

Action Point 177 – Explanation as to how the section 106 cost assumptions have been arrived at – ‘indicative allowances’

The Viability Assessment report was prepared by BNP Paribas Real Estate who have advised that the indicative S106 allowances are based on the planning obligations sought from a range of developments that BNP Paribas have reviewed on behalf of LPAs or developers. The amounts increase with scale of development as the range of obligations sought tend to increase, with larger developments typically providing on-site schools and the like. However, there is a significant degree of variability between the amounts sought as they are subject to site-specific negotiations. For the purposes of testing the viability of the plan, it is necessary to use averages; the actual level of obligations can only be determined at the application stage to reflect site-specific factors. This reflects a widely adopted approach for local plan testing and accords with the PPG requirement for testing to be proportionate.