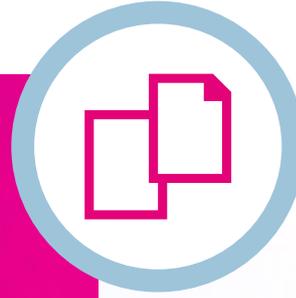


# Financial viability assessments

Helping planning authorities to assess S106 developer fees



# CAPITA



Developers are now more than ever, submitting significant numbers of planning applications to bring new housing, leisure facilities and office space to areas across the UK.

Like with any large development, there will inevitably be an impact on the place and the community once it is built, so it's vital that defined financial contributions, known as S106 planning obligations, are agreed with developers to ensure that the community benefits as much as possible. Through securing S106 contributions from developers, local authorities are able to reinvest these monies into more affordable housing, education, better infrastructure and green space.



## What's the challenge?

This area of work is quickly evolving into a specialism that is becoming increasingly complicated and difficult for local authority Planning Officers to deal with without seeking expert advice.

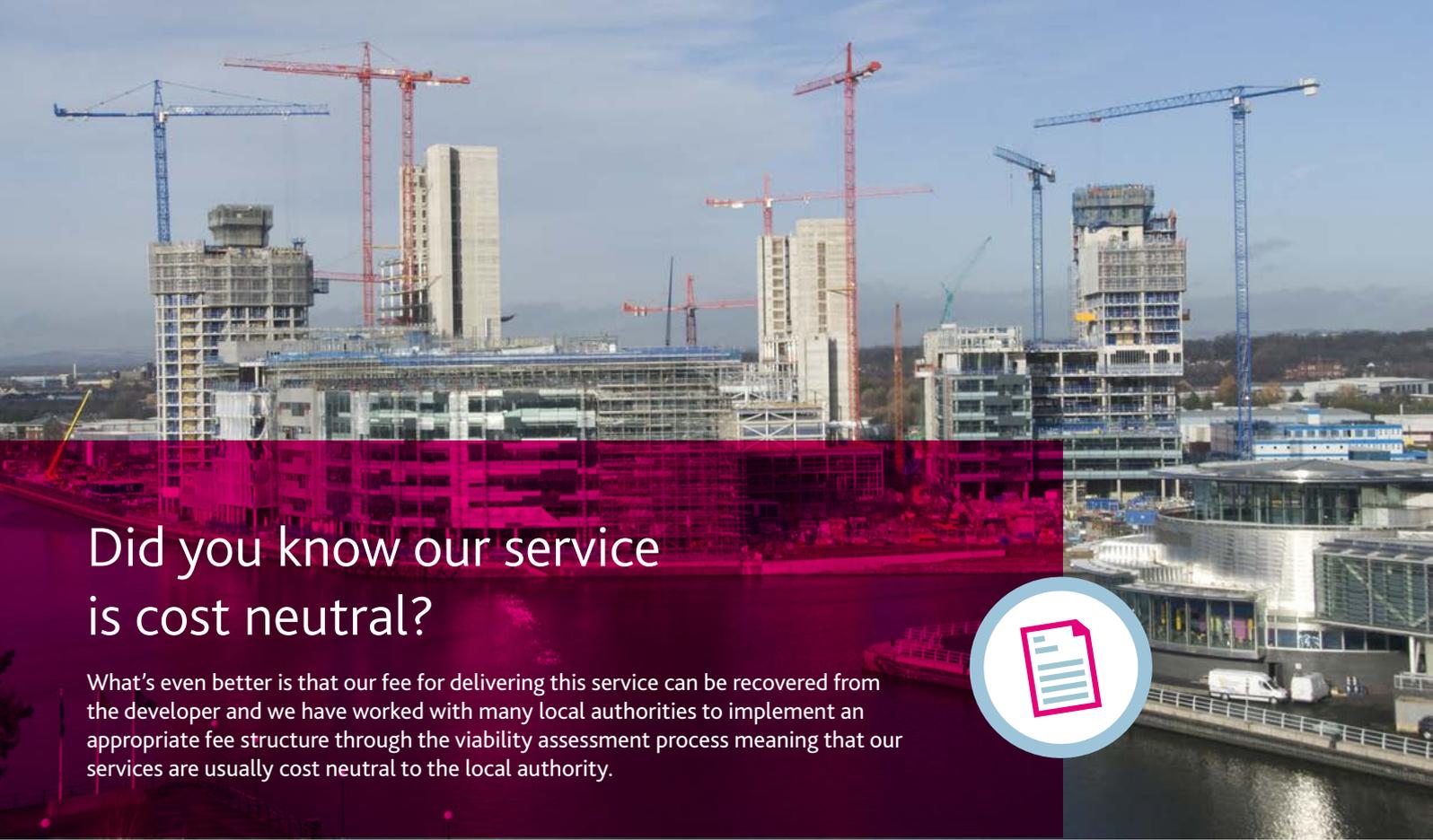


## How can we help?

We have a dedicated planning and development viability team which incorporates Development Surveyors, Quantity Surveyors and other specialist property advisors who have vast knowledge and experience in assessing a scheme's viability including costs, development values, professional fees, as well as abnormal and other costs.

Our team are able to negotiate with developers and maximise the planning obligations on behalf of your local authority. For example, in instances where applicants contend that meeting planning obligations would make a scheme unviable to deliver, our experienced teams are able to provide invaluable support to independently and robustly assess the applicants appraisal and supporting evidence, challenging developer assumptions and making recommendations on what contributions can actually be afforded by a development scheme.

We can appraise all types and sizes of schemes, ranging from small sites comprising of a few residential units to large residential schemes comprising of over 3000 homes.



## Did you know our service is cost neutral?

What's even better is that our fee for delivering this service can be recovered from the developer and we have worked with many local authorities to implement an appropriate fee structure through the viability assessment process meaning that our services are usually cost neutral to the local authority.



### Experience snapshot

Securing £700,000 of Section 106 contributions for Salford City Council



Salford City Council received a planning application for a large development of 181 units on a former industrial site extending 12.56 acres.

Under Planning Policy, the Council requested that the developer contributed £1.2M in relation to Section 106 obligations with 20% affordable housing provision. The developer stated however, that making such payment would make the scheme unviable and that a nil contribution and no affordable housing provision should be made.

Capita's asset viability team worked with the Council to review the developer's appraisal and a number of items were identified that required clarification such as abnormalities in the construction costs, the benchmark land value and the developers profit.

Our team worked with the developer to clarify and discuss these items and on this basis were able to negotiate a **£700k** contribution from the developer.

### Did you know?

- We have secured an additional **£6million** in S106 contributions for Salford City Council over the course of 2016/2017.
- We have secured an additional **£360k** in S106 contributions for North Tyneside Council.
- We employ a large team of highly qualified and experienced Property consultants who can work anywhere in the UK.
- We tailor services around the needs of our client and offer an on demand service which can be used as long or as short as required.
- We also offer many other property related services that could support your property requirements.

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