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Guidance

Viability

Sets out key principles in understanding viability in plan making and decision taking.

From: **Ministry of Housing, Communities and Local Government (/government/organisations/ministry-of-housing-communities-local-government)** and **Department for Levelling Up, Housing and Communities (/government/organisations/department-for-levelling-up-housing-and-communities)**

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Contents

— Viability and plan making

— Viability and decision taking

— Standardised inputs to viability assessment

— Accountability

— Golden Rules for Green Belt development

This guidance has been updated in line with the new National Planning Policy Framework published in July 2018.

See previous version (http://webarchive.nationalarchives.gov.uk/20180607114045/https://www.gov.uk/guidance/viability)

Viability and plan making

How should plan makers set policy requirements for contributions from development?

Plans should set out the contributions expected from development. This should include setting out the levels and types of affordable housing provision required, along with other infrastructure (such as that needed for education, health, transport, flood and water management, green and digital infrastructure).

These policy requirements should be informed by evidence of infrastructure and affordable housing need, and a proportionate assessment of viability that takes into account all relevant policies, and local and national standards, including the cost implications of the Community Infrastructure Levy (CIL) and section 106. Policy requirements should be clear so that they can be accurately accounted for in the price paid for land. To provide this certainty, affordable housing requirements should be expressed as a single figure rather than a range. Different requirements may be set for different types or location of site or types of development.

See related policy: National Planning Policy Framework paragraph 34 (https://www.gov.uk/guidance/national-planning-policy-framework/3-plan-making#para34)

Paragraph: 001 Reference ID: 10-001-20190509

Revision date: 09 05 2019 See previous version (https://webarchive.nationalarchives.gov.uk/20181208094658/https://www.gov.uk/guidance/viability#viability-and-plan-making)

How should plan makers and site promoters ensure that policy requirements for contributions from development are deliverable?

The role for viability assessment is primarily at the plan making stage. Viability assessment should not compromise sustainable development but should be used to ensure that policies are realistic, and that the total cumulative cost of all relevant policies will not undermine deliverability of the plan.

It is the responsibility of plan makers in collaboration with the local community, developers and other stakeholders, to create realistic, deliverable policies. Drafting of plan policies should be iterative and informed by engagement with developers, landowners, and infrastructure and affordable housing providers.

Policy requirements, particularly for affordable housing, should be set at a level that takes account of affordable housing and infrastructure needs and allows for the planned types of sites and development to be deliverable,

without the need for further viability assessment at the decision making stage.

It is the responsibility of site promoters to engage in plan making, take into account any costs including their own profit expectations and risks, and ensure that proposals for development are policy compliant. Policy compliant means development which fully complies with up to date plan policies. A decision maker can give appropriate weight to emerging policies. The price paid for land is not a relevant justification for failing to accord with relevant policies in the plan. Landowners and site purchasers should consider this when agreeing land transactions.

See related policy: National Planning Policy Framework paragraph 34 (https://www.gov.uk/guidance/national-planning-policy-framework/3-plan-making#para34)

Paragraph: 002 Reference ID: 10-002-20190509

Revision date: 09 05 2019 See previous version (https://webarchive.nationalarchives.gov.uk/20181208094658/https://www.gov.uk/guidance/viability#viability-and-plan-making)

Should every site be assessed for viability in plan making?

Assessing the viability of plans does not require individual testing of every site or assurance that individual sites are viable. Plan makers can use site typologies to determine viability at the plan making stage. Assessment of samples of sites may be helpful to support evidence. In some circumstances more detailed assessment may be necessary for particular areas or key sites on which the delivery of the plan relies.

See related policy: National Planning Policy Framework paragraph 34 (https://www.gov.uk/guidance/national-planning-policy-framework/3-plan-making#para34)

Paragraph: 003 Reference ID: 10-003-20180724

Revision date: 24 07 2018

What is meant by a typology approach to viability?

A typology approach is a process plan makers can follow to ensure that they are creating realistic, deliverable policies based on the type of sites that are likely to come forward for development over the plan period.

In following this process plan makers can first group sites by shared characteristics such as location, whether brownfield or greenfield, size of

site and current and proposed use or type of development. The characteristics used to group sites should reflect the nature of typical sites that may be developed within the plan area and the type of development proposed for allocation in the plan.

Average costs and values can then be used to make assumptions about how the viability of each type of site would be affected by all relevant policies. Plan makers may wish to consider different potential policy requirements and assess the viability impacts of these. Plan makers can then come to a view on what might be an appropriate benchmark land value and policy requirement for each typology.

Plan makers will then engage with landowners, site promoters and developers and compare data from existing case study sites to help ensure assumptions of costs and values are realistic and broadly accurate. Market evidence can be used as a cross-check but it is important to disregard outliers. Information from other evidence informing the plan (such as Strategic Housing Land Availability Assessments) can also help to inform viability assessment. Plan makers may then revise their proposed policy requirements to ensure that they are creating realistic, deliverable policies.

See related policy: National Planning Policy Framework paragraph 34 (https://www.gov.uk/guidance/national-planning-policy-framework/3-plan-making#para34)

Paragraph: 004 Reference ID: 10-004-20190509

Revision date: 09 05 2019 See previous version (https://webarchive.nationalarchives.gov.uk/20181208094658/https://www.gov.uk/guidance/viability#viability-and-plan-making)

Why should strategic sites be assessed for viability in plan making?

It is important to consider the specific circumstances of strategic sites. Plan makers can undertake site specific viability assessment for sites that are critical to delivering the strategic priorities of the plan. This could include, for example, large sites, sites that provide a significant proportion of planned supply, sites that enable or unlock other development sites or sites within priority regeneration areas. Information from other evidence informing the plan (such as Strategic Housing Land Availability Assessments) can help inform viability assessment for strategic sites.

See related policy: National Planning Policy Framework paragraph 34 (https://www.gov.uk/guidance/national-planning-policy-framework/3-plan-making#para34)

Paragraph: 005 Reference ID: 10-005-20180724

Revision date: 24 07 2018

How should site promoters engage in viability assessment in plan making?

Plan makers should engage with landowners, developers, and infrastructure and affordable housing providers to secure evidence on costs and values to inform viability assessment at the plan making stage.

It is the responsibility of site promoters to engage in plan making, take into account any costs including their own profit expectations and risks, and ensure that proposals for development are policy compliant. Policy compliant means development which fully complies with up to date plan policies. A decision maker can give appropriate weight to emerging policies. It is important for developers and other parties buying (or interested in buying) land to have regard to the total cumulative cost of all relevant policies when agreeing a price for the land. Under no circumstances will the price paid for land be a relevant justification for failing to accord with relevant policies in the plan.

Where up-to-date policies have set out the contributions expected from development, planning applications that fully comply with them should be assumed to be viable. It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage. An illustrative list of circumstances where viability should be assessed in decision making is set out below.

See related policy: National Planning Policy Framework paragraph 34 (https://www.gov.uk/guidance/national-planning-policy-framework/3-plan-making#para34)

Paragraph: 006 Reference ID: 10-006-20190509

Revision date: 09 05 2019 See previous version (https://webarchive.nationalarchives.gov.uk/20181208094658/https://www.gov.uk/guidance/viability#viability-and-plan-making)

How should viability for education provision be addressed?

When considering viability it is recommended that plan makers and local authorities for education work collaboratively to identify which schools are likely to expand, and where new schools will be needed as a result of planned growth.

It is important that costs and land requirements for education provision are known to inform site typologies and site-specific viability assessments, with an initial assumption that development will provide both funding for

construction and land for new schools required onsite, commensurate with the level of education need generated by the development.

The total cumulative cost of all relevant policies should not be of a scale that will make development unviable. Local planning authorities should set out future spending priorities for developer contributions in an Infrastructure Funding Statement.

The Department for Education has published guidance for local education authorities on developer contributions for education (https://www.gov.uk/government/publications/delivering-schools-to-support-housing-growth).

Paragraph: 029 Reference ID: 10-029-20190509

Revision date: 09 05 2019

Viability and decision taking

Should viability be assessed in decision taking?

Where up-to-date policies have set out the contributions expected from development, planning applications that fully comply with them should be assumed to be viable. It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage. Policy compliant in decision making means that the development fully complies with up to date plan policies. A decision maker can give appropriate weight to emerging policies.

Such circumstances could include, for example where development is proposed on unallocated sites of a wholly different type to those used in viability assessment that informed the plan; where further information on infrastructure or site costs is required; where particular types of development are proposed which may significantly vary from standard models of development for sale (for example build to rent or housing for older people); or where a recession or similar significant economic changes have occurred since the plan was brought into force.

See related policy: National Planning Policy Framework paragraph 57 (https://www.gov.uk/guidance/national-planning-policy-framework/4-decision-making#para57)

Paragraph: 007 Reference ID: 10-007-20190509

Revision date: 09 05 2019 See previous version (https://webarchive.nationalarchives.gov.uk/20181208094658/https://www.gov.uk/guidance/viability#viability-and-decision-taking)

How should a viability assessment be treated in decision making?

Where a viability assessment is submitted to accompany a planning application this should be based upon and refer back to the viability assessment that informed the plan; and the applicant should provide evidence of what has changed since then.

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.

Any viability assessment should reflect the government's recommended approach to defining key inputs as set out in National Planning Guidance.

See related policy: National Planning Policy Framework paragraph 34 (https://www.gov.uk/guidance/national-planning-policy-framework/3-plan-making#para34)

Paragraph: 008 Reference ID: 10-008-20190509

Revision date: 09 05 2019 See previous version (https://webarchive.nationalarchives.gov.uk/20181208094658/https://www.gov.uk/guidance/viability#viability-and-decision-taking)

How should viability be reviewed during the lifetime of a project?

Plans should set out circumstances where review mechanisms may be appropriate, as well as clear process and terms of engagement regarding how and when viability will be reassessed over the lifetime of the development to ensure policy compliance and optimal public benefits through economic cycles. Policy compliant means development which fully complies with up to date plan policies. A decision maker can give appropriate weight to emerging policies.

Where contributions are reduced below the requirements set out in policies to provide flexibility in the early stages of a development, there should be a clear agreement of how policy compliance can be achieved over time. As the potential risk to developers is already accounted for in the assumptions for developer return in viability assessment, realisation of risk does not in itself necessitate further viability assessment or trigger a review mechanism. Review mechanisms are not a tool to protect a return to the developer, but to strengthen local authorities' ability to seek compliance with relevant policies over the lifetime of the project.

See related policy: National Planning Policy Framework paragraph 57 (https://www.gov.uk/guidance/national-planning-policy-framework/4-decision-making#para57)

Paragraph: 009 Reference ID: 10-009-20190509

Revision date: 09 05 2019 See previous version (https://webarchive.nationalarchives.gov.uk/20181208094658/https://www.gov.uk/guidance/viability#viability-and-decision-taking)

Standardised inputs to viability assessment

What are the principles for carrying out a viability assessment?

Viability assessment is a process of assessing whether a site is financially viable, by looking at whether the value generated by a development is more than the cost of developing it. This includes looking at the key elements of gross development value, costs, land value, landowner premium, and developer return.

This National Planning Guidance sets out the government's recommended approach to viability assessment for planning. The approach supports accountability for communities by enabling them to understand the key inputs to and outcomes of viability assessment.

Any viability assessment should be supported by appropriate available evidence informed by engagement with developers, landowners, and infrastructure and affordable housing providers. Any viability assessment should follow the government's recommended approach to assessing viability as set out in this National Planning Guidance and be proportionate, simple, transparent and publicly available. Improving transparency of data associated with viability assessment will, over time, improve the data available for future assessment as well as provide more accountability regarding how viability informs decision making.

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.

See related policy: National Planning Policy Framework paragraph 57 (https://www.gov.uk/guidance/national-planning-policy-framework/4-decision-making#para57)

Paragraph: 010 Reference ID: 10-010-20180724

Revision date: 24 07 2018

How should gross development value be defined for the purpose of viability assessment?

Gross development value is an assessment of the value of development. For residential development, this may be total sales and/or capitalised net rental income from developments. Grant and other external sources of funding should be considered. For commercial development broad assessment of value in line with industry practice may be necessary.

For broad area-wide or site typology assessment at the plan making stage, average figures can be used, with adjustment to take into account land use, form, scale, location, rents and yields, disregarding outliers in the data. For housing, historic information about delivery rates can be informative.

For viability assessment of a specific site or development, market evidence (rather than average figures) from the actual site or from existing developments can be used. Any market evidence used should be adjusted to take into account variations in use, form, scale, location, rents and yields, disregarding outliers. Under no circumstances will the price paid for land be a relevant justification for failing to accord with relevant policies in the plan.

See related policy: National Planning Policy Framework paragraph 57 (https://www.gov.uk/guidance/national-planning-policy-framework/4-decision-making#para57)

Paragraph: 011 Reference ID: 10-011-20180724

Revision date: 24 07 2018

How should costs be defined for the purpose of viability assessment?

Assessment of costs should be based on evidence which is reflective of local market conditions. As far as possible, costs should be identified at the plan making stage. Plan makers should identify where costs are unknown and identify where further viability assessment may support a planning application.

Costs include:

- build costs based on appropriate data, for example that of the Building Cost Information Service
- abnormal costs, including those associated with treatment for contaminated sites or listed buildings, or costs associated with brownfield, phased or complex sites. These costs should be taken into account when defining benchmark land value

- site-specific infrastructure costs, which might include access roads, sustainable drainage systems, green infrastructure, connection to utilities and decentralised energy. These costs should be taken into account when defining benchmark land value
- the total cost of all relevant policy requirements including contributions towards affordable housing and infrastructure, Community Infrastructure Levy charges, biodiversity net gain (https://www.gov.uk/guidance/biodiversity-net-gain) (as required by Schedule 7A of the Town and Country Planning Act), and any other relevant policies or standards. These costs should be taken into account when defining benchmark land value
- general finance costs including those incurred through loans
- professional, project management, sales, marketing and legal costs incorporating organisational overheads associated with the site. Any professional site fees should also be taken into account when defining benchmark land value
- explicit reference to project contingency costs should be included in circumstances where scheme specific assessment is deemed necessary, with a justification for contingency relative to project risk and developers return

See related policy: National Planning Policy Framework paragraph 58 (https://www.gov.uk/guidance/national-planning-policy-framework/4-decision-making#para58)

Paragraph: 014 Reference ID: 10-012-20240214

Revision date: 12 02 2024 See previous version (https://webarchive.nationalarchives.gov.uk/ukgwa/20240201222254/https://www.gov.uk/guidance/viability#standardised-inputs-to-viability-assessment)

How should land value be defined for the purpose of viability assessment?

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. Landowners and site purchasers should consider policy requirements when agreeing land transactions. This approach is often called ‘existing use value plus’ (EUV+).

In order to establish benchmark land value, plan makers, landowners, developers, infrastructure and affordable housing providers should engage

and provide evidence to inform this iterative and collaborative process.

See related policy: National Planning Policy Framework paragraph 57 (https://www.gov.uk/guidance/national-planning-policy-framework/4-decision-making#para57)

Paragraph: 013 Reference ID: 10-013-20190509

Revision date: 09 05 2019 See previous version (https://webarchive.nationalarchives.gov.uk/20181208094658/https://www.gov.uk/guidance/viability#standardised-inputs-to-viability-assessment)

What factors should be considered to establish benchmark land value?
Benchmark land value should:

- be based upon existing use value
- allow for a premium to landowners (including equity resulting from those building their own homes)
- reflect the implications of abnormal costs; site-specific infrastructure costs; and professional site fees

Viability assessments should be undertaken using benchmark land values derived in accordance with this guidance. Existing use value should be informed by market evidence of current uses, costs and values. Market evidence can also be used as a cross-check of benchmark land value but should not be used in place of benchmark land value. There may be a divergence between benchmark land values and market evidence; and plan makers should be aware that this could be due to different assumptions and methodologies used by individual developers, site promoters and landowners.

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. Where this evidence is not available plan makers and applicants should identify and evidence any adjustments to reflect the cost of policy compliance. This is so that historic benchmark land values of non-policy compliant developments are not used to inflate values over time.

In plan making, the landowner premium should be tested and balanced against emerging policies. In decision making, the cost implications of all relevant policy requirements, including planning obligations and, where relevant, any Community Infrastructure Levy (CIL) charge should be taken into account.

Where viability assessment is used to inform decision making under no circumstances will the price paid for land be a relevant justification for failing

to accord with relevant policies in the plan. Local authorities can request data on the price paid for land (or the price expected to be paid through an option or promotion agreement).

See related policy: National Planning Policy Framework paragraph 57 (https://www.gov.uk/guidance/national-planning-policy-framework/4-decision-making#para57)

Paragraph: 014 Reference ID: 10-014-20190509

Revision date: 09 05 2019 See previous version (https://webarchive.nationalarchives.gov.uk/20181208094658/https://www.gov.uk/guidance/viability#standardised-inputs-to-viability-assessment)

What is meant by existing use value in viability assessment?

Existing use value (EUV) is the first component of calculating benchmark land value. EUV is the value of the land in its existing use. Existing use value is not the price paid and should disregard hope value. Existing use values will vary depending on the type of site and development types. EUV can be established in collaboration between plan makers, developers and landowners by assessing the value of the specific site or type of site using published sources of information such as agricultural or industrial land values, or if appropriate capitalised rental levels at an appropriate yield (excluding any hope value for development).

Sources of data can include (but are not limited to): land registry records of transactions; real estate licensed software packages; real estate market reports; real estate research; estate agent websites; property auction results; valuation office agency data; public sector estate/property teams' locally held evidence.

See related policy: National Planning Policy Framework paragraph 57 (https://www.gov.uk/guidance/national-planning-policy-framework/4-decision-making#para57)

Paragraph: 015 Reference ID: 10-015-20190509

Revision date: 09 05 2019 See previous version (https://webarchive.nationalarchives.gov.uk/20181208094658/https://www.gov.uk/guidance/viability#standardised-inputs-to-viability-assessment)

How should the premium to the landowner be defined for viability assessment?

The premium (or the 'plus' in EUV+) is the second component of benchmark land value. It is the amount above existing use value (EUV) that goes to the

landowner. The premium should provide a reasonable incentive for a land owner to bring forward land for development while allowing a sufficient contribution to fully comply with policy requirements.

Plan makers should establish a reasonable premium to the landowner for the purpose of assessing the viability of their plan. This will be an iterative process informed by professional judgement and must be based upon the best available evidence informed by cross sector collaboration. Market evidence can include benchmark land values from other viability assessments. Land transactions can be used but only as a cross check to the other evidence. Any data used should reasonably identify any adjustments necessary to reflect the cost of policy compliance (including for affordable housing), or differences in the quality of land, site scale, market performance of different building use types and reasonable expectations of local landowners. Policy compliance means that the development complies fully with up to date plan policies including any policy requirements for contributions towards affordable housing requirements at the relevant levels set out in the plan. A decision maker can give appropriate weight to emerging policies. Local authorities can request data on the price paid for land (or the price expected to be paid through an option or promotion agreement).

See related policy: National Planning Policy Framework paragraph 57 (https://www.gov.uk/guidance/national-planning-policy-framework/4-decision-making#para57)

Paragraph: 016 Reference ID: 10-016-20190509

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Can alternative uses be used in establishing benchmark land value?

For the purpose of viability assessment alternative use value (AUV) refers to the value of land for uses other than its existing use. AUV of the land may be informative in establishing benchmark land value. If applying alternative uses when establishing benchmark land value these should be limited to those uses which would fully comply with up to date development plan policies, including any policy requirements for contributions towards affordable housing at the relevant levels set out in the plan. Where it is assumed that an existing use will be refurbished or redeveloped this will be considered as an AUV when establishing BLV.

Plan makers can set out in which circumstances alternative uses can be used. This might include if there is evidence that the alternative use would fully comply with up to date development plan policies, if it can be demonstrated that the alternative use could be implemented on the site in

question, if it can be demonstrated there is market demand for that use, and if there is an explanation as to why the alternative use has not been pursued. Where AUV is used this should be supported by evidence of the costs and values of the alternative use to justify the land value. Valuation based on AUV includes the premium to the landowner. If evidence of AUV is being considered the premium to the landowner must not be double counted.

See related policy: National Planning Policy Framework paragraph 57 (https://www.gov.uk/guidance/national-planning-policy-framework/4-decision-making#para57)

Paragraph: 017 Reference ID: 10-017-20190509

Revision date: 09 05 2019 See previous version (https://webarchive.nationalarchives.gov.uk/20181208094658/https://www.gov.uk/guidance/viability#standardised-inputs-to-viability-assessment)

How should a return to developers be defined for the purpose of viability assessment?

Potential risk is accounted for in the assumed return for developers at the plan making stage. It is the role of developers, not plan makers or decision makers, to mitigate these risks. The cost of fully complying with policy requirements should be accounted for in benchmark land value. Under no circumstances will the price paid for land be relevant justification for failing to accord with relevant policies in the plan.

For the purpose of plan making an assumption of 15-20% of gross development value (GDV) may be considered a suitable return to developers in order to establish the viability of plan policies. Plan makers may choose to apply alternative figures where there is evidence to support this according to the type, scale and risk profile of planned development. A lower figure may be more appropriate in consideration of delivery of affordable housing in circumstances where this guarantees an end sale at a known value and reduces risk. Alternative figures may also be appropriate for different development types.

See related policy: National Planning Policy Framework paragraph 57 (https://www.gov.uk/guidance/national-planning-policy-framework/4-decision-making#para57)

Paragraph: 018 Reference ID: 10-018-20190509

Revision date: 09 05 2019 See previous version (https://webarchive.nationalarchives.gov.uk/20181208094658/https://www.gov.uk/guidance/viability#standardised-inputs-to-viability-assessment)

How does viability assessment apply to the build to rent sector?

The economics of build to rent schemes differ from build for sale as they depend on a long term income stream. For build to rent it is expected that the normal form of affordable housing provision will be affordable private rent. Where plan makers wish to set affordable private rent proportions or discount levels at a level differing from national planning policy and guidance, this can be justified through a viability assessment at the plan making stage. Developers will be expected to fully comply with build to rent policy requirements.

However, for individual schemes, developers may propose alternatives to the policy, such as variations to the discount and proportions of affordable private rent units across a development, and the ability to review the value of a scheme (rent levels) over the duration of its life. Plan makers can set out in plans where review mechanisms will be used for build to rent schemes.

Scheme level viability assessment may be improved through the inclusion of two sets of figures, one based on a build to rent scheme and another for an alternative build for sale scheme. This would enable authorities to compare and understand the differences, and agree any necessary adjustments to the affordable private rent contribution.

See related policy: National Planning Policy Framework paragraph 57 (https://www.gov.uk/guidance/national-planning-policy-framework/4-decision-making#para57)

Paragraph: 019 Reference ID: 10-019-20190509

Revision date: 09 05 2019 See previous version (https://webarchive.nationalarchives.gov.uk/20181208094658/https://www.gov.uk/guidance/viability#standardised-inputs-to-viability-assessment)

Accountability

How should a viability assessment be presented and published to ensure accountability?

Complexity and variance is inherent in viability assessment. In order to improve clarity and accountability it is an expectation that any viability assessment is prepared with professional integrity by a suitably qualified practitioner and presented in accordance with this National Planning Guidance. Practitioners should ensure that the findings of a viability assessment are presented clearly. An executive summary should be used to set out key findings of a viability assessment in a clear way.

The inputs and findings of any viability assessment should be set out in a way that aids clear interpretation and interrogation by decision makers. Reports and findings should clearly state what assumptions have been made about costs and values (including gross development value, benchmark land value including the landowner premium, developer's return and costs). At the decision making stage, any deviation from the figures used in the viability assessment of the plan should be explained and supported by evidence.

See related policy: National Planning Policy Framework paragraph 57 (https://www.gov.uk/guidance/national-planning-policy-framework/4-decision-making#para57)

Paragraph: 020 Reference ID: 10-020-20180724

Revision date: 24 07 2018

Should a viability assessment be publicly available?

Any viability assessment should be prepared on the basis that it will be made publicly available other than in exceptional circumstances. Even in those circumstances an executive summary should be made publicly available. Information used in viability assessment is not usually specific to that developer and thereby need not contain commercially sensitive data. In circumstances where it is deemed that specific details of an assessment are commercially sensitive, the information should be aggregated in published viability assessments and executive summaries, and included as part of total costs figures. Where an exemption from publication is sought, the planning authority must be satisfied that the information to be excluded is commercially sensitive. This might include information relating to negotiations, such as ongoing negotiations over land purchase, and information relating to compensation that may be due to individuals, such as right to light compensation. The aggregated information should be clearly set out to the satisfaction of the decision maker. Any sensitive personal information should not be made public.

An executive summary prepared in accordance with the government's data format published by government (draft available online (https://digital-land.github.io/project/developer-contributions)) will present the data and findings of a viability assessment more clearly so that the process and findings are accessible to affected communities. As a minimum, the government recommends that the executive summary sets out the gross development value, benchmark land value including landowner premium, costs, as set out in this guidance where applicable, and return to developer. Where a viability assessment is submitted to accompany a planning application, the executive summary should refer back to the viability assessment that informed the plan and summarise what has changed since then. It should

also set out the proposed developer contributions and how this compares with policy requirements.

See related policy: National Planning Policy Framework paragraph 57 (https://www.gov.uk/guidance/national-planning-policy-framework/4-decision-making#para57)

Paragraph: 021 Reference ID: 10-021-20190509

Revision date: 09 05 2019 See previous version (https://webarchive.nationalarchives.gov.uk/20181208094658/https://www.gov.uk/guidance/viability#accountability)

Why is reporting on developer contributions important?

Reporting on developer contributions helps local communities and developers see how contributions have been spent and understand what future funds will be spent on, ensuring a transparent and accountable system.

Paragraph: 022 Reference ID: 10-022-20190901

Revision date: 01 09 2019 See previous version (https://webarchive.nationalarchives.gov.uk/20190607211011/https://www.gov.uk/guidance/viability#accountability)

How should section 106 agreements be published?

Local authorities are required to keep a copy of any planning obligation together with details of any modification or discharge of the planning obligation and make these publicly available on their planning register.

Government recommends that data on each section 106 agreement is published online in line with the government's data format (https://www.gov.uk/guidance/publish-your-developer-contributions-data). The government recommends that this data includes details of the development and site, and what is to be provided by each planning obligation, including information on any affordable housing that is to be provided, and any trigger points or deadlines for contributions.

Local authorities are expected to use all of the funding they receive through planning obligations in accordance with the terms of the individual planning obligation agreement. This will ensure that new developments are acceptable in planning terms; benefit local communities and support the provision of local infrastructure.

Paragraph: 023 Reference ID: 10-023-20190509

Revision date: 09 05 2019 See previous version (https://webarchive.nationalarchives.gov.uk/20181208094658/https://www.gov.uk/guidance/viability#accountability)

How should developer contributions be monitored?

Local planning authorities are required to keep a copy of any planning obligation together with details of any modification or discharge of the planning obligation and make these publicly available on their planning register (https://www.gov.uk/guidance/making-an-application#planning-register).

Any local authority that has received developer contributions is required to publish an infrastructure funding statement at least annually.

To collect data for the infrastructure funding statement, it is recommended that local authorities monitor data on section 106 planning obligations and the levy in line with the government's data format (https://www.gov.uk/guidance/publish-your-developer-contributions-data).

This data should include details of the development and site, what infrastructure is to be provided including any information on affordable housing, and any trigger points or deadlines for contributions. Local authorities should also record when developer contributions are received and when contributions have been spent or transferred to other parties.

Local planning authorities are expected to use all of the funding they receive through planning obligations in accordance with the terms of the individual planning obligation agreement. This will ensure that new developments are acceptable in planning terms; benefit local communities and support the provision of local infrastructure.

Paragraph: 024 Reference ID: 10-024-20190901

Revision date: 01 09 2019 See previous version (https://webarchive.nationalarchives.gov.uk/20190607211011/https://www.gov.uk/guidance/viability#accountability)

How should developer contributions be reported?

For the financial year 2018/19, charging authorities must report on CIL it has collected, or any CIL collected on its behalf. The report must be published on the authority's website no later than 31 December 2019 and include

- the total CIL receipts for the reported year;
- the total CIL expenditure for the reported year;
- summary details of CIL expenditure during the reported year including:

- the items of infrastructure to which CIL has been applied;
- the amount of CIL expenditure on each item;
- the amount of CIL applied to repay money borrowed, including interest, with details of the infrastructure items which that money was used to provide;
- the amount of CIL applied to administrative expenses and that amount expressed as a percentage of CIL collected in that year; and
- the total amount of CIL receipts retained at the end of the reported year.

For the financial year 2019/2020 onwards, any local authority that has received developer contributions (section 106 planning obligations or Community Infrastructure Levy) must publish online an infrastructure funding statement by 31 December 2020 and by the 31 December each year thereafter. Infrastructure funding statements must cover the previous financial year from 1 April to 31 March (note this is different to the tax year which runs from 6 April to 5 April).

Local authorities can publish updated data and infrastructure funding statements more frequently if they wish. More frequent reporting would help to further increase transparency and accountability and improve the quality of data available. Infrastructure funding statements can be a useful tool for wider engagement, for example with infrastructure providers, and can inform Statements of Common Ground.

Local authorities can also report this information in authority monitoring reports but the authority monitoring report is not a substitute for the infrastructure funding statement.

For information on what an infrastructure funding statement must contain see ‘What data should be in an infrastructure funding statement?’.

Paragraph: 025 Reference ID: 10-025-20190901

Revision date: 01 09 2019 See previous version (https://webarchive.nationalarchives.gov.uk/20181208094658/https://www.gov.uk/guidance/viability#accountability)

How can local authorities fund reporting on planning obligations?

Authorities, including county councils, should work together to ensure that resources are available to support the monitoring and reporting of planning obligations.

Authorities can charge a monitoring fee through section 106 planning obligations, to cover the cost of monitoring and reporting on delivery of that

section 106 obligation. Monitoring fees can be used to monitor and report on any type of planning obligation, for the lifetime of that obligation. Monitoring fees should not be sought retrospectively for historic agreements.

Fees could be a fixed percentage of the total value of the section 106 agreement or individual obligation; or could be a fixed monetary amount per agreement obligation (for example, for in-kind contributions). Authorities may decide to set fees using other methods. However, in all cases, monitoring fees must be proportionate and reasonable and reflect the actual cost of monitoring. Authorities could consider setting a cap to ensure that any fees are not excessive.

Authorities must report on monitoring fees in their infrastructure funding statements (see paragraph (2)(h)(iii) of Schedule 2 (http://www.legislation.gov.uk/uksi/2019/1103/schedule/2/made)).

Paragraph: 026 Reference ID: 10-026-20190901

Revision date: 01 09 2019 See previous version (https://webarchive.nationalarchives.gov.uk/20181208094658/https://www.gov.uk/guidance/viability#accountability)

How should monitoring and reporting inform plan reviews?

The information in the infrastructure funding statement should feed back into reviews of plans to ensure that policy requirements for developer contributions remain realistic and do not undermine the deliverability of the plan.

Paragraph: 027 Reference ID: 10-027-20180724

Revision date: 24 07 2018

How should local authorities and applicants promote the benefits of development to communities?

Local authorities and applicants are encouraged to work together to better promote and publicise the infrastructure that has been delivered through developer contributions. This could be through the use of on-site signage, local authority websites, or development-specific websites, for example.

Paragraph: 028 Reference ID: 10-028-20180724

Revision date: 24 07 2018

Golden Rules for Green Belt development

Where development takes place on land situated in, or released from, the Green Belt and is subject to the 'Golden Rules' set out in paragraph 156 (https://www.gov.uk/guidance/national-planning-policy-framework/13-protecting-green-belt-land#para156) of the National Planning Policy Framework, site specific viability assessment should not be undertaken or taken into account for the purpose of reducing developer contributions, including affordable housing. The government intends to review this Viability Guidance and will be considering whether there are circumstances in which site-specific viability assessment may be taken into account, for example, on large sites and Previously Developed Land.

Prior to development plan policies for affordable housing being updated in accordance with paragraph 67 (https://www.gov.uk/guidance/national-planning-policy-framework/5-delivering-a-sufficient-supply-of-homes#para67) in the National Planning Policy Framework, the amount of affordable housing contributions required are subject to an overall cap of 50% (see paragraph 157 (https://www.gov.uk/guidance/national-planning-policy-framework/13-protecting-green-belt-land#para157) of the NPPF). This 50% cap does not prevent a developer from agreeing to provide affordable housing contributions which exceed the 50% cap, in any particular case.

In paragraph 157 (https://www.gov.uk/guidance/national-planning-policy-framework/13-protecting-green-belt-land#para157), the highest existing affordable housing requirement that would otherwise apply means the highest requirement that the local planning authority could seek in line with its existing policy. For example, (a) if a policy is framed as "up to 30%" then the uplift is applied to 30%; and (b) if a policy is framed as "30% subject to viability" then the uplift should be applied to 30% regardless of viability. The percentage uplift should be applied to the proportion of affordable housing that would otherwise be delivered on site.

Paragraph: 029 Reference ID: 10-029-20241212

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