

## Homework Item #25 – Derived Viability Assessment Costs for S106

1. This homework item explains how the £5,202 per unit allowance used for S106 costs in the Local Plan SADPD Viability Assessment is derived.
2. The £5,202 per housing unit allowance for S106 costs comes from the viability work used by the Council's to justify its CIL charge. The Council prepared and submitted, as part of its background evidence to the CIL examination, a paper entitled "CIL Position Statement on CIL and Planning Obligations"<sup>1</sup>. This provided details in paragraphs 12 to 14 of the total amount of S106 receipts received over a four year period, between 1 April 2013 and 31 March 2017, and stated the £5,202 figure as the average S106 contribution received per dwelling over this period.
3. The relevant extract from this document is reproduced below:

### CIL Position Statement

#### Use of S.106 receipts

12. *The Planning Practice Guidance states that "as background evidence, the charging authority should also provide information about the amount of funding collected in recent years through Section 106 agreements. This should include information on the extent to which their affordable housing and other targets have been met". The level of S.106 monies secured over recent years is set out in Table 1.*

13. *Table 1 gives a summary of the total monies secured by S106 agreements from development in the borough;*

Year	1 April 2013 – 31 March 2014	1 April 2014 – 31 March 2015	1 April 2015 – 31 March 2016	1 April 2016 – March 2017	Total
S.106 receipts	£17,346,117	£17,506,916	£31,910,392	£19,671,738	£86,435,163

14. *Taking account of the figures noted in table 1 (above), a total of £5,202 has been secured (per average contribution per dwelling) for residential schemes in the borough.*

4. Further information on the breakdown of the £5,202 per dwelling figure by infrastructure type was provided to the consultants (Keppie Massie) undertaking the Council's CIL viability work and this was included as Table 3.3 in their Final CIL Viability Report<sup>2</sup>. The relevant section of the report is reproduced below:

<sup>1</sup> <http://cheshireeast-consult.limehouse.co.uk/file/4994049>

<sup>2</sup> <http://cheshireeast-consult.limehouse.co.uk/file/4994055>

## Residual S106 Requirements

3.50 A number of comments were received about the need for more evidence to support the S106 contribution that had been adopted for the purpose of the Viability Testing of £4,000 per dwelling. To address this point further the Council have prepared a document entitled CIL and Planning Obligations Position Statement.

3.51 The document shows that the average S106 contribution over the last 3 years equated to £5,202 per dwelling. Table 3.3 below shows the average contributions per dwelling under each of the respective headings ie. highways, education etc.

S106 Type	Amount per dwelling
Education	£1,949
Highways and Public Transport	£2,345
Health	£46
Other	£862
Total	£5,202

Table 3.3: Average S106 Contributions during last 3 Years

3.52 As outlined in Section 5, in undertaking viability testing for the strategic sites we have incorporated known S106 requirements for these sites, ie. highways contributions towards the Congleton Link Road to enable the Council to fully consider whether CIL or S106 is the most appropriate mechanism in relation to some of these sites. It should also be noted, that particularly for larger strategic sites, that the infrastructure requirements will be higher as will the S.106 costs.

5. Please note that the Keppie Massie report wrongly referred to the average figure for the S106 contribution being for the previous 3 years when it should have referred to 4 years as detailed in the Council's CIL Position Statement.