

Horsham
District
Council

Publication of Viability Information

Planning PDAG
September 2018

Viability- NPPF 2018

NPPF 2018- published 24 July 2018.

Para 57 states:

- 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 the viability evidence underpinning it is up to date, and any change in site circumstances since the plan was brought into force.
- All viability assessments, including any undertaken at the plan-making stage, should reflect the recommended approach in national planning guidance, including standardised inputs, and should be made publicly available.

NEW Planning Practice Guidance for Viability



- PPG updated 24 July 2018 to reflect new NPPF and provide detailed guidance for implementation.
<https://www.gov.uk/guidance/viability>
- Contents includes: viability and plan making, viability and decision taking, standardised inputs to viability assessment and accountability
- **Viability and plan making** – no significant changes to current position
- **Viability and decision taking** – no significant change to current position with the exception of a greater onus placed on applicant to provide evidence re differences since plan making, and the guidance being explicit regarding Review Mechanisms

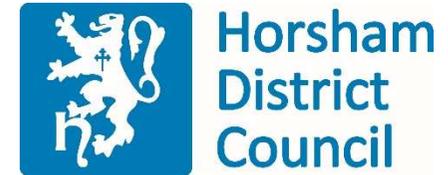
NEW Planning Practice Guidance for Viability



Standardised inputs – Any viability assessment should follow the Government's recommended approach which includes:

- How gross development value should be calculated
- What costs should be included – build costs based on BCIS (or similar), site infrastructure, S106/CIL, finance, professional and project management, contingency (when deemed necessary)
- Land value based on existing use value, plus a premium. Premium should be based on reasonable incentive of land owner, compared to other options. Details are provided regarding how to establish land value and a premium.
- Developer return 15 – 20% of GDV
- Mention of Private Rented Schemes

NEW Planning Practice Guidance for Viability



Accountability - Should be prepared with professional integrity by a suitably qualified professional

- Be prepared on the basis that it will be made publically available other than in exceptional circumstances. Even in those circumstances an executive summary should be made publicly available.
- Information is not usually specific to that developer and thereby need not contain commercially sensitive data.
- 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.

NEW Planning Practice Guidance for Viability



- An executive summary using the government's standardised template (to be published Autumn 2018) will present the data and findings of a viability assessment more clearly so 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.
- In line with Government guidance we will be requiring all future viability appraisals to be made and submitted in accordance with the PPG, with the entire appraisal made public unless a very exceptional case is presented. In such instances the executive summary will be a public document at the very least.