costs for sites up to 50 dwellings 6% of build costs for sites of 50+ dwellings
Finance	6% interest per annum (debit); and 0.5% per annum (credit)
Contingency costs	5% of build costs
Sales & Marketing Fees	2.5% of market housing value 0% for affordable housing
Developer Return	17.5% for sites up to 50 dwellings; and 20% for sites of 50+ dwellings
Contractor Return	6% of affordable housing build costs
Land cost fees (Agent & Legal)	1.5% of land purchase price in addition to the appropriate Land Transaction Tax

- 6.6 When you buy non-residential property (freehold or leasehold) such as shops, offices, or agricultural land, Welsh Land Transaction Tax (LTT) will be payable. The Welsh Revenue Authority (WRA) tax calculator can be used to work out how much tax you will pay - <https://gov.wales/land-transaction-tax-calculator>

- 6.7 For commercial development proposals, the following can be used:

**Table 16: Median BCIS Base Build Costs (£Gross/m<sup>2</sup> - inc. prelims) (Qtr2 2023)**

Description	Use Class	Torfaen Build Cost
Neighbourhood Shops (general)	A1	(£1,601) <b>£1,441</b>
Supermarket (up to 1,000m <sup>2</sup> )	A1	(£1,622) <b>£1,460</b>
Superstore (1,000 - 7,000m <sup>2</sup> )	A1	(£1,907) <b>£1,716</b>
Retail Warehouse (up to 1,000m <sup>2</sup> )	A1	(£989) <b>£890</b>
Retail Warehouse (1,000 - 7,000m <sup>2</sup> )	A1	(£955) <b>£860</b>
Offices with Shops, etc. (1-2 storey)	A2	(£1,417) <b>£1,275</b>
Cafe	A3	(£2,625) <b>£2,363</b>
Business Park (up to 500m <sup>2</sup> )	B1	(£2,497) <b>£2,247</b>
Business Park (500 - 2,000m <sup>2</sup> )	B1	(£1,490) <b>£1,341</b>
Business Park (over 2,000m <sup>2</sup> )	B1	(£978) <b>£880</b>
Advance Factories (up to 500m <sup>2</sup> )	B2	(£1,129) <b>£1,016</b>
Advance Factories (500 - 2,000m <sup>2</sup> )	B2	(£1,242) <b>£1,118</b>
Advance Factories (over 2,000m <sup>2</sup> )	B2	(£808) <b>£727</b>
Warehouses (up to 500m <sup>2</sup> )	B8	(£1,404) <b>£1,264</b>
Warehouses (500 - 2,000m <sup>2</sup> )	B8	(£876) <b>£788</b>
Warehouses (over 2,000m <sup>2</sup> )	B8	(£650) <b>£585</b>
Motels	C1	(£1,504) <b>£1,354</b>
Residential Institution (care home - gen.)	C2	(£1,968) <b>£1,771</b>
Health Centres (private)	D1	(£2,182) <b>£1,964</b>
Assembly & Leisure (gym)	D2	(£1,935) <b>£1,742</b>

**Note:** Qtr2 2023 (UK mean location) / then x 90% for Torfaen 'Tender Price' Location Index  
TCBC RLDP: Financial Viability Assessment Guidance Note (May 2023)

**Table 17: Other Commercial Development Costs to be used in the DVM**

Professional Fees	10% of build costs
Finance	6% of total development costs, including construction and other fees
Contingency and S106 costs	5% of build costs
Marketing and Legal Fees	3% of capital value
Developer Return	17% of capital value
Externals	10% of build costs