

Planning and Transportation Policy Working Group	
Meeting Date	4 th November 2025
Report Title	Local Plan Review - Whole Plan Viability Assessment 2024
EMT Lead	Emma Wiggins Director of Regeneration and Neighbourhoods
SMT Lead	Joanne Johnson Head of Place
Lead Officer	Stuart Watson Project Manager Local Plan
Classification	Open
Recommendations	1. That members of Planning and Transportation Policy Working Group (PTPWG) are asked to note the findings of the Whole Plan Viability Assessment (WPVA) 2024 and the specific affordable housing policy implications for the Local Plan Review.

1. Purpose of Report and Executive Summary

1.1 During its preparation, the Local Plan (LP) needs to be tested to ensure the proposed development is deliverable (in terms of financial viability) in line with tests set out in the National Planning Policy Framework (NPPF) and National Planning Practice Guidance (PPG). This includes:

- assessing the cumulative impact of the emerging policies, including affordable housing;
- testing the deliverability of the key development site allocations that may come forward over the course of the Local Plan period;¹ and,
- considering the ability of development to accommodate developer contributions alongside other policy requirements.

1.2 The Whole Plan Viability Assessment 2024 (WPVA) is a key piece of evidence that goes towards meeting these national policy requirements. The WPVA sets out the likely deliverability of sites for consideration within the LP drafting process assessed against the emerging planning policy requirements the Council sets.

¹ The WPVA conclusions on deliverability are used to inform the overall suitability of sites being considered within the Councils emerging Housing and Economic Land Availability Assessment (HELAA). The HELAA sets out all sites that have been identified and made available to the Council for consideration in Local Plan drafting.

- 1.3 PTPWG members were briefed on the WPVA 2024 in July 2024, and this included a detailed question and answers session with the consultant who produced the study. Members of PTPWG noted the findings of the study including the emerging policy recommendations. Members at that meeting requested that the WPVA be published alongside the draft Plan Regulation 18 consultation.
- 1.4 The Council will carry out a Regulation 18 consultation in January 2026 that focuses on the Local Plan's vision, objectives and development management policies. Of significance, the January 2026 consultation will include a draft Affordable Housing Policy that will propose the percentage of homes for affordable housing being sought by the Council on greenfield and brownfield sites.
- 1.5 To offer stakeholders and other interested parties the best opportunity to understand and provide comments on the affordable housing policy it is essential to now publish the WPVA. The WPVA is the evidence base that supports the proposed affordable housing policy approach and as such should be subject to scrutiny as part of the LPR process.

2. Background

- 2.1 Consultants HDH Planning and Development were appointed to carry out a Whole Plan Viability Assessment (WPVA) to support the Local Plan Review (LPR). The WPVA uses the approach set out within National Planning Policy Guidance that viability should be tested using the Existing Use Value Plus (EUV+) approach. The PPG sets out the following definition for EUV+:

*To define land value for any viability assessment, a benchmark land value should be established on the basis of the existing use value (EUV) of the land, plus a premium for the landowner. The premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The premium should provide a reasonable incentive, in comparison with other options available, for the landowner to sell land for development while allowing a sufficient contribution to comply with policy requirements. **Landowners and site purchasers should consider policy requirements when agreeing land transactions. This approach is often called 'existing use value plus' (EUV+).***

- 2.2 As part of preparing the Council's Regulation 19 consultation in 2021 a series of policy requirements including matters like affordable housing provision and design standards were developed. Whilst that Plan was superseded in terms of what sites were being proposed, the policy requirements were considered robust in terms of policy direction and have been carried forward into the WPVA. The Council's policy direction will evolve through drafting of the Local Plan, development of its evidence base and through changes in national policy². As a

² Since the WPVA draft in spring 2024, the requirement that 25% of affordable homes should be First Homes was removed from the NPPF. This requirement has been replaced with a more flexible approach

result, there will likely be the need to provide a partial update to the WPVA for the summer 2026 Regulation 19 consultation to reflect any changes.

- 2.3 The WPVA tests a number of housing development typologies³ and 13 strategic sites that have been identified from the Council's emerging Housing Economic Land Availability Assessment (HELAA)⁴. A HELAA does not set out that a site will automatically gain planning permission or be allocated in the LPR as these are matters for planning applications and Plan drafting. Likewise, the WPVA is another key piece of evidence for the LPR and sets out the viability of sites against the LPR emerging policy criteria but in itself does not recommend what sites should be allocated.
- 2.4 To summarise, a WPVA tests whether after build costs including policy requirements and factoring likely sales values there is enough residual value from a proposed development to offer a price for land to the landowner at a premium value beyond existing use value. This test sets out the likely financial achievability of types of sites for the purposes of Plan drafting.
- 2.5 The WPVA desk top findings were produced in January 2024 and presented to a workshop of interested parties including industry specialists, infrastructure providers, adjacent local authorities and members of the Council. The findings presented at the workshop included the latest data sets on build costs, sales values and the LPR policy requirements from the 2021 Regulation 19 consultation. Interested parties were then given the opportunity to provide comments on the workshop to inform further drafting of the WPVA.
- 2.6 The most relevant findings of the WPVA are set out in this report below. Further details on the findings can be found in Chapter 12 of the WPVA (appendix 1). The chapter provides an overall summary of methodology, findings and recommendations for the LPR.

3. Whole Plan Viability Assessment 2024 Findings

- 3.1 With regards to residential development for the Local Plan Review (LPR), the Whole Plan Viability Assessment 2024 (WPVA) sets out that based on a 30% affordable housing requirement, brownfield typologies are likely to be unviable and that greenfield typologies on the whole are viable (WPVA paragraphs 10.10 and 10.11). The WPVA also sets out that the picture for strategic sites is less good

in the NPPF allowing local considerations including such matters as need and viability to determine what types of affordable home ownership tenures maybe suitable.

³ The WPVA developed a series of site typologies based on existing land use, location within the Borough (urban, edge of urban and rural), site size and developable capacities. The typologies range from brownfield sites in urban areas to greenfield sites outside of built-up area confines, those typologies where the basis for the viability testing of non-strategic sites.

⁴ HELAA is an evidence base that identifies a future supply of land which is suitable (against planning matters) for development, is made available by landowners and is financially achievable for development uses over a Local Plan period.

than greenfield typologies, largely due to the lower net developable area assumption and the higher allowance for strategic infrastructure and mitigation (i.e. s106) costs.

- 3.2 The WPVA modelled the strategic sites that were made available to the Council. The assessment of those sites was carried at a higher level then would be representative in any planning application, to inform LPR drafting including future policy approach and site selection. **It should be noted that the strategic sites findings in the WPVA do not reflect on any live planning applications and are solely for the purposes of the LPR drafting. They should not be used in planning applications until the adoption of the Local Plan.**
- 3.3 To address the viability of development and affordable housing provision the WPVA sets out a recommended policy approach for the LPR as:

Affordable Housing: Greenfield Sites	30%.
Brownfield Sites	10% (threshold 10 units)
Potential Strategic Sites	25%

Affordable housing mix in line with the requirements for 10% AHO and 25% of affordable homes to be First Homes (30% discount) and the balance of AHO as shared ownership. The balance as Affordable Rent.

Design: 95% Part M4(2) Accessible and Adaptable and 5% Part M4(3) Wheelchair Accessible. Zero Carbon, Water Efficiency, 20% Biodiversity Net Gain.

Developer Contributions: Birdwise payments on all sites and open space payments on brownfield sites, plus allowance of £10,000 per unit on typologies and £25,000 per unit on the potential Strategic Sites.

- 3.4 The WPVA found for other residential uses that:

- **Self-Build** – it is unlikely that a requirement for self-build plots will adversely impact on viability.
- **Build to rent** - Development is unlikely to be viable, even without affordable housing.
- **Older People's Housing** –
 - Sheltered housing is shown as being viable with 30% affordable housing on greenfield sites, but only 10% on brownfield sites.

- Extra care housing is shown as being viable with 5% affordable housing on greenfield sites, but unviable on brownfield sites.
 - The Integrated Retirement Community (IRC) typology is shown as being viable with 30% affordable housing on greenfield sites, and 20% affordable housing on brownfield sites.
 - **Park Homes** – New Park Home schemes are likely to generate a financial surplus above the greenfield BLV assumption. The capacity for such development to bear developer contributions is likely to be limited at less than £3,500 per unit.
- 3.5 The WPVA also tested all employment uses against the Future Buildings Standard⁵ and also ran a set of appraisals to test the impact of higher costs that may arise from higher environmental standards. The WPVA concludes that there is very limited scope to seek higher environmental standards on employment sites with the exception of the large scale industrial and distribution uses.
- 3.6 In terms of retail uses, the WPVA found that larger format retail and prime town centre uses are viable. The WPVA concludes by suggesting that caution should be applied in relation to setting policy requirements for employment and retail uses that would unduly impact on viability.

4. Proposals

- 4.1 That members of PTPWG are asked to note the findings of the Whole Plan Viability Assessment 2024 and the specific affordable housing policy implications for the Local Plan Review.

5. Alternative Options Considered and Rejected

- 5.1 The option of not updating the viability evidence for the Local Plan Review was considered and rejected. It is a requirement of national planning policy to ensure that a Local Plan is deliverable through its Plan period, a position that is tested through the Local Plan's examination process. Further, ensuring that the viability evidence base is up to date will also help inform the direction of the Local Plan's policy objectives as it moves forward in the drafting process.

⁵ The Future Buildings Standard is a set of building regulations aimed at reducing carbon emissions and improving energy efficiency in new buildings. It applies to non-domestic buildings and includes proposals to mitigate overheating in residential buildings. The standard aims to ensure that new buildings are "net zero ready," meaning they use electric or other renewable energy sources and do not require additional work to achieve zero carbon emissions when the electricity grid is fully decarbonised.

6. Consultation Undertaken or Proposed

- 6.1 This is an evidence base document and therefore not subject to consultation. Comments about the document, like with any other evidence base document, can be submitted through the Local Plan consultation process starting with the Regulation 18 consultation scheduled for January 2026. The Council will then be able to reflect on the findings of this study and any comments received as part of the consultation process on Plan drafting.

7. Implications

Issue	Implications
Corporate Plan	The proposals in the report align with the following Corporate Plan action: • A Local Plan with local needs and capacity at its heart.
Financial, Resource and Property	No implications identified at this stage as this is within the agreed Local Plan budget.
Legal, Statutory and Procurement	No implications identified at this stage.
Crime and Disorder	No implications identified at this stage.
Environment and Climate/Ecological Emergency	The WPVA sets out financial considerations for policies matters on biodiversity net gain, zero carbon and water efficiency as part of the Local Plan Review.
Health and Wellbeing	No implications identified at this stage.
Safeguarding of Children, Young People and Vulnerable Adults	No implications identified at this stage.
Risk Management and Health and Safety	No implications identified at this stage.
Equality and Diversity	No implications identified at this stage.
Privacy and Data Protection	No implications identified at this stage.

8. Appendices

- 8.1 Appendix I: Whole Plan Viability Assessment 2024