



**Bassetlaw District Council  
Whole Plan &  
Community Infrastructure Levy  
Viability Assessment  
October 2019**



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Appendix 1 - Heb Surveyors Valuation Report 2019  
(Separate Report)

Appendix 2 – Gleeds Construction Cost Study Report May 2019  
(Separate Report)

# 1 Executive Summary

## Purpose of the Study

1.1 The purpose of the Viability Study is to assess the impact of proposed policies in the Bassetlaw Local Plan to determine the future level of appropriate Community Infrastructure Charges, to ensure the overall viability of the Plan and deliverability of new development over the plan period. The study considers policies that might affect the cost and value of development (e.g. Affordable Housing and Design and Construction Standards) in addition to the potential to accommodate Community Infrastructure Levy Charges. The area covered by the study is the Bassetlaw District Council administrative area.

1.2 Para 34 of the National Planning Policy Framework 2018 requires that plans should set out Affordable Housing and Infrastructure contributions expected from development but ensure that the level of these contributions does not undermine deliverability of development. An assessment of the costs and values of each category of development is therefore required to consider whether they will yield competitive returns to a willing land owner and willing developer thus enabling the identified development to proceed.

1.3 The study includes specific assessment of the ability of different categories of development within the Local Plan area to make infrastructure contributions via a Community Infrastructure Levy (having taken account of the cost impacts of Affordable Housing delivery and other relevant policies). If there is any additional return beyond these reasonable allowances then this is the margin available to make CIL contributions. This information is provided to enable the Council to make informed decisions on the scope for review of its existing Community Infrastructure Levy Charging Schedule.

## Methodology

1.4 The viability assessment comprises a number of key stages as outlined below:

### EVIDENCE BASE – LAND & PROPERTY VALUATION STUDY

1.5 Collation of an area-wide evidence base of land and property values for both residential and commercial property

### EVIDENCE BASE – CONSTRUCTION COST STUDY

1.6 Collation of an area-wide evidence base of construction costs for both residential and commercial property

# 1 Executive Summary

## IDENTIFICATION OF SUB-MARKETS

1.7 Sub market identification informed by the valuation evidence gathered at stage one above, Large differences in values across a study area indicate the need to define independent sub areas

for viability testing purposes and in turn these will inform the potential review of the existing charging zones for Community Infrastructure Levy Purposes.

## POLICY IMPACT ASSESSMENT

1.8 Identification of the policies within the plan, which will have a direct impact on the costs of development and hence the viability of development. Typical policy impacts include affordable housing requirements and sustainable construction requirements.

## VIABILITY APPRAISAL

1.9 Viability assessment for both residential and commercial development scenarios based on a series of typologies which reflect the development likely to emerge over the plan period. The assessments are conducted for both greenfield and brownfield development as it is recognised this can result in significant difference in viability.

## RESULTS

1.10 The viability results for both residential and commercial development typologies have been summarised below. The figures represent the margin of viability per square metre taking account of all development values and costs, plan policy impact costs and having made allowance for a competitive return to the landowner and developer. In essence a positive margin confirms whole plan viability, the level of margin indicates the potential for additional CIL charges.

### Residential Viability

1.11 The assessments of residential land and property values indicated that there were not significant differences in value across the District or the existence of sub-markets for new residential or commercial development that would require application of differential value assumptions in the viability appraisal or the continued operation of a differential CIL charging schedule with distinct charging zones.

# 1 Executive Summary

1.12 The following table shows the viability margins for the different residential typologies for greenfield and brownfield development based on differing Affordable Housing delivery targets and Section 106 Allowances.

<b>Maximum Residential CIL Rates per sqm</b>					
<b>Base Land Value/Affordable Housing Target</b>	<b>Urban 250 Dwellings</b>	<b>Urban 100 Dwellings</b>	<b>Urban 30 Dwellings</b>	<b>Rural 15 Dwellings</b>	<b>Rural 'Neighbourhood Plan Aspirational' 15 Dwellings</b>
<b>Section 106 Allowance £1750 Per Dwelling</b>					
<b>20% Affordable Housing</b>					
Greenfield	£46	£47	£47	£50	£50
Brownfield	-£18	-£18	-£16	-£12	-£13
<b>10% Affordable Housing</b>					
Greenfield	£98	£100	£103	£102	£107
Brownfield	£34	£35	£37	£36	£39
<b>Section 106 Allowance £2250 Per Dwelling</b>					
<b>20% Affordable Housing</b>					
Greenfield	£39	£40	£40	£44	£43
Brownfield	-£25	-£24	-£23	-£19	-£20
<b>10% Affordable Housing</b>					
Greenfield	£92	£94	£97	£97	£100
Brownfield	£28	£30	£31	£30	£33

1.13 The testing showed that Bassetlaw District Local Plan Policies are viable for all forms of housing development. The Council operates a differential affordable housing policy based on 20% delivery for greenfield development and 10% for brownfield development. As such the negative viability results for brownfield development with 20% Affordable Housing illustrated above are not relevant. on brownfield sites.

1.14 The allowance of £1750sqm of S106 contribution which reflects historic collection levels plus a 40% increase for ongoing infrastructure requirements demonstrates CIL charge potential £46-£50sqm for greenfield development and £34-£39sqm for brownfield development.

# 1 Executive Summary

1.15 The allowance of £2250sqm of S106 contribution which reflects historic collection levels plus a 40%, plus policy based impacts of £400 per dwelling for tree planting contributions and £100 per dwelling for biodiversity contributions demonstrates CIL charge potential £39-£44sqm for greenfield development and £28-£33sqm for brownfield development.

## Commercial Viability

1.15 The initial assessment of commercial land and property values indicate that there are no significant differences in values to justify differential sub-markets based on assumptions or differential CIL charging zones. The commercial category viability results are set out below but demonstrate that only food retail development is considered viable in the context of being able to accommodate CIL.

 <b>Maximum Commercial CIL Rates per sq m</b>		
General Zone		
Charging Zone/Base Land Value	Greenfield	Brownfield
Industrial (B1b B1c B2 B8)	-£383	-£464
Office(B1a)	-£1,339	-£1,371
Hotel(C1)	-£388	-£422
Residential Institution (C2)	-£1,144	-£1,168
Community(D1)	-£2,896	-£2,925
Leisure (D2)	-£507	-£568
Agricultural	-£813	
Sui Generis – Car Sales	-£1,025	-£1,063
Sui Generis – Vehicle Repair	-£1,441	-£1,491
Food Supermarket Retail A1	£264	£205
General Retail A1-A5	-£153	-£182

# 1 Executive Summary

1.16 It can be seen that only food supermarket retail, with CIL potential rate of £205-£264 per square metre, dependent on existing land use provides a significant enough margin to maintain CIL charges. It is therefore recommended on the existing evidence, that only Class A1 food supermarket retail should be charged CIL and that all other non-residential categories be zero rated.

1.17 It should be stressed that whilst the generic appraisals showed that most forms of commercial and employment development are not viable based on the test assumptions, this does not mean that this type of development is not deliverable. For consistency a full developer's profit allowance was included in all the commercial appraisals. In reality many employment developments are undertaken direct by the operators. If the development profit allowance is removed from the calculations, then much employment development would be viable and deliverable. In addition, it is common practice in mixed use schemes for the viable residential element of a development to be used to cross subsidise the delivery of the commercial component of a scheme.

## Strategic Sites

1.18 The following strategic sites were assessed to determine if it would be economically viable to impose CIL charges beyond the site specific S106 infrastructure contributions.

1. Peaks Hill Farm, Worksop
2. Trinity Farm, Retford
3. Canal Road, Worksop
4. Former Manton Primary School, Worksop
5. Sandhills, Retford
6. Land at Ashvale Road, Tuxford
7. Land at Ollerton Road, Tuxford
8. Bassetlaw Garden Village
9. Cottam Priority Regeneration Area

## Conclusions

1.19 The study demonstrates that most of the development proposed by the Local Plan is viable and deliverable taking account of the cost impacts of the policies proposed by the plan and the requirements for viability assessment set out in the NPPF. It is further considered that an additional margin exists, beyond a reasonable return to the landowner and developer to accommodate modest CIL charges.

# 1 Executive Summary

1.20 In terms of CIL, it is recommended that there are not sufficient variations in residential or commercial viability to justify a differential zone approach to setting CIL rates across the Bassetlaw District area and that a single zone approach should be taken in the operation of CIL in the future.

1.21 Taking account of the viability results, the generic nature of the tests, a reasonable buffer to allow for additional site specific abnormal costs, we would recommend the following residential rates (dependent on whether The Council intend to apply the additional £500 per dwelling S106 contributions for tree planting/biodiversity). Bassetlaw District envisage a primarily greenfield delivery strategy and rates are therefore set well within the greenfield viability maximum potential rates with a substantial viability buffer. However, potential CIL charges are more marginal for brownfield development and the overall rate has been set in accordance with these viability results.

<b>Residential CIL (Districtwide)</b>	
@£1750 per dwelling S106	£25sqm
@£2250 per dwelling S106	£20sqm
<b>Residential CIL (Strategic Sites)</b>	
Strategic Sites	£0sqm

1.22 The results of the strategic site tests make it clear that the significant site specific S106 contributions will render the imposition of additional CIL Charges economically unviable and it is therefore recommended that the 10 strategic sites are treated as zero rated CIL Charging Zones.

1.23 It is recommended that a single zone approach is taken to setting commercial CIL rates. The viability assessment results indicate that all non-retail commercial uses should be zero rated.

1.24 The existing CIL does not distinguish between food and non-food retail but based on the current viability assessment it is recommended that CIL is only on food retailing in the future. As such, and taking account of a reasonable viability buffer, the following Commercial CIL rates are recommended.

<b>Non-Residential CIL</b>	
<b>Districtwide</b>	
All Non-residential uses (excepting Retail)	£0sqm
<b>Districtwide</b>	
Food Supermarket Retail A1	£100sqm

1.26 The study is a strategic assessment of whole plan viability and as such is not intended to represent a detailed viability assessment of every individual site. The study applies the general assumptions in terms of affordable housing, planning policy costs impacts and identified site mitigation factors based on generic allowances.

# 1 Executive Summary

It is anticipated that more detailed mitigation cost and viability information may be required at planning application stage to determine the appropriate level of affordable housing and planning obligation contributions where viability issues are raised. The purpose of the study is to determine whether the development strategy proposed by the Plan is deliverable given the policy cost impacts of the Plan with sufficient additional viability margin for CIL.

1.26 In conclusion, the assessment of all proposed residential sites in Bassetlaw District has been undertaken with due regard to the requirements of the NPPF and the best practice advice contained in National Planning Practice Guidance. It is considered that all sites are viable across the entire plan period taking account of the Affordable Housing requirements and all policy impacts of the Local Plan as well as the continued operation of CIL in the District.

1.27 It should be noted that this study should be seen as a strategic overview of plan level viability rather than as any specific interpretation of Bassetlaw District Council policy on the viability of any individual site or application of planning policy to affordable housing, CIL or developer contributions. Similarly the conclusions and recommendations in the report do not necessarily reflect the views of Bassetlaw District Council.

# 2 Introduction

2.1 The purpose of the study is to assess the overall viability of the Bassetlaw District Local Plan and to review the viability of CIL charges by assessing the economic viability of development being promoted by the Plan.

2.2 In order to provide a robust assessment, the study uses generic development typologies to consider the cost and value impacts of the proposed plan policies and determine whether any additional viability margin exists to accommodate a Community Infrastructure Levy. The development viability assessments take account of policies in the plan, affordable housing requirements, mandatory requirements to be introduced during the Plan period such as the National Housing Standards and Sustainable Construction requirements to determine whether the proposed plan policies including CIL are viable and will not hinder the delivery of development in the plan period.

## The NPPF and Relevant Guidance

2.3 The National Planning Policy Framework 2018 maintains the importance of viability assessment in considering appropriate Development Plan policy. Para 34 states :-

*“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). Such policies should not undermine the deliverability of the plan.*

2.4 In tandem with the launch of the revised NPPF, the Government published new Planning Practice Guidance on Viability in July 2018. With respect to ‘Viability and Plan Making’, the guidance states :-

### ***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).*

# 2 Introduction

*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 of site or types of development.*

## **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. The price paid for land is not a relevant justification for failing to accord with relevant policies in the plan.”*

## **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.*

## **What is meant by a typology approach to viability?**

*A typology approach is where sites are grouped by shared characteristics such as location, whether brownfield or greenfield, size of site and current and proposed use or type of development.*

# 2 Introduction

*The characteristics used to group sites should reflect the nature of sites and type of development proposed for allocation in the plan.*

*Average costs and values can be used to make assumptions about how the viability of each type of site would be affected by all relevant policies. Comparing data from existing case study sites will help ensure assumptions of costs and values are realistic and broadly accurate. In using market evidence it is important to disregard outliers. Information from other evidence informing the plan (such as Strategic Housing Land Availability Assessments) can help inform viability assessment.*

## **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.*

2.5 The NPPF remains the primary Statutory advice on considering viability issues in planning supported by specific guidance in the National Planning Practice Guidance on Viability. However there are two non-statutory guidance notes that still have some relevance - The Local Housing Delivery Group produced 'Viability Testing Local Plans' in June 2012 and the RICS launched 'Financial Viability In Planning' in August 2012.

2.6 'Viability Testing Local Plans', as the title implies, concentrates on area wide and planning policy viability assessment and may be regarded as the more relevant guidance. However there is a good deal of overlap between the two guides and 'Financial Viability In Planning' does have a lot of relevant advice, albeit that the greater focus is on site specific appraisal at development management stage.

2.7 'Viability Testing Local Plans' advises that the cumulative impact of planning policies should be assessed, recognising that any assessment should be seen as providing high level assurance that policies can be delivered in a way that is compatible with overall economic viability and should not be seen as any guarantee that every development in the plan period will be viable. The guidance recommends that viability assessment should form part of the Local Plan evidence base and be subjected to test, challenge and debate at Examination.

2.8 The RICS guide 'Financial Viability in Planning' (FVIP) looks into the wider use of viability appraisal in planning beyond assisting in plan making and policy assessment (eg affordable housing contributions, planning obligation contributions and triggers, enabling development appraisal, heritage asset appraisal). The guiding principles of viability appraisal are the same as those outline in VTLP, in particular, both agree that a residual viability appraisal model is the most appropriate means of assessment. Whilst much of the guidance is more relevant to site specific appraisal it does include some relevant advice to Local Plan viability assessment.

# 3 Methodology

## The Process

There are a number of key stages to Viability Assessment which may be set out as follows.

### 1) Evidence Base – Land & Property Valuation Study

3.1 Establish an area wide evidence base of land and property values for development in each sub-market area. The evidence base relies on the area wide valuation study undertaken by Heb Surveyors in 2019.

### 2) Evidence Base – Construction Cost Study

3.2 Establish an area wide evidence base of construction costs for each category of development relevant to the local area. The study will also indicate construction rates for professional fees, warranties, statutory fees and construction contingencies. The evidence base relies on the Construction Cost Study by Gleeds undertaken in 2019.

### 3) Identification of Sub Market Areas

3.3 The Heb Valuation Evidence considered the existence of potential sub-markets within the study area which might inform the application of differential value assumptions in the Whole Plan testing or inform the creation of differential Charging Zones as part of the progression of a revised Community Infrastructure Levy Charging Schedule.

### 4) Policy Impact Assessment

3.4 The study will establish the policies proposed by the plan that have a direct impact on the cost of development and apportion appropriate allowances based on advice from cost consultants, Gleeds, to be factored in the viability assessment. Typically cost impacts will include sustainable construction requirements based on National Housing Standards an, BREEAM standards.

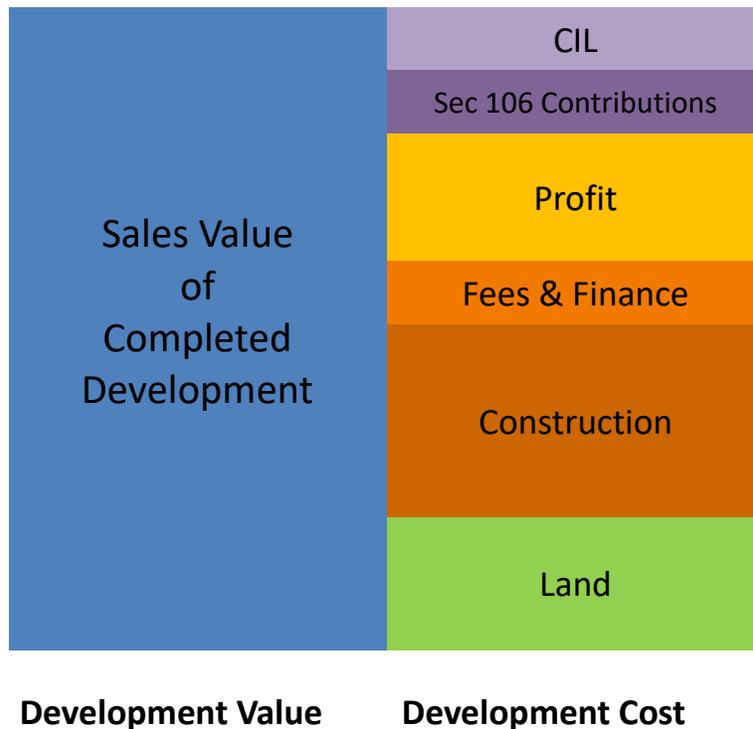
# 3 Methodology

## 5) Viability Appraisal – Whole Plan Assessment & Generic CIL Tests

3.5 The study employs a bespoke model to assess Local Plan viability in accordance with best practice guidance. The initial generic tests will be based on a series of development typologies to reflect the type of development likely to emerge over the plan period. The purpose of these tests is two-fold – it will firstly assess cumulative impact of the policies proposed by the plan to determine whether the overall development strategy is deliverable. Secondly the model will identify the level of additional margin, beyond a reasonable return for the landowner and developer, which may be available for the introduction of CIL.

# 3 Methodology

## The Development Equation



3.7 The appraisal model is illustrated by the above diagram and summarises the 'Development Equation'. On one side of the equation is the development value i.e. the sales value which will be determined by the market at any particular time. The variable element of the value in residential development appraisal will be determined by the proportion and mix of affordable housing applied to the scheme. Appropriate discounts for the relevant type of affordable housing will need to be factored into this part of the appraisal.

3.8 On the other side of the equation, the development cost includes the 'fixed elements' i.e. construction, fees, finance and developers profit. Developers profit is usually fixed as a minimum % return on gross development value generally set by the lending institution at the time. The flexible elements are the cost of land and the amount of developer contribution (CIL and Planning Obligations) sought by the Local Authority.

3.9 Economic viability is assessed using an industry standard Residual Model approach. The model subtracts the Land Value and the Fixed Development Costs from the Development Value to determine the viability or otherwise of the development and any additional margin available for CIL.

# 3 Methodology

## Viability Assessment Model

3.10 The NCS model is based on standard development appraisal methodology, comparing development value to development cost. The model factors in a reasonable return for the landowner with the established threshold value, a reasonable profit return to the developer and the assessed cost impacts of proposed planning policies to determine if there is a positive or negative residual output. Provided the margin is positive (i.e. Zero or above) then the development being assessed is deemed viable. The principles of the model are illustrated below.

<b>Development Value (Based on Floor Area)</b> Eg 10 x 3 Bed 100sqm Houses x £2,200per sqm	<b>£2,200,000</b>
<b>Development Costs</b>	
Land Value	£400,000
Construction Costs	£870,000
Abnormal Construction Costs (Optional)	£100,000
Professional Fees (% Costs)	£90,000
Legal Fees (% Value)	£30,000
Statutory Fees (% Costs)	£30,000
Sales & Marketing Fees (% Value)	£40,000
Contingencies (% Costs)	£50,000
Section 106 Contributions/Policy Impact Cost Assumptions/CIL (Strategic Site Testing Only)	£90,000
Finance Costs (% Costs)	£100,000
Developers Profit (% Return on GDV)	£350,000
<b>Total Costs</b>	<b>£2,150,000</b>
<b>Output</b>	
<b>Viability Margin</b>	<b>£50,000</b>
<b>Potential CIL Rate (CIL Appraisal only)</b>	<b>£50 sqm</b>

3.11 The model will calculate the gross margin available for developer contributions. The maximum rate of CIL that could be levied without rendering the development economically unviable is calculated by dividing the gross margin by the floorspace of the development being assessed.

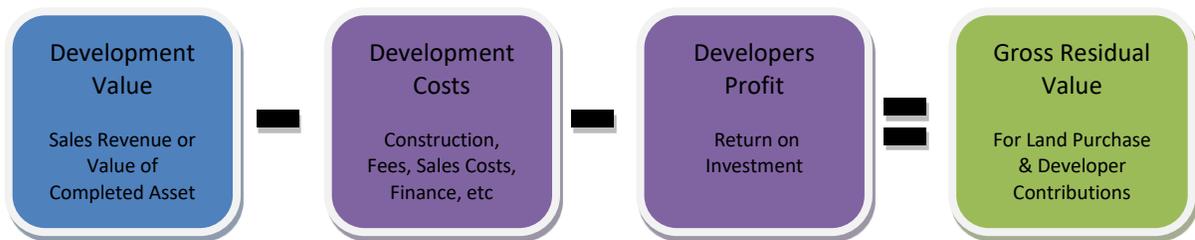
3.12 It is important to note that the model applies % proportions and further % tenure splits to the housing scenarios to reflect affordable housing discounts which will generate fractional unit numbers. The model automatically rounds to the nearest whole number and therefore some results appear to attribute value proportions to houses which do not register in the appraisal. The fractional distribution of affordable housing discounts is considered to represent the most accurate illustration of the impact of affordable housing policy on viability.

# 3 Methodology

## Land Value Assumptions

3.13 It is generally accepted that developer contributions (Affordable Housing, CIL and S106), will be extracted from the residual land value (i.e. the margin between development value and development cost including a reasonable allowance for developers profit). Within this gross residual value will be a base land value (i.e. the minimum amount a landowner will accept to release a site) and a remaining margin for contributions.

### Stage 1 – Residual Valuation



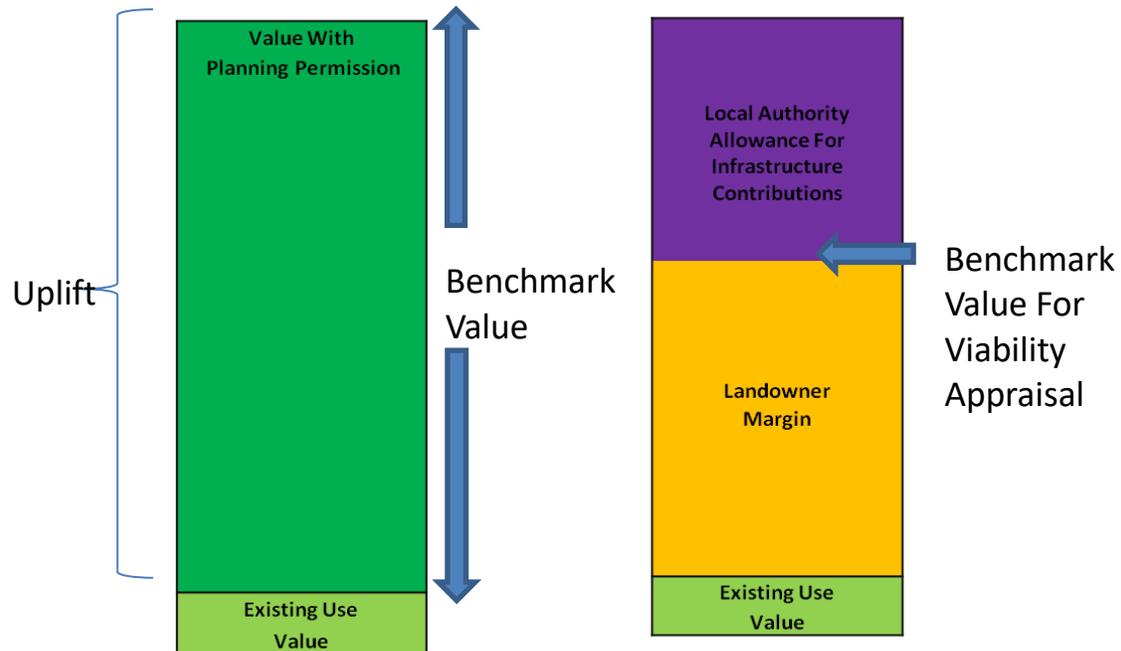
3.14 The approach to assessing the land element of the gross residual value is therefore the key to the robustness of any viability appraisal. There is no single method of establishing threshold land values for the purpose of viability assessment in planning but the NPPF and emerging best practice guidance does provide a clear steer on the appropriate approach.

### Stage 2 – Establishing Base Land Value



# 3 Methodology

## Land Value Benchmarking (Threshold Land Values)



3.15 The above diagram illustrates the principles involved in establishing a robust benchmark for land value. Land will have an existing use value (EUV) based on its market value. This is generally established by comparable evidence of the type of land being assessed (e.g. agricultural value for greenfield sites or perhaps industrial value for brownfield sites may be regarded as reasonable existing use value starting points and may be easily established from comparable market evidence)

3.16 The Gross Residual Value of the land for an alternative use (e.g. residential use) represents the difference between development value and development cost after a reasonable allowance for development profit, assuming planning permission has been granted. The gross residual value does not make allowance for the impact of development plan policies on development cost and therefore represents the maximum potential value of land that landowners may aspire to.

3.17 In order to establish a benchmark land value for the purpose of CIL viability appraisal, it must be recognised that Local Authorities will have a reasonable expectation that, in granting planning permission, the resultant development will yield contributions towards infrastructure and affordable housing. The cost of these contributions will increase the development cost and therefore reduce the residual value available to pay for the land.

3.18 The appropriate benchmark value will therefore lie somewhere between existing use value and gross residual value based on alternative planning permission. This will of course vary significantly dependent on the category of development being assessed.

# 3 Methodology

3.19 The key part of this process is establishing the point on this scale that balances a reasonable return to the landowner beyond existing use value and a reasonable margin to allow for infrastructure and affordable housing contributions to the Local Authority.

## **Benchmarking and Threshold Land Value Guidance**

3.20 Benchmarking is an approach which the Homes and Communities Agency refer to in 'Investment and Planning Obligations: Responding to the Downturn'. This guide states: *"a viable development will support a residual land value at a level sufficiently above the site's existing use value (EUV) or alternative use value (AUV) to support a land acquisition price acceptable to the landowner"*.

3.21 In 2012 the original NPPF recognised that, in assessing viability, unless a realistic return is allowed to a landowner to incentivise release of land, development sites are not going to be released and growth will be stifled. Following this the Local Housing Delivery Group (comprising, inter alia, the Local Government Association, the Homes and Communities Agency and the House Builders Federation) launched 'Viability Testing Local Plans' which provided practical advice in establishing benchmark thresholds at which landowners will release land. It stated :-

*"Another key feature of a model and its assumptions that requires early discussion will be the Threshold Land Value that is used to determine the viability of a type of site. This Threshold Land Value should represent the value at which a typical willing landowner is likely to release land for development, before payment of taxes (such as capital gains tax)".*

*Different approaches to Threshold Land Value are currently used within models, including consideration of:*

- *Current use value with or without a premium.*
- *Apportioned percentages of uplift from current use value to residual value.*
- *Proportion of the development value.*
- *Comparison with other similar sites (market value).*

*We recommend that the Threshold Land Value is based on a premium over current use values and credible alternative use values. The precise figure that should be used as an appropriate premium above current use value should be determined locally. But it is important that there is evidence that it represents a sufficient premium to persuade landowners to sell".*

3.22 In July 2018 the Government published guidance on best practice in viability assessment (Planning Practice Guidance for Viability). This guidance essentially reflected principles established by the Harman Report and RICS Financial Viability in Planning. With respect to land value benchmarking the draft guidance stated the following :-

***"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 calculated on the basis of the existing use value (EUV) of the land, plus a premium for the landowner.*

# 3 Methodology

*The premium for the landowner should reflect the minimum price at which it is considered a rational landowner would be willing to sell their land. 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 with and provide robust and open evidence to inform this process.*

*In all cases, benchmark land value should:*

- *fully reflect the total cost of all relevant policy requirements including planning obligations and, where applicable, any Community Infrastructure Levy charge;*
- *fully reflect the total cost of abnormal costs; site-specific infrastructure costs; and professional site fees;*
- *allow for a premium to landowners (including equity resulting from those building their own homes); and*
- *be informed by comparable market evidence of current uses, costs and values wherever possible. Where recent market transactions are used to inform assessment of benchmark land value there should be evidence that these transactions were based on policy compliant development. This is so that previous prices based on non-policy compliant developments are not used to inflate values over time.*

## **What is meant by existing use value in viability assessment?**

*Existing use value (EUV) is the first component of calculating a benchmark land value. EUV is the value of the land in its existing use together with the right to implement any development for which there are extant planning consents, including realistic deemed consents, but without regard to other possible uses that require planning consent, technical consent or unrealistic permitted development. 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.*

## **How should Existing Use Value be established for viability assessment?**

*Existing use value (EUV) for the purpose of assessing the viability of plans should be determined by plan makers in consultation with developers and landowners.*

*When undertaking any viability assessment EUV can be established 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. 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; public sector estate/property teams' locally held evidence.*

*Determining the existing use value of the land should be based on the assumption that no future planning consents will be obtained, but including the value of any cons*

# 3 Methodology

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

*An appropriate premium to the landowner above existing use value (EUV) should be determined by plan makers in consultation with developers and landowners for the purpose of assessing the viability of plans.*

*When undertaking any viability assessment, an appropriate minimum premium to the landowner can be established by looking at data from comparable sites of the same site type that have recently been granted planning consent in accordance with relevant policies. The EUV of those comparable sites should then be established.*

*The price paid for those comparable sites should then be established, having regard to outliers in market transactions, the quality of land, expectations of local landowners and different site scales. This evidence of the price paid on top of existing use value should then be used to inform a judgement on an appropriate minimum premium to the landowner.*

*Proposed development that accords with all the relevant policies in an up-to-date plan should be assumed to be viable, without need for adjustment to benchmark land values established in the plan making viability assessment. Where a viability assessment does accompany a planning application the price paid for land is not relevant justification for failing to accord with relevant policies in the plan.*

## **NCS Approach to Land Value Benchmarking (Threshold Land Values)**

3.23 NCS has given careful consideration to how the Threshold Land Value (i.e. the premium over existing use value) should be established in the light of both the existing and proposed guidance set out above.

3.24 We first adopt an appropriate benchmark for either greenfield or brownfield existing use value dependent on the type of site being assessed. These benchmarks are obtained from comparable market evidence of land sales for the relevant land use in the local area.

3.25 In determining the appropriate premium to the landowner above existing use value in the 'Existing Use Value Plus' approach, we have concluded that adopting a fixed % over existing value is inappropriate because the premium is tied solely to existing value – which will often be very low - rather than balancing the reasonable return aspirations of the landowner to pursue a return based on alternative use as required by the NPPF. Landowners are generally aware of what their land is worth with the benefit of planning permission. Therefore a fixed % uplift over existing use value will not generally be reflective of market conditions and may not be a realistic method of establishing threshold land value.

# 3 Methodology

3.26 We believe that the uplift in value resulting from planning permission should effectively be shared between the landowner (as a reasonable return to incentivise the release of land) and the Local Authority (as a margin to enable infrastructure and affordable housing contributions). The % share of the uplift will vary dependent on the particular approach of each Authority but based on our experience the landowner will expect a minimum of 50% of the uplift in order for sites to be released. Generally, if a landowner believes the Local Authority is gaining greater benefit than he is unlikely to release the site and will wait for a change in planning policy. We therefore consider that a 50:50 split is a reasonable benchmark and will generate base land values that are fair to both landowners and the Local Authority (this became known as the 'Shinfield Approach' after the methodology adopted by the Inspector to establish benchmark land value in 2013 in an affordable housing appeal – ref. APP/X0360/A/12/2179141)

The Threshold Land Value is established as follows :-

Existing Use Value + % Share Of Uplift from Planning Permission = Threshold Land Value  
EUV + Premium to Landowner = Benchmark

3.27 The resultant threshold values are then checked against market comparable evidence of land transactions in the Authority's area by our valuation team to ensure they are realistic. We believe this is a robust approach which is demonstrably fair to landowners and more importantly an approach which has been accepted at CIL and Local Plan Examinations we have undertaken.

## **Worked Example of EUV+ Illustrating Fixed% over Existing Use vs % Share of Uplift**

3.28 A landowner owns a 1 Hectare field at the edge of a settlement. The land is proposed to be allocated for residential development. Agricultural value is £20,000 per Ha. The Gross Residual Value of the land with residential planning permission is £1,000,000. Land sales in the area range from £400,000 per Ha to £1 Million per Ha. For the purposes of the viability assessment what should this Greenfield site be valued at?

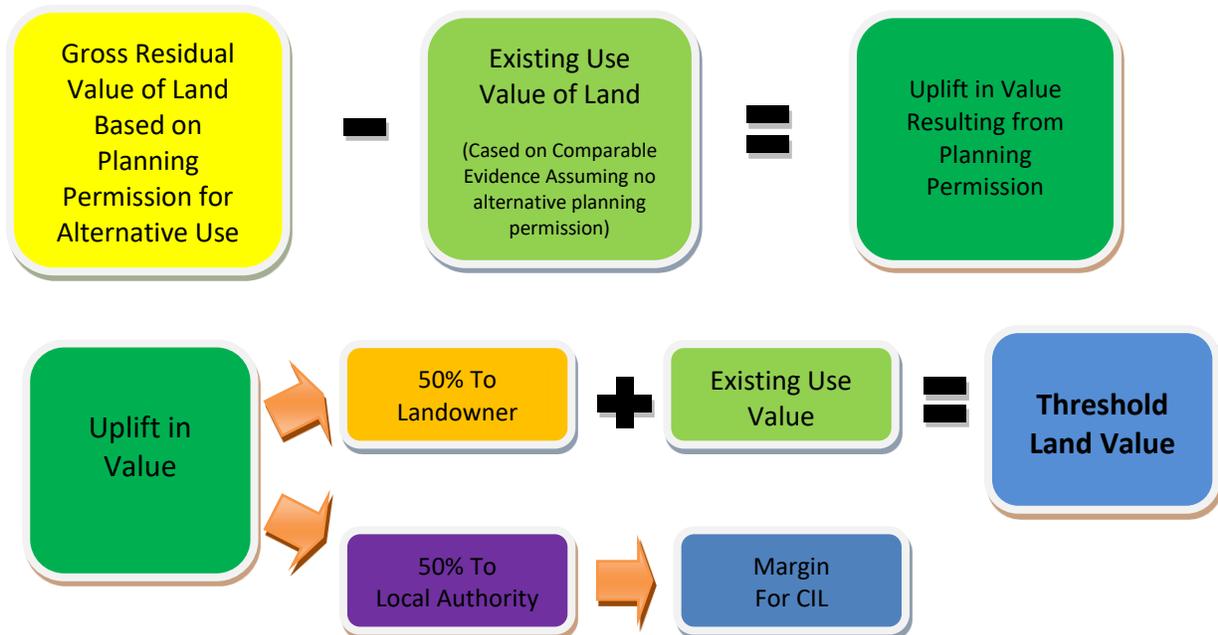
Using a fixed 20% over EUV the land would be valued at £24,000 (£20,000 + 20%)

Using % Share of Uplift in Value the land would be valued at £510,000 (£20,000 + 50% of the uplift between £20,000 and £1,000,000) – realising a market return for the landowner but reserving a substantial proportion of the uplift for infrastructure contribution.

In our view the % share of uplift method is more realistic to market circumstances than the application of a fixed premium over EUV.

# 3 Methodology

## Benchmarking Based on % Share of Uplift in Land Value



3.29 Whilst comparable evidence of policy compliant local land sales with planning permission is useful as a sense check, in our view it is difficult to find two sites that are directly comparable in view of the various factors that will influence the purchase price of land including precise location, abnormal site development cost, lower build cost rates enjoyed by volume housebuilders and the particular business decision of the purchaser.

3.30 The alternative method at the other end of the scale, following the part of the guidance which states 'benchmark land value should fully reflect the total cost of all relevant policy requirements including planning obligations and, where applicable, any Community Infrastructure Levycharge', would be to calculate the total cost of all policy targets of the LPA first and determine what is left for the landowner and provided this margin offered some level of premium over EUV, accept it as a benchmark. In effect this would guarantee a positive viability result in every instance as no attempt is made to first establish 'the minimum land value at which a landowner would sell.'

3.31 We believe the purpose of viability appraisal and indeed the intention of the guidance is to ensure the total costs of policy compliance still leave enough room for the developer to make a sensible profit and for the landowner to achieve a reasonable return to induce him to sell.

# 3 Methodology

3.32 Since developer contributions must be extracted from the uplift in land value resulting from planning permission, unless some attempt is made to create a benchmark land value that reflects this 'reasonable return' to the landowner before the total costs of policy targets are subtracted, then the appraisal would serve no purpose. We consider the EUV + % Uplift method represents a balanced approach between the alternatives outlined above that is fair and reasonable and relies more precisely on the specific development cost and value of the site being assessed.

## Brownfield and Greenfield Land Value Benchmarks

3.33 In order to represent the likely range of benchmark scenarios that might emerge in the plan period for the appraisal it will be necessary to test alternative threshold land value scenarios. A greenfield scenario will represent the best case for CIL as it represents the highest uplift in value resulting from planning permission. The greenfield existing use is based on agricultural value

3.34 The median brownfield position recognises that existing commercial sites will have an established value. The existing use value is based on a low value brownfield use (industrial). The viability testing firstly assesses the gross residual value (the maximum potential value of land based on total development value less development cost with no allowance for affordable housing, sec 106 contributions or planning policy cost impacts). This is then used to apportion the share of the potential uplift in value to the greenfield and brownfield benchmarks. This is considered to represent a reasonable scope of land value scenarios in that change from a high value use (e.g. retail) to a low value use (e.g. industrial) is unlikely.

3.35 Actual market evidence will not always be available for all categories of development. In these circumstances the valuation team make reasoned assumptions.

### Residential

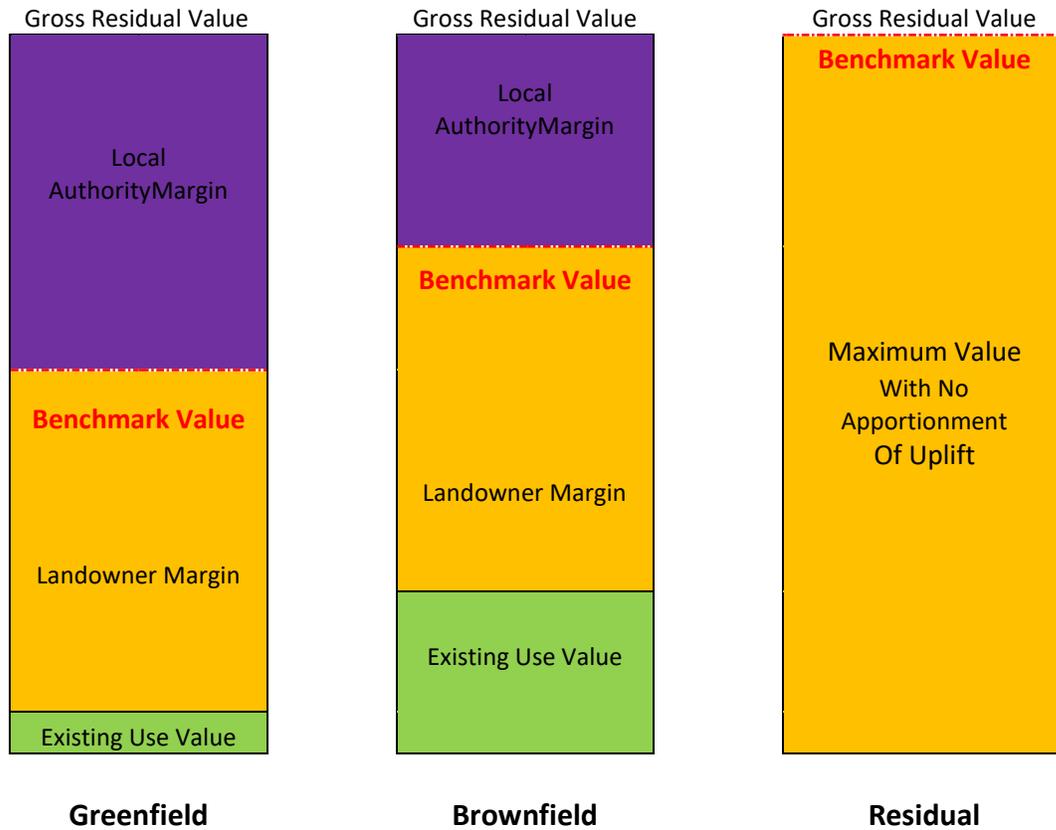
Benchmark 1	Greenfield	Agricultural – Residential (Maximum Contribution Potential)
Benchmark 2	Brownfield	Industrial – Residential

### Commercial

Benchmark 1	Greenfield	Agricultural – Proposed Use (Maximum Contribution Potential)
Benchmark 2	Brownfield	Industrial – Proposed Use

# 3 Methodology

3.36 The viability study assumes that affordable housing land has limited value as development costs form a very high proportion of the ultimate discounted sale value of the property.



3.37 The above diagram illustrates the concept of Benchmark Land Value. The level of existing use value for the three benchmarks is illustrated by the green shading. The uplift in value from existing use value to proposed use value is illustrated by the blue and gold shading. The gold shading represents the proportion of the uplift allowed to the landowner for profit. The blue shading represents the allowance of the uplift for developer contributions to the Local Authority. The Residual Value assumes maximum value with planning permission with no allowance for planning policy cost impacts. This benchmark is used solely to generate the brownfield and greenfield threshold values.

# 4 Appraisal Assumptions

## Development Categories

4.1 In order to ensure that the study is sufficiently comprehensive to inform a Differential Rate CIL system, all categories of development in the Use Classes Order will be considered, including a relevant sample of Sui Generis uses to reflect typical developments in the Bassetlaw District Local plan area, as follows :-

**Residential** - Based on varying residential development scenarios and factoring in the affordable housing requirements of the Authority. Land values are assessed based on house type plots. Sales values are assessed on per sqm rates.

**Commercial** - The following categories are considered. Land Values and Gross Development Values are assessed on sqm basis.

Industry (B1(b)B1(c), B2, B8)

Offices (B1a)

Food Supermarket Retail (A1)

General Retail (A1, A2, A3, A4, A5)

Hotels (C1)

Residential Institutions (C2)

Institutional and Community (D1)

Leisure (D2)

Agricultural

Sui Generis - Vehicle Sales

Sui Generis – Car Repairs

## Sub Market Areas and Potential Charging Zones

4.2 The Heb valuation study considered evidence of residential land and property values across Bassetlaw District and concluded that there were not sufficient distinctions between sales prices to warrant differential value assumptions being made in the Whole Plan Viability Assessment and that a single zone approach should be taken to CIL going forwards.

4.3 Similarly, the variations in commercial values were not considered significant enough across the District to justify the application of differential assumptions based on sub-market areas or to indicate a differential charging zone approach to CIL.

# 4 Appraisal Assumptions

## Affordable Housing

4.4 A series of residential viability tests have been undertaken, reflecting affordable housing delivery based on the minimum standard prescribed by the NPPF 2018 at 10% Low Cost Home Ownership and up to 20% including Low Cost Home Ownership and Affordable Rent products, taking account of the affordable tenure mix with a differential approach adopted dependent on existing greenfield or brownfield land use. The following extract from a generic sample residential viability appraisal model illustrates how affordable housing is factored into the residential valuation assessment. The relevant variables (e.g. unit numbers, types, sizes, affordable proportion, tenure mix etc.) are inputted into the appropriate cells. The model will then calculate the overall value of the development taking account of the relevant affordable unit discounts.

<b>DEVELOPMENT SCENARIO</b>	Mixed Residential Development				Apartments	10
<b>BASE LAND VALUE SCENARIO</b>	Greenfield to Residential				2 bed houses	20
<b>DEVELOPMENT LOCATION</b>	Urban Zone 1				3 Bed houses	40
<b>DEVELOPMENT DETAILS</b>	100	Total Units			4 bed houses	20
<b>Affordable Proportion</b>	30%	30	Affordable Units		5 bed house	10
<b>Affordable Mix</b>	30%	Intermediate	40%	Social Rent	30%	Affordable Rent
<b>Development Floorspace</b>	6489	Sqm Market Housing	2,163	Sqm Affordable Housing		
<b>Development Value</b>						
<b>Market Houses</b>						
7	Apartments	65	sqm	2000	£ per sqm	£910,000
14	2 bed houses	70	sqm	2200	£ per sqm	£2,156,000
28	3 Bed houses	88	sqm	2200	£ per sqm	£5,420,800
14	4 bed houses	115	sqm	2200	£ per sqm	£3,542,000
7	5 bed house	140	sqm	2200	£ per sqm	£2,156,000
<b>Intermediate Houses</b>						
		60%	Market Value			
3	Apartments	65	Sqm	1200	£ per sqm	£210,600
5	2 Bed house	70	Sqm	1320	£ per sqm	£415,800
2	3 Bed House	88	Sqm	1320	£ per sqm	£209,088
<b>Social Rent Houses</b>						
		40%	Market Value			
4	Apartments	65	sqm	800	£ per sqm	£187,200
6	2 Bed house	70	sqm	880	£ per sqm	£369,600
2	3 Bed House	88	sqm	880	£ per sqm	£185,856
<b>Affordable Rent Houses</b>						
		50%	Market Value			
3	Apartments	65	sqm	1000	£ per sqm	£175,500
5	2 Bed house	70	sqm	1100	£ per sqm	£346,500
2	3 Bed House	88	sqm	1100	£ per sqm	£174,240
100	Total Units					
<b>Development Value</b>						<b>£16,459,184</b>

It is important to note that the model applies % proportions and further % tenure splits to the housing scenarios which will generate fractional unit numbers. The model automatically rounds to the nearest whole number and therefore some results appear to attribute value proportions to houses which do not register in the appraisal. The fractional distribution of affordable housing discounts is considered to represent the most accurate illustration of the impact of affordable housing policy on viability.

# 4 Appraisal Assumptions

4.5 The following Affordable Housing Assumptions have been agreed for the purpose of the residential viability appraisals. The transfer values in terms of % of open market value are set out for each tenure type. The transfer value equates to the assumed price paid by the registered housing provider to the developer and is assessed as a discounted proportion of the open market value of the property in relation to the type (tenure) of affordable housing.

<b>Affordable Housing</b>				
Affordable Housing Delivery	Proportion %	Tenure Mix %		
		Low Cost Home Ownership	Affordable Rent	Social Rent
<b>Aff Housing Option A</b>	20%	50%	50%	0%
<b>Aff Housing Option B</b>	10%	100%	0%	0%
% Open Market Value		70%	55%	40%

4.6 The affordable assumptions were applied to all residential scenario testing. For the smaller unit number tests the proportional and tenure splits result in fractions of unit numbers. In these cases the discounts may be considered to equate to the impact of off-site contributions.

## Development Density

4.7 Density is an important factor in determining gross development value and land value. Density assumptions for commercial development will be specific to the development category. For instance the floorplate for industrial development is generally around 50% of the site area to take account of external servicing, storage and parking, Offices will vary significantly dependent on location, town centre offices may take up 100% of the site area whereas out of town locations where car parking is a primary consideration, the floorplate may be only 25% of the site area. Food retailing generally has high car parking requirements and large site areas compared to floorplates.

The land: floorplate assumptions for commercial development are as follows:-

Industrial	2:1
Offices	2:1
General Retail	1.5:1 (shopping parades, local centres etc.)
Food retail	3:1
Leisure	3:1
Hotels	2:1
Residential Institutions	1.5:1
Community Uses	1.5:1
Other Uses	2:1

# 4 Appraisal Assumptions

4.8 Residential densities vary significantly dependent on house type mix and location. Mixed housing developments may vary from 10-50 dwellings per Hectare. Town Centre apartment schemes may reach densities of over 150 units per Hectare. We generate plot values for residential viability assessment related to specific house types. The plot values allow for standard open space requirements per Hectare. The densities adopted in the study reflect the assumptions of the Local Authority on the type of development that is likely to emerge during the plan period.

4.9 The density assumptions for house types related to plot values are as follows :-

Apartment	100 units per Ha
2 Bed House	40 units per Ha
3 Bed House	35 units per Ha
4 Bed House	25 units per Ha
5 Bed House	20 units per Ha

## House Types and Mix

4.10 The study uses the following standard house types as the basis for valuation and viability testing as unit types that are compliant with National Housing standards and meet minimum Local Plan policy requirements.

Apartment	65 sqm
2 Bed House	75 sqm
3 Bed House	90 sqm
4 Bed House	120 sqm
5 Bed House	150 sqm

4.11 Housing values and costs are based on the same gross internal area. However apartments will contain circulation space (stairwells, lifts, access corridors) which will incur construction cost but which is not directly valued. We make an additional construction cost allowance of 15% to reflect the difference between gross and net floorspace.

# 4 Appraisal Assumptions

## Residential Development Scenarios

4.12 The study tests a series of residential development scenarios to reflect general types of development that are likely to emerge over the plan period.

4.13 For residential development, five scenarios were considered. The list does not attempt to cover every possible development in the District but provides an overview of residential development in the plan period.

1. Urban Edge Mixed Housing (2, 3, 4 & 5 Bed Housing)	250 Units
2. Urban Edge Mixed Housing (2, 3, 4 & 5 Bed Housing)	100 Units
3. Urban Mixed Housing (2, 3, 4 & 5 Bed Housing)	30 Units
4. Rural Housing (2, 3 & 4 Bed Housing)	15 Units
5. Rural Neighbourhood Plan (2, 3 & 4 Bed Housing)	15 Units

## Commercial Development Scenarios

4.14 The CIL appraisal tests all forms of commercial development broken down into use class order categories. For completeness the appraisal includes a sample of sui generis uses. A typical form of development that might emerge during the plan period, is tested within each use class.

4.15 The density assumptions for commercial development will be specific to the development category. For instance the floorplate for industrial development is generally around 50% of the site area to take account of external servicing, storage and parking. Offices will vary significantly dependent on location, town centre offices may take up 100% of the site area whereas out of town locations where car parking is a primary consideration, the floorplate may be only 25% of the site area. Food retailing generally has high car parking requirements and large site areas compared to floorplates.

4.16 The viability model also makes allowance for net: gross floorspace. In many forms of commercial development such as industrial and retail, generally the entire internal floorspace is deemed lettable and therefore values per sqm and construction costs per sqm apply to the same area. However in some commercial categories (e.g. offices) some spaces are not considered lettable (corridors, stairwells, lifts etc.) and therefore the values and costs must be applied differentially. The net: gross floorspace ratio enables this adjustment to be taken into account.

4.17 The table below illustrates the commercial category and development sample testing as well as the density assumptions and net: gross floorspace ratio for each category.

# 4 Appraisal Assumptions

Commercial Development Sample Typology					
Unit Size & Land Plot Ratio					
		Unit Size Sqm	Plot Ratio		Sample
			%	Gross: Net	
Industrial	B1b B1c B2 B8	1000	200%	1.0	Factory Unit
Office	B1a	1000	200%	1.2	Office Building
Food Retail	A1	3000	300%	1.0	Supermarket
General Retail	A 1 – A5	300	150%	1.0	Roadside Type Shop Unit
Residential Inst	C2	4000	150%	1.2	Care Facility
Hotels	C3	3000	200%	1.2	Mid Range Hotel
Community	D1	200	150%	1.0	Community Centre
Leisure	D2	2500	300%	1.0	Bowling Alley
Agricultural		500	200%	1.0	Farm Store
Sui Generis	Car Sales	1000	200%	1.0	Car Showroom
Sui Generis	Vehicle Repairs	300	200%	1.0	Repair Garage

## Sustainable Construction Standards

4.19 It is acknowledged that the Code for Sustainable Homes have been replaced by changes to the Building Regulations based on the National Housing Standards. It is considered that the latest Building Regulation changes will not impose standards beyond an equivalent of the former CoSH 4 and the cost rates adopted in the study reflect this.

4.20 The Commercial Viability assessments are based on BREEAM 'Excellent' construction rates.

## Construction Costs

4.21 The construction rates will reflect allowances for external works, drainage, servicing preliminaries and contractor's overhead and profit. The viability assessment will include a 3% allowance for construction contingencies.

4.22 The following residential construction rates are adopted in the study to reflect National Housing Standards, Category 2 Dwellings and the water and space standards of Bassetlaw District Council. Whilst the Code for Sustainable Homes standards have been withdrawn, the cost parameters that inform them remain a useful guide to the cost implications of the National Housing standards and are considered within the study. An additional cost allowance for accessible and adaptable dwellings has been made for all residential development.

# 4 Appraisal Assumptions

Residential Construction Cost Sqm		
Apartments	1735	sqm
2 bed houses	1183	sqm
3 Bed houses	1183	sqm
4 bed houses	1183	sqm
5 bed house	1183	sqm

Note: An additional £3sqm is added to the above residential cost rates to reflect the Council's policy on Adaptable & Accessible Dwellings

Commercial Construction Cost Sqm	
889	Factory Unit
1847	Office Building
1329	Supermarket
1168	Roadside Retail Unit
1441	Care Facility
1815	Mid Range Hotel
3135	Community Centre
1143	Bowling Alley
855	Farm Store
1663	Car Showroom
1594	Repair Garage

## Abnormal Construction Costs

4.23 Most development will involve some degree of exceptional or 'abnormal' construction cost. Brownfield development may have a range of issues to deal with to bring a site into a 'developable' state such as demolition, contamination, utilities diversion etc. Whole Plan and CIL Viability Assessment is based on generic tests and it would be unrealistic to make assumptions over average abnormal costs to cover such a wide range of scenarios. In reality abnormal cost issues like site contamination are reflected in reductions to land values so making additional generic abnormal cost assumptions would effectively be double counting costs unless the land value allowances were adjusted accordingly.

4.24 It is considered better to bear the unknown costs of development in mind when setting CIL rates and not fix rates at the absolute margin of viability.

## Policy Cost Impacts & Planning Obligation Contributions

4.25 The study seeks to review Whole Plan Viability and therefore firstly assesses the potential cost impacts of the proposed policies in the plan to determine appropriate cost assumptions in the viability assessments and broadly determine if planned development is viable.

4.26 CIL may replace some if not all planning obligation contributions. The second purpose of the study is to test the maximum margin available for CIL that is available from various types of development. CIL, if adopted, will represent the first 'slice' of tax on development. Planning Obligations may be used to top up contributions on a site specific basis subject to viability appraisal at planning application stage. Nevertheless CIL Guidance (contained in the National Planning Practice Guidance) indicates that Authorities should demonstrate that the development plan is deliverable by funding infrastructure through a mixture of CIL and planning obligation contributions in the event that the Authority does not intend to completely replace planning obligations with CIL.

# 4 Appraisal Assumptions

4.27 Costs have been factored into the viability appraisals to reflect the impact of relevant development plan policy and the residual use of planning obligations for site specific mitigation. Based on historic evidence of planning obligation contributions over the last five years (excluding Affordable Housing which is factored in separately) the following cost allowances have been adopted in the study:-

**Residual Planning Obligations for site specific mitigation**                      **£1750-£2250sqm per dwelling**  
**£11 per sqm commercial**

4.28 CIL has been in operation in the District since 2011. Evidence of planning obligation contributions in this post CIL period demonstrates that an average of £1249 per dwelling has been collected in this period. In order to allow for potential additional infrastructure contributions to be collected a 40% increase has been applied as a base allowance at £1750sqm per dwelling. The Council is also considering requiring contributions for tree planting (£400 per dwelling) and biodiversity (£100 per dwelling). An additional set of tests has therefore been undertaken to reflect this increased contribution at £2250sqm per dwelling. There is limited evidence of commercial sec 106 contribution over this period so a general allowance, adopted in a number of CIL studies of £10sqm has been made for commercial development plus £1sqm for tree planting.

4.29 Costs have been factored into the viability appraisals to reflect the impact of relevant development plan policies and the residual use of planning obligations for site specific mitigation. The cost impact of these mitigation measures has been assessed by Gleeds and may be summarised as follows:-

## **ACCESSIBILITY STANDARDS - 20% of Dwellings Cat 2 £3sqm**

The appraisals test the impact of requiring 20% of homes (sites over 50 dwellings) to be built to Category 2 standard for accessibility. This is estimated to add £12sqm over National Housing Standards equivalent build cost allowance. Assuming 20% of dwellings will meet these standards an overall additional cost allowance of £3sqm has been made.

## **WATER CONSERVATION STANDARDS**

The higher optional water standard of 110 lpd is considered to be covered by the adopted construction cost rates and do not require any additional allowance.

## **BREAAM Standards**

The construction costs for commercial development make allowance for BREAAM 'Excellent' rating including additional professional fees.

## **SPACE STANDARDS**

The residential unit sizes adopted in the appraisals comply with National Space Standards.

It is considered that the Bassetlaw Local Plan does not contain any other policies which would have a significant impact on development cost.

# 4 Appraisal Assumptions

## Developers Profit

4.30 Developer's profit is generally fixed as a % return on gross development value or return on the cost of development to reflect the developer's risk. In current market conditions, and based on the assumed lending conditions of the financial institutions, a 20% return on GDV is used in the residential viability appraisals to reflect speculative risk on the market housing units. However it must be acknowledged that affordable housing does not carry the same speculative risk as it effectively pre-sold.

4.31 The profit allowance on the affordable housing element has been set at a 'contractor only' profit of 6% in line with HCA viability toolkit guidance. It should also be recognised that a 'competitive profit' will vary in relation to prevailing economic conditions and will generally reduce as conditions improve, generally remaining within a 15-20% range for speculative property.

4.32 In the generic commercial development assessments, a 17% profit return is applied to reflect the reduced risk of commercial development which is likely to be pre-let or pre-sold. If it is considered that industrial and other forms of commercial are likely to be operator rather than developer led, this allowance may be further reduced to a 5-10% allowance to reflect an allowance for operational/opportunity cost rather than a traditional development risk.

## Strategic Site Assessment Assumptions

4.32 A series of site specific viability assessments have been undertaken on the strategic sites allocated in the Local Plan to determine if a differential approach to CIL zoning would be appropriate in view of the enhanced on site infrastructure requirements proposed to be funded by S106 contributions.

4.33 For the purpose of the assessments an average house size of 90sqm is assumed with a benchmarked plot value of £12774 for greenfield and £17774 for brownfield based on the land values set out at paragraph 4.38 below. The S106 costs were identified by the Council as at September 2019 and are subject to further update and review as infrastructure negotiations continue for the Local Plan.

4.34 The key assumptions for these tests may be summarised as follows :-

# 4 Appraisal Assumptions

## RESIDENTIAL SITES

### 1. Peaks Hill Farm, Worksop

119Ha Greenfield  
1500 Dwellings 135,000sqm  
Land Value £19,161,000  
S106 Contributions Total £13,828,000  
Education £5,096,000  
Health £975,000  
Public Transport £885,000  
Transport & Highways £5,750,000  
Open Space £239,000  
Play Space £283,000  
Tree Planting/Biodiversity £600,000

### 2. Trinity Farm, Retford

10.6Ha Greenfield  
196 Dwellings 17,640sqm  
Land Value £2,504,000  
S106 Contributions Total £1,182,000  
Education £693,000  
Health £127,000  
Public Transport £116,000  
Open Space £74,000  
Play Space £74,000  
Tree Planting/Biodiversity £98,000

### 3. Canal Road, Worksop

1.7Ha Brownfield  
80 Dwellings 7200sqm  
Land Value £1,600,000  
S106 Contributions Total £873,000  
Education £678,000  
Health £52,000  
Public Transport £47,000  
Open Space £26,000  
Play Space £30,000

# 4 Appraisal Assumptions

Tree Planting/Biodiversity £40,000

## 4. Former Manton Primary School, Worksop

3.7Ha Brownfield  
100 Dwellings 9000sqm  
Land Value £1,776,000  
S106 Contributions Total £1,032,000  
Education £788,000  
Health £65,000  
Public Transport £59,000  
Open Space £32,000  
Play Space £38,000  
Tree Planting/Biodiversity £50,000

## 5. Sandhills, Retford

3.0Ha Greenfield  
75 Dwellings 6750sqm  
Land Value £958,000  
S106 Contributions Total £537,000  
Education £346,000  
Health £49,000  
Public Transport £42,000  
Open Space £24,000  
Play Space £38,000  
Tree Planting/Biodiversity £38,000

## 6. Land at Ashvale Road, Tuxford

7.5Ha Greenfield  
170 Dwellings 15,300sqm  
Land Value £2,172,000  
S106 Contributions Total £1,396,000  
Education £1,033,000  
Health £111,000  
Public Transport £100,000  
Open Space £54,000  
Play Space £13,000  
Tree Planting/Biodiversity £85,000

# 4 Appraisal Assumptions

## 7.Land at Ollerton Road, Tuxford

8.9Ha Greenfield  
172 Dwellings 15480sqm  
Land Value £2,197,000  
S106 Contributions Total £1,621,000  
Education £1,033,000  
Health £112,000  
Public Transport £101,000  
Open Space £234,000  
Play Space £55,000  
Tree Planting/Biodiversity £86,000

## 8.Bassetlaw Garden Village (Note 750 units in Plan Period – 4000 Unit Site)

216Ha Greenfield  
750 Dwellings 67500qm  
Land Value £9580,000  
S106 Contributions Total £13,381,000  
Highways £6,000,000  
Education £5,550,000  
Public Transport £984,000  
Open Space £239,000  
Play Space £283,000  
Tree Planting/Biodiversity £375,000

## 9.Cottam Priority Regeneration Area

348Ha Greenfield  
1000 Dwellings 90000sqm  
Land Value £17,774,000  
S106 Contributions Total £19,886,000  
Highways £6,000,000  
Education £11,080,000  
Public Transport £1,968,000  
Open Space £239,000  
Play Space £99,000  
Tree Planting/Biodiversity £500,000

### Property Sales Values

# 4 Appraisal Assumptions

4.35 The sale value of the development category will be determined by the market at any particular time and will be influenced by a variety of locational, supply and demand factors as well as the availability of finance. The study uses up to date comparable evidence to give an accurate representation of market circumstances.

4.36 A valuation study of all categories of residential and commercial property has been undertaken by HEB Chartered Surveyors in 2019. A copy of the report is attached at Appendix I.

Residential Sales Values					
Charging Zone	Sales Value £sqm				
	Apartment	2 Bed	3 Bed	4 Bed	5 Bed
<b>Districtwide</b>	1940	2200	2150	2100	2100

Commercial Sales Values Sqm		
		Charging Zones
		Area Wide
Industrial		850
Office		1345
Food Retail		2750
Other Retail		1700
Residential Inst		1266
Hotels		2750
Community		1077
Leisure		1350
Agricultural		400
Sui Generis	Car Sales	1500
Sui Generis	Vehicle Repairs	850

## Land Value Allowances - Residential

4.37 Following the land value benchmarking 'uplift split' methodology set out in Section 3 the following greenfield and brownfield existing residential land use value assumptions are applied to the study. The gross residual value (the maximum potential value of land assuming planning permission but with no planning policy, affordable housing sec 106 or CIL cost impacts). An example for Urban Housing in the 100 unit test is illustrated in the table below.

Land Value	£20000	Existing Greenfield (agricultural) Per Ha Brownfield (equivalent general commercial) Per Ha Gross Residual Residential Value per Ha	Uplift	50%
	£370,000			
	£874,165			

# 4 Appraisal Assumptions

4.38 50% of the uplift in value between existing use and the gross residual value of alternative use with planning permission is applied to generate benchmarked land values per Ha. These land values are then divided by the assumed unit type densities to generate the individual greenfield and brownfield plot values to be applied to the appraisals.

	EUV	+	50% of Uplift in Value	=	Threshold Land Value
Greenfield	£20,000	+	50% (£874,165 - £20,000)	=	£447,083 per Ha
Brownfield	£370,000	+	50% (£874,165 - £370,000)	=	£622,083 per Ha

Density Assumptions	Apt	2 Bed	3 Bed	4 Bed	5 Bed
	100	40	35	25	20
LAND VALUES (Plot Values)					
	Apt	2 Bed	3 Bed	4 Bed	5 Bed
Greenfield	£4471	£11177	£12774	£17883	£22534
Brownfield	£6221	£15552	£17774	£24883	£31104

4.39 The complete set of gross residual residential values for all the residential tests from which the benchmarked threshold land value allowances were derived, is set out in the table below.

Gross Residual Land Value per Ha	Districtwide
Urban 250 Dwellings	863160
Urban 100 Dwellings	874165
Urban 30 Dwellings	900753
Rural 15 Dwellings	862170
Rural 'Neighbourhood Plan Aspirational' 15 Dwellings	893760

## Land Value Allowances - Commercial

4.40 The approach to commercial land value allowances is the same in principle. Obviously there will be a broad spectrum of residual land values dependent on the commercial use. A number of residual land calculations for commercial categories actually demonstrate negative values – which is clearly unrealistic for the purpose of viability appraisal. Therefore where residual values are less than market comparable evidence the market comparable is used as the minimum gross residual figure. In the Bassetlaw District assessments only retail gross residual values exceeded these market comparable benchmarks.

4.41 The following provides an example threshold land value allowances food supermarket retail

	EUV	+	50% of Uplift in Value	=	Threshold Land Value
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# 4 Appraisal Assumptions

Greenfield      £20,000 + 50% (£2,140,011 - £20,000) = £1,080,006 per Ha

Brownfield      £370,000 + 50% (£2,140,011 - £370,000) = £1,255,006 per Ha

4.42 The greenfield and brownfield land value threshold allowances are all set out within the commercial viability appraisals but in summary the gross residual values on which they are based may be summarised as follows :-

Commercial Residual Land Values	Area Wide
<b>Industrial Land Values per Ha</b>	
Residual Land Value per Ha	370000
<b>Office Land Values per Ha</b>	
Residual Land Value per Ha	370000
<b>Food Retail Land Values per Ha</b>	
Residual Land Value per Ha	2140011
<b>General Retail Land Values per Ha</b>	
Residual Land Value per Ha	1500000
<b>Residential Institution Land Values per Ha</b>	
Residual Land Value per Ha	370000
<b>Hotel Land Values per Ha</b>	
Residual Land Value per Ha	750000
<b>Community Use Land Values per Ha</b>	
Residual Land Value per Ha	370000
<b>Leisure Land Values per Ha</b>	
Residual Land Value per Ha	500000
<b>Agricultural Land Values per Ha</b>	
Comparable Land Value per Ha	20000

## Fees, Finance and Other Cost Allowances

4.43 The following 'industry standard' fee and cost allowances are applied to the appraisals.

Residential Development Cost Assumptions		
Professional Fees	7.0%	Construction Cost
Legal Fees	0.5%	GDV
Statutory Fees	1.1%	Construction Cost
Sales/Marketing Costs	2.0%	Market Units Value
Contingencies	3.0%	Construction Cost
Planning Obligations	1750-2250	£ per Dwelling

# 4 Appraisal Assumptions

Interest		5.0%	12	10	£ per sqm Commercial	3-6	Mth Sales Void
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# 5 Viability Appraisal Results

5.1 The results of the Viability Testing are set out in the tables below. In order to test the impact of Affordable Housing provision the residential viability tests were undertaken on the assumption that schemes would deliver 10-20% Affordable Housing and are based on a 20% profit allowance on the market housing element and a 6% profit allowance on the affordable element.

5.2 Any positive figures confirm that the category of development tested is economically viable in the context of Whole Plan viability and the impact of planning policies. The level of positive viability indicates the potential additional margin for CIL charges in £ per sqm.

5.3 Each category of development produces a greenfield and brownfield result for each level of Affordable Housing and S106 Contribution tested. These results reflect the benchmark land value scenario. The first result assumes greenfield development which generally represents the highest uplift in value from current use and therefore will produce the highest potential CIL Rate. The second result assumes that development will emerge from low value brownfield land.

Maximum Residential CIL Rates per sqm					
Base Land Value/Affordable Housing Target	Urban 250 Dwellings	Urban 100 Dwellings	Urban 30 Dwellings	Rural 15 Dwellings	Rural 'Neighbourhood Plan Aspirational' 15 Dwellings
<b>Section 106 Allowance £1750 Per Dwelling</b>					
<b>20% Affordable Housing</b>					
Greenfield	£46	£47	£47	£50	£50
Brownfield	-£18	-£18	-£16	-£12	-£13
<b>10% Affordable Housing</b>					
Greenfield	£98	£100	£103	£102	£107
Brownfield	£34	£35	£37	£36	£39
<b>Section 106 Allowance £2250 Per Dwelling</b>					
<b>20% Affordable Housing</b>					
Greenfield	£39	£40	£40	£44	£43
Brownfield	-£25	-£24	-£23	-£19	-£20
<b>10% Affordable Housing</b>					
Greenfield	£92	£94	£97	£97	£100
Brownfield	£28	£30	£31	£30	£33

5.4 The results of the residential viability demonstrate that housing is deliverable in Bassetlaw based on the policy impacts of the Local Plan with additional margin to accommodate CIL charges. The results also demonstrate that the viability of brownfield development is more marginal and that the existing CIL Charging schedule may need to be varied to accommodate Developer Contribution policies (i.e. higher S106 contribution allowances).

# 5 Viability Appraisal Results

 <b>Maximum Commercial CIL Rates per sq m</b>		
<b>General Zone</b>		
<b>Charging Zone/Base Land Value</b>	<b>Greenfield</b>	<b>Brownfield</b>
Industrial (B1b B1c B2 B8)	-£383	-£464
Office(B1a)	-£1,339	-£1,371
Hotel(C1)	-£388	-£422
Residential Institution (C2)	-£1,144	-£1,168
Community(D1)	-£2,896	-£2,925
Leisure (D2)	-£507	-£568
Agricultural	-£813	
Sui Generis – Car Sales	-£1,025	-£1,063
Sui Generis – Vehicle Repair	-£1,441	-£1,491
Food Supermarket Retail A1	£264	£205
General Retail A1-A5	-£153	-£182

5.5 Most of the above commercial use class appraisals indicated negative viability and therefore no margin to introduce CIL charges. It can be seen that only food supermarket retail, with CIL potential rate of £205-£264 per square metre, dependent on existing land use provides a significant enough margin to maintain CIL charges. It is therefore recommended on the existing evidence, that only Class A1 food supermarket retail should be charged CIL and that all other non-residential categories be zero rated. These results are typical of our experience of most Local Authorities' commercial viability assessments. In order for viability assessment to be consistent between residential and commercial development, full development profit allowances are contained within all appraisals (assuming all development is delivered by third party developers requiring a full risk return). In reality much commercial development is delivered direct by business operators who do not require the 'development profit' element. As such many commercial categories of development are broadly viable and deliverable despite the apparent negativity of the results. In addition, it is common practice in mixed use schemes for the viable residential element of a development to be used to cross subsidise the delivery of the commercial component of a scheme.

# 5 Viability Appraisal Results

5.6 The Strategic Site viability assessment results may be summarised as follows :-

<u>Site</u>	<u>Viability Margin</u>
1. Peaks Hill Farm, Worksop	-£8,306,000
2. Trinity Farm, Retford	-£420,000
3. Canal Road, Worksop	-£747,000
4. Former Manton Primary School, Worksop	-£619,000
5. Sandhills, Retford	-£242,000
6. Land at Ashvale Road, Tuxford	-£752,000
7. Land at Ollerton Road, Tuxford	-£979,000
8. Bassetlaw Garden Village	-£10,929,000
9. Cottam Priority Regeneration Area	-£16,350,000

5.7 As such all of the strategic sites demonstrate no additional viability margin to accommodate CIL Charges.

# 6 Conclusions

## Residential Viability Assessment

6.1 The assessments of residential land and property values indicated that there were not significant differences in value across the District for new build development to justify the application of differential value assumptions in the viability appraisal or the continued operation of a differential CIL charging schedule with distinct charging zones. It is recommended that a single zone approach to residential CIL is adopted going forwards.

6.2 The following table shows the viability margins for the different residential typologies for greenfield and brownfield development based on differing Affordable Housing delivery targets and Section 106 Allowances.

Maximum Residential CIL Rates per sqm					
Base Land Value/Affordable Housing Target	Urban 250 Dwellings	Urban 100 Dwellings	Urban 30 Dwellings	Rural 15 Dwellings	Rural 'Neighbourhood Plan Aspirational' 15 Dwellings
<b>Section 106 Allowance £1750 Per Dwelling</b>					
<b>20% Affordable Housing</b>					
Greenfield	£46	£47	£47	£50	£50
Brownfield	-£18	-£18	-£16	-£12	-£13
<b>10% Affordable Housing</b>					
Greenfield	£98	£100	£103	£102	£107
Brownfield	£34	£35	£37	£36	£39
<b>Section 106 Allowance £2250 Per Dwelling</b>					
<b>20% Affordable Housing</b>					
Greenfield	£39	£40	£40	£44	£43
Brownfield	-£25	-£24	-£23	-£19	-£20
<b>10% Affordable Housing</b>					
Greenfield	£92	£94	£97	£97	£100
Brownfield	£28	£30	£31	£30	£33

6.3 The testing showed that Bassetlaw District Local Plan Policies are viable for all forms of housing development. The Council operates a differential affordable housing policy based on 20% delivery for greenfield development and 10% for brownfield development. As such the negative viability results for brownfield development with 20% Affordable Housing illustrated above are not relevant. on brownfield sites.

# 6 Conclusions

6.4 The allowance of £1750sqm of S106 contribution which reflects historic collection levels plus a 40% increase for ongoing infrastructure requirements demonstrates CIL charge potential £46-£50/sqm for greenfield development and £34-£39/sqm for brownfield development.

## Key Findings – Commercial Viability Assessment

6.5 The initial assessment of commercial land and property values indicate that there are no significant differences in values to justify differential sub-markets based on assumptions or differential CIL charging zones. The commercial category viability results are set out below but demonstrate that only food supermarket retail development has a significant viability margin capable of accommodating CIL charges.

 <b>Maximum Commercial CIL Rates per sq m</b>		
General Zone		
Charging Zone/Base Land Value	Greenfield	Brownfield
Industrial (B1b B1c B2 B8)	-£383	-£464
Office(B1a)	-£1,339	-£1,371
Hotel(C1)	-£388	-£422
Residential Institution (C2)	-£1,144	-£1,168
Community(D1)	-£2,896	-£2,925
Leisure (D2)	-£507	-£568
Agricultural	-£813	
Sui Generis – Car Sales	-£1,025	-£1,063
Sui Generis – Vehicle Repair	-£1,441	-£1,491
Food Supermarket Retail A1	£264	£205
General Retail A1-A5	-£153	-£182

# 6 Conclusions

6.6 It can be seen that only food supermarket retail, with CIL potential rate of £205-£264 per square metre, dependent on existing land use provides a significant enough margin to maintain CIL charges. It is therefore recommended on the existing evidence, that only Class A1 food supermarket retail should be charged CIL and that all other non-residential categories be zero rated.

6.7 It should be stressed that whilst the generic appraisals showed that most forms of commercial and employment development are not viable based on the test assumptions, this does not mean that this type of development is not deliverable. For consistency a full developer's profit allowance was included in all the commercial appraisals. In reality many employment developments are undertaken direct by the operators. If the development profit allowance is removed from the calculations, then much employment development would be viable and deliverable. In addition, it is common practice in mixed use schemes for the viable residential element of a development to be used to cross subsidise the delivery of the commercial component of a scheme

## CIL Viability Appraisal Conclusions

6.8 The study demonstrates that most of the development proposed by the Local Plan is viable and deliverable taking account of the cost impacts of the policies proposed by the plan and the requirements for viability assessment set out in the NPPF subject to differential Affordable Housing policy targets tested in the study. It is further considered that significant additional margin exists, beyond a reasonable return to the landowner and developer to accommodate CIL charges.

6.9 It is recommended that a single zone approach is taken to both residential and commercial CIL charging and that the existing differential zone system is abandoned.

6.10 Taking account of the viability results, the generic nature of the tests, a reasonable buffer to allow for additional site specific abnormal costs, we would recommend the following residential rates (dependent on whether The Council intend to apply the additional £500 per dwelling S106 contributions for tree planting/biodiversity). Bassetlaw District envisage a primarily greenfield delivery strategy and rates are therefore set well within the greenfield viability maximum potential rates with a substantial viability buffer However, potential CIL charges are more marginal for brownfield development and the overall rate has been set in accordance with these viability results. In practical terms for an average house of 90sqm it is considered that a charge of £1800 - £2250 is unlikely to threaten delivery on either greenfield or brownfield sites.

Residential CIL (Districtwide)	
@£1750 per dwelling S106	£25sqm
@£2250 per dwelling S106	£20sqm
Residential CIL (Strategic Sites)	
Strategic Sites	£0sqm

# 6 Conclusions

6.11 The results of the strategic site tests make it clear that the significant site specific S106 contributions will render the imposition of additional CIL Charges economically unviable and it is therefore recommended that the following 10 sites are treated as zero rated CIL Charging Zones:-

1. Peaks Hill Farm, Worksop
2. Trinity Farm, Retford
3. Canal Road, Worksop
4. Former Manton Primary School, Worksop
5. Sandhills, Retford
6. Land at Ashvale Road, Tuxford
7. Land at Ollerton Road, Tuxford
8. Bassetlaw Garden Village
9. Cottam Priority Regeneration Area

6.12 It is recommended that a single zone approach is taken to setting commercial CIL rates. The viability assessment results indicate that all non-retail commercial uses should be zero rated.

6.13 It is recommended, based on the existing evidence, that general A1-A5 retail use be excluded from the CIL charging schedule going forwards and that only Class A1 food supermarket retail should be charged CIL with all other non-residential categories being zero rated.

Non-Residential CIL	
Districtwide	
All Non-residential uses (excepting Food Supermarket Retail)	£0sqm
Districtwide	
A1 Food Supermarket Retail	£100sqm

6.14 The housing projections in the table below are based on the Council's estimates for sites without planning consent that might be relevant to any new CIL Charging regime. These include non-strategic allocated sites and windfall sites. The Council envisages a primarily greenfield delivery strategy for remaining sites (81% greenfield 19% brownfield). Nevertheless the proportion of brownfield development is still significant and as such it is considered reasonable to use the brownfield viability results as a basis for rate setting and consideration of an appropriate viability buffer.

Projected Dwellings in Plan Period (CIL Chargeable)		
	Greenfield	Brownfield
<b>Allocated (Non-Strategic)</b>	40	78
<b>Neighbourhood Plan</b>	492	0
<b>Windfall Rural</b>	1350	150
<b>Windfall Urban</b>	731	394

# 6 Conclusions

6.14 In order to estimate the amount residential CIL income over the plan period, the recommended CIL rate is applied to an average house size of 90 sq. metres for eligible dwellings. Based on the table above, it is estimated that up to 3360 dwellings do not currently have planning permission and would therefore potentially be liable for CIL under any revised Charging Schedule. If it is assumed 20% of the 2738 greenfield units and 10% of the 622 brownfield units will be exempt from CIL charges as affordable housing then the CIL liable residential floorspace may be estimated at  $(2190 + 560) \times 90\text{sqm} = 247,500\text{sqm}$ .

6.15 The District Council has indicated that there is no capacity for additional convenience good retailing and no allowance has therefore been made for commercial CIL revenue. The residential projections are set out in the table below with a total estimated CIL revenue of between £4.9-£6.1 Million which is well within the estimated Infrastructure Funding Deficit of £23.9 Million.

	S106 Allowance	CIL Rate	Total Units	CIL Affected Units	Floorspace (Sqm)	CIL Revenue
<b>Retail</b>	<b>£11sqm</b>	<b>£100sqm</b>			<b>TBA</b>	<b>£0</b>
<b>Residential Option A</b>	<b>£1750 Unit</b>	<b>£25sqm</b>	<b>3360</b>	<b>2750</b>	<b>247500</b>	<b>£6,187,500</b>
<b>Residential Option B</b>	<b>£2250 Unit</b>	<b>£20sqm</b>	<b>3360</b>	<b>2750</b>	<b>247500</b>	<b>£4,950,000</b>

6.16 The study is a strategic assessment of whole plan viability and as such is not intended to represent a detailed viability assessment of every individual site. The study applies the general assumptions in terms of affordable housing, planning policy costs impacts and identified site mitigation factors based on generic allowances. It is anticipated that more detailed mitigation cost and viability information may be required at planning application stage to determine the appropriate level of affordable housing and planning obligation contributions where viability issues are raised. The purpose of the study is to determine whether the development strategy proposed by the Plan is deliverable given the policy cost impacts of the Plan with sufficient additional viability margin for CIL.

6.17 In conclusion, the assessment of all proposed residential sites in Bassetlaw District has been undertaken with due regard to the requirements of the NPPF and the best practice advice contained in National Planning Practice Guidance. It is considered that all sites are viable across the entire plan period, taking account of all policy impacts of the Local Plan as well as the continued operation of CIL in the District provided the revised Affordable Housing policies are adopted.

6.18 It should be noted that this study should be seen as a strategic overview of plan level viability rather than as any specific interpretation of Bassetlaw District Council policy on the viability of any individual site or application of planning policy to affordable housing, CIL or developer contributions. Similarly the conclusions and recommendations in the report do not necessarily reflect the views of Bassetlaw District Council

**Heb Surveyors  
Valuation Report 2019**

**Gleeds  
Construction Cost Study  
May 2019**