



Technical Annex and Non Monetised Impacts - External Guidance

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Section One: Overview

The Technical Annex (TA) is the basis of assessment for the BLRF2 Value for Money (VfM) gateway criterion.

First, the assessment provides an illustrative Benefits Cost Ratio (BCR) and an initial VfM category. The BCR is an estimate of the present value benefits for the project divided by the present value costs.

To receive BLRF funding, your project needs to obtain a VfM category of Low/Acceptable. [Section Two](#) of this guidance provides a step-by-step guide on how to produce the initial BCR and VfM category.

| VfM Category | Thresholds | Would this score pass the BLRF2 gateway? |
|---------------------|--------------------------------|---|
| Very High | BCR greater than or equal to 4 | Pass |
| High | BCR between 2 and 4 | Pass |
| Medium | BCR between 1.5 and 2 | Pass |
| Low / Acceptable | BCR between 1 and 1.5 | Pass |
| Poor | BCR between 0 and 1 | Fail |
| Very Poor* | BCR below zero | Fail |

Table 1: Value for Money Categories

Second, the TA provides an estimated additionality. This accounts for a) the extent homes may have been developed on the proposed project site regardless of government funding and b) whether building on the proposed site could displace housing development from elsewhere.

Unlike previous Land Release Fund (LRF) funding rounds, the estimated additionality result cannot be amended by the council (it may however be moderated by One Public Estate (OPE) assessors). More guidance on how to complete the “Technical Annex” tab can be found in [Section Two, Step Four](#).

Third, the TA includes a Non-Monetised Impacts (NMI) Assessment for those projects which have not reached a VfM category of Low/Acceptable based on their illustrative BCR. This allows councils the opportunity to explain the wider benefits of their proposed sites, such as transport impacts, and to justify how these impacts are equivalent to the “switching value” needed to reach a VfM category of Low/Acceptable.

This process is different to the Non-Monetised Benefits (NMB) process followed by the Brownfield Land Release Fund (BLRF). More detail is provided in [Section Three](#).



Section Two: Step by Step Guidance on completing the initial BCR

This section provides a step-by-step guide to help councils obtain their initial BCR score on the Technical Annex Tab (from rows 1 to 96 on the TA).

Councils should seek to fill in the form from top to bottom, and complete the cells highlighted in red.

Step 1: Complete your Project Name (rows 11-14)

| Project details | | |
|--|---------------------|---|
| Project Name: | INSERT PROJECT NAME | <i>Please ensure that the project name matches the project name on the Basic Details Form</i> |
| Summary | | |
| Present Value Benefits (£m): | £0.00 | |
| Present Value Costs (£m): | £0.20 | |
| Net Present Social Value (£m): | -£0.20 | |
| ILLUSTRATIVE Benefit Cost Ratio: | 0.0 | <i>Before non-monetised impact assessment is considered</i> |
| Initial Value for Money Category: | Poor | <i>Before non-monetised impact assessment is considered</i> |
| Switching Value to Acceptable Value for Money (£m) | £0.20 | <i>+ value indicates £m required to achieve BCR of 1.0, - value indicates £m above a BCR of 1.0</i> |

i. Please remember to ensure your project name is exactly the same across all your application documents, including the Basic Details Form and Application Form. To note, this is case sensitive.

ii. At this stage, ignore the summary box and move to the Monetised Impact Assessment section.

Step 2: Complete the Monetised Impact Assessment (rows 27-36)

| Monetised Impact Assessment | | |
|---|------------|---|
| Select lower / single tier authority from dropdown: | Thanet | |
| How many hectares will be brownfield land? | 2,000 | |
| Existing use value of site assumed in 2022/23 (100%): | £1,815,402 | <i>The existing use value should reflect the value of the site in its current use. By default, these are based on Valuation Office Agency estimates of industrial land value. This can be adjusted if robust evidence is provided to reflect local characteristics.</i> |
| If applicable, adjustment to existing use value: | 100% | |
| If applicable, please provide supporting evidence of your adjustment to the existing site value | | <i>Please provide any supporting evidence along with your application such as:</i> <ul style="list-style-type: none"> - Local site-specific valuations - Local valuations of similar sites - Evidence of why there is a low/nil economically productive use for the site in its current use |

i. Please select the single-tier local authority the proposed project is located in (remember this will be the project that will be receiving the BLRF funding).



ii. Please enter the size of the project site in hectares (BLRF only accepts projects on brownfield land). Please remember to cross-check the size stated across all application documents.

iii. The Technical Annex will provide an initial land value cost in its current use based on the Valuation Office Agency estimates of industrial land value. Unlike previous rounds of LRF, councils are able to override the automatic land value if robust evidence is provided that justifies why industrial land value is not relevant for the proposed project: this can be done by reducing the existing value in bands of 10% via the dropdown in cell D35.

iv. If you have adjusted the existing land value you will need to provide evidence such as:

- a) Local site-specific valuations
- b) Local valuations of similar sites
- c) Evidence of why there is low/nil economically productive use for the site in its current use.

To note, if you are submitting evidence via an appendix please add the document's title to the evidence box in D36 to make it clear that more information has been submitted.



Step 3: Complete the Funding and Housing Unit Table (rows 39-69)

| Year | BLRF funding required (£m, nominal terms) | Other central government funding required (outside of BLRF funding) (£m, nominal terms) | Number of Housing Completions / Units from released land (Gross) | of which: Social Rent | of which: Affordable Rent |
|--------------------------------------|---|---|--|-----------------------|---------------------------|
| 2022/23 | £0.20 | £0.00 | 0 | 0 | 0 |
| 2023/24 | | £0.00 | 0 | 0 | 0 |
| 2024/25 | | £0.00 | 0 | 0 | 0 |
| 2025/26 | | £0.00 | 8 | 4 | 0 |
| 2026/27 | | £0.00 | 0 | 0 | 0 |
| 2027/28 | | £0.00 | 0 | 0 | 0 |
| 2028/29 | | £0.00 | 0 | 0 | 0 |
| 2029/30 | | £0.00 | 0 | 0 | 0 |
| 2030/31 | | £0.00 | 0 | 0 | 0 |
| 2031/32 | | £0.00 | 0 | 0 | 0 |
| 2032/33 | | £0.00 | 0 | 0 | 0 |
| 2033/34 | | £0.00 | 0 | 0 | 0 |
| 2034/35 | | £0.00 | 0 | 0 | 0 |
| 2035/36 | | £0.00 | 0 | 0 | 0 |
| 2036/37 | | £0.00 | 0 | 0 | 0 |
| 2037/38 | | £0.00 | 0 | 0 | 0 |
| 2038/39 | | £0.00 | 0 | 0 | 0 |
| 2039/40 | | £0.00 | 0 | 0 | 0 |
| 2040/41 | | £0.00 | 0 | 0 | 0 |
| 2041/42 | | £0.00 | 0 | 0 | 0 |
| 2042/43 | | £0.00 | 0 | 0 | 0 |
| 2043/44 | | £0.00 | 0 | 0 | 0 |
| 2044/45 | | £0.00 | 0 | 0 | 0 |
| 2045/46 | | £0.00 | 0 | 0 | 0 |
| 2046/47 | | £0.00 | 0 | 0 | 0 |
| 2047/48 | | £0.00 | 0 | 0 | 0 |
| 2048/49 | | £0.00 | 0 | 0 | 0 |
| 2049/50 | | £0.00 | 0 | 0 | 0 |
| 2050/51 | | £0.00 | 0 | 0 | 0 |
| 2051/52 | | £0.00 | 0 | 0 | 0 |
| Total (Nominal, Undiscounted) | £0.20 | £0.00 | 8 | 4 | 0 |

i. Please enter the amount of BLRF funding you are seeking in regular cash terms* into the correct financial year (the year you are submitting your application to OPE).

- *e.g you need £200,000 for demolition costs, so please enter in £0.20m.

ii. Please enter the amount of other central government funding required for the project to release land for housing in the same manner.

- e.g Levelling Up Fund used to release the site would be entered, however the Affordable Housing Grant required to deliver the housing would not.

iii. In the “Number of Housing Completions / Units from released land (Gross)” column please add in the number of homes the BLRF funding will release land for.

- e.g if you are demolishing 4 vacant units, and then building a total of 12 units, enter 8 into the table against the financial year row when the homes are scheduled to be completed.



iv. Of these homes, please enter the number of homes that will be let at social rent in the “of which social rent” column.

- *Social rent is defined as rent that the residents will be paying to the registered providers and/or the councils set in accordance with the Government’s rent policy for Social Rent.*
- *Please make sure the financial year row the homes are entered to is in the same row as the number of housing completions.*

v. Of these additional homes, please enter the number of homes that will be affordable rent in the “of which affordable rent” column.

- *Affordable rent is defined as rent that is set at up to 80% of market rent.*
- *Please make sure the financial year row the homes are entered into is in the same row as both the number of housing completions and the social rent.*

Step 4: Complete the Additionality Assessment (rows 71-95)

| Additionality Assessment | |
|---|---------------|
| Not every home is additional because in the absence of funding some homes could be built on these sites anyway (deadweight), and because developers may diverge activity from other sites to ones receiving government funding and/or there could be a general reduction in development arising, for example, because of lower prices compared to what otherwise would be the case (displacement). Refer to the 'Additionality Guidance' worksheet for more information on the additionality assessment. | |
| Deadweight | Answer |
| Does the land require remediation or clean-up? If 'YES', is there a funding gap for this remediation/clean-up after developer contributions and private finance have been used? | YES |
| Will local infrastructure upgrades be required if the site is developed to full capacity? If 'YES', is there a funding gap for this remediation/clean-up after developer contributions and private finance have been used? | YES |
| Is land assembly complicated by multiple owners or ransom strips? | NO |
| Does the majority of the site already have detailed planning permission? | NO |
| Will the project create a new market/product or demonstrate viability? If 'YES', is there a funding gap for the development? | NO |
| Will intervention accelerate delivery? | NO |
| Estimated Deadweight | 10% |
| Estimated Additionality | 81% |
| Displacement | Answer |
| Is some proportion of the scheme social or affordable rented housing? | 50% |
| Is the local authority an area of relative low, medium or high affordability? | Low (60%) |
| Is there a low, medium or high level of relative development activity in the local housing market? | Medium (50%) |
| How many units will the scheme unlock/enable? | 10 (40%) |
| Estimated Displacement | 10% |
| <i>It should only be considered a funding gap if it cannot be solved by:</i> - reducing the proportion of affordable housing to the minimum level considered acceptable by the local authority - increasing the density of housing to the minimum level considered acceptable by the local authority - changing other components of the build specification to the minimum level acceptable by building regulations and that is acceptable to the local authority e.g. regarding energy efficiency | |
| <i>Note: We may adjust your deadweight % to reflect any local factors related to your application when undertaking moderation. There is a minimum 10% displacement applied in the additionality calculation.</i> | |

The additionality assessment is split into two sections, Deadweight and Displacement.



Deadweight

When completing the deadweight assessment, start with the first question and answer the remaining questions sequentially: once completed, the TA will produce an estimated deadweight, which cannot be amended.

The “Additionality Guidance” tab provides an overview of the calculation. The table below provides further explanation and examples of the evidence needed to justify your answers.

If your application is not well evidenced, OPE may moderate your answers.

| Deadweight flowchart question | Explanation of the question | Example acceptable evidence for ‘YES’ |
|---|--|--|
| <p>1) a) Does the land require remediation or clean-up?</p> <p>1) b) If 'YES', Is there a funding gap for this remediation/clean-up after developer contributions and private finance have been used?</p> | <p>a) Answer Yes if the site requires land remediation or clean up (including demolition).</p> <p>b) If you require funding, you need to consider whether there is a funding gap to deliver the site, and if so why this funding gap cannot be mitigated by amending aspects of the proposed project. If these aspects cannot be amended, you need to provide evidence within your application to explain why.</p> | <p>Evidence that land remediation / clean-up / demolition is creating the viability issue:</p> <ul style="list-style-type: none"> • Development appraisal; • Costing methodology eg cost certificates, market testing, similar projects <p>It should only be considered a funding gap in the additionality assessment if it cannot be solved by:</p> <ul style="list-style-type: none"> • Reducing the proportion of affordable housing to the minimum level considered acceptable by the council e.g. referencing their local plan. Therefore, if you are submitting a project with high levels of affordable housing please justify this (linking to local policy / decisions) within your application. • Increasing the density of housing whilst still considered acceptable by the council • Changing other components of the build specification within the level acceptable within building regulations and that is acceptable to the council e.g. regarding energy efficiency |
| <p>2) a) Will local infrastructure upgrades be required if the site is developed to full capacity?</p> <p>2) b) If 'YES', Is there a funding gap for this remediation/clean-up after developer</p> | <p>a) If your project requires further infrastructure upgrades (i.e roundabouts, roads, new access) to release the site please mark this as a yes. If no, go to question 3.</p> <p>b) As above, if this is marked as a yes you need to consider whether there is a</p> | <p>Evidence that requirement for local infrastructure upgrades (and land remediation / clean-up / demolition) is creating the viability issue:</p> <ul style="list-style-type: none"> • Development appraisal • Costing methodology eg cost certificates, market testing, similar projects <p>It should only be considered a funding gap in the additionality assessment if it cannot be solved by:</p> <ul style="list-style-type: none"> • reducing the proportion of affordable housing to the minimum level considered acceptable |



| | | |
|---|--|---|
| <p>contributions and private finance have been used?</p> | <p>funding gap to deliver this part of the site, and why this funding gap cannot be mitigated by amending aspects of the proposed projects. If these aspects cannot be amended, you need to provide evidence within your application to explain why.</p> | <p>by the council e.g. referencing their local plan</p> <ul style="list-style-type: none"> • increasing the density of housing still considered acceptable by the council • changing other components of the build specification within the level acceptable within building regulations and that is acceptable to the council e.g. regarding energy efficiency |
| <p>3) Is land assembly complicated by multiple owners or ransom strips?</p> | <p>Is the wider development site in multiple ownerships (i.e other than council owned) or is a small piece of land required to enable development (normally at the boundary/access point),</p> | <p>Evidence of ownership of land, titles or annotated plans</p> |
| <p>4) Does the majority of the site already have detailed planning permission?</p> | <p>Answer 'yes' if full planning permission has been obtained.</p> | <p>Evidence in application form regarding existing planning permissions</p> |
| <p>5) a) Will the project create a new market/product or demonstrate viability? 1) b) If 'YES', is there a funding gap for the development?</p> | <p>A new market could be for example relocatable units or brand new building products. which would cost more to deliver than standard. To note, this option is unlikely to be relevant for BLRF applications.</p> | <p>Evidence of what the new product / market is and why this is necessary to enable housing delivery. It is likely to be showcasing new methods or technology that would likely not go ahead without BLRF funding</p> |
| <p>2) Will intervention accelerate delivery?</p> | <p>This should be marked as Yes, as you should have already evidenced why the project will not go ahead without BLRF intervention and therefore by receiving BLRF funding the project will be accelerated.</p> | <p>Evidence of the viability issues:</p> <ul style="list-style-type: none"> • Development appraisal • Costing methodology eg cost certificates, market testing, similar projects <p>Evidence of deliverability within the application form.</p> |

Table 2: Deadweight flowchart explanation and outline of evidence required

Displacement

This section estimates the impact of developing the proposed site on market housing development elsewhere, based on affordability and level of development activity in the council area and the size of the project. (Delivery of affordable housing does not cause displacement).



Displacement is automatically generated with the information you have provided in other cells: this cannot be amended.

Once both sections have been completed, the estimated additionality will be automatically produced by the TA and cannot be amended.

Step 5: Check your Illustrative BCR Score in the Summary Section (rows 16-25)

| Project details | | |
|--|---------------------|---|
| Project Name: | INSERT PROJECT NAME | <i>Please ensure that the project name matches the project name on the Basic Details Form</i> |
| Summary | | |
| Present Value Benefits (£m): | £0.00 | |
| Present Value Costs (£m): | £0.20 | |
| Net Present Social Value (£m): | -£0.20 | |
| ILLUSTRATIVE Benefit Cost Ratio: | 0.0 | <i>Before non-monetised impact assessment is considered</i> |
| Initial Value for Money Category: | Poor | <i>Before non-monetised impact assessment is considered</i> |
| Switching Value to Acceptable Value for Money (£m) | £0.20 | <i>+ value indicates £m required to achieve BCR of 1.0, - value indicates £m above a BCR of 1.0</i> |

Once you have completed the above steps, you will need to return to rows 16-25 within the “Technical Annex” tab to the Summary section where the TA has equated the information you have provided into an illustrative BCR score, and an initial VfM category.

If your project has **an illustrative BCR above 1.0**, equivalent to an initial VfM category of Low/Acceptable or above, the project has likely passed the BLRF2 gateway based on BCR alone.

| VfM Category | Thresholds | Would this score pass the BLRF2 gateway? |
|------------------|--------------------------------|--|
| Very High | BCR greater than or equal to 4 | Pass |
| High | BCR between 2 and 4 | Pass |
| Medium | BCR between 1.5 and 2 | Pass |
| Low / Acceptable | BCR between 1 and 1.5 | Pass |
| Poor | BCR between 0 and 1 | Fail |
| Very Poor* | BCR below zero | Fail |

Table 1 (repeated): Value for Money Categories

If the **BCR is less than 1** you will need to consider including Non-Monetised Impacts (NMIs) within your application in order to reach the gateway VfM category of Low/Acceptable. This is explained in more detail in [Section Three](#) below.

We also recommend that you consider NMIs if your project is on the threshold of passing the BCR gateway of 1.0, particularly if you have adjusted the Existing Use Value for the land, in



case at assessment the BCR is lowered. Please consult your OPE Regional Programme Managers for project specific advice.

Section Three: Non-Monetised Impacts Assessment (row 97-106)

Definitions of NMIs

NMIs are impacts which are difficult to monetise with accuracy, such as energy efficiency and transport impacts, because they have a large potential range. Two examples are outlined below that describe the potential impacts of demolishing a derelict building in different circumstances:

Example A

- The site currently has an old derelict building on it, situated in an urban location, surrounded by 100 homes.
- The derelict building is partly demolished. The remaining part of the building is sympathetically upgraded and refurbished to become flats. The demolished section of the building is replaced by new homes built to Passivhaus standard, with all waste materials recycled.
- By partly demolishing the building, the site may make substantial energy savings because the carbon emissions already embodied within the existing building would not be lost through the demolition process. Further, for the part of the site that is demolished, the energy efficiency of the new homes would likely reduce the site's carbon emissions in the coming decades.
- Additionally, if the development includes a new publicly accessible cycle pathway from one side of the site to another, it will likely lessen the travel time for residents in the surrounding area to get to the centre of town, as well as traffic noise and air pollution.
- It can therefore be surmised that the impact of partly demolishing the derelict building in this example will most likely positively impact the surrounding residents by the reduction in carbon emissions, air pollution and travel time.

Example B

- The site currently has an old derelict building on it, situated within an industrial estate, surrounded by 5 homes.
- The entire derelict building is demolished and is replaced with homes built to a policy standard level: all materials are taken to a waste disposal unit. The site includes infrastructure that services the site such as an access road.
- The new site is not as impactful as Example A because the site has not provided



significant improvement for the wider community; any positive impacts of this site (the new homes), are already considered in the BCR assessment, as the positive impacts are only really impacting the residents of these new homes.

To be clear, non-monetised impacts are not:

- Impacts that are already counted in your BCR score such as affordable housing or social rent.
- “Business as usual” impacts such as a new access road.
- Impacts that are likely to be displaced such as jobs/employment (i.e. a job on a site is likely displacing a job from elsewhere) or Economic Growth, Gross Domestic Product or Gross Value added (i.e increased economic activity on a site is likely displacing activity from elsewhere).

All NMIs must be clearly linked to your proposed project.

How to “Quantify” and Evidence your NMIs

For a project to reach a gateway VfM category of low/acceptable, evidence that the scale of the NMI is equivalent to the “switching value” must be provided.

| Project details | | |
|--|--|---|
| Project Name: | <input type="text" value="INSERT PROJECT NAME"/> | <i>Please ensure that the project name matches the project name on the Basic Details Form</i> |
| Summary | | |
| Present Value Benefits (£m): | £0.00 | |
| Present Value Costs (£m): | £0.20 | |
| Net Present Social Value (£m): | -£0.20 | |
| ILLUSTRATIVE Benefit Cost Ratio: | 0.0 | <i>Before non-monetised impact assessment is considered</i> |
| Initial Value for Money Category: | Poor | <i>Before non-monetised impact assessment is considered</i> |
| Switching Value to Acceptable Value for Money (£m) | £0.20 | <i>+ value indicates £m required to achieve BCR of 1.0, - value indicates £m above a BCR of 1.0</i> |

If your VfM category is Poor or Very Poor, the switching value will show as a “+” value in £ millions - the value that is required to ‘switch’ the VfM to a Low/Acceptable category.

If your VfM category is Low/Acceptable, or above (a BCR above 1.0), the switching value will show as a “-” as the project has passed the VfM gateway. However, if your BCR is just over 1.0, you may wish to include NMIs in case at assessment the project BCR is lowered.

Each NMI included in your TA should be well evidenced with a metric or potential quantified range, so that an assessment can be made as to whether inclusion comfortably meets the necessary switching value.

For the NMIs included in the TA drop downs, the table below (Table 3) provides NMI definitions, ways to quantify the NMI and examples of acceptable evidence.



Table 3: NMI Definitions and Evidence Required

| Name of NMI | Acceptable evidence for 'YES' |
|---|---|
| <p>Operational Greenhouse Gas Emissions / Energy Efficiency: The proposed funded works and/or development will be subject to high build standards relating to sustainability and energy efficiency, with homes consistent with the expected Future Homes Standard. The proposed new dwelling will as a result have higher energy efficiency than the existing housing stock in England.</p> | <p>Evidence in their application of compliance with the Future Homes Standard, or specific elements of the build specification that it is reasonable to expect will have a similar impact on total energy efficiency.</p> <p>The Technical Annex will automatically populate a range of switching values in the Non-Monetised Impact Table, in the column "Guidance on Non-Monetised Impact" on a project by project basis, based on the information populated in the other tables. The information will state, for example "If the project meets the criteria, the scale of impact of reducing operational greenhouse gas from new housing could be between £0.08m - £0.12m." More information on this can be found in NMI Assessment Table Step 3: Evidence of application to site</p> |
| <p>Wider Placemaking / Area Impacts in Regeneration Areas: A project that aims to transform a particular place to help restore and enhance the pride and viability of the wider location. The extent of transformation will vary depending on the location but could range from a smaller project transforming a specific site to a large-scale regeneration project that is part of a wider regeneration strategy. This could also be in the form of providing a critical mass of housing and jobs and/or delivering a broader range of community benefits.</p> | <p>These impacts of housing interventions should only be assessed for projects that are:</p> <ol style="list-style-type: none"> 1. In urban brownfield locations, that is a large town or city setting; 2. Are of significant scale relative to the local housing market (at least >75 units); 3. Have clear explicit placemaking / regeneration objectives that are likely to result in the surrounding area becoming more desirable. <p>The justification for including these impacts must be clearly linked to the underlying rationale for the intervention, the socio-economic context in the area and the objectives of the project as set out in the strategic case. The market failures should also be clearly set out and are likely to relate to providing positive externalities or extensive public good provision.</p> <p>Based on the underlying research and previous housing interventions with wider area impacts, it is anticipated that in order for projects to apply the wider area impact methodology they should exhibit one or more of the following attributes:</p> <ol style="list-style-type: none"> 1. A prominent site that will address significant negative externalities caused on site that impact the surrounding area, such as removing existing blight or remediating brownfield land |



| | |
|--|---|
| | <p>2. A project that aims to transform a particular place to help restore and enhance the pride and viability of that location. The extent of transformation will vary depending on the location but could range from a smaller project transforming a specific site to a large-scale regeneration project that is part of a wider regeneration strategy. This could also be in the form of providing a critical mass of housing and jobs and/or delivering a broader range of community benefits.</p> <p>3. Projects being developed in or on the edge of urban areas that will not only address housing needs but deliver a range of other significant amenity benefits such as open space, active transport (cycleways, pathways), other recreational uses and employment opportunities that will serve and benefit existing residents in the wider area.</p> <p>Importantly, in all cases it must be clearly evidenced how the intervention addresses the regeneration needs of the surrounding area</p> <p>The Technical Annex will automatically populate a range of switching values in the Non-Monetised Impact Table, in the column “Guidance on Non-Monetised Impact” on a project by project basis, based on the information populated in the other tables. The information will state, for example “if the project meets the criteria, the scale of regeneration impacts could be between £0.02m- £1.6m. More information on this can be found in NMI Assessment Table Step 3: Evidence of application to site</p> |
| <p>Environmental and Natural capital: The development will conserve and enhance the natural environment, including through mitigating and remediating spoiled and contaminated land; preserving and increasing biodiversity; carbon sequestration; noise attenuation and improving natural habitats. Detailed descriptions should evidence how (at least one of) the following services are enhanced.</p> | <p>Please show clear evidence that intervention proposed would have positive natural capital benefits that is not covered within other NMIs. Evidence should show a clear description of the service to be enhanced (e.g. air filtration through planting more trees, noise attenuation through landscape design).</p> <p>There are no automatic switching values for this NMI within the Technical Annex. Therefore, please use the tools within DEFRA’s natural capital approach to value impacts e.g. using i-tree.eco to quantify the structural and environmental effects of urban trees and calculate their value to society. The tools used should be stated with information on method employed that can be replicated or submitted separately in the application.</p> <p>For further information on estimating impacts related to natural capital improvements, see the Department for</p> |



| | |
|---|---|
| | <p>Environment, Food and Rural Affairs 'Enabling a Natural Capital Approach (ENCA) guidance for improvements to urban habits: https://www.gov.uk/government/publications/enabling-a-natural-capital-approach-enca-guidance/enabling-a-natural-capital-approach-guidanceThe following tools can be used to aid valuation:</p> <ol style="list-style-type: none"> 1. Natural Environmental Valuation Online (NEVO): https://www.leep.exeter.ac.uk/nevo/ 2. i-tree.co: https://www.forestresearch.gov.uk/research/i-tree-eco/i-tree-eco-projects-completed/ 3. CIRIA (2015, 2019), B£ST - Benefits Estimation Tool: https://www.susdrain.org/resources/best.html 4. Exeter University, Outdoor Recreation Valuation Tool (ORVal): https://www.leep.exeter.ac.uk/orval/ |
| <p>Net Transport Impacts (Travel Time Savings, Noise, Air Quality, Health): The project includes the provision of transport infrastructure that will also impact existing households in the area such as, for example, through a change in journey times. This includes sustainable transport options, such as cycleways. This does not include typical transport infrastructure that exists in most developments e.g. access road, footpaths within the development only used by the residents.</p> | <p>Evidence must be provided of what the transport intervention is that provides transport impacts.</p> <p>There are no automatic switching values for this NMI within the Technical Annex. Therefore, accepted evidence would be, for example, a detailed explanation / supporting evidence of the use / future use of that transport infrastructure.</p> <p>A scale of impact of the benefits for cycling and walking infrastructure using the Department for Transport's Active Mode Appraisal Toolkit (AMAT) can be submitted alongside your application. Clear evidence should be provided for your forecasts of cycling / walking in the area.</p> <p>AMAT: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1036883/active-mode-appraisal-toolkit.xlsx AMAT user guide: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/888754/amat-user-guidance.pdf</p> |
| <p>Other: Other impacts as a result of the project. Please explain what the non-monetised impact is and how it can be considered additional to the project. That is, without this funding the impact is not likely to be displacing that activity / service from somewhere else outside of the site, or to somewhere else outside of the site. To have a potential impact on your final Value for Money category, you must provide either an estimate of the value of that impact or other metrics that can be used to assess its scale. Please refer to the</p> | <p>There are no automatic switching values for this NMI within the TA. The evidence must demonstrate that the impact is additional to the site. In the absence of any robust evidence, it should be considered not additional (0% additionality)</p> |



[HMT Green Book](#) and [DLUHC Appraisal Guide](#)
for more information.

NMI Assessment Table Step 1: Select from the dropdown (rows 97-105).

| Type (SELECT FROM DROPDOWN) | Guidance on Non-Monetised Impact |
|---|--|
| <p style="color: red; text-align: center;">Wider Placemaking Impacts in Regeneration Areas</p> | <p>A scheme that aims to transform a particular place to help restore and enhance the pride and viability of the wider location. The extent of transformation will vary depending on the location but could range from a scheme transforming a specific site to a large-scale regeneration project that is part of a wider regeneration strategy. This could also be in the form of providing a critical mass of housing and jobs and/or delivering a broader range of community benefits. These impacts of housing interventions should only be assessed for projects that are:</p> <ol style="list-style-type: none"> 1) In urban locations; 2) are of significant scale relative the local housing market (>75 units); 3) Have clear placemaking and regeneration objectives that are likely to result in the surrounding area becoming more desirable. The justification for including these impacts must be clearly linked to the underlying rationale for the intervention and the socio-economic context in the area. <p>If the project meets the criteria, the scale of regeneration impacts could be between £0m - £0m.</p> |

Once you have considered which NMIs are relevant to your project, select an option from the dropdown available in the column labelled “Type”. Please remember we are looking for quality over quantity, so please select the NMIs that provide the largest expected impacts.

Once you have selected an NMI, the TA will automatically populate the column labelled “Guidance on the Non-Monetised Impact,” which includes definitions of the NMI and may include a quantified scale of switching values. More information is provided in [Step 3](#) below.

NMI Assessment Table Step 2: Explanation of application to site and scale of impact

Please outline how the selected NMI is linked to your proposed BLRF2 project, and the scale of impact.

For example, for Net Transport Impacts, you could outline the fact you are including a new cycle path for your project, explain the reasons why this is necessary, and how this impacts your surrounding residents.

As Examples A and B demonstrated (outlined in the [Definition of NMIs](#) section), the key focus here is to explain how your project will impact not only the residents due to live in the new homes, but also positively impact surrounding residents.



OPE will be assessing the scale of impact, and deciding whether a NMI is large enough that alone, or in combination with your other NMIs, it is clearly of sufficient scale to increase the initial VfM category to low/acceptable which would pass the gateway requirement.

NMI Assessment Table Step 3: Evidence of application to site

Within the spreadsheet in section “Evidence of application to site” please include a summary of the required evidence. Please make sure the quantified aspects of your evidence are obvious.

If the evidence requires an appendix, please make this clear and include the title of the document and the relevant page number.

If the NMI is either a) Operational Greenhouse Gas Emissions / Energy Efficiency or b) Wider Placemaking / Area Impacts in Regeneration Area, the “Guidance on Non-Monetised Impact” column will include a sentence (ringed in green in the below image) that provides a tailored project by project quantified scale of switching values, based on the project information entered in the VfM sections.

You therefore do not need to provide any more quantified evidence and instead need to provide qualitative evidence such as photos, design briefs and strategic links (as outlined in the [NMI Definitions and Evidence Table](#) above).

| Type (SELECT FROM DROPDOWN) | Guidance on Non-Monetised Impact |
|---|--|
| <p style="color: red; text-align: center;">Wider Placemaking Impacts in Regeneration Areas</p> | <p>A scheme that aims to transform a particular place to help restore and enhance the pride and viability of the wider location. The extent of transformation will vary depending on the location but could range from a scheme transforming a specific site to a large-scale regeneration project that is part of a wider regeneration strategy. This could also be in the form of providing a critical mass of housing and jobs and/or delivering a broader range of community benefits. These impacts of housing interventions should only be assessed for projects that are:</p> <ol style="list-style-type: none"> 1) In urban locations; 2) are of significant scale relative the local housing market (>75 units); 3) Have clear placemaking and regeneration objectives that are likely to result in the surrounding area becoming more desirable. The justification for including these impacts must be clearly linked to the underlying rationale for the intervention and the socio-economic context in the area. <p>If the project meets the criteria, the scale of regeneration impacts could be between £0m - £0m.</p> |

If the NMI is a) Environmental and Natural capital b) Net Transport Impacts (Travel Time Savings, Noise, Air Quality) or c) Other, you will need to provide quantified evidence as the technical annex will not produce a potential quantified range.

Links and suggestions of how to provide this quantified evidence can be found in the [NMI Definitions and Evidence Required](#) table above.



NMI Assessment Table Step 4: Ensure the NMI quantified metrics equate to the switching values

Once you've finished compiling your evidence, we recommend you check the illustrative scale of the quantified metrics against the switching value required to increase your VfM category.

If your switching value is £0.26m (£260,000), the quantified evidence provided for your NMIs needs to clearly meet the required switching value and should therefore equate to a sum above this switching value. For example:

Example C

- Wider Placemaking Impacts - scale of impact could be between £0.2m - £1.6m
- Greenhouse Gas Emissions / Energy Efficiency - scale of impact could be between £0.5m - £0.8m
 - Therefore the sum of the scale of impact could be between £0.7m - £2.4m.
 - On balance, the NMIs are likely to be equivalent to the switching value of £0.26m, and could comfortably increase the project VfM category to low/acceptable.

Example D

- Wider Placemaking Impacts - scale of impact could be between £0.006m - £0.1m
- Greenhouse Gas Emissions - scale of impact could be between £0.015 - £0.16m
 - Therefore the sum of the scale of impact could be between £0.021m - £0.26m.
 - On balance, the NMIs are less likely to be equivalent to the switching value of £0.26m and on this basis, assessors could not increase the project VfM category.

Contact Us

If you have any further questions on your VfM assessment please do contact your OPE Regional Programme Manager.

Their contact details can be found on the [OPE Website](#).