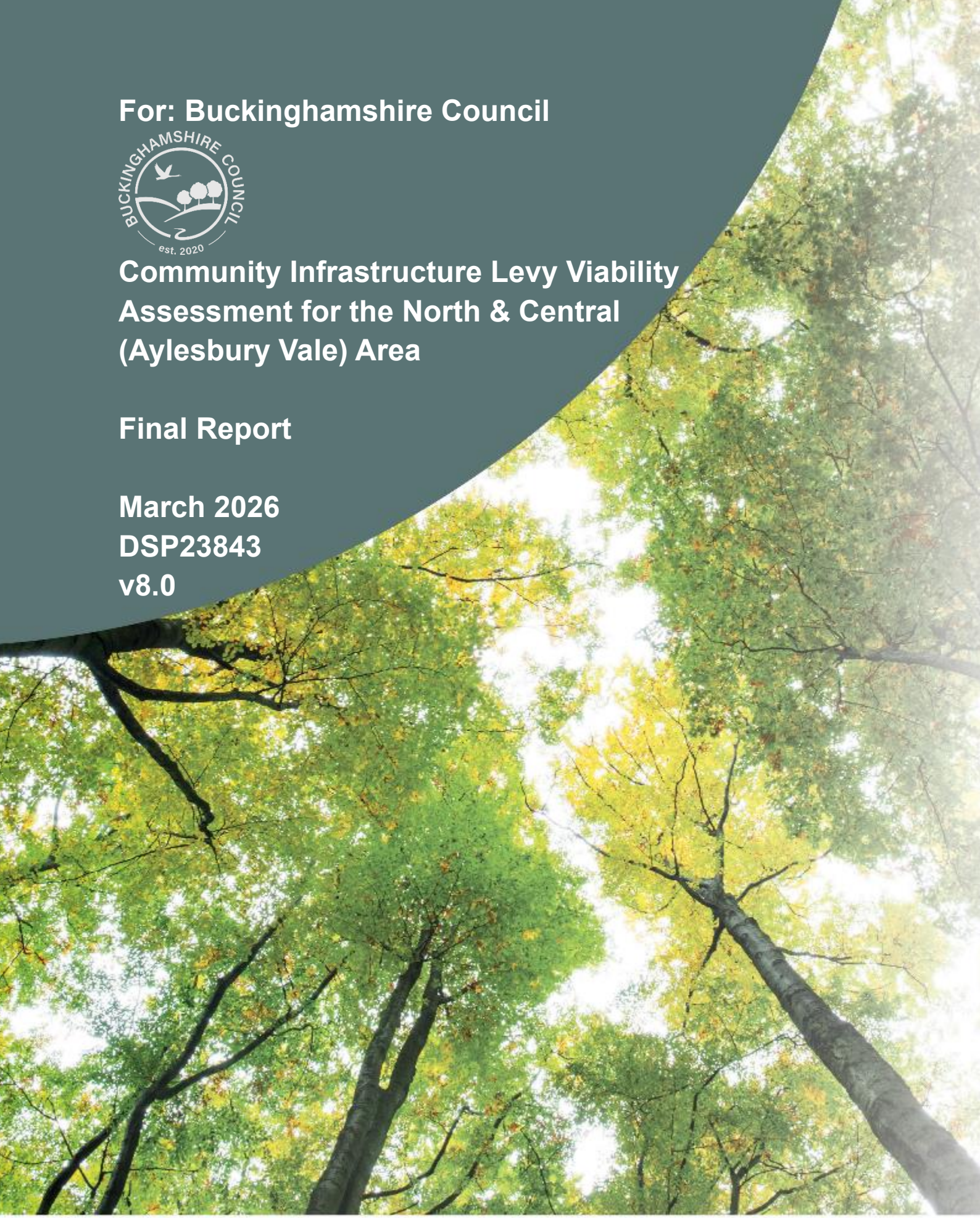
For: Buckinghamshire Council

Community Infrastructure Levy Viability Assessment for the North & Central (Aylesbury Vale) Area

Final Report

March 2026
DSP23843
v8.0



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Introduction and context

1. Putting in place a Community Infrastructure Levy (CIL) is optional. Currently, a local planning authority can decide whether or not it will set up a CIL, i.e. whether or not to become a charging authority. The national guidance on CIL is within the Planning Practice Guidance (PPG).

2. The relatively recently formed Buckinghamshire Council (BC) area comprises the former districts of Aylesbury Vale, Wycombe, Chiltern and South Buckinghamshire. There are two CIL Charging Schedules in place – one covering the West area (former Wycombe) implemented in 2012 and the second covering the East and South (former Chiltern and South Bucks) in operation since 2020.

3. In North and Central Bucks ('N&CB') – Vale of Aylesbury - the collection of Planning infrastructure contributions has continued to rely solely on section 106 agreements (s106). Whereas in the West, South and East it has been possible to have a base level of more predictable income for infrastructure from CIL, and supplement this as far as appropriate with s106 contributions for more specific development mitigation within a complementary and more comprehensive approach.

4. Having undertaken an earlier phase of work to consider potential pros and cons and weigh up options, on balance BC has decided in principle to develop a CIL charging schedule for the North and Central areas. This would complete the CIL coverage in Buckinghamshire, pending a potential revisit of arrangements in support of and associated with a new Local Plan for Buckinghamshire as a whole (the emerging Plan being in early stages currently). This now also follows the confirmed continuation of the levy in its current form, within the national planning policy approach.

5. Proposals for a N&CB CIL have been subject to a further exploratory stage during 2025 and into the spring of 2026. During this time the Council and DSP have been further considering an earlier iteration of the full viability assessment work, completed in late 2024. The evolving context for this has been continued consideration of BC's proposed approach to the continuing use of s106 developer contributions alongside the potential CIL for this portion of the area.

6. With it now established that the use of s106 is going to remain significant on major residential developments (of 10+ dwellings), this assessment has been updated to this final form to reflect those higher developer contribution levels than previously assumed. The appraisals have now all been run by applying an estimated average overall level of approximately £14,200/dwelling s106 at 10+ dwellings, with only a contingency level of allowance now made on smaller developments (of 1 to 9 dwellings) at £1,000/dwelling overall.

7. Making these levels of s106 cost allowance enables viewing the headroom for a new CIL to be put in place alongside this as part of the cumulative development costs testing (all estimated costs tested together). In turn this then informs the review of and judgments on suitable levels of CIL charging in N&C Buckinghamshire for the Council to consider, as this report goes on to cover.

8. With s106 cost assumptions allowed for at this level at 10+ dwellings, we can expect there to be a significant limiting effect on how far suitable CIL charging rate(s) can go on such schemes. This is explored through the assessment work now set out, and clearly this approach is very likely to reflect the continued emphasis on s106 at 10+ dwellings and on CIL becoming the main local means of securing infrastructure funding from the smaller developments. This expected key theme has been discussed with BC during continued close and iterative working with DSP and has been explored further leading to the findings set out here, for BC's consideration.

9. For clarity, the earlier details of the (2024) assessment work undertaken in progressing to this stage, now superseded, are not reported – the focus is now on the updated assumptions and outcomes that this report sets out, reflecting the appraisals run and viability assessment work largely completed in autumn to winter 2025; finalised March 2026.

10. Although CIL charging rates and related development types together with any differentiation and/or zoning are set out locally (within a charging authority's 'Charging Schedule'), the basis for the charging is prescribed through the regulations.

11. The charge is levied per square metre (sq. m) of new development exceeding 100 sq. m in floor area, and on new dwellings of any size. However, existing floor space on a site being redeveloped may reduce the liability for the CIL costs, depending on its occupation status.

12. There are a number of set exemptions or reliefs that are universally applicable through the regulations too. Generally, affordable housing, development by charities (for charitable purposes only), self-build housing and domestic extensions do not pay the levy.

13. Whilst a Council (as charging or prospective charging authority) cannot vary these regulatory matters, it decides which types of development should be charged (with the scope usually including residential and typically a limited range of commercial/non-residential development use types) and at what rate(s). These locally determined key matters are informed by evidence of infrastructure needs, demonstrating a funding gap which the CIL will meet a part of, and the viability of the levy in the proposed charging area.

14. This means the Council considering the Vale of Aylesbury Local Plan 2013-2033 (VALP) context and the viability of various forms of and locations for development in this area, given the local characteristics. Any differentials within its charging set-up (varied CIL application and charging rates) should be based on viability evidence.

15. Although it is not necessary for a prospective charging authority to follow the viability assessment exactly, it should be able to show how the assessment has informed its selected approach. The CIL guidance in the PPG notes that there is room for pragmatism. Overall, the authority needs to show for the charging area how the proposals strike an appropriate balance between the desirability of funding infrastructure and the potential effects of the levy on the viability of development.

16. The viability of development usually varies by use type, location and scale.

17. Generally, the main focus for the CIL Charging Schedule and income in most areas relates to residential development. This reflects both the frequency and volume of housing developments coming forward compared with other types and the strength of viability, typically. On the whole, the viability of these generally provides clear and relatively consistent financial scope to support CIL charging. In contrast, non-residential schemes are often found to show very mixed viability overall, as has also been found for N&CB at this level of review, while using appropriate assumptions for the purpose.

18. The CIL rates within the charging schedule should not be set to the margins of viability. Once implemented the rates will be fixed (non-negotiable) and will impact as a top slice from the development funds, operating alongside all the other development and policy and costs and requirements. Therefore, it becomes very important to carefully consider the cumulative costs that developments are expected to bear. In terms of cumulative costs, in N&CB the mitigation associated with the Chiltern Beechwoods Special Area of Conservation (SAC) zone of influence affects a meaningful degree of new housing supply. Costing circa £6,000 per relevant new dwelling overall, this is another factor that has the effect of limiting the CIL charging scope across the relevant area. It leads to consideration of differential CIL rates to broadly reflect this.

19. Assessment of the charging scope across the variety of circumstances involves setting appropriate assumptions, running appraisals to explore the viability patterns and variability, and making judgements in offering recommendations for the setting of CIL rates from a viability viewpoint.

20. Although there is no particular guidance on it, the use of a “buffer” factor is expected good practice, to pull-back the rates from the potential maximum levels that may look achievable based on the calculations alone. The full study report provides further details.

21. Consistent with these principles, this viability assessment reviews and advises on the CIL charging scope in N&CB, including in respect of any necessary differentiation (variance) in the recommended charging rates related to the varying characteristics of development within the proposed charging area, and relevant to the prevailing local development plan, in the form of the VALP, overall.

22. As a very experienced consultancy having been active in viability in planning for many years, including multiple CIL viability assessments taken through from inception to examination in public stages, Dixon Searle Partnership (DSP) has been commissioned by BC to prepare the necessary evidence on viability. This will inform the CIL charging scope and therefore the rates that will be appropriate to set and will support the implementation of a charging schedule for the first time here.

23. We have noted how this assessment has progressed to inform the Council’s proposals, informing and responding to dialogue on these. The economic and regulatory context for considering the range of evidence for local plan policies and

CILs is dynamic – continually changing. As examples of this, since completing the appraisals exercise for this assessment we have seen the escalation of war in the Middle East and associated economic circumstances, further National Planning Policy Framework (NPPF) consultation and likely evolution, and the confirmation of the Future Homes Standard (FHS). The latter raising energy efficiency standards in new housing (although with an effective date of March 2027 followed by a transitional period of 12 months together aimed to allow the sector to adjust). Local Plans and CILs continue to operate through this, however, and are in place or put in place as strategic tools.

Assessment approach

24. Predominantly the assessment involves the testing of an appropriate range of residential and commercial/non-residential development typologies to determine the extent to which, on the whole, they are able to contribute towards CIL when all other relevant considerations and costs are taken into account. The typologies represent a mix of general sites and scheme types, including developments for general market housing (in this case up to 100 mixed dwellings), older persons' housing, retail, industrial, warehousing/distribution, offices, care homes, hotels and potentially others.

25. In addition to testing these general development typologies, the viability of strategic scale housing led development is also investigated at an appropriate level. This, again, is to explore the level of funding for infrastructure that should be supportable on schemes with strategic characteristics, to help establish whether there is any role for CIL charging alongside s106 on such sites. The primary purpose of this further exercise is to determine the extent to which these strategic sites are considered able (or not able) to contribute through CIL when the other typically significant development costs including s106 planning obligations are taken into account cumulatively. This part of the exercise uses test scenarios of 550 to 900 dwellings, broadly representing the scale of larger developments that are expected to have strategic scale characteristics.

26. This has all been undertaken in the context of the VALP taking into account its adopted policies together with other standards and requirements, both local and national - such as affordable housing provision, sustainable development including progression with carbon reduction/energy efficiency, biodiversity net gain, space standards, accessibility, electric vehicle charging, etc. Also topical in this respect is

the forthcoming Building Safety Levy (BSL) due to take effect from October 2026. Although in itself a relatively small additional cost, nevertheless this will also contribute to the cumulative costs of development. Accordingly, in our view the BSL cost should be reflected in the decisions on CIL rate(s) setting, and this has been included as an appraisal cost input throughout, therefore. The BSL cost is assumed at the locally advised rates of £38.78/sq. m for greenfield developments and £19.39/sq. m for PDL developments in this case.

27. This assessment (the subject of this report – with full details provided within the main report body and Appendices that set out tables assumptions and results) uses residual valuation principles. This is an established, commonly used and appropriate methodology, consistent with both the guidance (within the PPG – national Planning Practice Guidance) and all other CIL and Local Plan viability assessments by DSP and others.

28. The residual approach is all about the strength of the relationship between the estimated development values and costs and how this varies across the range of test circumstances - based on appropriate available information and researched assumptions.

29. The methodology revolves around an appraisal structure (calculation) that deducts all development costs (including build costs, finance, professional fees, sales costs, VALP policy costs, etc.) from the estimated completed development (sales) value (i.e. the gross development value or 'GDV'). Hence the term 'residual' valuation.

30. The technique allows exploration of whether there is financial scope to support CIL charging viably alongside all other costs of development in various scenarios. If so, it can be used to guide on appropriate rate(s) for the level of charging or the parameters (range) within which this/these could be set, reflecting the testing. This is considered by reviewing whether a surplus exists for CIL and, if so, how much, after a realistic land value and developer's profit expectations have been taken into account too. Sufficient profit and land value are key ingredients of the market-led process of development, as the national guidance in the PPG outlines, and other Standards such as those of the Royal Institution of Chartered Surveyors (RICS) also reflect.

31. In the review of general development typologies, we test the potential capacity for CIL charging by starting with a nil (£0/sq. m) CIL cost scenario and then adding in the

cost of the charge and reviewing its effect as it increases in small steps. The residual land value (RLV) outputs from the appraisal scenarios are seen to reduce as the CIL 'trial rates' increase (tested up to £500/sq. m).

32. The resulting RLVs are compared with assessed benchmark land values (BLVs) whereby if they meet or exceed the BLV(s) relevant to the circumstances represented, then the viability will support all the tested costs (including CIL charging as far as applied). This approach has been used in the review of both residential and commercial/non-residential typologies. The consideration of a relevant range of BLVs is based on the Existing Use Value (EUV) of a range of site types in an approach consistent with the 'Viability' PPG which allows for a reasonable land owner incentive (premium) but not for a wider market value notion or including any 'hope value' or similar.

33. A large number of appraisals has been run, so that these effects can be considered across an appropriate range of development scenario types and new-build property sales values – all representative of the variety of development expected to come forward through the remaining Plan period here. The assessment also brings potential to consider how the investigated CIL charging scope might work alongside a more forward looking anticipated supply of site and development types – potentially looking beyond the VALP at what might come next. The VALP delivery is well progressed and will be further so by the time it is possible to have a Charging Schedule in place, following BC's preparatory work, public consultation on and examination of a Draft Charging Schedule.

34. For the review of the capacity of strategic scale development to bear the levy alongside all other costs, using the same residual approach we build in a land cost at the BLV level. After also applying various test levels of s106 (at £0, £20,000 and £40,000 per dwelling) it is then possible review to what extent – compared with these test levels - there is or is not a surplus potentially available for other any other costs that are not currently assumed within the appraisals. The included costs are as detailed in the report and Appendix 1 – with other costs to be met from any surplus in this instance including any unforeseen/abnormal costs and CIL charging. For general context, we find typically that CIL charging at a significant positive rate is likely to be an unsuitable approach in these types of circumstances.

35. For this strategic overview suitable for CIL informing purposes, however, it is not necessary or appropriate to appraise and review all conceivable development types and variations – whether smaller or larger/of strategic scale.

Findings – brief overview

36. In terms of influences on the viability of development in N&CB, as in other areas these are very wide ranging. Ultimately, all sites and developments are different.

37. However, in the strategic context of CIL setting – to help fund infrastructure to support development at the Local Plan level overall – it is both necessary and appropriate to consider the key variables within the local characteristics that should be considered for any differentials/options for differentials within the charging set up.

38. Overall, the main headlines and charging scope relate to residential developments, which is very often the case with the levy. It has been found that the viability of non-residential/employment and commercial developments is very mixed, with only large format retail developments (foodstores and retail warehouses) found to support clear and consistent CIL charging headroom based on the currently available information and relevant assumptions. Again, this is a fairly typical CIL viability finding.

39. Accordingly, it will likely be more appropriate for most non-residential developments to continue to provide any necessary significant infrastructure at a site-specific level through s106 at this stage. However, the report also notes a potential alternative to nil-rating. Some CIL Charging Schedules include a nominal rate where positive charging has not been evidenced or specified. This can be considered as part of striking the appropriate overall balance between funding infrastructure and the potential effects on viability, where a case may be made by a prospective charging authority that this would be best served by some nominal level of CIL charging. Where progressed, this uses the scope for pragmatism in setting up a Charging Schedule and the likely limited additional impact of a nominal charge (as a very small proportion of development value of cost), as opposed to directly following the viability evidence alone. There is local precedent for this type of approach, within the Chiltern and South Bucks charging approach as noted in bullets below and the main report text.

40. In brief summary, the main characteristics that this assessment and review finds should be considered in the development of a N&CB CIL Charging Schedule are:

- The continued use of s106 developer contributions as the primary mode of securing infrastructure/development mitigation contributions on major housing developments (of 10+ dwellings – major developments). This contributes significantly to a viability differential, generally, between those and the smaller sites (of fewer than 10 dwellings) where it is envisaged that CIL will be collected from the viability headroom - on the basis of the smaller sites carrying only a small level of residual s106 contingency, once a CIL is in place.

- Typically higher values away from the localities of: main towns of Aylesbury and Buckingham, and the edge of Milton Keynes (typically lower values in those localities). Note that while values on the whole tend to be higher in the central area than the north, we have found the above general distinction to be more marked and more definable, bearing in mind also the importance of the above localities as sources of new housing supply. A large proportion of development in those locations will be strategic in scale, and this context will also play into whether a charging rate differential is warranted for non-strategic scale development at Milton Keynes fringe where there is a limited scale of planned development on smaller/more general scale sites. The two main towns of Aylesbury and Buckingham have continued to be a focus for considering differential charging as the assessment has developed and concluded, however. We refer to the main towns and other areas in the table below. Other areas means everywhere else in the N&CB area, beyond Aylesbury and Buckingham. The extent of the main towns for the purposes of this CIL will be defined through mapping, treating these amongst the zones that will be relevant to a recommended charging approach which includes differentials.

- Regardless of locality (on the whole) a significant difference between viability on greenfield development (stronger – more CIL headroom generally) and PDL (brownfield) sites (viability typically much weaker – CIL scope accordingly lower). The viability of schemes on PDL (previously developed land) usually needs to overcome significantly higher BLV “hurdles” owing to typically higher EUVs, and the nature of development can mean higher costs.

- A sub-set within the above, whereby the viability of apartments only (all flatted) schemes is very often more stretched still; and in our view this also requires consideration in the weighing up of the need for differentials within the charging set up. As a wider point too, whilst not all schemes need to be viable with CIL and any infrequently occurring types may not warrant a particular approach, the likely role of various development use types within the development supply overall will be important to reflect.

- The characteristics of larger/strategic scale development, principally including the amount of cost required in support of often significant specific infrastructure costs and development mitigation. Including how this may be expected to play out looking at the VALP related growth, and beyond that as well as, perhaps.

- The extent to which the CIL charging proposals should reflect the additional costs that need to supported in order to make developments acceptable in the zone of influence related to the Chiltern Beechwoods SAC (Special Area Of Conservation) – costs associated with the provision of SANG (Suitable Alternative Natural Greenspace) and the associated SAMM (Strategic Access Management and Mitigation) strategy contributions. These costs are assumed for the assessment at the April 2026 rates provided by BC: £5,394 and £628 per dwelling respectively; mitigation cost impact totalling £6,022 per affected dwelling. It is worth noting here that development cannot progress without the SAC mitigation in place so that in practice, where relevant, this mitigation also takes a fixed priority slice from the development finances.

- As more of a secondary factor, there is a further layer of potential development cost in the N&C Bucks context. This relates to the South East Aylesbury Link Road (SEALR). This is potentially relevant to a relatively small area geographically. However, at perhaps in excess of £30,000/dwelling equivalent where applicable, alongside other costs this may take matters outside the realms of viability without other funding. In our view, however, further adjusting the realistic CIL scope for this should not be necessary. Dealing with this will more likely be a case of specific review of the packages of planning requirements/obligations and priorities that particular affected developments can support.

- The much more mixed viability of commercial/non-residential development use types, generally.

- The role or otherwise of CIL charging across wider development use types (all other types of development). Noting that the viability evidence itself supports positive CIL charging (as opposed to nil or nominal rating) on certain types only - and not across the board. BC may, however, be able to draw upon experience of how charging set at a nominal level has been operating on all other developments in the East and South (as a component of the Chiltern and South Bucks Charging Schedule) in the last few years.

- Generally, in weighing all of the above into an appropriate balance, the nature of the N&CB site supply will be key context to consider.

- As more of a typical than N&CB only/specific characteristic, in regard to the fixed top-slice nature of a CIL and the cumulative costs influencing development viability, the increased/increasing national development standards have a bearing on all of this alongside the Local Plan affordable housing policies and the like.

41. Informed by the main reporting detail, and drawn from Figure 32 within the final sections of the full report that follows, the table below provides a summary of the rates that DSP recommends are considered by BC for the proposed Draft Charging Schedule consultation:

Summary - CIL charging recommended - North and Central Buckinghamshire:

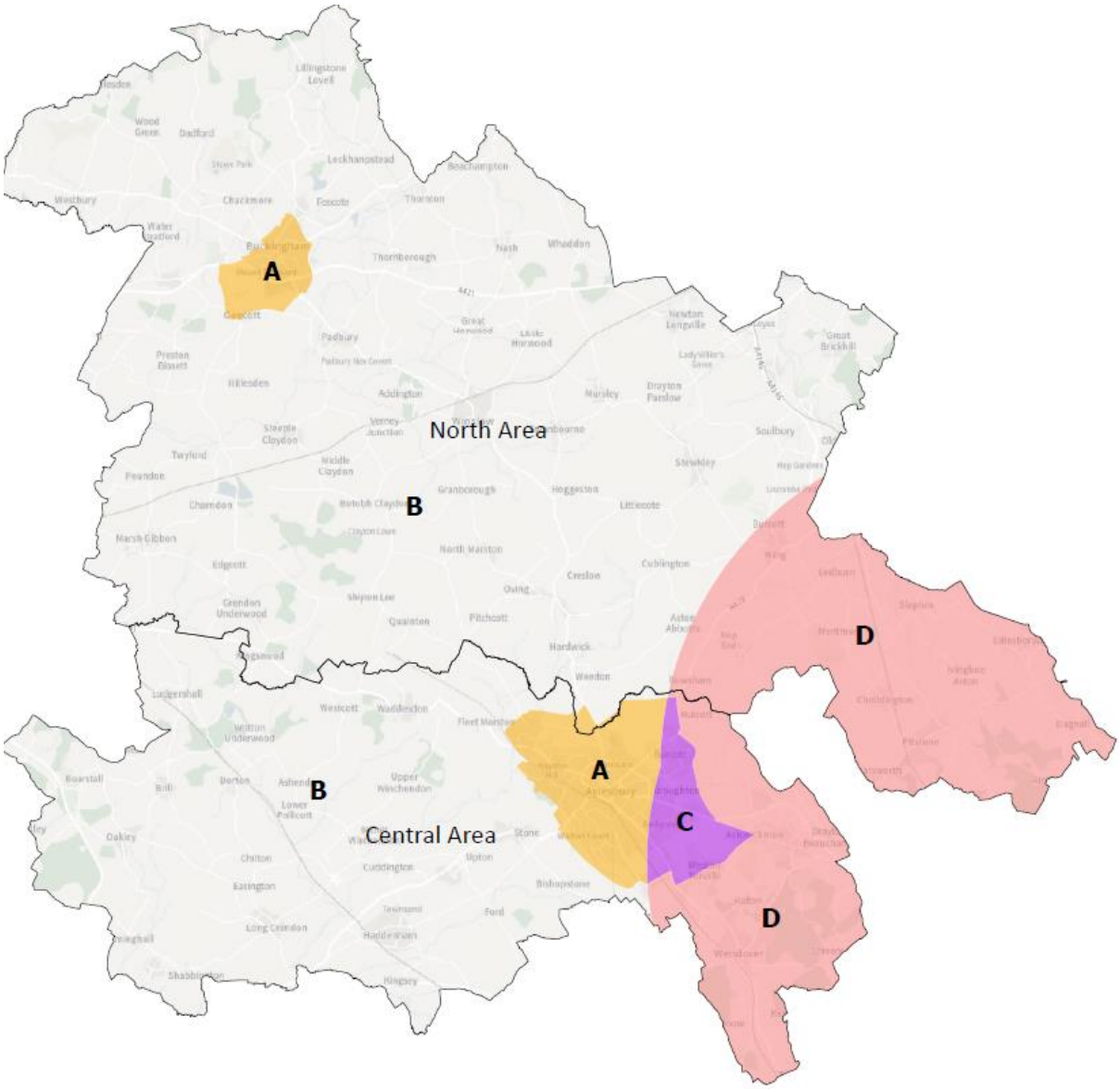
Residential CIL charging rates proposals for BC's consideration - £/sq. m CIL					
Fewer than 10 dwellings			**10 or more dwellings**		
PDL	Main towns	50	PDL	Main towns	0
	Other areas	180		Other areas	100
GF	All areas	250	GF	Main towns	80
				Other areas	200
All-flatted*	All areas	0	All-flatted*	All areas	0
Sites impacted by Chiltern Beechwoods SAC zone of influence (where SANG & SAMM contributions relevant)					
All areas and residential site types		Adjustment factor - reduction of £80/sq. m from above rates proposals in each case. Note: Setting nil-rates is the maximum that can be done to mitigate against viability pressure.			
Strategic scale housing allocation sites (BC define as 400+ dwellings)					
All sites – differential being the nature and scale of development generally. All areas.		0 (£nil-rated) Covers all uses within allocations.			
Scenarios where developer contribution to SEALR impacts					
Likely to need balancing of priorities/compensating for within package of requirements placed on developments – BC to consider how best to manage this. However, particular treatment in CIL Charging Schedule not considered necessary.					
Non-residential / commercial / other development uses – All N&CB Areas					
Large format retail – Foodstores & Retail Warehousing. All areas.		£100/sq. m			Charging Schedule to define - see commentary
All other forms of development. All areas.		£0/sq. m (Viability position alone)			Potential alternative to apply a nominal rate**

*All-flatted developments (developments of only flats) - All areas and site/scheme types. Including specialist developments for older persons – retirement living (sheltered and extra care)

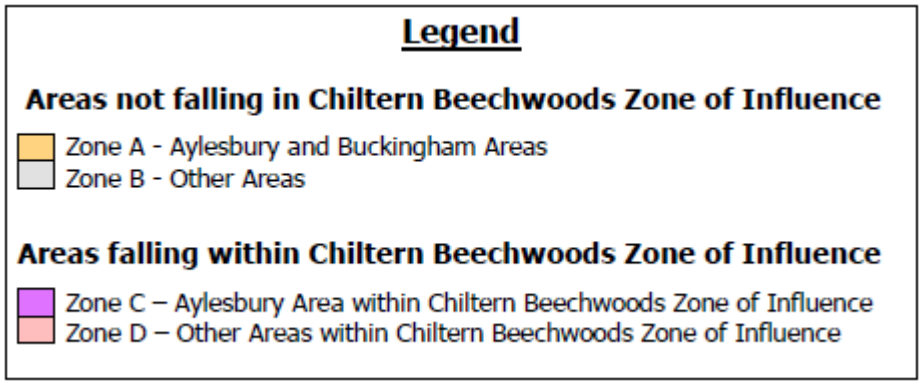
**As part of balance rather than necessarily following viability. Consideration of this could potentially cover some uses (e.g. certain types of business/employment uses) or extend to cover all other non-residential uses.

(DSP 2026)

42. Representing the assessment main findings on the relativities and viability differentials that are considered the most important to reflect in a new CIL set up for the N&CB area, the Council has produced the following draft map version (with legend below) illustrating how the variable CIL charging on the above basis would apply to the relevant localities i.e. charging zones. It is expected that this or a similar illustration will form part of the Draft Charging Schedule Proposals:



(Source – BC – Copyright Buckinghamshire Council Licence No. 0100062456 2026)



(Source – BC 2026)

Executive Summary ends.

1. Introduction

1.1 Introduction & Background

1.1.1 Buckinghamshire Council (BC) is relatively newly formed unitary local authority, covering the former district authority areas of Aylesbury Vale, Chiltern, South Buckinghamshire and Wycombe – all areas covered by former Buckinghamshire County Council. Reflecting this, Buckinghamshire is currently covered by the adopted Local Plans of the former authority areas, with the Council having begun work towards preparing a single, comprehensive, new area-wide Local Plan.

1.1.2 Currently it is anticipated that the earliest that new Plan is likely to be in place is 2027, with work on assessing the infrastructure needs currently anticipated to be in place and ready to build on prior to that.

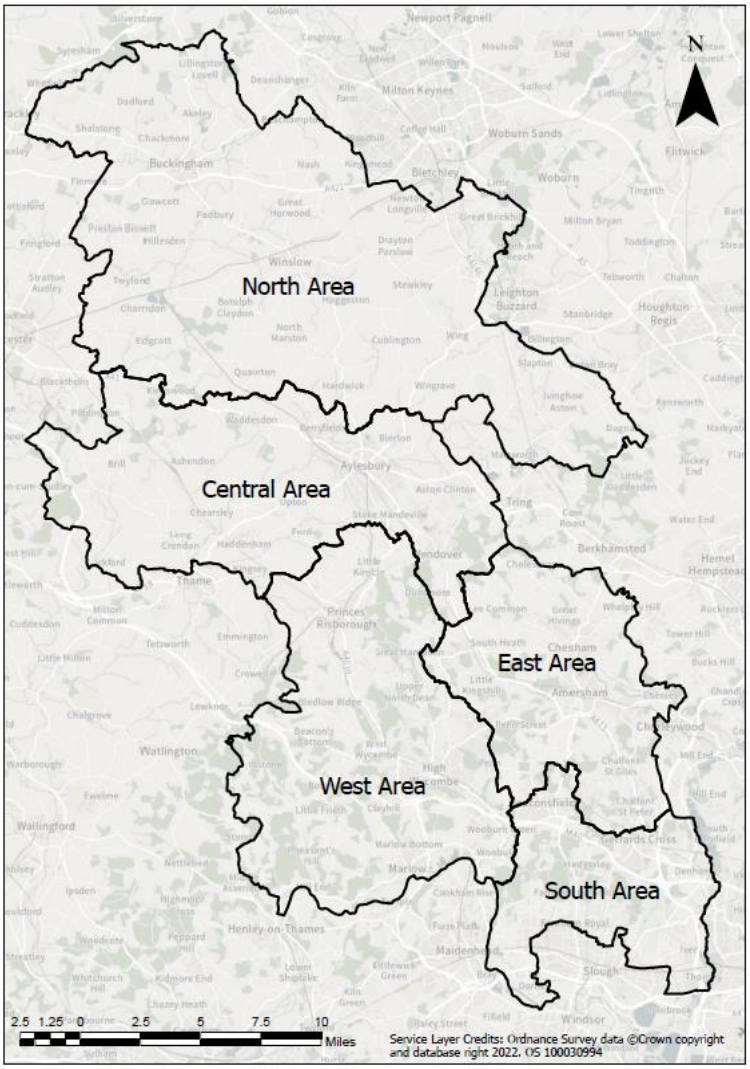
1.1.3 The Vale of Aylesbury Local Plan (VALP) is the most recently adopted (2021) and there is no CIL (Community Infrastructure Levy) in place for this area, now referred to as the Central and North areas of the Buckinghamshire administrative area. There have, however, been previous viability studies carried out that consider the likely level of CIL viable across the Aylesbury Vale area although these formed part of the evidence base for the withdrawn Vale of Aylesbury Plan.

1.1.4 The Wycombe Local Plan was adopted in 2019 and that area (now forming the Buckinghamshire West Area) has had a CIL Charging Schedule operating since November 2012.

1.1.5 A proposed combined new Local Plan for the former Chiltern and South Buckinghamshire district areas had been prepared by 2019 but was withdrawn in 2020, leaving the prior Development Plan Documents in place for this area at the current time. A CIL Charging Schedule was progressed over a similar period for those combined areas, however (now forming the East and South areas of Buckinghamshire) and became effective from February 2020.

1.1.6 The relationship between the areas noted above and further referred to in both the BC documents and this report is shown by the map context below (Figure 1) – source Buckinghamshire Council.

Figure 1: Geographical context – Buckinghamshire Areas



1.1.7 As an experienced consultancy in the field of viability in planning, Dixon Searle Partnership (DSP) was commissioned to work alongside Buckinghamshire Council (BC) on a project aimed to inform the potential options for rationalising the collection of contributions provided by new developments towards supporting the infrastructure needs of the area.

1.1.8 DSP is a highly experienced consultancy in the field of local authority development viability evidence and reviews, its key consultants having been at

the forefront of viability in planning for over 20 years. We have completed a large number of assessments for a wide range of authorities including for the former Aylesbury Vale District Council and others in Buckinghamshire. Our day to day work enables a close familiarity with the CIL and an up to date approach, crucially including how it influences viability; and interacts with affordable housing and other policies as a contributor to the collective costs of development. We have undertaken such work across a wide range of locations both in the south and nationally. DSP's daily caseload also includes the review of planning application stage viability assessments for local authorities, which experience has included cases within Buckinghamshire and nearby areas – and again extending nationally.

1.1.9 We were appointed to carry out a two-stage assessment.

1.1.10 The first stage was to consider with BC potential alternatives and options around the mode(s) of collecting infrastructure contributions; and particularly whether a new CIL for the remaining Buckinghamshire areas not covered by a charging schedule would be likely to be beneficial overall. The options reviewed included:

i. No change (a continuation of the existing CIL Charging schedules and use of section 106 Town and Country Planning Act 1990 (s106) planning agreements dealing with development mitigation from site to site.

ii. The potential to put in place of a CIL for the Central and North area (subject of this report) to operate alongside the existing CILs operating in the East, South and West.

iii. The setting up of a new single Buckinghamshire-wide CIL, replacing the mix of existing arrangements (and instead of adding a new third Charging Schedule, covering the North and Central area that would otherwise effectively "gap-fill" the current arrangements).

iv. Alongside these, if the adopted arrangements were to stay in place for the time being (particularly pending the further development of the new area-wide Plan), consideration was needed as to whether the two existing CIL charging schedules could or should be reviewed.

1.1.11 After consideration of the above and following internal discussions and processes, the Council decided on the approach of progressing a CIL for the North and Central areas (i.e. former Aylesbury Vale district). Accordingly, this led to the second stage of the commission and the scope of this assessment being defined – as per the subject of this report and its appendices. This is to provide a viability assessment to inform and support the introduction of a CIL Charging Schedule (for the first time) for the North and Central areas of Buckinghamshire. For the purposes of this report, we will refer to the proposed new charging area as North & Central Buckinghamshire or N&CB / N&C for ease).

1.1.12 Having undertaken an earlier phase of work to consider potential pros and cons and weigh up options, on balance BC has decided in principle to develop a CIL charging schedule for the North and Central areas. This would complete the CIL coverage in Buckinghamshire, pending a potential revisit of arrangements in support of and associated with a new Local Plan for Buckinghamshire as a whole (the emerging Plan being in early stages currently). This now also follows the confirmed continuation of the levy in its current form, within the national planning policy approach.

1.1.13 Proposals for an N&CB CIL have been subject to a further exploratory stage during 2025 and running into the early part of 2026. During this time the Council and DSP have been further considering an earlier iteration of the full viability assessment work, completed in late 2024. The evolving context for this has been continued consideration of BC's proposed approach to the continuing use of s106 developer contributions alongside the potential CIL for this portion of the area.

1.1.14 The current study work as now brought to a conclusion is set out in this report and its appendices. For clarity, the details of the earlier (2024 phase) assessment work, now superseded, as was undertaken in progressing to this stage, are not reported. The focus is now on the updated assumptions and outcomes that this report sets out, reflecting the viability assessment work largely completed in autumn to winter 2025 and finalised in the early spring of 2026.

1.1.15 This assessment, for CIL purposes, is undertaken in the context of the adopted Vale of Aylesbury Local Plan (VALP) 2013-2033 and therefore considers the

current, adopted policy requirements such as affordable housing provision, housing mix etc. rather than any policies emerging through a new Buckinghamshire-wide local plan. It will also take into account any relevant nationally set policies applicable at the time of carrying out the assessment as have been or are now being introduced, adding to the requirements of the adopted plan (for example on changes to Part L of the Building Regulations or Biodiversity Net Gain (BNG)).

1.1.16 Notwithstanding the above, in considering the range of scenarios that could be relevant to a new CIL for N&CB, we have also kept in mind the wider context of future site and development supply moving forward, particularly in terms of the types of sites and schemes expected to form part of this ongoing timeline of development.

1.1.17 We have noted its timing and how this assessment has progressed to inform the Council's proposals, informing and responding to dialogue on these. The economic and regulatory context for considering the range of evidence for local plan policies and CILs is dynamic – continually changing. As examples of this, since completing the appraisals exercise for this assessment we have seen the escalation of war in the Middle East and associated economic circumstances, further National Planning Policy Framework (NPPF) consultation and likely evolution, and the confirmation of the Future Homes Standard (FHS). The latter raising energy efficiency standards in new housing (although with an effective date of March 2027 followed by a transitional period of 12 months together aimed to allow the sector to adjust). Local Plans and CILs continue to operate through this, however, and are in place or put in place as strategic tools.

1.1.18 The outcome of this primarily typologies-based assessment is recommended CIL charging rates by development type. Consistent with the national Planning Practice Guidance (PPG), this includes consideration of whether differential charging rates should be set to reflect key viability variation in relation to particular localities (which could be mapped as geographical zones) and/or varying type/scale of development.

1.1.19 In addition to testing of general development typologies, a more specific level of viability assessment is appropriate and has been undertaken to consider the potential effect of CIL charging on five strategic scale housing site typologies

ranging in size between 550 and 900 units and representative of development likely to come forward over the next few years. The primary purpose of this part of the exercise is to determine the extent to which potential strategic sites are able (or not able) to contribute through CIL when other costs are taken into account cumulatively, including the usual role of Section 106 (s106) planning obligations dealing with specific infrastructure mitigation matters.

1.1.20 For the current purposes of considering the viable scope for CIL charging rates in N&CB, this assessment is not intended to determine or limit the s106 levels. Rather it considers the realistic charge levels that the Council is able to charge bearing in mind the levy will act as a fixed top slice from the development funds once it is put in place. This means, for example, that in respect of the larger/strategic development scenarios where significant specific s106 levels will be in place, the testing and the Council's exploration of this needs to go only as far as first assessing whether CIL charging will be appropriate and, if so, then exploring to what level alongside other costs. Required 106 levels could be higher that noted in this report in various circumstances. This is one of the factors that is behind the need not to set CIL charging rates too close to the margins of viability, a principle that this assessment adheres to – more on this below.

1.1.21 In our experience, in such cases regularly it is found that CIL, and certainly at any significant level, is likely to have the effect of unduly restricting the flexibility and scope within the viability that will be needed in order to deal with the site-specific matters. Additionally, s106 typically also provides a direct and timely route to the provision of the infrastructure required to support and make acceptable these large developments.

1.1.22 Both now and looking ahead, this is part of the Council's striking of an appropriate balance between the desirability of funding infrastructure and the potential effects on the viability of development in N&CB.

1.1.23 Rounding up on the local context as appears likely to influence whether and to what extent there should be differentials considered within the Council's N&CB CIL charging proposals, there a range of factors and relativities likely to come into this as per the following overview:

1) The continued use of s106 developer contributions as the primary mode of securing infrastructure/development mitigation contributions on major housing developments (of 10+ dwellings). Causing a viability differential, generally, between those and the smaller sites (of fewer than 10 dwellings) where it is envisaged that CIL will be collected from the viability headroom - on the basis of the smaller sites carrying only a small level of residual s106 contingency, once a CIL is in place.

2) Higher values, typically, away from the localities of: main towns of Aylesbury and Buckingham, and Milton Keynes edge (typically lower values in those localities). Note that while values on the whole tend to be higher in the central area than the north, we have found the above to be more marked and more definable, bearing in mind also the importance of the above localities as sources of new housing supply. Also relevant to considering whether variable viability between the typically lower and higher value localities warrants the setting of differential CIL charging is the level and nature of housing supply in those areas. For example, at the Milton Keynes fringe a great majority of development than underpins the planned delivery is coming forward on strategic scale developments. This means that addressing those large sites through an appropriate approach may achieve what is appropriate at the strategic overview level of a CIL (i.e. without further differentiation for any general developments in the smaller settlements and rural areas close to Milton Keynes. This is amongst the local characteristics considered through the assessment and the related discussions with BC as this has progressed.

3) Regardless of locality (on the whole) a significant difference between viability on greenfield development (stronger – more CIL headroom generally) and PDL (brownfield) sites (viability typically much weaker – CIL scope accordingly lower). The viability of schemes on PDL (previously developed land) usually needs to overcome significantly higher BLV “hurdles” owing to typically higher EUVs, and the nature of development can mean higher costs.

4) A sub-set within the above, whereby the viability of apartments only (all flatted) schemes is very often more stretched still; and in our view this also requires consideration in the weighing up of the need for differentials within the charging set up. As a wider point too, whilst not all schemes

need to be viable with CIL and any infrequently occurring types may not warrant a particular approach, the likely role of various development use types within the development supply overall will be important to understand.

5) The characteristics of larger/strategic scale development, principally including the amount of cost required in support of often significant specific infrastructure costs and development mitigation. Including how this may be expected to play out looking beyond as well as at the VALP related growth, perhaps.

6) The extent to which the CIL charging proposals should reflect the additional costs that need to supported in order to make developments acceptable in the zone of influence related to the Chiltern Beechwoods SAC (Special Area Of Conservation) – costs associated with the provision of SANG (Suitable Alternative Natural Greenspace) and the associated SAMM (Strategic Access Management and Mitigation) strategy contributions. These costs are assumed for the assessment at £5,394 and £628 per dwelling respectively (£6,022 per dwelling total).

7) There is a further layer of potential development cost in the N&C Bucks context. This relates to the South East Aylesbury Link Road (SEALR). This is potentially relevant to a relatively small area geographically. However, at potentially in excess of £30,000/dwelling where applicable, this may take matters outside the realms of viability without other funding. At this scale of cost and therefore impact on development finances (alongside all other influences) it may well be that this matter is beyond the scope of particular/differential CIL charging rate considerations. This may instead need to be considered in the wider context of settling the planning policy and obligations packages that can be supported by individual developments where SEALR contributions also come into play.

8) The much more mixed viability of commercial/non-residential development use types, generally.

9) The role or otherwise of CIL charging across wider development use types (all other types of development). Noting that the viability evidence itself supports positive CIL charging (as opposed to nil or nominal rating)

on certain types only - and not across the board. BC may, however, be able to draw upon experience of how charging set at a nominal level has been operating on other developments in the East and South (as a component of the Chiltern and South Bucks Charging Schedule) in the last few years.

1.1.24 Generally, in weighing all of the above into an appropriate balance, the nature of the N&CB site supply will be key context to consider.

1.1.25 As more of a typical than N&CB only/specific characteristic, in regard to the fixed top-slice nature of a CIL and the cumulative costs influencing development viability, the increased/increasing national development standards have a bearing on all of this alongside the Local Plan affordable housing policies and the like.

1.2 North & Central Buckinghamshire (Aylesbury Vale) Area Profile

1.2.1 This CIL assessment is being considered to support the adopted local plan. That document sets out the spatial characteristics of the local plan area. This report section provides an outline only, feeding into the consideration of the local characteristics that potentially influence the level of CIL potentially viable in the N&CB area. The Council's wider evidence base provides an extensive range of information on the nature of the local plan area, and the related planning issues and opportunities.

1.2.2 The North and central area of Buckinghamshire (Aylesbury Vale), covers an area of approximately 900 square kilometres and is mainly rural in character. The main settlements comprise Aylesbury, Buckingham, Winslow, Wendover and Haddenham. Aylesbury is the largest settlement in the area and is the focal point for housing, employment, retail and community services and facilities. Buckingham is the second largest town and there are over 80 larger, medium and smaller settlements across the area.

1.2.3 The adopted Plan indicates that on adoption, an overall total of 28,600 new homes were to be accommodated in the area (including meeting unmet need from elsewhere in Buckinghamshire), with a majority of development coming forward in and around Aylesbury with further development coming forward in

Buckingham and other strategic settlements (Haddenham, Wendover and Winslow), north east Aylesbury Vale and larger and smaller villages.

1.2.4 In addition to the residential development, the VALP also identified need for at least 27 hectares of employment space, retail convenience floor space of at least 7,337 sq. metres and retail comparison floor space of at least 29,289 sq. metres.

1.3 Community Infrastructure Levy / Policy Background

1.3.1 This assessment predominantly involves the testing of residential and non-residential development typologies to determine the extent to which development is able to contribute towards CIL.

1.3.2 The approach taken is consistent with DSP's long running and wide experience of similar assessments applying consistent principles and methodology.

1.3.3 This assessment has been initiated, built and progressed through regular close dialogue with the Council's officers (and contact with others involved in contributing to the Buckinghamshire Council evidence base) since project inception.

1.3.4 The requirement to consider viability stems from the National Planning Policy Framework (NPPF) as updated in December 2023. It states:

> "*Preparing and reviewing plans' at para 31: 'The preparation and review of all policies should be underpinned by relevant and up-to-date evidence. This should be adequate and proportionate, focused tightly on supporting and justifying the policies concerned, and take into account relevant market signals*."

1.3.5 The NPPF at paragraph 34 on "Development contributions" 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."

1.3.6 The national Planning Practice Guidance (PPG) on 'Viability', published alongside the NPPF, provides more comprehensive information on considering viability in plan making with CIL viability assessment following the same principles. The Planning Practice Guidance on Viability 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).*

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…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".

1.3.7 The CIL regulations came into force in April 2010 and have been revised on a number of occasions since. The most recent revisions (and so the basis for the associated guidance) - The Community Infrastructure Levy (Amendment) (England) (No. 2) Regulations 2019 – came into force on 1st September 2019. Notable changes were made within the PPG, reflecting a Written Ministerial Statement (WMS) released on 19th February 2024. This set out the following (included here for ease of reference:

"*Can differential rates be set by scale of development, such as small and medium sized residential developments?*

Charging authorities may also set differential rates by scale. Rates can be set by reference to either floor area or the number of units or dwellings in a development. Given the significant financial pressures on small and medium sized developers, the government has introduced measures to help them. This includes existing national policy set out in paragraph 65 of the National Planning Policy Framework which states that authorities should not seek affordable housing contributions from residential developments that are not major developments, other than in designated rural areas (the so-called 'small sites policy').

Therefore, when setting and revising CIL rates, charging authorities should consider the impact of such rates on small and medium sized developers. Rate setting in this context must be considered alongside the small sites policy and its aim to support small and medium sized developers particularly. As set out in the Written Ministerial Statement of 19 February 2024, higher residential CIL rates should not be set for developments which are not major developments on the grounds that these sites are not required to provide affordable housing contributions, because doing so erodes the underlying policy objective of the small sites policy."

Paragraph: 024 Reference ID: 25-024-20240219. Revision date: 19 02 2024

1.3.8 The relevant extract from Michael Gove's WMS of 19th February 2024 is provided here, again for ease of reference:

"*Support for SME housebuilders*

Our changes ensure more homes are built – but we are determined in particular to support the SME housebuilders who play such a vital role in our communities. To that end, we have expanded the £1billion ENABLE Build guarantee scheme to increase the amount of finance available to SMEs by covering loans issued by non-bank lenders and seeded portfolios. We are also helping to tackle SME access to land by introducing SME-only sales of Homes England land, with pilots starting in the South-East and Midlands later

this year, and developing a pipeline of future small sites by parcelling Homes England land.

In addition, a number of Community Infrastructure Levy (CIL) charging authorities, have set higher rates for minor sites (of less than 10 units, and lower in designated rural areas) to reflect the fact that affordable housing is not sought on these sites. This is not within the spirit of the Government's policy on small sites. The Government will be updating CIL guidance to make clear that CIL-charging authorities should consider the impact of CIL rates on SME developers and should not set higher residential CIL rates on minor development. This will apply to new and revised charging schedules".

1.3.9 Since the publication of the WMS discussed above and the subsequent changes / additions to the PPG, there has been a change of Government in July 2024. The new Government has consulted on changes to the NPPF but as these are subject to the results of the consultation exercise and potential change, we have needed to rely on the existing NPPF and associated Guidance. Indeed, the PPG has not been updated in this regard.

1.3.10 The full CIL Regulation details are not repeated in full here, but we have summarised below some of the key aspects: -

- Local Authorities in England and Wales may put a CIL in place to raise funds from new development in their area to deliver the infrastructure needed to support that development (in this case Buckinghamshire Council would be the prospective charging authority).
- CIL is a charge placed on development according to floor area (£ per square metre (£/sq. m)).
- Development is exempt from CIL if the gross internal area of new build is less than 100 sq. m, except for new dwellings and residential annexes which are CIL liable regardless of their size.
- Full relief from CIL is available for self-build residential extensions, annexes and dwellings.
- The funds raised are to be allocated towards infrastructure needed to support new development in the charging authority's area.
- Charging Authorities must allocate a 'meaningful proportion' of the levy revenue raised in each neighbourhood back to those local areas.

- Where a neighbourhood development plan (NDP) is in place, the neighbourhood will be able receive 25% of the revenues from the CIL arising from the development. The proportion would be paid directly to the neighbourhood planning bodies and could be used for community projects. The PPG provides further information on spending of Levy receipts including distribution to local neighbourhoods.
  Also see https://www.gov.uk/guidance/community-infrastructure-levy.
- Where an NDP is not in place but CIL is still charged, the neighbourhood will receive a capped share of 15% of the levy revenue arising from development in their area.
- Affordable housing and, typically, development by charities will not be liable for CIL i.e., in respect of residential development, usually only the market dwellings will be liable to pay CIL at the rate(s) set by the charging authority. The relief available to charities is in respect of development solely for charitable purposes – any other development by charities would be subject to the CIL charging in the normal way.
- As reflected above, the CIL rate or rates should be set at a level that ensures development within the authority's area (as a whole, based on the plan provision) is not put at serious risk.

1.3.11 Infrastructure is taken to mean any service or facility that supports the council area and its population and includes (but is not limited to) facilities for transport, education, health, social infrastructure, green infrastructure, public services, utilities and flood defences. In the case of the current scope of the CIL, affordable housing is assumed to be outside that and dealt with in the established way through site specific planning (s.106) agreements.

1.3.12 The CIL Guidance contained within the PPG goes on to state that the levy rate(s) need to be set so that they do not threaten the ability to develop viably the sites and scale of development identified in the relevant Plan (Local Plan in England). Paragraph 10 of the Community Infrastructure Levy guidance in the PPG states:

> "*an authority must strike an appropriate balance between additional investment to support development and the potential effect on the viability of developments… this balance is at the centre of the charge-setting process' and 'in meeting the regulatory requirements, charging authorities should be*

able to show and explain how their proposed levy rate (or rates) will contribute towards the implementation of their relevant plan and support development across their area".

1.3.13 Paragraph 20 of the Community Infrastructure Levy guidance in the PPG goes on to state:

"*a charging authority should use an area-based approach, involving a broad test of viability across their area, as the evidence base to underpin their charge. The authority will need to be able to show why they consider that the proposed levy rate or rates set an appropriate balance between the need to fund infrastructure and the potential implications for the economic viability of development across their area*."

1.3.14 Although we have not set out fully the sections of the PPG viability guidance that are relevant in assessing viability in (for both CIL and plan-making), some of the key points are summarised below:

- 'Appropriate available evidence' must be used to inform the charging rate(s);
- An appropriate range of site types (or 'typologies') should be tested based on the range of site types likely to come forward for development over the plan period;
- Costs within the viability assessment should be based on evidence reflective of local market conditions (see paragraph 012 of the 'Viability' PPG);
- Land value should be based on the Existing Use Value of the site, plus a premium (known as the 'EUV plus' approach);
- There is no requirement for the charging authority to directly mirror the rate(s) proposed within the viability study;
- A 'viability buffer' should be included so that the charges are able to support development through economic cycles;
- Differential rates can be applied if appropriate in relation to geographical zones (including for strategic sites) and/or by varying type and scale of development, although undue complexity should be avoided noting specifically that:
  - "In all cases, a charging authority that plans to set differential rates must ensure they consider if rates are set in a way which constitutes a form of subsidy under the UK's new subsidy control regime. Any subsidy which is

so provided must be compliant with the requirements and duties set out in the Subsidy Control Act 2022".

- Stakeholders should be appropriately consulted to inform the viability assessment process;
- The viability assessment should be proportionate, simple, transparent and publicly available.

1.3.15 Within this study, allowances have been made for the cost to developers of providing affordable housing and complying with other planning policies fully (based on assumptions relevant to testing allied to the adopted Plan). This is whilst factoring-in the usual costs of development (build costs, fees, contingencies, finance, costs of sale, profit and land value).

1.3.16 The consideration of the collective planning obligations (including affordable housing, other requirements and CIL, together with any continued use of s106) cannot be separated. The level of each will play a role in determining the potential for development to bear this collective cost. Each of these cost factors influences the available scope for supporting the others, which links back to 'striking a balance'. It follows that the extent to which s.106 will have an on-going role also needs to be considered in determining suitable CIL charging rates, bearing in mind that a CIL is typically non-negotiable.

1.3.17 In most cases, where adopted, a CIL now operates alongside s106 as a complementary mechanism for securing developer contributions towards infrastructure. The 2019 updated CIL Regulations and PPG reflect the greater flexibility that authorities now have to use funds from both section 106 planning obligations and the Levy to pay for the same items of infrastructure, regardless of how many planning obligations have already contributed towards an item of infrastructure (the previous s106 'pooling restrictions' have been removed).

1.3.18 With it now established that in N&CB the use of s106 is going to remain significant on major residential developments (of 10+ dwellings), this assessment has been completed reflecting higher developer contribution s.106) levels than originally assumed. Reflecting this, the appraisals have now all been run by applying an estimated average overall level of approximately £14,200/dwelling s106 at 10+ dwellings (major developments), with only a contingency level of allowance now made on smaller developments (of 1 to 9 dwellings) at

£1,000/dwelling overall. These assumptions have been reviewed and discussed based on analysis by the Council, then settled with the officers.

1.3.19 Making these levels of s106 cost allowance enables viewing the headroom for a new CIL to be put in place alongside this as part of the cumulative development costs testing (all estimated costs tested together). In turn this then informs the review of and judgments on suitable levels of CIL charging in N&CB for the Council to consider, as this report goes on to cover.

1.3.20 With s106 cost assumptions allowed for at this level at 10+ dwellings, we can expect there to be a significant limiting effect on how far suitable CIL charging rate(s) can go on such schemes. This is explored through the assessment work now set out, and clearly this approach is very likely to reflect the main emphasis being on s106 at 10+ dwellings and on CIL as the main local means of securing infrastructure funding from the smaller developments. This expected key theme has been discussed with BC during continued close and iterative working with DSP and is explored further here, for BC's consideration.

1.3.21 Having applied the above across the general typologies, the assessment sensitivity tests for the effect of s106 on the strategic scale development aligned typologies. For those, results and review information is provided based on s106 allowed for (again on all dwellings assumed within the scenarios, as throughout the study) at test levels of £0, £20,000 and £40,000 per dwelling. This enable us to see and BC to consider the potential scope for s106 and how far this looks likely to be able to go/the extent it might be restricted to before CIL cost is also added (all tested with £0/sq. m CIL i.e. nil rating assumed as a basepoint).

1.3.22 The CIL Regulations (Amendment) have been taken into account in the preparation of this report and in our opinion and experience the preparation of this study meets the requirements of all appropriate Guidance.

1.3.23 For further background as part of the context behind a number of Councils not pursuing or pausing CIL progression, during 2022 the Department for Levelling Up, Housing and Communities (DLUHC) introduced planning reforms, ushered in via the Queen's Speech and set out in the Levelling Up and Regeneration Bill ('LURB' May 2022). This became law on 26th October 2023 as the 'LURA' and, via secondary legislation (Regulations), was intended to form the basis for a new

Infrastructure Levy. However, an alternative form of levy has not progressed, leaving the existing CIL as the route to pursue where authorities decide to do so alongside their use of s106.

1.3.24 Although this CIL assessment is based on the adopted Local Plan (VALP) policies, since the local plan adoption a number of national polices have been introduced that although not specifically included within the local plan, now need to be considered as part of the requirements placed on developers.

1.3.25 During 2019 the Government consulted on and sought views on plans for a Future Homes Standard (FHS) for new homes from 2025, and proposed options for an interim increase to the energy efficiency requirements for new homes ahead of that. The consultation proposed that from 2025, new homes built to the Future Homes Standard will have carbon dioxide (CO_2) emissions at least 75% lower than those built to pre-FHS interim standards (standards applicable prior to the Building Regulations Part L (2021) update that have already become effective – as noted below).

1.3.26 Introducing the Future Homes Standard will ensure that the homes needed will be fit for the future, better for the environment and affordable for consumers to heat, with very high building fabric standards and low carbon heating. The assessment includes an assumption reflecting additional build costs associated with the standard, viewed currently, although it can reasonably be expected that extra-over costs will reduce over time.

1.3.27 The government's current approach is such that all homes will be "zero carbon ready", becoming zero carbon homes over time as the electricity grid decarbonises, without the need for further costly retrofitting work.

1.3.28 The interim standard is such that carbon reduction of 31% over prior levels is required and this is now reflected through changes to the Building Regulations (Part L) that have become effective from 15.6.2022. In turn this reflects the direction of travel towards zero carbon, at this stage leading next to the wider implementation of the FHS from 2025 whereby it is expected that a reduction in CO_2 of 75% from pre-June 2022 standards will be achieved, as above.

1.3.29 In addition, the Government has introduced a requirement for a minimum of 10% biodiversity net gain, effective for new applications for major development from

12th February 2024 and on minor developments (fewer than 10 dwellings) from 2nd April 2024.

1.3.30 Further, we have allowed for the new requirements under Parts M(4)2 and S of the Building Regulations for, respectively, accessible new homes and for developments with associated parking to have access to electric vehicle charging points.

1.3.31 This viability assessment has been produced in the context of and with regard to the NPPF, PPG (including crucially on "Viability" and "Community Infrastructure Levy"). It uses an established and tested approach reflecting good practice, and is also consistent with other PPG sections such as on First Homes) together with other guidance sources including:

- the latest RICS Professional Standard "Assessing viability in planning under the National Planning Policy Framework 2019 for England" (first issued as a Guidance Note March 2021 effective 1st July 2021 and reissued in April 2023 as a Professional Standard)
- "RICS Professional Standard on Financial viability in planning – conduct and reporting" (first issued 2019, reissued as a Professional Standard in April 2023) and
- "Local Housing Delivery Group – Viability Testing Local Plans" (Harman, June 2012) applicable to studies of this nature.

1.4 Report Purpose and Structure

1.4.1 In summary, Buckinghamshire Council has commissioned Dixon Searle Partnership (DSP) to undertake this CIL viability assessment to inform and support a potential new CIL Charging Schedule, with the current local plan forming the policy basis in terms of the input assumptions. This assessment provides the appropriate and robust viability evidence.

1.4.2 This assessment has been produced in the context of and with regard to the NPPF, CIL Regulations, Planning Practice Guidance (PPG) as relates to Viability and other relevant matters as well as containing the CIL Government's Guidance, and other Guidance applicable to studies of this nature. DSP's experience of and approach to CIL and other strategic level viability assessments, as further tested and consistently endorsed through the

Examination in Public process, remain appropriate and have been applied accordingly in the context of this assessment for a potential N&CB CIL.

1.4.3 Having set out the context above, the following report structure, on the study detail, is presented over 3 stages (each of which are also informed and explained via the associated Appendices 1 to 5, as listed in the Contents page):

- Methodology – residual valuation approach, assumptions basis and discussion;
- Findings Review – overall results context and detailed analysis of the typology results and their viability strength in relation to range of residential and non-residential / commercial CIL rates considered;
- Summary of Findings – draws out from the detailed analysis above summary findings for suitable viable CIL charging rates in the N&CB area.

1.4.4 The assessment does not require a detailed viability appraisal of every site anticipated to come forward over the remaining local plan period or even a significant number of those, but rather the testing of a range of appropriate site typologies reflecting the potential types and mix of sites likely to come forward. However, any individual sites that are crucial to the planned delivery overall should be given more specific attention in terms of viability assessment, and particularly if any form of differential CIL charging approach may be considered appropriate for those – again as noted above and as will be picked up on through this reporting.

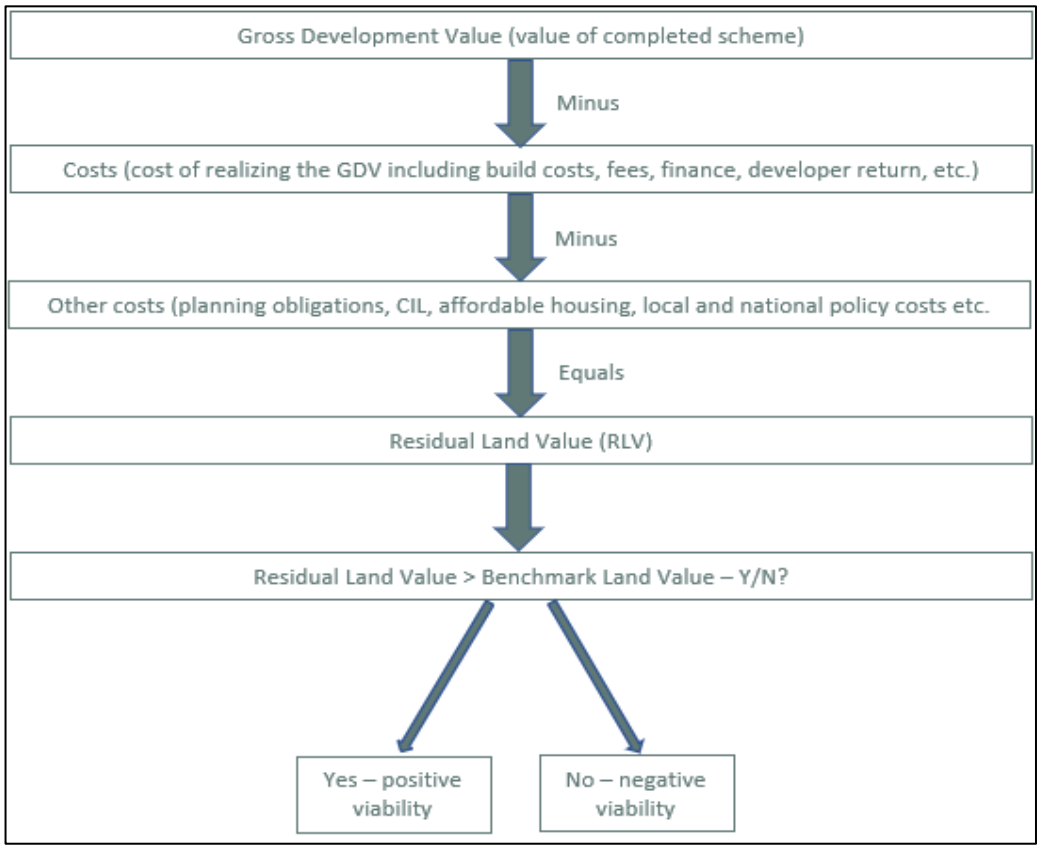
1.4.5 In practice, within any given scheme there are many variations and details that can influence the specific viability outcome. Whilst acknowledging that, this work provides a high level, area-wide overview that cannot but also need not fully reflect a wide range of highly variable site specifics.

2. Methodology and assumptions

2.1 Residual valuation principles

2.1.1 The most established and accepted route for studying development viability at a strategic level, including for CIL and whole plan or affordable housing policy matters, also used for site-specific viability assessments, is residual valuation. This is also consistent with the relevant guidance etc. as described above. Figure 2 below sets out (in simplified form for general illustration) the principles of the residual valuation calculation, which is the methodological basis of the appraisals sitting behind our results and recommendations.

Figure 2: Simplified residual land valuation principle (Diagram below shows the methodology used to calculate residual land value)



(DSP 2025 - 2026)

2.1.2 Having allowed for the costs of acquisition, development, finance, profit and sale, the appraisal results show the sum that is potentially available to pay for the land – i.e. the residual land value (RLV). Judgements then need to be made about

whether the appraisal RLV outcomes are likely to be sufficient to secure the release of a variety of site types (sale by landowners) for development.

2.1.3 The study process produces a large range of results tested across a range of potential CIL (trial) rates. This includes consideration of the maximum theoretical CIL that could be charged based on the surplus created within any of the development typology appraisals and when making particular assumptions on matters such as gross development value (GDV) and site value (viewed through a 'benchmark land value' (BLV). This is different from the final suggested CIL rate as it is important to ensure that the charging rates are not set at or too close to the margins of viability and that there is scope for the rates to withstand changes in costs and values over time. Chapter 3 goes into more detail but as with all studies using these principles, an overview of the results and trends is required – so that judgements can be made to inform the rate setting process.

2.1.4 In order to guide on a range of likely viability outcomes the assessment process also requires a benchmark (threshold) (known as Benchmark Land Value (BLV)) against which to compare the resulting residual value. Referenced in the 'Viability' PPG, the approach to setting the BLV or BLVs is now clearly based on the principles of existing use value (EUV) i.e. the value of land in current use, and considering a level or premium or uplift over that to sufficiently incentivise release from existing use by a landowner. Hence, this is known as the "EUV plus" approach, which is also set out in RICS Standards that reflect the PPG. Good practice now reflects this EUV basis for viability in planning. Relevant assessment principles are more generally guided also by the Harman Report (details as set out in Chapter 1). Further detail on the consideration of BLVs is set out at section 2.13 below, and the relevance of this is considered within the review of results and discussion of findings within chapter 3 below.

2.1.5 The range of assumptions that go into the RLV appraisals process is set out in more detail in this chapter. Further information is also available at Appendices 1 (Assumptions overview) and 5 (Research – Market and values information review).

2.2 Stakeholder Consultation

2.2.1 National policy and guidance reflects the need for and value of stakeholder engagement. Consistent with our established practice for strategic viability assessments, we have consulted with both the development industry (represented by parties including local property agents, developers, housebuilders and others) as well as affordable housing providers.

2.2.2 This engagement process was conducted by way of a survey type exercise seeking information and views with which to help test our emerging assumptions, followed up with key participants as appropriate. The approach set out our initial draft assumptions and testing ideas, with the opportunity provided for the stakeholders to then comment on those emerging positions or suggest alternative assumptions with reasoning. Generally, the approach involved issuing the survey to the following: -

- Development Industry – range of active or potentially active stakeholders in the local plan area with organisations and contact points as informed by the Council, including local property agents, site promoters, developers, housebuilders, planning agents and others.

- Affordable housing Providers – range of locally active affordable housing providers again as informed by the Council through its housing enabling work. Whilst also invited to comment more generally, these organisations were issued with a narrower survey requesting information more specifically related to the consideration of the affordable housing revenue levels that might be expected by developers on constructing and transferring affordable homes to the RPs, and related assumptions.

2.2.3 As part of this process, we keep a full record of all stakeholder interaction, including a log indicating the parties contacted, reminders issued, the feedback responses and level of response overall. Due to commercial sensitivities and confidentiality, the details of those responses are not included within our published work but play a key role in feeding into our assumptions setting basis; ensuring those are informed by a combination of our own extensive research process and experience and the relevant stakeholder sourced feedback. We consider this approach reflects the expectations of the guidance and in our experience, this is

realistically as far as that aspect of the process can usually be taken and particularly for CIL viability.

2.3 Scheme development scenarios - residential typologies

2.3.1 The site typologies modelled as part of this assessment reflect a range of different types of development that are thought likely to be brought forward through the planning process across the plan area. This enables viability to be tested with reference to the future housing supply characteristics over the remaining plan (VALP) period (to 2033) and based also on experience of development to date, all to inform the residential CIL charge setting process.

2.3.2 The residential development typologies have been tested over a range of value levels (VLs) representing varying residential sales values considered appropriate at the time of review across the local plan area by scheme location or type. As well as looking at the influence of location (and variable affordable housing policy by geography) within the local plan area, this sensitivity testing approach allowed us to consider the potential impact on development viability of changing market conditions over time (i.e. as could be seen through falling or rising values dependent on market conditions) as well as how this key assumption by development type and scale.

2.3.3 A summary of the general residential scheme typologies and strategic-scale site testing is shown at Figure 3 below, with the full detail set out in Appendix 1.

Figure 3: Residential site typologies

Scheme size (typology) appraised	Type
5	Houses
9	Houses
11	Houses
11	Houses
20	Flats
30	Mixed (Houses/Flats)
50	Mixed (Houses/Flats)
50	Mixed (Houses/Flats)
100	Mixed (Houses/Flats)
PotenStrategic scale development – test scenarioscale strategic site typologies	
550	Mixed (Houses/Flats)
600	Mixed (Houses/Flats)
800	Mixed (Houses/Flats)
875	Mixed (Houses/Flats)
900	Mixed (Houses/Flats)

(DSP 2025)

2.3.4 The strategic development scale testing is based on examples of notably larger scale housing-led development that relate to continued delivery of strategic allocation sites coming forward through the adopted Plan. However, given the uncertain nature of specific information relating to these (including on infrastructure provision / requirements), we have carried out sensitivity testing to understand the realistic potential scope (if any) for CIL charging on sites of this scale and nature alongside the specific requirements they typically support, assuming a test range of potential strategic infrastructure costs (tested using a scale of costs per dwelling). Further details are set out in Appendix 1 and shown within the Appendix 3 results tables.

2.3.5 Within each typology, an assumption also has to be made in relation to the dwelling mix appraised. Based on the adopted local plan for the area, the supporting Buckinghamshire Housing and Economics Needs Assessment (HEDNA) 2016 and more recent Vale of Aylesbury Local Plan Technical Note - Affordable Housing May 2024, we have adopted the principles set out in Figure 4 below and Appendix 1 (Table 1a).

Figure 4: Dwelling Mix Assumptions

Dwelling Mix (%)		
Market Units	**Affordable Units - Affordable Rent**	**Affordable Units - Affordable Home Ownership**
4.0%	9.0%	4%
4.0%	6.0%	7%
13.0%	36.0%	40%
52.0%	38.0%	46%
27.0%	11.0%	3%

(DSP 2025 - informed by BC provided details – as above)

2.3.6 In all cases it should be noted that a "best fit" of affordable housing numbers and tenure assumptions has to be made, given the effects of numbers rounding and also the limited flexibility particularly in schemes with small dwelling numbers. The affordable housing numbers (content) assumed within each scheme scenario are based upon the current affordable housing policy and set out in more detail later in this report.

2.3.7 The dwelling sizes (on a GIA i.e. gross internal area basis) assumed for the purposes of this study are as set out in Figure 5 below. As with the many other variables considered through assumptions, there will be a large range and mix of dwelling sizes coming forward in practice, with these varying by scheme and location.

Figure 5: Residential dwelling sizes

Unit Sizes (sq. metre)	Market	Affordable
1-bed flat	50	50
2-bed flat	61	61
2-bed house	79	79
3-bed house	93	93
4-bed house	124	106

(DSP 2025)

Notes: Older persons' housing – Retirement/sheltered dwellings: 1-beds assumed at 50 sq. metres; 2-beds at 75 sq. m. Extra care typology testing assumes these at 65 sq. m and 80 sq. m respectively.

2.3.8 Since there is a relationship between dwelling size, value and build costs, it is the relative levels of the values and costs that are most important given the nature and purpose of this study (i.e. with values and costs expressed and reviewed in £ per sq. metre terms); rather than necessarily the specific dwelling sizes to which those levels of costs and values are applied in each case. With this approach, the indicative "Value Levels" (VLs) used in the study can then be applied to varying (alternative) dwelling sizes, as can other assumptions.

2.3.9 Although methods vary, an approach to focussing on values and costs per sq. m. also fits with a key mode that developers and others tend to use to assess, compare/analyse and price schemes. It provides a more relevant context for considering the potential viability scope across the typologies approach and is also consistent with how a CIL is set up and charged (as prescribed under the regulations).

2.3.10 The above dwelling sizes are expressed in terms of gross internal floor areas (GIAs) for houses (with no floor area adjustment – i.e. 100% saleable floorspace). For flats, the additional cost of constructing communal/shared non-saleable areas also needs to be taken into account. For the general flatted typology development tests, we have assumed a net: gross ratio of 85% (i.e. 15% communal space). The sheltered housing scenario assumes a lower proportion of saleable floorspace compared with typical general needs flats, at 75% (i.e. 25% communal) which is then further reduced through the selected assumptions to 65% saleable (35% communal) for the extra care development typology tests.

2.3.11 Dwelling size assumptions within the ranges reflected in the Nationally Described Space Standard (NDSS) have been selected. We consider the assumptions to be reasonably representative of the types of homes coming forward within the market scheme types likely to be seen most frequently providing on-site integrated affordable housing, although we acknowledge all dwelling types and sizes will vary from scheme to scheme. Our research suggests that the absolute sales values applicable to larger property types would generally exceed those produced by our dwelling size assumptions but usually would be similarly priced in terms of the relevant analysis – i.e. looking at the range of £ per sq. metre (£/sq. m or £/m^2) 'Value Levels' basis. It is always necessary to consider the size of new build accommodation in looking at its price per sq. metre rather than its price alone.

2.3.12 At this level of strategic overview, we do not differentiate between the value per sq. metre for flats and houses although in reality there tends to be an inverse relationship between the size of the property and its value when expressed in terms of a £ sales value rate per unit area. The range of prices expressed in pounds per sq. metre therefore are the key measure used in considering the research analysis undertaken, working up the range of value levels for testing, and in reviewing the results.

2.4 Scheme development scenarios - commercial and non-residential development

2.4.1 This study also considers CIL in relation to non-residential development with scenarios (typologies and further testing assumptions) developed through the review of information supplied by, and through consultation with, the Council. This was supplemented with and checked against wider information and research analysis, including the local commercial market offer – existing development and any new schemes/proposals. Figure 6 sets out the various scheme types modelled for this study, covering a range of non-residential development uses in order to test the impact on viability of requiring CIL contributions from different types of commercial development considered potentially relevant across the N&CB area.

2.4.2 The commercial and non-residential aspects of this study adopt the same (residual valuation) methodology as described earlier in this report, considering the variable strength of the relationship between the development values and costs associated with different scheme types (reflecting a range of broad development uses). Appendix 1 provides more information on the scope of assumptions used to assess the typologies outlined in Figure 6 below.

Figure 6: Commercial or non-residential development typologies

Use Class / Type	Example Scheme Type
Large Retail	Large Foodstore / Supermarket
Large Retail	Retail Warehouse
Town/settlement centres Retail	Comparison shops (general or non shopping centre)
Small Retail	Convenience Store - various locations
Business - Offices - Town Centre	Office Building
Business - Offices - Out of town centre or Business Park	Office Building
Business - Industrial or Warehousing	Smaller / Move-on type industrial unit including offices - industrial estate
Business - Industrial or Warehousing	Larger industrial / warehousing unit including offices - industrial estate
Business - Industrial / Warehousing	Distribution Centre
Hotel (budget)	Hotel - edge of town centre / edge of town (60-Bed)
Residential Institution	Care Home (65-Bed)
Other / Sui Generis	Variable - considered on strength of values / costs relationship basis for a range of other development uses including community / clinics / fitness/ leisure / nurseries etc.

(DSP 2025)

2.4.3 Following the same principles and general process as used to inform the residential scenarios and testing, a variety of sources were researched and considered in support of our assumption setting process. This includes information on values, land values and other development assumptions; from sources such as CoStar Commercial Real Estate Intelligence resource, the VOA Rating List and other web-based review as well as any available feedback from the development industry consultation. Additional information included articles and development industry features sourced from a variety of construction related publications; and in some cases, property marketing details.

2.4.4 Collectively our research enabled us to apply a level of “sense-check” to our proposed assumptions, whilst necessarily acknowledging that this is high level work and that a great deal of variance is seen in practice from scheme to scheme. The full research review is provided within Appendix 5 to this report (including Co-Star reporting extracts provided to the rear of that).

2.4.5 In addition to the key set of commercial uses set out above, further consideration was given to other forms of development that will typically come forward to some extent. These include for example facilities that are non-commercially driven (community halls, medical facilities, schools etc.) and other commercial uses such as motor sales/garages, depots, workshops, surgeries/similar, health/fitness, leisure uses (e.g. cinemas/bowling) and day nurseries.

2.4.6 Clearly there is potentially a very wide range of such schemes that could be developed over the life of the CIL charging schedule. Alongside viability, it is also relevant for the Council to consider the likely frequency, delivery and distribution of these over the remaining plan period. In advance of full appraisal modelling, it was possible to review (in basic terms) the key relationship between their completed value per sq. metre and the cost of building – see Section 3 for more detail.

2.4.7 Where it can be quickly seen that the build cost (even before all other costs such as finance, fees, profits, purchase and sale etc. are allowed for) outweighs or is close to the completed value, it becomes clear that a scenario is not financially viable in the normal context that has been discussed above and is appropriate to consider at this strategic viability in planning level. This extends the iterative process, as an addition to the main appraisals, whereby a deteriorating strength of relationship between values and costs provides an indication of further reducing viability prospects compared with the more viable or marginally viable developments. This starts to indicate schemes that are considered more typically likely to require other financial support; rather than being clearly and consistently able to produce a surplus capable of some level of contribution to CIL. Through this process, we were able to determine whether there were any of those scenarios that warranted additional viability appraisals/testing – this was not considered to be the case.

2.5 Scheme revenue (Gross Development Value/GDV) – residential

2.5.1 Market housing sale values are a key assumption in determining viability. For a proportionate but appropriately robust evidence basis, it is preferable to consider information from multiple sources including those listed below. Our practice is to consider all available sources to inform our independent overview (not just historic data or particular scheme comparables) including:

- Previous viability studies (including those supporting the adopted VALP)
- Land Registry
- Valuation Office Agency (VOA)
- Property search, sale and market reporting, other web resources
- Development marketing websites
- Any available information from stakeholder consultations

2.5.2 A framework needs to be established for gathering and reviewing property values data. An extensive residential market review has been carried out in order to consider and appropriately reflect, at a level suitable for strategic assessment, the variation in residential property values seen across the C&NB area. This research was developed as a result of collecting values data (where available) by individual settlements so that we could consider values across the settlement hierarchy. This included the five 'Strategic Settlements' of Aylesbury, Buckingham, Winslow, Haddenham and Wendover, together with the range of Large, Medium and Small Villages within the Northern and Southern Vale rural market areas. Of the three smaller Strategic Settlements, Winslow is within the Northern Vale market area whilst Haddenham and Wendover are in the Southern Vale market area.

2.5.3 This research enables us to also consider how the value patterns and levels observed overlay with the areas in which the most significant new housing provision is expected to come forward over the remaining plan period. It must be acknowledged that the scope of the data available for review varies through time and by location or area. In some instances, data samples are small (e.g., relating to a particular time period or geography) and this is not unusual. Consistent with the above principles and with the nature of both a CIL and the appropriate, proportionate assessment, an overview of the range of available information has been considered in setting the values assumptions used in the testing.

2.5.4 As with many areas, research indicated a variable values picture whereby different values are often seen to vary within individual developments dependent on design, orientation etc., at opposing sides of roads, within settlements or localities and based on other variables – as well as variations between settlements and areas.

2.5.5 Equally, it should also be noted that house price data is highly dependent on specific timing in terms of the number and type of properties within the dataset for a given location at the point of gathering the information. Again, in some cases, small numbers of properties in particular data samples (limited house price information) can produce inconsistent results. This is not specific to this area. However, these factors do not affect the scope to get a clear overview of how values vary typically, or otherwise, between ward areas in this case, given the varying characteristics of the local plan area.

2.5.6 In this study context we need to consider whether there are any particular variations that need to be considered that may influence viability (and hence potential CIL charging scope) between settlements or other areas where significant development may be occurring in the context of the adopted development strategy.

2.5.7 Although in real terms, values have increased across the area, in terms of the relative picture, our research broadly aligned with the review of values and data within previous viability studies supporting the adopted VALP. On this basis we have applied assumed property “Value Levels” (VLs) to each typology tested from VL1 (lowest) to VL11 (highest). These VLs reflect an overall range between £4,000 per sq. metre to £5,200 per sq. metre, representative of varying new-build sale prices likely to be seen for typical new buildings according to general location in the N&CB area.

2.5.8 Higher values are seen in some locations and on an individual basis and typically with flatted development we often seeing values above this typical level (as the inverse relationship between property size and value when expressed on a £ per sq. metre basis is seen). Additionally, we note that higher values (than the prevailing new build market) are seen for sheltered housing/retirement living and extra-care developments that are also within the broad spectrum of C3 provision. For those typologies an extended range of VLs has been tested – up to £6,500

per sq. metre representing such schemes typically supporting values at significant premium levels (and indeed usually needing values beyond the more typical levels in order to support their viability).

2.5.9 Together with Chapter 3 below (Findings Review), Appendix 1 provides DSP's summary findings on the likely relevance of the range of tested new-build housing VLs to locations or areas within N&CB. The applicability of parts of that VLs range is a key influence in the strength of viability available to support a CIL as well as all other development and policy costs (including the updated s106 assumptions now made).

2.5.10 As will be considered, other key influences alongside the values and the variability of those are site type (most notably whether PDL - i.e. previously developed land (brownfield) – or greenfield (GF), and scale and type of development. The relevance of these characteristics to the remaining development planned in the VALP, and potentially their influence together, will inform whether it is necessary or appropriate to consider including differential CIL rates or zones with a Charging Schedule for N&CB. Any such differentials may be justified by and relate to specific types or scales of development, settlements/areas, or site types (or indeed reflecting different combinations of these).

2.5.11 Returning to the assumptions needing to be made, the values research was initially settled during summer to autumn 2024 and revisited through to Autumn 2025. Consistent with the approach to all DSP's assessments, we use the latest practically available data from a range of sources leading up to the point of needing to settle assumptions before the appraisal running progresses (and the same applies to the build costs assumptions, as below).

2.5.12 Following a period of market turbulence, high inflation (particularly relevant to the construction industry), high interest rates and a stagnating housing market, a period of relative stability appears to have begun returning to the housing market. At the point of competing this assessment the latest reporting (November 2025) indicates that nationally, overall house price change was marginally positive, having increased by 1.8% over the previous 12 months, therefore with growth having softened (source: Nationwide Building Society). The Nationwide reported:

"*November saw a slight softening in the rate of annual house price growth to 1.8%, from 2.4% in October. However, prices increased by 0.3% month on month, after taking account of seasonal effects".*

"The housing market has remained fairly stable in recent months, with house prices rising at a modest pace and the number of mortgages approved for house purchase maintained at similar levels to those prevailing before the pandemic".

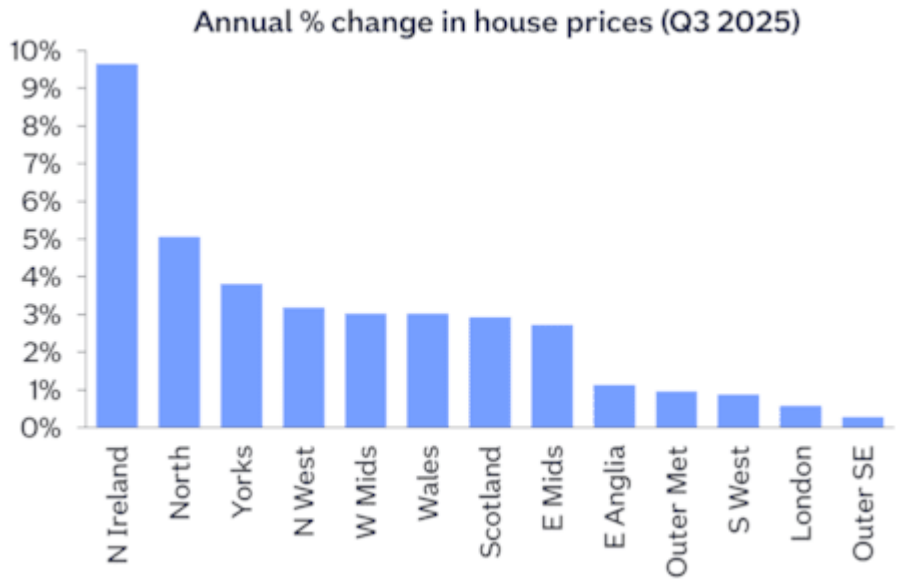
"Against a backdrop of subdued consumer confidence and signs of weakening in the labour market, this performance indicates resilience, especially since mortgage rates are more than double the level they were before Covid struck and house prices are close to all-time highs".

"The changes to property taxes announced in the Budget are unlikely to have a significant impact on the housing market. The high value council tax surcharge, which is not being introduced until April 2028, will apply to less than 1% of properties in England and around 3% in London".

2.5.13 However, looking at the regional picture, house price growth has been and remains the weakest in South East England. The Nationwide's September reporting on this noted the following:

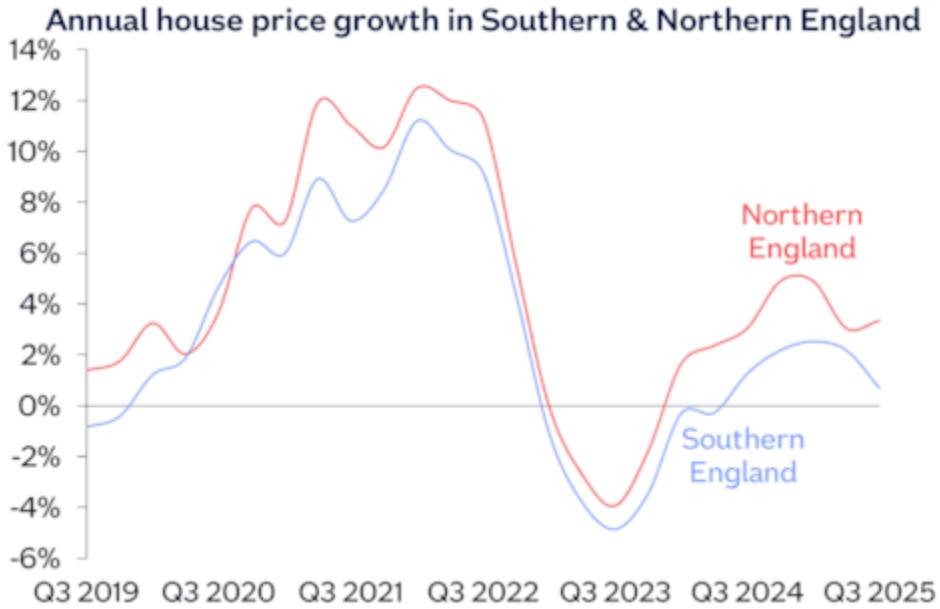
"Despite ongoing uncertainties in the global economy, underlying conditions for potential home buyers in the UK remain supportive".
Unemployment is low, earnings are rising at a healthy pace, household balance sheets are strong and borrowing costs are likely to moderate a little further if Bank Rate is lowered in the coming quarters as we, and most other analysts, expect.
Providing the broader economic recovery is maintained, housing market activity is likely to strengthen gradually in the quarters ahead".

*"**Most regions saw a slowing in house price growth in Q3 2025***
Our regional house price indices are produced quarterly, with data for Q3 (the three months to September) indicating that the majority of regions saw a modest slowdown in annual house price growth (see full table below)".

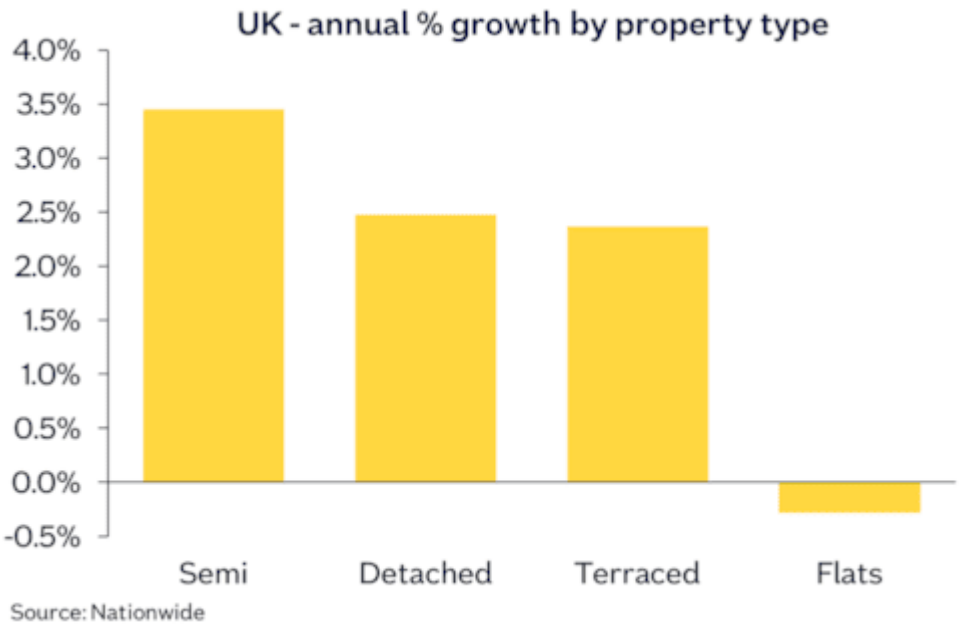


(Source: Nationwide September 2025. https://www.nationwidehousepriceindex.co.uk/reports)

2.5.14 Although referencing the wider market characteristics and local effects vary, from the above acknowledged Nationwide reporting, the following further general context /trends information is also interesting to see:



And the Nationwide's '**Property type update':**
"*Our most recent data by property type shows that semi-detached properties have seen the biggest percentage rise in prices over the last 12 months...*"



"*Detached and terraced properties saw similar growth, at 2.5% and 2.4% respectively. However, flats saw a small year-on-year decline of 0.3%. Looking over the longer term, flats have seen noticeably weaker growth than other property types in recent years. For example, over the last 10 years, the price of a typical flat has increased by around 20%, less than half of the rise in the price of terraced houses over the same period*." Source again Nationwide – September 2025 reporting).

2.5.15 Within their UK Housing Market update (Published 9th December 2025) (https://pdf.savills.com/documents/UK-Housing-Market-Update-October-2024.pdf) Savills notes as follows:

"Budget provides some much needed certainty amidst weaker market confidence
House prices grew by 0.3% in November, according to Nationwide. *That put price growth at 1.1% over the last three months. On an annual basis house*

price growth continued to slow, from 2.4% in October to 1.8% in November. We expect house price growth to continue to slow into the new year while confidence remains subdued.

Despite a prolonged warm-up, we expect the Budget to have a limited effect on the mainstream housing market. *The greatest change is the introduction of a council tax surcharge for properties worth over £2 million, effective from April 2028. Charges will range from £2,500 per annum on properties worth £2 million to £7,500 per annum for those at £5 million plus. The impact of this is likely to be felt most in higher value second home markets which are already dealing with an increased stamp duty surcharge and the doubling of council tax in most cases. The impact on the rest of the prime market is set to be modest, with anecdotal evidence from our agents already indicating a pick-up in activity.*

Market sentiment was weaker in the run up to the Budget. *The RICS reported a fall in both buyer and seller activity, which was corroborated by the Bank of England reporting a 5% annual fall in mortgage approvals in October (seasonally adjusted). This pause may translate into renewed activity at the very end of 2025 with buyers and sellers now feeling able to make informed decisions.*

Mortgage affordability has continued to improve, which should support house price growth. *Several lenders have reduced mortgage interest rates, pricing in an increased likelihood that the Bank of England will implement a further base rate cut on 18th December as inflationary pressures ease. Average wage growth, a key inflation driver, slowed to a 3-year low of 4.6% in the three months to September compared with a year earlier, according to the ONS. CPI also fell from a high of 3.8% during Q3 to 3.6% in October.*

We expect a lack of confidence in the wider economy to hold back house price growth in the short term. *The outlook for the UK economy in 2026 is for lower GDP growth and higher unemployment, with conditions forecast to improve from 2027, according to Oxford Economics. Our mainstream forecasts expect price growth to strengthen from 2027 onwards following continued slower growth in 2026.*

More localised house price data from August shows that areas with the greatest value growth *[DSP – generally]* ***were in Scotland and the North"***

2.5.16 The Savills reporting goes on to note that:

> "*Price indicators are presenting a mixed picture. The RICS survey can be a good early indicator of house price movement, but can exaggerate negative sentiment in the market. It has been particularly low for several months, perhaps more reflective of a lack of activity than price falls. Nationwide, reported a stronger than expected November, with house prices up by 1.1% on a three monthly-basis. The more lagged ONS index reported 2.9% growth in August, still picking up the acceleration in the market following the SDLT changes*."

2.5.17 As at November 2025, Savills forecasting suggests the following regional overview:

Table 4 Mainstream house price forecasts (published November 2025)

Region	2026	2027	2028	2029	2030	5 years to 2030
UK	2.0%	4.0%	5.0%	5.5%	4.0%	22.2%
London	0.0%	2.0%	3.5%	4.5%	3.0%	13.6%
South East	1.0%	3.0%	4.0%	4.5%	3.5%	17.0%
East of England	1.5%	3.5%	4.5%	5.0%	3.5%	19.3%
South West	2.0%	4.0%	5.0%	5.0%	3.5%	21.0%
East Midlands	2.5%	4.0%	5.5%	6.0%	4.0%	24.0%
West Midlands	2.5%	4.5%	5.5%	6.0%	4.0%	24.6%
North East	3.5%	5.5%	6.0%	6.0%	5.0%	28.8%
Yorks & Humber	3.5%	5.5%	6.0%	6.0%	5.0%	28.8%
North West	3.0%	5.5%	6.0%	6.0%	4.5%	27.6%
Wales	3.0%	5.0%	6.0%	6.0%	5.0%	27.6%
Scotland	3.0%	5.0%	6.0%	6.0%	5.0%	27.6%

Source Savills

(Source: Information within Savills UK Housing Market Update - December 2025)

2.5.18 So for the south east of England region; house price growth of around 17.0% is forecast overall across the 5-year period to end 2030. For the region, very modest growth (house price change just on the positive side of flat) is forecast in 2026, with the growth rate indicated to pick up to a fairly constant and longer term trend type level in the following years. We noted that the above figures represent a

slight reduction in the forecasts compared with a version reviewed earlier in our full viability assessment period.

2.5.19 Construction costs over the same period are forecast to grow but at a lower level than house price growth as Figure 7 illustrates:

Figure 7: Summary of BCIS forecasts (Tender Price Index & Materials Costs)[1]

Percentage Change 3Q on 3Q (output is whole year on whole year)						
BCIS Forecast	2024 to 2025	2025 to 2026	2026 to 2027	2027 to 2028	2028 to 2029	2029 to 2030
TPI	+2.5	+2.7	+3.1	+3.5	+3.2	+2.2
Materials costs	+0.5	+2.3	+3.2	+3.3	+3.2	+2.9

(DSP Sourced from BCIS December 2025)

2.5.20 The life of a CIL charging schedule is such that a long-term strategic overview is needed, across which it is appropriate to make more typical assumptions reflecting potentially a middle line through various economic cycles. It is therefore not appropriate to assume only the downside or upside inputs related to potentially deteriorating or poor, or improving or good economic conditions.

2.5.21 For the purposes of CIL testing/rate setting, and although there is no guidance on this specifically, it is therefore important to allow for some form of "buffering" so that the rates can withstand changes to costs and values over time bearing in mind the CIL cost, once implemented, acts as a fixed "top slice" from the development funds.

2.5.22 Based on experience over many years of CIL viability, DSP's starting point for considering workable charging rates is to halve the maximum theoretical rates that are indicated as theoretically possible to accommodate. However, the buffering element has to be viewed across the wide range of test scenarios (extended testing of development typologies) and which all support different outcomes for each appraisal (individually) – as those test different combinations of variables. Applied fully, this halving-back starting point represents a 100% buffer, i.e. with

[1] https://online.bcis.co.uk/Briefing/Briefing/3962?returnUrl=%2FBriefing&returnText=Go%20back%20to%20briefing%20summary&sourcePage=Help#1.1%20Forecasts

CIL rates initially explored at approximately 50% of their highest possible level, although as noted each scenario is different and although not all results can support this, much lower buffer factors are also acceptable. Therefore, in this case when reviewing reasonable charging rates for different forms of development, we have considered and suggested setting those over a range, where the main rates put forward are up to (generally not more than) approximately 70% of the theoretical maximum rate in particular circumstances. This represents an aim for a minimum 30% buffer factor on the whole. The approach, tested through experience, represents a significant but inevitably variable (according to circumstances and assumptions) "buffer" factor having been considered.

2.6 Scheme revenue (gross development value) – Affordable Housing Revenue

2.6.1 In addition to the market housing, the development appraisals also assume a requirement for affordable housing as set by the adopted local plan (VALP), and again forming the policy basis for this study.

2.6.2 Affordable housing Policy H1 sets out the following requirements:

> "*Residential developments of 11 or more dwellings gross or sites of 0.3ha or more will be required to provide a minimum of 25% affordable homes on site*".

2.6.3 In addition, Policy H1 states that the type, size, tenure and location of affordable housing will be agreed with the council, taking account of the council's most up-to-date evidence on housing need and any available evidence regarding local market conditions. The Vale of Aylesbury Local Plan Technical Note: Affordable Housing (May 2024) provides details of tenure requirements indicating a minimum requirement for 80% social rent and 20% intermediate tenures, based on the Buckinghamshire HEDNA Update report (2016).

2.6.4 On this basis, we have therefore tested the above requirements within our modelling.

2.6.5 The appraisal modelling assumes a policy compliant affordable housing requirement on-site even though in some cases we are aware that on-site affordable housing may not be provided (e.g. sheltered housing proposals often include a financial contribution in-lieu of on-site affordable housing). It should

however be noted that the affordable housing tenure mix was accommodated as far as best fits within both the overall scheme mixes and affordable housing proportion in each scenario.

2.6.6 The affordable housing revenue that is assumed to be received by a developer is based only on the capitalised value of the net rental stream (for affordable rent or social rent) or capitalised net rental stream and capital value of retained equity (shared ownership - SO). The starting assumption pending any review of viability and funding support which becomes available at a later stage for specific scenarios or programmes is that the affordable housing is developer funded rather than part grant funded. We have therefore made no allowance for grant or other public subsidy or equivalent.

2.6.7 The value of the affordable housing (level of revenue received by the developer) is variable by its very nature and is commonly described as the “transfer payment” or “payment to developer”. These revenue assumptions are based on our extensive experience in dealing with affordable housing policy development and site-specific viability issues and consultation with local affordable housing providers. The affordable housing revenue assumptions were also underpinned by RP type financial appraisals – looking at the capitalised value of the estimated net rental flows (value of the rental income after deduction for management and maintenance costs, voids allowances etc.).

2.6.8 The assumed transfer values (developer receipts) for the social and affordable rented homes assumed for the study are shown in Appendix 1.

2.6.9 In practice, as above, the affordable housing revenues generated would be dependent on property size and other factors including the affordable housing provider’s own development strategies and therefore could vary significantly from case to case when looking at site specifics. The affordable housing provider may have access to other sources of funding, such as related to its own business plan, external funding resources, cross-subsidy from sales or other tenure forms, or recycled capital grant from stair-casing receipts, for example. However, such additional funding cannot be regarded as the norm for the purposes of setting viability study assumptions – it is highly scheme-dependent and variable and so has not been factored in here. It follows that the transfer values assumed could therefore be a conservative estimate in some cases and in reality, on some

schemes an affordable housing provider (e.g. Registered Provider – housing association or similar) could include their own reserves and, if so, thus improve viability or affordability (or both).

2.6.10 Mandatory relief from CIL can apply to affordable housing including affordable rented, social rented, intermediate rented and shared ownership properties. Mandatory social housing relief can also apply to dwellings where the first and subsequent sales are for no more than 70 per cent of their market value subject to a planning obligation being entered into prior to the first sale of the dwelling designed to ensure that any subsequent sale of the dwelling is for no more than 70 per cent of its market value.

2.7 Scheme Revenue (Gross Development Value (GDV)) – Commercial and Non-residential

2.7.1 The value (GDV) generated by a commercial or other non-residential scheme varies enormously by specific type of development and location. In order to consider the viability of various commercial development types, a range of assumptions are needed. Typically, these are made with regard to the rental values and yields that would drive the value of completed schemes within each commercial scheme appraisal. The strength of the relationship between the GDV and the development costs was then considered using the following methods:

- For the main commercial scheme typologies under review, consistent with those reviewed in most of our CIL viability assessments, residual valuation methodology - as per the principles applied to the residential typologies, or;

- A simpler method adopting a value vs cost comparison for other commercial typologies clearly indicating a poor relationship between the two - resulting in full appraisals being unnecessary e.g. for surgeries, community centres, and a range of other development uses either typically provided by public agencies or generally non-commercially viable uses as stand-alone scenarios.

2.7.2 Broadly the commercial appraisals process follows that carried out for the residential scenarios, with a range of different information sources informing the values (revenue) related inputs. Data on yields and rental values (as far as

available) was collated from a range of sources including the following (and see Appendices 4 & 5 for more detail):

- CoStar property intelligence database (reporting extracts provided at rear of Appendix 5)
- Valuation Office Agency (VOA)
- Range of property and development industry publications, features and websites.

2.7.3 Figure 8 below shows the range of annual rental values assumed for each scheme typology. These were then capitalised based on associated yield assumptions to provide a GDV for each scheme development, dependent on the combination of yield and rental values applied.

Figure 8: Key non-residential typologies assumed rental values

Development Use Type	Example Scheme Type	Values Range - Annual Rents £ per sq. metre		
		Low	Mid	High
Large Retail	Large Foodstore/Supermarket - out of town	£230	£250	£270
Large Retail	Retail Warehouse	£200	£230	£250
Town Centre Retail	Comparison shops (general or non shopping centre)	£130	£175	£220
Small Retail	Convenience Store - various locations	£100	£140	£180
Business - Offices - Town Centre	Office Building	£140	£180	£220
Business - Offices - Out of town centre or Business Park	Office Building	£200	£250	£300
Business - Industrial or Warehousing	Smaller / Move-on type industrial unit including offices - industrial estate	£100	£125	£150
Business - Industrial or Warehousing	Larger industrial / warehousing unit including offices - industrial estate	£80	£105	£130
Business - Industrial / Warehousing	Distribution Centre	£100	£125	£145
Hotel (budget)	Hotel - edge of town centre/edge of town (60-Beds)	Annual Room Rents[1]		
		£3,000	£4,500	£6,000
Residential Care (C2)	Nursing/care home (non-self-contained accommodation)	Capital Value per Unit[1, 2]		
		£165,000	£215,000	£265,000

(DSP 2025)

[1]After deducting operating costs, operating profit and occupancy.
[2]Care costs variable by rental level depending on the level of care required. Upper-level rents assume high-level needs care alongside usual location/quality factors.

2.7.4 The rental values were tested at three levels representative of lower/low, medium/mid and high/higher values considered relevant to each commercial

scheme type across the study area – set based on judgements for appropriate sensitivity test levels, given the overall information review. This enables us to assess the sensitivity of the viability findings to varying value levels, much like the process run for the residential appraisals. They are necessarily estimates and based on an assumption of new build development rather than older stock. This is consistent with the nature of the CIL regulations in that refurbishments/conversions/straight re-use of existing property will not attract CIL contributions (unless floor-space in excess of 100sq. m. is being added to an existing building; and providing that certain criteria on the recent use of the premises are met).

2.7.5 The quality and quantum of available information in this regard varies considerably by development type. Again, we do not find this to be a specific Buckinghamshire Council factor and it does not detract from the viability overview process that is appropriate for this type of study.

2.7.6 These varying rental levels were capitalised by applying yields of between 4.5% and 8.5% overall (with varying relevance dependent on scheme type). As with the level of rental value, varying the yields enabled the exploration of the sensitivity of results given that in practice a wide variety of rentals values and yields could be seen. This approach also means that it is possible to consider what changes would be needed to rents and/or yields to sufficiently improve the viability of non-viable schemes or, conversely, the degree to which viable scheme assumptions and results could potentially deteriorate whilst still supporting the collective costs, including any CIL charging.

2.7.7 It is worth noting here that small variations in assumptions can have a significant impact on the GDV available to support the development costs (and thus the viability of a scheme) together with any potential CIL funding scope. We consider this very important bearing in mind the balance that must be found between the desirability of infrastructure funding needs and the potential effect on viability. While it is relevant to assume new development and appropriate lease covenants etc. rather than older stock, using overly positive assumptions in the local context could act against finding that balance.

2.7.8 This approach enabled us to consider the sensitivity of results to changes in the capital value (GDV) of schemes and allowed us then to consider the most relevant

tests and results (from the wider sets) in determining the suitable parameters for setting non-residential CIL rates for the study area, including any differential rates that could or should in our view be considered by Buckinghamshire Council. As with other elements of the study, the adopted assumptions will not necessarily match scheme specifics and therefore we need to keep in mind whether and how frequently local scenarios are likely to indicate viable results (including as values vary). See further detail in Chapter 3 below, and as will be seen through the Appended results tables that are referred to.

2.8 Development Costs – Generally

2.8.1 Total development costs can vary significantly from one site or scheme to another. For these strategic overview purposes, however, these cost assumptions have to be fixed by typology to enable the comparison of results and outcomes in a way which is not unduly affected by how variable site-specific cases can be. Although the full set of cost assumptions adopted within the appraisals are set out in detail in Appendix 1 to this report, a summary of the key points is also set out below.

2.8.2 Each cost assumption or assumption set is informed by data and supporting evidence from such sources as follows in accordance with relevant sections of the PPG:

- Building Cost Information Service (BCIS).
- Locally available information as far as available following the stakeholder consultation process.
- Other desktop-based research.
- Experience of running these matters through numerous assessments, examination processes – established good practice and wider professional experience.

2.8.3 For the site typology testing, we have not allowed for abnormal costs that may be associated with particular sites - these are highly specific and can distort comparisons at this level of review or unduly pull down the view of the available scope to support important policies on sustainable development. Where issues are known as likely to impact development viability and early costs estimates are

available or can be devised, these are applied to the specific site allocation tests, however. Contingency allowances have however been made for all appraisals.

2.8.4 In some circumstances and over time, overall costs could rise from current/assumed levels. The interaction between values and costs is important and whilst any costs rise may be accompanied by increased values from currently assumed levels, this cannot be relied upon. We reiterate that a “buffered” approach to considering CIL charging rates well within the margins of viability has been taken.

2.9 Development costs - build costs

2.9.1 The assumed base build cost level shown below is taken from BCIS; an approach endorsed by the PPG guidance on Viability and considered to be “appropriate data” as set out in paragraph 12 of the Planning Practice Guidance Viability section and rebased using an Aylesbury location factor. The costs assumed for each development type (e.g. houses, flats, mixed as well as non-residential etc.) are as provided in Appendix 1 – and summarised below – Figure 9.

Figure 9: Base build cost data – general typologies assessments

Development type (BCIS Median unless stated)	Rate per sq. metre
Build cost - Mixed Developments (generally - houses/flats)	£1,678 per sq. metre
Build cost - Mixed Developments (generally - houses/flats) – Lower Quartile	£1,506 per sq. metre
Build cost – Estate housing only (generally)	£1,650 per sq. metre
Build cost - Flats only (generally – 3-5 storey)	£1,909 per sq. metre
Build cost - Supported Housing (generally)	£2,018 per sq. metre
Large Format Retail – Large Supermarket	£1,828 per sq. metre
Large Format Retail – Retail Warehouse	£1,106 per sq. metre
Town Centre Retail – Comparison shops	£1,640 per sq. metre
Small Retail – Convenience Store	£1,640 per sq. metre
Business - Offices - Town Centre	£2,889 per sq. metre
Business - Offices - Out of town centre/Business Park	£2,273 per sq. metre
Business - Industrial/Warehousing - small	£1,552 per sq. metre
Business - Industrial/Warehousing - large	£1,115 per sq. metre
Business - Industrial/Warehousing - Distribution	£1,115 per sq. metre
Hotel (budget)	£2,819 per sq. metre
Residential Care (C2)	£2,235 per sq. metre

(DSP 2025 - sourced from BCIS)

2.9.2 BCIS build costs do not include external works, wider site works costs, contingencies or professional fees (for which further allowances are made). Across the assessment an allowance for plot external works and reflecting normal servicing and access has been made on a variable basis depending on scheme

type (added at typically between 10% and 15% of base build cost). Additionally, a further allowance has been made for site preparation/site-wide works at an equivalent of £500,000 per hectare within the range of site typologies tests. These allowances (assumptions) are based on a range of information sources and cost models and are generally not pitched at minimum levels so as to reflect the potentially variable nature of these works. Particular cost allowances have been made as appropriate in relation to specific site allocations tested. See Appendix 1.

2.9.3 For this broad test of viability, it is not possible to test all potential variations to additional costs. There will always be a range of data and opinions on and methods of describing, build costs. In our view, we have made reasonable assumptions in accordance with relevant guidance which lie within the range of figures we generally see for typical new build schemes (rather than high specification/complex schemes that may require particular construction techniques or materials). As with many aspects of viability assessment, there is no single appropriate figure in reality, so judgements on these assumptions (as with others) are necessary. It is important to note that as with any appraisal input, in practice this will be highly site specific.

2.9.4 In the same way that we have mentioned the potential to see increased costs in some cases, it is also possible that in others the base costs, external works or other elements will be lower than those assumed. Once again, scheme specifics will be highly variable in practice. Overall, as well as applying buffering principles, we have looked to be balanced in placing assumptions, so as not to pitch those as favourably as possible for the CIL viability (CIL scope) outcomes.

2.9.5 An allowance of 5% of build cost has also been added in all cases (residential and commercial typologies and unless an alternative assumption is stated) to cover contingencies (i.e. unforeseen variations in build costs compared with appraisal or initial stage estimates). This is a relatively standard allowance in our experience, although we do see some assumptions at lower levels for elements of some residential scheme types. We have seen variations, again, either side of this level in practice, with higher levels usually relevant only for some types of PDL redevelopments and conversion schemes for example.

2.9.6 It is important to note that the interaction of development costs and value levels is likely to need considering further at the point of any future any CIL review(s)

and/or in relation to the emerging new local plan. Values and costs can be expected to vary over time while being influenced by market circumstances and policies. Appendix 5 includes some information on build cost trends, as viewed at the time of this assessment.

2.10 Development Costs – Fees, Finance and Profit

2.10.1 Alongside those noted above, the following costs have been assumed for the purposes of this study and vary slightly depending on the scale and type of development. Other key development cost allowances are as follows (see Figures 10 and 11 below). Appendix 1 provides the full detail.

Figure 10: Residential Development costs – Fees, Finance and Profit

Residential Development Costs – Fees, Finance & Profit	Cost Allowance
Professional & Other Fees	8 - 10% of build cost
Site Acquisition Fees	1.5% Agent's fees
	0.75% Legal Fees
	Standard rate (HMRC scale) for Stamp Duty Land Tax (SDLT)
Finance	6.5% p.a. interest rate (assumes scheme is debt funded and represents costs including ancillary fees) – strategic level viability overview assumption rate.
Marketing Costs	3% of GDV sales agent & marketing fees
	£750 per unit legal fees
Developer Profit	Open Market Housing – based on range described in PPG of 15% - 20% of GDV (base 17.5% GDV assumed).
	Affordable Housing – 6% GDV

(DSP 2025)

Figure 11: Non-residential Development costs – Fees, Finance and Profit

Commercial Development Costs – Fees, Finance and Profit	Cost Allowance
Sustainable design/construction allowance (Future Buildings e.g. as represented via BREEAM etc. assumption)	5% of build cost
Professional & Other Fees	10% of build cost
Yields	Variable applicability, sensitivity tested across range at 4.5% to 8%.
Site Acquisition Fees	1.5% Agent's fees
	0.75% Legal Fees
	Standard rate (HMRC scale) for Stamp Duty Land Tax (SDLT)
Finance	6.5% (including over lead-in and letting/sales period)
Marketing/Other Costs *(Cost allowances – scheme circumstances will vary)*	1% Advertising/Other costs (percent of annual income) 10% letting/management/other fees (percent of assumed annual rental income) 5.75% purchasers' costs – where applicable
Developer Profit	15% of GDV

(DSP 2025)

2.11 Build period

2.11.1 The build period assumed for each development scenario has been based on BCIS data utilising the Construction Duration calculator by entering the scheme typology details modelled in this study. This has then been sense-checked using our experience and informed by site-specific examples where available. The build periods provided in Appendix 1 exclude lead-in times. Sales periods are off-set accordingly (i.e. running beyond the construction period) – see Appendix 1 for detail.

2.12 Community Infrastructure Levy (CIL), Planning Obligations & Other Policy Costs

2.12.1 In order to determine a potentially viable level of CIL across the range of residential and commercial or non-residential site typologies and strategic site allocations tested, we have first run modelling to determine the maximum theoretical CIL capacity for each scenario.

2.12.2 This includes testing typologies assuming greenfield and PDL host sites (which we have found from consistent experience of recent assessments to typically produce/require consideration of a key viability differential).

2.12.3 Finer grained testing was then carried out taking into account the need to make sure that the CIL rates are not taken to the limits of viability. Within Appendix 2, the residential results are displayed at £25 per sq. metre trial CIL rate intervals – trials run up to £500 per sq. metre. This iterative approach has taken the testing well beyond the realistic charging scope in N&CB, from experience, and although in limited circumstances we usually find some maximum theoretical charging rates would sit beyond this testing range, a reality check is needed – including with reference to buffering principles, as noted above.

2.12.4 A further sense check has been carried out (see Chapter 3 below) that considers the range of test levels and potential charging rates in terms of a percentage of gross development value (% GDV) – i.e. the proportion of the estimated new build values that the trial and potential CIL rates represent. This gives a feel for the scale of the trial rates in the context of development value and the relativity between potential CIL levels and other policy costs or potential movements in the property market (e.g. house price changes).

2.12.5 The non-residential/commercial typologies results tables follow a similar format within Appendix 4. Those show the finer grained results as far as are relevant by development use type – i.e. as far as have been shown to be sufficiently viable to either support CIL charging, or on the other hand clearly not do so, when running the viability appraisals using appropriate assumptions for this level of review and purpose.

2.12.6 Even with a local CIL in place, frequently there remains a requirement for developments to provide (through s106) some site-specific mitigation/infrastructure measures needed to make a development acceptable in planning terms.

2.12.7 Allied to the above, as of September 2019, with the removal of the pooling restrictions on the use of s.106 agreements, it will also be important for the Council to keep in mind the greater flexibility of s.106 (as appropriate) combined and balanced with CIL. This approach will help to ensure that the Council maximises the level of funding for essential infrastructure across the N&CB area. We will come back to this wider context when discussing our recommendations.

2.12.8 Within the base typology testing (as per the Appendix 2 results), a site-specific allowance of £14,200/dwelling (applied to all dwellings) has been included alongside the CIL testing and based on latest information provided by the Council on the level of s106 that is to be assumed as a continuing typical overall level on major developments (10+ dwellings – major developments).

2.12.9 On the smaller schemes, typically we also make a much lower level of site-specific contingency allowance for s106 where a prospective CIL charging authority sets out that on typical/smaller sites a very limited use of s.106 will apply alongside the Charging Schedule. This is now expected to be the case here, whereby if adopted it is the intention that the CIL would provide the main mode of securing infrastructure contributions (across developments of 1 to 9 dwellings). The assumption made on the relevant smaller typologies representing schemes of fewer than 10 dwellings is £1,000 per dwelling s106.

2.12.10 In practice the levels of s106 are likely to be a variable of course and as noted above these assumptions is by no means denoting a fixed or minimum/maximum s106 level. For this reason, in considering the findings and the approach to “buffering” – i.e. drawing back from the maximum potential CIL charging levels - this is amongst the factors to bear in mind as part of making the overall judgments and considering how developments and the Plan area as a whole will be best served in the overall balance.

2.12.11 Other policies either contained within the VALP or that form part of national policy / requirements are also included in the assessment. These are set out in Appendix

1 and include assumptions on energy reduction / climate change, Biodiversity Net Gain (BNG), Part M4(2) and (3) accessibility standards, parking standards, water efficiency standards and space standards. In summary, the trend is of an increasing range and depth of matters for developments to address. Also reflected now in the assessment are the cost of the forthcoming Building Safety Levy (BSL) and BC's provided estimates of mitigation costs associated with the zone of influence of the Chiltern Beechwoods Special Area Of Conservation (SAC or CBSAC).

2.12.12 The BSL is due to take effect nationally from October 2026 which, although in itself a relatively small additional cost in itself, nevertheless will also contribute to the cumulative costs of development. This will coincide with the introduction of a N&CB CIL Charging Schedule. Accordingly, in our view the BSL cost should be reflected in the decisions on CIL rate(s) setting, and this has been included as an appraisal cost input throughout, therefore. The BSL cost is assumed at the locally advised rates of £38.78/sq. m for greenfield developments and £19.39/sq. m for PDL developments in this case.

2.12.13 Reflecting the SAC impact on viability where relevant – additional costs associated with the provision of SANG (Suitable Alternative Natural Greenspace) and the associated SAMM (Strategic Access Management and Mitigation) strategy contributions – costs are assumed for the assessment at £5,394 and £628 per dwelling respectively (£6,022 per dwelling total). Sensitivity testing for the impact was carried out at an earlier stage to inform consideration of this issue (since when the assumed cost of the mitigation has altered - reduced). Initially, a balancing factor (CIL charging set-off) of up to around £100/sq. m was considered. Subsequently a set-off factor (deduction from the suggested prevailing CIL rates) has been considered based on the latest mitigation cost provided by BC – an adjustment factor of minus £80/sq. m (see Appendix 1 Table 1b). There is further commentary on this in the results discussion later in this report.

2.13 Indicative land value comparisons and related discussion

2.13.1 In order to consider the likely viability of any development scheme, the results of the appraisal modelling (the residual land values viewed in £ per hectare terms) need to be measured against an appropriate level of land value or benchmark land value (BLV). This enables the review of the strength of the results as those

change across the range of Value Levels, affordable housing policy targets (percentages) and trial CIL rates.

2.13.2 The process of comparison with land values is, as with much of strategic level viability assessment, not an exact science. It involves judgements and well-established acknowledgements that, as with other appraisal aspects, the values associated with the land will, in practice, vary from scheme to scheme.

2.13.3 The levels of land values selected for this context are known as benchmark land values. They are not fixed in terms of creating definite cut-offs or steps in viability but, in our experience, they serve well by adding a filter to the results as part of the review. BLVs help to highlight the changing strength of relationship between the values (scheme revenue (GDV)) and development costs as the appraisal inputs (assumptions) change.

2.13.4 The PPG on viability is very clear that BLVs should be based on the principle of existing use value plus a premium to incentivise the release of the site for development. Land value in any given situation should reflect the specifics of existing use, planning status (including any necessary works, costs and obligations), site conditions and constraints. It follows that the planning policies and obligations, including any site specific s106 requirements, will also have a bearing on land value where an implementable planning consent forms a suitable basis for an alternative use value (AUV) based approach that could be in place of the primary approach to considering site value (benchmark land value – BLV), which is now always “EUV plus” (existing use value plus) consistent with the PPG on Viability.

2.13.5 As part of our results analysis, we have compared the wide scope of resulting residual land values (i.e. the result of each appraisal with a certain level of CIL included) with a range of potential BLVs used as “Viability Tests”, based on the principles of “existing use value plus” (EUV+). This allows us to consider a wide array of potential scenarios, outcomes and the resulting viability trends seen in this case. The coloured shading within the results tables appended to this report provide a graded effect intended only to show the general tone of results through the range clearly viable (most positive – boldest green coloured) to likely non-viability scenarios (least positive, where the RLVs show no surplus or a deficit against the BLVs).

2.13.6 The land value comparison levels (BLVs) are not fixed or even guides for use on scheme specifics; they are purely for this assessment purpose. Schemes will obviously come forward based on very site-specific circumstances, including in some cases on sites with appropriately judged land values beneath the levels assumed for this purpose.

2.13.7 As part of the process of developing appropriately robust BLVs, we have reviewed other available evidence, including previous viability studies (as well as those conducted for the Council and its predecessors) both at a strategic level as well as site-specific viability assessments where available. In addition, we have also had regard to the consultation responses and published Government sources on land values for policy appraisal ("Land value estimates for policy appraisal" published in August 2020) providing industrial, office, residential and agricultural land value estimates for locations across the country – including former Aylesbury Vale.

2.13.8 It should be noted that the Ministry of Housing, Communities and Local Government residential land value estimates require adjustment for the purposes of strategic viability testing due to the fact that a different assumptions basis is used in our study compared to the truncated valuation model used by the MHCLG. This study assumes all development costs are accounted for as inputs to the RLV appraisal, rather than those being reflected within a much higher "serviced" i.e. "ready to develop" level of land value.

2.13.9 The MHCLG model provides a much higher level of land value for "residential land" as it assumes the following:

- All land and planning related costs are discharged.
- Nil affordable housing requirement – whereas in practice the requirement for affordable housing can impact land value by up to around 50% on a 0.5ha site with 35% affordable housing.
- Nil CIL.
- No allowance for other planning obligations.
- Full planning consent is in place – the risk associated with obtaining consent can equate to as much as a 75% deduction when adjusting a consented site value to an unconsented land value starting point.
- Lower quartile build costs.

- 17% developer's profit.

2.13.10 The above are additional assumptions that lead to a view of land value well above that used for comparison (benchmarking purposes) in viability assessments. Overall, the assessment approach (as relates to all land values) assumes all deductions from the GDV are covered by the development costs assumptions applied within the appraisals. In our view this would lead to a significantly reduced residential land value benchmark when taking into account all of the above factors.

2.13.11 As set out in the results appendices, we have made indicative comparisons at land value levels in a range between £250,000 per hectare and £2,200,000 per hectare (£/ha) plus, enabling us to view where the RLVs fall in relation to those levels and to the overall range between them.

2.13.12 Typically, we would expect to apply an EUV+ based land value benchmark at approximately £250,000/ha for large scale greenfield land releases to an upper level of around £500,000/ha in respect of small areas of paddock land or similar based on a circa ten to twenty times uplift factor (the "plus" element) from the EUV for agricultural land.

2.13.13 The BLVs range above that, from £500,000/ha to £2,200,000/ha, is representative of a mixture of smaller sites garden/amenity land or low value previously developed land (PDL) i.e. 'brownfield' land at the lower end through industrial/employment land to much higher existing uses at the highest benchmark land values tested. Although some sites in most areas could be in existing residential use, underpinning relatively high BLVs, the mid to upper end of that range is most likely to be relevant in some of the main town centre areas with high existing use values and that are suitable for higher density development proposals.

2.13.14 At this point, it is also important to consider the wider context of the types of sites that are planned to come forward over the plan period. Reflecting the information review phase, we understand that a great majority of the proposed development is planned to come forward on greenfield sites.

2.13.15 Taking into account the overall picture of delivery in terms of site type and planned locations, we consider the key BLV levels for reviewing the results range from £250,000/ha for larger scale/strategic greenfield sites to £500,000/ha in respect of smaller releases of greenfield land - amenity/paddocks. Filtering of RLVs using BLVs in the range £500,000 to £2,200,000/ha overall as guides is considered appropriate on PDL, with the range £850,000 to £1,750,000 per hectare reflecting a reasonable typical PDL level of BLV locally for the current strategic purposes - and within that £1,300,000 per ha therefore used amongst the key indicators in overviewing the results - before considering buffering principles. These BLVs levels are not minimums or caps. Lower levels of land value could be appropriate in some scenarios – for example in cases with a very large overall land budget compared with the main development areas. Similarly, in some PDL scenarios we also need to be mindful that EUV plus based BLVs will be higher; hence the overall expanded range as set out below and seen in use across the appended results tables.

2.13.16 Figure 12 below shows, with some explanatory notes, the range of selected BLVs which have been used as viability tests (filters) for the viewing and provision of the results interpretation/judgements – as per the Appendices where these BLV levels are also shown as part of the key or notes to the results tables.

Figure 12: Range of BLVs (Viability Tests)

EUV+ £ per hectare	Notes
£250,000	Greenfield Enhancement - reflecting larger/strategic scale development
£500,000	Garden/amenity land, low-grade PDL (e.g. former community uses, yards, workshops, low grade former industrial etc.)
£850,000	
£1,300,000	PDL - industrial/commercial
£1,750,000	
£2,200,000	Upper PDL/residential land values

(DSP 2025)

2.13.17 It is important to note that all RLV results indicate the potential receipt level available to a landowner after allowing, within the appraisal modelling, for all development costs (as discussed earlier). This is to ensure no potential

overlapping or double-counting of development costs that might flow from assuming land values at levels associated with serviced land ready for development, with planning permission etc. The RLVs and the indicative comparison levels (BLVs) represent a "raw material" view of land value, with all development costs falling to the prospective developer (usually the site purchaser).

2.13.18 Matters such as realistic site selection for the particular proposals, allied to realistic landowner's expectations on site value will continue to be vitally important. Site value needs to be proportionate to the realistic development scope and site constraints, ensuring that the available headroom for supporting necessary planning obligations (securing affordable housing and other provision) is not overly squeezed beneath the levels that should be achieved.

2.13.19 The PPG https://www.gov.uk/guidance/viability#standardised-inputs-to-viability-assessment states the following:

> "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. This approach is often called "existing use value plus" (EUV+).
>
> Benchmark land value should:
>
> - be based upon existing use value.
> - allow for a premium to landowners (including equity resulting from those building their own homes).
> - reflect the implications of abnormal costs; site-specific infrastructure costs; and professional site fees.
>
> Viability assessments should be undertaken using benchmark land values derived in accordance with this guidance. Existing use value should be

informed by market evidence of current uses, costs and values. Market evidence can also be used as a cross-check of benchmark land value but should not be used in place of benchmark land value. There may be a divergence between benchmark land values and market evidence; and plan makers should be aware that this could be due to different assumptions and methodologies used by individual developers, site promoters and landowners.

This evidence should be based on developments which are fully compliant with emerging or up to date plan policies, including affordable housing requirements at the relevant levels set out in the plan. Where this evidence is not available plan makers and applicants should identify and evidence any adjustments to reflect the cost of policy compliance. This is so that historic benchmark land values of non-policy compliant developments are not used to inflate values over time.

In plan making, the landowner premium should be tested and balanced against emerging policies. In decision making, the cost implications of all relevant policy requirements, including planning obligations and, where relevant, any Community Infrastructure Levy (CIL) charge should be taken into account. Where viability assessment is used to inform decision making under no circumstances will the price paid for land be a relevant justification for failing to accord with relevant policies in the plan. Local authorities can request data on the price paid for land (or the price expected to be paid through an option or promotion agreement).”

3 Findings review

3.1 Introduction and overview - Results tables review

3.1.1 The appraisal results generated to inform this assessment and reviewed in order to set out its findings are considered in the sections below. This is approached across three groups – sets of broad circumstances - as follows:

- **Residential scheme typologies as set out in Appendix 2** (Tables 2a – 2m) - representing developments of 5 to 100 dwellings (houses, mixed developments and flats - including sheltered/extra care) typologies. As discussed above, these typologies have been tested across a range of value levels (VLs) and trial CIL charging rates, alongside the current VALP AH policy level (25% AH) applied in full. This approach has produced a set of matrix type displays of scenario tests and the results of those, with each table showing the main variables combinations applied as assumptions. This approach spans both the affordable housing policy threshold (which is at 11+ dwellings in the VALP) and the range of development sizes covered by the two now significantly different s106 cost assumption levels assumed at 10+ compared with 1 to 9 dwellings. S106 assumptions as per 2.12.8 and 2.12.9 above i.e. allowed for at £14,200 and £1,000 per dwelling respectively.

- **Strategic scale development testing as set out in Appendix 3** (Tables 3a – 3e) – representing the range of strategic scale housing-led development that remains to come forward under the VALP allocations – outstanding portions. This testing is more specific, but still high level given the nature of available information at this time. As the above notes and the results table show, these scenarios have been sensitivity tested for the effect the s106 at tested levels of £0, £20,000 and £40,000 per dwelling.

- **Non-residential/commercial typologies as set out in Appendix 4** (Tables 4a – 4k) – representing a range of development types typically assessed and considered potentially relevant in the local circumstances, including various types of retail, offices, industrial / warehousing and distribution, hotel and residential institutional (care/nursing homes – C2). Again, tested across a range of rental value and investment yield assumptions with the same stepped-up trial CIL rates applied as far as the appraisal RLV results indicated

positive viability. It is not necessary to display results where a lack of viability using the stated assumptions quickly points to there being no clear scope for CIL based on the development finances. Owing to likely significantly variability from site to site, these scenarios have been appraised with nil s106 assumed at this stage, and the iterative trial CIL rates testing run on this basis – which reflects DSP's established practice across similar studies.

3.1.2 The residential results tables are displayed by typology and show the key assumptions used within that set. The upper table heading shows the range of VLs tested and the outer vertical column (left side) shows the tested trial CIL rates increasing from top to bottom. With each Appendix 2 Table, the main table section shows the absolute RLVs (appraisal residual land value outcomes in £s) and these are also displayed in £ per hectare (ha) terms beneath the absolute RLVs. These RLV per hectare (£/ha) results are then overlaid with colour shading linked to the BLVs (representing 'viability tests' that are met (or not) by each RLV £ per hectare result) – see Figures 13 and 14 below. The same principles have been used in displaying and 'measuring' the commercial/non-residential results – Appendix 4. The guide colouring presentation varies between greenfield and PDL based typologies but, overall, the boldness of the green colouring highlights the trend within the results once those reach positive areas within each set of scenario tests, showing increasing confidence in outcomes as viability is maintained while a wider range of BLVs are met. The RLVs are seen to increase and meet higher BLVs with increasing development value level (VL) i.e. sale value on completion assumed. They are seen to reduce gradually as the level of the trial CIL charging is increased.

3.1.3 Figures 13 and 14 below represent the BLV range assumed for typical general sites on greenfield land and on PDL, noting garden/amenity land in relation to smaller sites covers a range up to £800,000 per hectare. The background and relevance of the adopted BLV range is discussed in section 2.13 above, with a BLV of £250,000/ha applicable to larger / strategic scale developments (as per the Appendix 3 results) and the higher Greenfield BLV of £500,000/ha used as the main reviewing context for the typologies results (Appendix 2) as far as will be applicable locally.

Figure 13: Illustrative relevance of BLVs – Greenfield

Indicative non-viability	RLV beneath Viability Test 1 (RLV <£250,000/ha)
Potential viability (GF Only) on general (non-strategic) sites. Note: Meeting or exceeding £250k/ha BLV applies to strategic scale testing	Viability Test 2 (RLV £250,000 to £500,000/ha)
Indicative positive viability across GF typologies	Viability Test 3 (RLV >£500,000)

(DSP 2025)

Figure 14: Results 'key' illustrating relative shading for comparing broadly with BLVs – PDL

Indicative non-viability	RLV beneath Viability Test 1 (RLV <£500,000/ha)
Potential viability on low value PDL only	Viability Test 2 (RLV £500,000 to £800,000/ha)
Viable indications - Medium value PDL	Viability Test 3 (RLV £800,000 to £1,300,000/ha)
	Viability Test 4 (RLV £1,300,000 to £1,750,000/ha)
Viability indications - Medium to higher value PDL	Viability Test 5 (RLV £1,750,000 to £2,200,000/ha)
Viability indications - higher value PDL	Viability Test 6 (RLV >£2,200,000/ha)

(DSP 2025)

- The results display for the strategic scale housing developments testing (Appendix 3) differs from that used in for residential typology results. The assumed land value (as per the relevant £250,000 per hectare BLV rate assumed at this stage across the whole noted (gross) site area as part of the prudent approach) is fixed within those appraisals. Therefore, the results displayed for those show the level of available surplus (or deficit in some sensitivity test cases) once the other appraised costs including site-

wide/specific infrastructure works and s106 requirements are considered (tested at £0, £20,000 and £40,000/dwelling and allowing interpolation between results). The results reflect increasing values (VL tests) at the top moving left to right and a range of build cost sensitivity tests shown vertically.

- Although the mode of results display for the non-residential/commercial typologies remains the same as for the residential results at Appendix 2 (i.e. the results tables display the absolute RLVs and RLVs £ per hectare "filtered" as above using the range of BLV 'viability tests'), there are some differences in layout – see Appendix 4.

- The trial CIL rates tested appear at the left side of each table increasing from top to bottom with the range of rental value test assumptions (L, M and H) set out alongside those.

- The results deteriorate as expected from the most positive tests using lower % investment yield through to the highest (least positive) test assumptions in each case - shown from left to right across the top of each table and reflecting the decreasing rental capitalisation rate applied as part of the sensitivity testing, as the % yield tested increases representing reducing security investment prospects.

- The results again are seen to reduce gradually with increasing trial CIL rate tested – the potential scope for CIL is explored through the same incremental approach.

- In the case of positive results (where a positive RLV is produced by the assumptions set) and the viability indications potentially moving from negative to marginal or viable, any such trends can be seen – with any indications of viability then stepping up as increasing annual rental assumptions are used (Lower (L), Medium (M) and Higher (H)). This is particularly the case when applied with the more positive (lower) yield % tests too – a small adjustment in the assumed investment yield often has a significant influence on the result. Improvement is seen with a greater capitalisation factor applied to the rental revenue after cost deductions, all

based on using the range of commercial / non-residential appraisal assumptions as noted in Appendix 1 – Table 1d.

3.2 Residential typologies - results context and discussion
(Appendix 2)

3.2.1 The section below now considers the residential typology, strategic sites, and commercial typology results in turn. In our experience residential development needs to be the main assessment focus for this strategic purpose of informing a CIL Charging Schedule, owing to the level of new housing delivery compared with other developments (both typically and in the N&CB area), the viability of housing development generally; and the likely significance of that contributing to the CIL receipts compared to other development types that are likely to be able to support CIL contributions. Ultimately, the source of potential CIL income will be heavily weighted towards residential development, and this is typical. As noted above, the residential typology appraisal results are set out in tables 2a to 2m by development, representing increasing development size (number of dwellings within the assumed scenario) from 5 Houses to 100 Mixed (houses/flats). This includes particular tests for sheltered housing/retirement living and extra care typologies using adjusted assumptions to reflect the nature of these types of schemes.

3.2.2 For each scenario, the results tables note the adopted VALP affordable housing policy approach that has been taken account of as part of the assumptions, as follows:

- Schemes of 11+ dwellings required to provide 25% affordable housing.
- Sheltered housing schemes are required to provide the same, but extra care and care home developments are not (the effective AH rate for the latter is 0%).

3.2.3 To recap, within each appraisal test we have also appraised the sensitivity of the results to the assumed sales values by varying the value level (VL), representing the complete tested range of new build sales values, across which all tests have been modelled. The range of VLs were discussed at 2.5 above (and see Appendices 1, 2, 3 and 5). However, to summarise briefly, this assumes the VLs cover the range of new build housing sales values expected to be seen across the N&CB area, including in the event of those moving upwards or downwards from more typical current levels in various localities, whether through time and constantly

moving market conditions and/or other changes in circumstances. Within the overall range tested via the VLs, for the results reviewing context for this strategic assessment, we consider the most relevant parts of the overall values (new build house prices) range (see Appendices 1 and 5) to be as follows in regard to considering how a CIL would operate in N&CB:

- Wider range in/around the main two towns: VLs 1 to 6 (£4,000 to £4,500 per sq. m) – the values here are typically lower, on the whole, than are seen elsewhere i.e. in the smaller settlements and rural areas.

- Within that range, typical current new build values overview for the towns of Aylesbury and Buckingham (developments in or adjoining these) and at the edge of Milton Keynes (MK): VLs 1 to 3 (£4,000 to £4,200 per sq. metre). We note, however, that housing supply is focussed on strategic scale development in the MK fringe too, so that the Draft CIL Charging Schedule response at an appropriate proportionate level in that area is likely to be achieved principally via the treatment of strategic sites.

- For CIL setting purposes, in the results review section below (see 3.3 below) we will therefore assume values of around VL2 at £4,100/sq. m, taking a baseline view as a suitable starting point for drilling down into the realistic charging scope in and for allocated sites adjoining the main towns particularly. This is a guide as part of the overall circumstances reviewed for the purposes of considering results within the wider context, and does not represent a limit or other type of fixed assumption.

- Away from the main towns, more representative of the higher values supported elsewhere in N&CB, on the whole: VLs 5/6 to 10 (£4,400/£4,500 to £5,000 per sq. metre). Applying the same principles as above, for the purposes of informing the CIL setting, we will work with a guideline of VL6 values at £4,500/sq. m as broadly representing this wider area as a starting point.

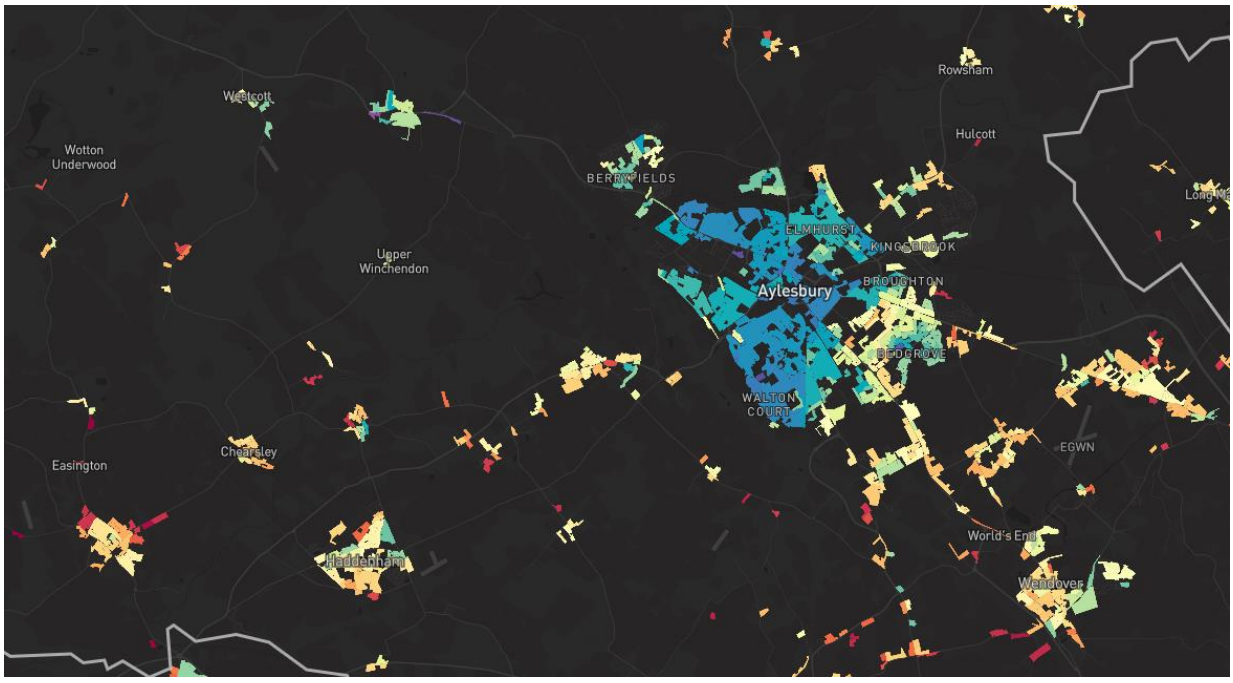
- Whilst generally values are seen to be slightly higher in the central area than the north, again on the whole, this has not been found to a degree that it is a main differential needing to be considered for further potential variation in the charging rates for this proposed new CIL.

- Within and overlapping the above noted general area characteristics, on a N&BC area wide overview basis, new build values at this time may be viewed typically in the range approximately (VL4 to VL8) £4,300 to £4,700 per sq. m. on the whole. There is a spread of values in and around this, with the main patterns and relativities for this purpose as summarised above.

- Overall, looking at the main towns and the rest of N&CB, the results based on values between VLs 2 and 6 have been considered as the most relevant for the CIL rates guiding purpose.

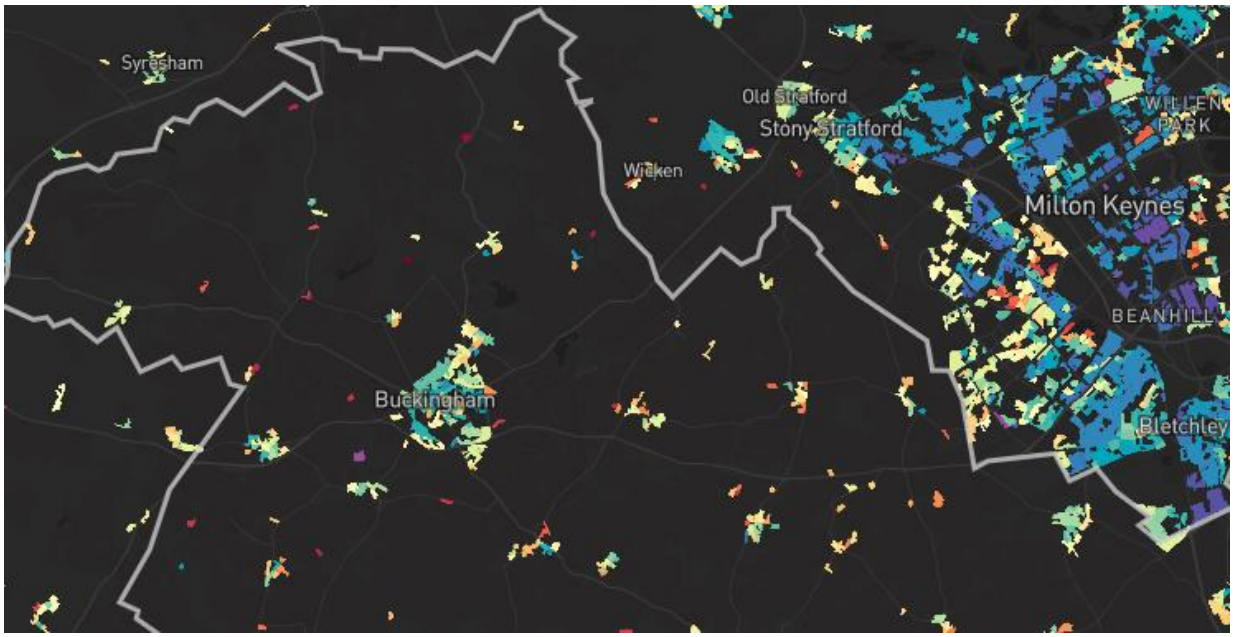
3.2.4 To illustrate the relative concentration generally of a lower tone of values supported by the two main two towns, below we have included example heat mapping extracts sourced from property website Housemetric – Figures 15 and 16. These show the values relativities by way of the coolest colours (purple > blues) running through greens and yellows to the “warmer” and highest “hottest” values for the area (orange > reds).

Figure 15: Aylesbury overview – house prices heat mapping illustration:



Source: Housemetric - Contains HM Land Registry & EPC & OS data © Crown copyright and database right 2024. This data is licensed under the Open Government Licence v3.0. The data were last updated 2026-01-05.

Figure 16: Buckingham/northern area overview – house prices heat mapping illustration:



Source: Housemetric - Contains HM Land Registry & EPC & OS data © Crown copyright and database right 2024. This data is licensed under the Open Government Licence v3.0. The data were last updated 2026-01-05.

3.2.5 It is also worth noting that we can reasonably expect new flats to achieve sales values (viewed in £ per square metre terms) towards the upper end (or potentially above) the typical levels for each locality/area. As a typical finding, we can also expect values generally at premium levels, as assumed, for retirement living (sheltered developments) and extra care housing.

3.2.6 Using the information within Appendices 1 and 5, to help illustrate the general value relativities and patterns taken forward in this exercise, Figure 17 below summarises the market housing sales value levels (VLs) ranges overview:

Figure 17: Values levels (VLs) range overview

<table>
<tr><th colspan="2">Market Value (MV) Housing – Sensitivity Testing of Overall Values Range</th><th colspan="3">Indication of Relationship Between Value Levels (VLs) and Geography Across North & Central Area</th></tr>
<tr><td>VL 1</td><td>£4,000</td><td rowspan="3"></td><td rowspan="4">Typical New Build Values Range Aylesbury / Buckingham / Edge of Milton Keynes (Core range within this currently VLs 1-3)</td><td rowspan="3"></td></tr>
<tr><td>VL 2</td><td>£4,100</td></tr>
<tr><td>VL 3</td><td>£4,200</td></tr>
<tr><td>VL 4</td><td>£4,300</td><td rowspan="6">Typical New Build Values (Core Range) – N&CB overall</td><td rowspan="7">Typical New Build Values Range –

All Other Areas of N&CB</td></tr>
<tr><td>VL 5</td><td>£4,400</td><td rowspan="5"></td></tr>
<tr><td>VL 6</td><td>£4,500</td></tr>
<tr><td>VL 7</td><td>£4,600</td></tr>
<tr><td>VL 8</td><td>£4,700</td></tr>
<tr><td>VL 9</td><td>£4,800</td><td rowspan="3"></td></tr>
<tr><td>VL 10</td><td>£5,000</td></tr>
<tr><td>V 11</td><td>£5,200</td></tr>
</table>

(DSP 2025)

3.2.7 The cost of developing similar sites across the area will be broadly similar. Therefore, how the values vary (with general area relativities/patterns and specific location) can be expected to have a significant influence on viability; as well as the scope of policy impacts and the scheme details.

3.2.8 So, this has involved considering with the Council how this picture of variation to both scheme circumstances and values is likely to interact with the remaining VALP site supply – at an overview rather than a site-specific level i.e. considering the distribution, scale and type of sites still to deliver housing. Following our overview and liaison with BC, we understand the majority of remaining planned housing supply to be from greenfield sites with a smaller ongoing role, overall, for PDL (brownfield) based development (while noting also the ongoing role of "windfall" schemes on previously developed land). Alongside this, we also understand the role of flatted only development (i.e. developments comprising all flats rather than schemes of mixed dwelling types) to also be relatively limited in the overall N&CB delivery context. Although the extent of this form of delivery

moving forward appears uncertain at this point, we understand that all-flatted development could continue to be a meaningful element of the supply. Given the variable viability findings noted both from this assessment and wider experience, this has become important context to consider the relevance of in setting CIL charging rates. The aim here is, as generally is the case, to add layers only as far as necessary from a simple starting basis for a charging schedule. So, look to reflect the main viability differentials that are relevant to how the CIL would operate with the development supply and other the local context. Rather than needing to reflect all the variables and potentially then leading to an unnecessarily complex approach. A more complex and theoretically responsive Charging Schedule might not perform better, overall, in either generating income or reflecting the variable viability of development once viewed across the whole plan picture that is relevant to a CIL.

3.2.9 Consistent with this and supporting the growth associated with the remaining period of the adopted plan, a CIL would be a high-level N&CB area-wide response, set strategically. It is not possible or necessary for a CIL to reflect and respond to all local levels of variation in values or in other matters. Overall, the CIL principles are such that the charging schedule should ideally be as simple as possible, accepting that usually values and other characteristics do not actually respect any particular boundaries in more than a general way. All sites are different and varying values will be seen even within sites.

3.2.10 Nevertheless, in N&CB there are varying characteristics and development constraints/requirements as have been noted above (outlined at 1.1.22 above) which lead to differences in viability and which therefore should be considered via potential differential charging rates as far as appropriate.

3.2.11 The Council does not have to follow these report findings exactly. Rather, it is necessary to be able to show how the evidence has informed the approach to its CIL proposals. Overall, this is about considering the evidence collectively and assessing the CIL in such a way that will strike the appropriate balance for the local area between meeting needs (the desirability of funding infrastructure whilst also looking after affordable housing and other key policy objectives) and the potential effects on the viability of development. The guidance recognises that it is not necessary to consider all potential scenarios. A proportionate approach is appropriate and that there is room for some pragmatism when setting up a CIL.

3.2.12 Figure 18 below shows indicatively how the tested range of trial CIL charging rates appear when expressed as a percentage of sales value i.e. trial CIL rates as a percentage of GDV. DSP often provides this as further background information for clients when considering CIL viability, and we have found it to be informative for the subsequent stages.

Figure 18: Residential trial CIL rates expressed as a percentage of GDV

CIL Rate £/m²	CIL Trial Rates as % GDV										
	VL1	VL2	VL3	VL4	VL5	VL6	VL7	VL8	VL9	VL10	VL11
	£4,000	£4,100	£4,200	£4,300	£4,400	£4,500	£4,600	£4,700	£4,800	£5,000	£5,200
0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
25	0.63%	0.61%	0.60%	0.58%	0.57%	0.56%	0.54%	0.53%	0.52%	0.50%	0.48%
50	1.25%	1.22%	1.19%	1.16%	1.11%	1.11%	1.09%	1.06%	1.04%	1.00%	0.96%
75	1.88%	1.83%	1.79%	1.74%	1.70%	1.67%	1.63%	1.60%	1.56%	1.50%	1.44%
95	2.38%	2.32%	2.26%	2.21%	2.16%	2.11%	2.07%	2.02%	1.98%	1.90%	1.83%
100	2.50%	2.44%	2.38%	2.33%	2.27%	2.22%	2.17%	2.13%	2.08%	2.00%	1.92%
125	3.13%	3.05%	2.98%	2.91%	2.84%	2.78%	2.72%	2.66%	2.60%	2.50%	2.40%
150	3.75%	3.66%	3.57%	3.49%	3.41%	3.33%	3.26%	3.19%	3.13%	3.00%	2.88%
158	3.95%	3.85%	3.76%	3.67%	3.59%	3.51%	3.43%	3.36%	3.29%	3.16%	3.04%
175	4.38%	4.27%	4.17%	4.07%	3.98%	3.89%	3.80%	3.72%	3.65%	3.50%	3.37%
200	5.00%	4.88%	4.76%	4.65%	4.55%	4.44%	4.35%	4.26%	4.17%	4.00%	3.85%
225	5.63%	5.49%	5.36%	5.23%	5.11%	5.00%	4.89%	4.79%	4.69%	4.50%	4.33%
250	6.25%	6.10%	5.95%	5.81%	5.68%	5.56%	5.43%	5.32%	5.21%	5.00%	4.81%
275	6.88%	6.71%	6.55%	6.40%	6.25%	6.11%	5.98%	5.85%	5.73%	5.50%	5.29%
300	7.50%	7.32%	7.14%	6.98%	6.82%	6.67%	6.52%	6.38%	6.25%	6.00%	5.77%
325	8.13%	7.93%	7.74%	7.56%	7.39%	7.22%	7.07%	6.91%	6.77%	6.50%	6.25%
350	8.75%	8.54%	8.33%	8.14%	7.95%	7.78%	7.61%	7.45%	7.29%	7.00%	6.73%
375	9.38%	9.15%	8.93%	8.72%	8.52%	8.33%	8.15%	7.98%	7.81%	7.50%	7.21%
400	10.00%	9.76%	9.52%	9.30%	9.09%	8.89%	8.70%	8.51%	8.33%	8.00%	7.69%
425	10.63%	10.37%	10.12%	9.88%	9.66%	9.44%	9.24%	9.04%	8.85%	8.50%	8.17%
450	11.25%	10.98%	10.71%	10.47%	10.23%	10.00%	9.78%	9.57%	9.38%	9.00%	8.65%
475	11.88%	11.59%	11.31%	11.05%	10.80%	10.56%	10.33%	10.11%	9.90%	9.50%	9.13%
500	12.50%	12.20%	11.90%	11.63%	11.36%	11.11%	10.87%	10.64%	10.42%	10.00%	9.62%

(DSP 2025)

3.2.13 In this case, it is important to note, however, that with s106 assumed at a significant level of £14,200/dwelling in the tested typology scenarios at 10 and more (up to and including 100) dwellings, much of the scope that represents a suitable proportional approach to CIL rate(s) setting is effectively already taken up by the s106 requirements. It follows that in this case the above secondary information is likely to be more directly informative and a more useful check of the realistic CIL charging rates scope on developments of 1 to 9 dwellings, where there is a s106 contingency at £1,000/dwelling applied and therefore the CIL cost would be taking up almost the entire scope (% GDV) that this checking layer suggests.

3.2.14 This further information does not represent additional viability testing, but in our view may be useful as purely a general “health-check” or further guide to help make sure the proposed charging rates are not set too high – i.e. reflect substantial buffering. DSP’s view over many years experience of setting robust CIL charging rates is that realistic rates should not usually exceed a range of approximately 3%

to 5% or maximum say 6% of GDV as an indication of likely parameters. This is distinct from viability testing and does not take in account variable policy costs etc. However, after considering a suitable level of buffering (as discussed above) from the viability tested parameters and theoretical maximum rates across the wide range of scenarios, in our experience reference to these principles as a further check will generally assist in settling judgements and refining ideas towards suitable charging rates. Further context here is the previously mentioned fixed nature of CIL charging and, on the other hand, the scope to use s.106 alongside it where appropriate (and which will be variable in practice).

3.2.15 When viewed in this additional context, we can see that – subject to the viability tested scope for CIL – a charging rate in excess of £200 to 250 per sq. m. in some circumstances becomes a relatively high proportion of development value (or proportion of costs if that measure is used). Beyond such levels it is likely to have, in a fixed way, a significant impact relative to the cost of some other development requirements and assumptions; or indeed when looking at scale of its effect compared with usual movements in development values and costs. As noted above, this can only be an additional guide and is subject to the full viability testing carried out as part of this study. In reviewing our full range of results (see the following section) it will be possible to see how the viability tested outcomes compare with these indications.

3.2.16 Sample appraisal summaries are included as a second part to the results Appendices. The appraisals are too numerous to include all such summaries, or even a wide range of them. The aim of including the examples is to further illustrate the structure of the residual calculations (methodology approach) and their content in summary form. The examples included are generally selected to reflect the testing of development types that are showing sufficient viability to support positive CIL charging (residential and non-residential as far as relevant). This again reflects our established and accepted practices as have been run throughout this assessment work.

3.3 Residential typology findings review and analysis (Appendix 2)

3.3.1 It is worth noting that outside of the operation of the market itself, and so assuming market conditions supporting development activity and a base level of scheme viability, affordable housing (AH) provision is consistently one of the most significant influences on development viability. Typically, it has a much greater impact than CIL charging, for example. This is because the cost of building affordable homes is

broadly the same as the market homes, but they produce only approximately half the development revenue overall, assuming mixed tenure affordable housing including rented (as is the case here). As has been set out within the assumptions, the AH policy impact has been reflected amongst the cumulative costs of development.

3.3.2 There are of course some schemes that inherently may not be able to support the collective policy requirements in any event; they may not be viable by normal measures either prior to or following the introduction of CIL alongside the cumulative effect of other policy costs and requirements. Lower or struggling viability on these types of sites and schemes is highly unlikely to be solely due the effects of any CIL charging. Usually this will be more closely associated with a range of other factors such as market conditions, site selection/existing use value, scheme design, construction/specification, abnormal costs, requirements for affordable housing or other wider planning objectives.

3.3.3 Although the NPPF places greater emphasis on settling viability related matters at plan-making stage, in our consistent experience an important role still remains for viability review at planning application (decision taking i.e. development management) stage, where issues arise, so that some level of prioritisation may be required from a policy perspective (although noting again that once it is in place, CIL is non-negotiable).

3.3.4 When viewed overall, while also keeping in mind the values context in the N&CB area and the VALP AH Policy H1 approach which relates to it, greenfield development has the potential to support positive or very positive viability outcomes with the affordable housing policy approach (25% AH) fully applied. However, as discussed fully below, a more mixed or challenging viability picture is seen on reviewing the viability prospects for PDL sites. This is seen regularly across our wider experience, and even more so in the case of all-flatted development scenarios, as above. From our review those can be expected to often support much lower levels of viability owing to the typically higher development costs (including higher land value), unless very high development values are relevant. Broadly, developments of all flats appear to be around the ‘cusp’ of viability or support much tighter outcomes in most cases. This reflects very limited CIL scope from many of these schemes, with the cumulative development and policy costs considered.

3.3.5 Throughout the assessment, the prudent assumptions and approach ensure that viability is not taken to near to the margins to support CIL rates findings – as guided by the PPG. Allied to this and as noted within the guidance, we have given consideration to the principle of "buffering", which means significant stepping back from the theoretical maximum CIL charging rates indicated is appropriate. Our core testing process set out in the typologies results tables (Appendix 2) reviews trial rates of up to £500 per sq. m. to 'control' the scope of data displayed. While in some cases this display of results stops short of the theoretical maximum charging rates that appear possible, from experience we consider the realistic CIL setting scope lies well within this core range of trial rates tests.

3.3.6 The instances where the 'theoretical maximum' CIL rate scope reaches or goes beyond the upper 'core' test rate of £500 per sq. m are mainly on greenfield sites. As above, this exercise again assists with the review we must make at this strategic level and the wider consideration of the suitable charging rates scope.

3.3.7 A 'buffer' factor is essentially arbitrary and is intended only as a guide aimed at keeping well within the margins of viability – it need not be at a set level or adhered to rigidly as there is a judgement-based element to this, and the viability assessment work does not have to be followed precisely in any event. There is no specific amount or level of buffering stated to be appropriate – relevant guidance is silent on this point. The level of buffer applied is subject to a range of factors including but not limited to the development scheme, land use (site type), values, build costs etc. As above, a judgement is required. For this assessment, broadly we have assumed a buffer range that results in suggested charging rates at up to approximately 70% of the theoretical maximum rates. So, generally a minimum buffer of 30%. The ultimately suggested CIL charging rates scope recommended for BC's consideration in most cases falls well within that level of buffering (much of the buffering is greater), with the recommendations steering away from the margins of viability.

3.3.8 With this in mind, the results review below will explore the scope for CIL to be supported by the range of typologies (development types) considered, with the suggested charging rates set out reflecting significant buffering overall from the theoretical maximum rates that are accommodated by the reported RLVs. Having considered and reflected the key viability differentials, regardless of a notable positive influence from having no affordable housing required on the smallest

developments (in this case of fewer than 11 dwellings under VALP Policy H1) any considered differential (i.e. potentially higher) charging rate reflecting this factor should no longer be part of a CIL on non-major developments. This is according to national policy at this time (as per the noted WMS and PPG updating). However, this does not mean that other clear differentials by scale of development/scheme size threshold cannot be reflected in a CIL Charging Schedule approach. In this case, the large increase in the s106 levels expected to apply at 10+ dwellings is likely to be a key differential element in settling suitable charging rates here.

3.3.9 As well as the suitable setting of assumptions and buffering, there are other factors to bear in mind when considering CIL charging rates that are not likely to be too high in practice, given the characteristics of the development process and the fixed nature of a CIL. These are interlinked in the context of cumulative development costs and include the following:

- S.106 can be used appropriately alongside CIL. This has been allowed for in this assessment for the N&CB area, applying the assumption of £14,200 per dwelling across most typologies tested (reflecting 10 + dwellings) and a much lower level of £1,000 per dwelling as a contingency alongside a likely more significant CIL charge on 1 to 9 dwellings schemes – assumptions as noted above and in Appendix 1 Table 1b.

- Avoiding too much/undue additional pressure on affordable housing policy delivery will usually be a key aim.

- Development requirements/standards and the associated costs have been and are rising, certainly even relative to those considered when the adopted VALP was conceived. These matters are all outlined above and noted within Appendix 1 but include climate change response/sustainable construction (carbon reduction/energy efficiency), accessibility, BNG and the like. In summary, the trend is of an increasing range and depth of matters for developments to address. Also topical in this respect is the forthcoming Building Safety Levy (BSL) due to take effect from October 2026 which, although in itself a relatively small additional cost in itself, nevertheless will also contribute to the cumulative costs of development. Accordingly, in our view the BSL cost should be reflected in the decisions on CIL rate(s) setting,

and this has been included as an appraisal cost input throughout, therefore. The BSL cost is assumed at the locally advised rates of £38.78/sq. m for greenfield developments and £19.39/sq. m for PDL developments in this case.

- In N&CB, within the Chiltern Beechwoods SAC zone of influence there is a notable additional cost impact of development mitigation – as is reflected in this assessment.

- While the aim is first to introduce the CIL in N&CB to create more certainty over a level of infrastructure funding from a spread of developments, in our view it is also relevant to consider that a new Local Plan is emerging for the wider area (whole of) Buckinghamshire. That can be expected to include an updated strategy and policies. In general terms, it appears appropriate to look to set a CIL now which will have a reasonable prospect of working appropriately, looking ahead. This is not to say that a CIL set up short term would not be subject to review allied to the new LP, however.

3.3.10 In reviewing as below generally, it will be seen that the numerous typologies and tests lead to a wide range of individual appraisal based outcomes. However, that sets the scene for the reviewing, in the knowledge of the breadth of results. For setting suitable CIL rates across all of this, judgements have to be made based on the key themes and sensitivities that are drawn out by this exercise. While a range of figures result, and overview is both needed and appropriate. The remaining report sections reflect this.

3.3.11 **Scenarios represented by typologies of up to 100 dwellings (non-strategic development) – Greenfield Sites** (see Appendix 2 – Tables 2a to 2k overall)

3.3.12 As discussed above, with a significant proportion of the remaining LP new dwellings supply coming forward on greenfield sites we have assessed a range of greenfield-based development typologies as well as considering the key supply source of continued VALP development at strategic scale (latter as per Appendix 3). The typologies represent modest scale housing (only) schemes, tested to also reflect the VALP policies and updated national requirements since assessing viability for the VALP. On this basis, we assume the typical BLV of £500,000/ha reflecting smaller-scale development sites (non-strategic level sites without large

on-site infrastructure requirements) as the most appropriate benchmark for this set of results analysis.

3.3.13 Table 2a - 5 houses on GF. It can be seen that the maximum CIL charging scope could be as much as around £450 to £500/sq. m i.e. at and potentially beyond the top end of the trial rates range tested.

Figure 19: Max CIL scope and buffering back by stated % – 5 houses on GF

TARGET BLV	£500,000			
		MAX CIL RATE	BUFFERED 30%	BUFFERED 50%
Value Level 1	£4,000	450	315	225
Value Level 2	£4,100	500	350	250
Value Level 3	£4,200	500	350	250
Value Level 4	£4,300	500	350	250
Value Level 5	£4,400	500	350	250
Value Level 6	£4,500	500	350	250

(DSP 2025-2026)

3.3.14 After buffering is taken into account, this points to CIL scope of approximately £250 to £350/sq. across the N&CB area. Beyond the lower end of this range, however, CIL charging would represent a high proportion of GDV (with reference to Figure 18 above) and in our experience going to the upper levels suggested by these parameters might be unsustainable. £250/sq. m would represent between approximately 5.4% and 6% GDV, for the typically lower and higher value areas.

3.3.15 Table 2 b – 9 houses on GF. These results are very similar to table 2a and would support the same findings and guide parameters as noted above.

3.3.16 Table 2c – 11 houses on GF. In this scenario all the RLVs are seen to have reduced significantly compared with the above, as both the AH policy and the significantly higher s106 assumption applicable to major developments taking effect. The typically lower value areas are indicated as supporting maximum CIL charging of approximately £175/sq. m while in the typically higher values areas a similar maximum theoretical scope of approximately £500/sq. m results.

Figure 20: Max CIL scope and buffering back by stated % - 11 houses on GF

TARGET BLV	£500,000			
		MAX CIL RATE	BUFFERED 30%	BUFFERED 50%
Value Level 1	£4,000	100	70	50
Value Level 2	£4,100	175	122.5	87.5
Value Level 3	£4,200	275	192.5	137.5
Value Level 4	£4,300	350	245	175
Value Level 5	£4,400	425	297.5	212.5
Value Level 6	£4,500	500	350	250

(DSP 2025-2026)

3.3.17 This points to this scenario supporting CIL charging rates of approximately £88 to £123/sq. m in the localities that typically support lower values (relatively) a range £250 to £350/sq. m in the typically higher value areas. So there is a key switch, with the viability scope for CIL reducing as the greater s106 burden applies.

3.3.18 Table 2g. The 50 mixed dwellings on GF testing produces a slightly lower but broadly similar tone of results.

Figure 21: Max CIL scope and buffering back by stated % - 50 mixed on GF

TARGET BLV	£500,000			
		MAX CIL RATE	BUFFERED 30%	BUFFERED 50%
Value Level 1	£4,000	75	52.5	37.5
Value Level 2	£4,100	150	105	75
Value Level 3	£4,200	225	157.5	112.5
Value Level 4	£4,300	300	210	150
Value Level 5	£4,400	375	262.5	187.5
Value Level 6	£4,500	450	315	225

(DSP 2025-2026)

3.3.19 This results set points to buffered CIL charging in the range £75 to £105/sq. m in the typically lower value areas and £225 to £315/sq. m in the typically higher value areas.

3.3.20 As a means of initially viewing the broad effect of the SAC zone of influence mitigation costs on the CIL charging scope, further sensitivity testing was run at an earlier stage. Based on the assumptions used for this at the time, at results Table 2h (compared with 2g) we could see the CIL charging scope reducing as per the following indications – Figure 22 below. Initially this lead to consideration of an

adjustment factor of up to around £100/sq. m in the CIL charging scope in the affected zone. However, the additional cost per dwelling assumption (£7,566) applied in this further test run has been superseded as noted. We have retained rather than removed the information, for background.

Figure 22: Max CIL scope and buffering back by stated % - 50 mixed on GF (Initial sensitivity test for information – SAC)

TARGET BLV	£500,000			
		MAX CIL RATE	BUFFERED 30%	BUFFERED 50%
Value Level 1	£4,000	0	0	0
Value Level 2	£4,100	75	52.5	37.5
Value Level 3	£4,200	150	105	75
Value Level 4	£4,300	225	157.5	112.5
Value Level 5	£4,400	300	210	150
Value Level 6	£4,500	375	262.5	187.5

(DSP 2025)

3.3.21 In this instance, we saw the maximum CIL scope reduce to approximately £75/sq. m and the buffered range from £38 to £53/sq. m as above in the typically lower value areas, and £188 to £263/sq. m in the typically higher value localities. Subsequently, to consider this proportionately, based on assumed dwelling sizes it has been calculated that a minus £80 per sq. m adjustment to (reduction from) the wider CIL rates proposed (outside the zone of influence) would appropriately reflect (broadly balance out) the SAC mitigation cost where relevant. This also reflects the effect of the cost of CIL being carried by the market and not affordable homes (i.e. 75% of dwellings in a scheme after VALP Policy H1). An example calculation reflecting a housing typology with an average dwelling size of approximately 100 sq. m bearing a SAC mitigation cost of £6,022 is noted within Appendix 1 (Table 1b). An equivalent example calculation shows a higher CIL cost set off in the case of an apartments scheme, given the smaller floor areas, but this approach provides a baseline from which we can indicate the remaining CIL scope once this has been deducted from the recommended general (outside zone of influence) rates in various circumstances.

3.3.22 Table 2k. The 100 mixed dwellings on GF scenarios produce slightly lower but generally similar results on comparing with the 50 mixed set (Table 2g, discussed above) – see Figure 23 below.

Figure 23: Max CIL scope and buffering back by stated % - 100 mixed on GF

TARGET BLV	£500,000			
		MAX CIL RATE	BUFFERED 30%	BUFFERED 50%
Value Level 1	£4,000	50	35	25
Value Level 2	£4,100	125	87.5	62.5
Value Level 3	£4,200	200	140	100
Value Level 4	£4,300	275	192.5	137.5
Value Level 5	£4,400	350	245	175
Value Level 6	£4,500	425	297.5	212.5

(DSP 2025-2026)

3.3.23 Accordingly (compared with the commentary at 3.3.19) and based on theoretical maximum charging scope of approximately £125/sq. m in the typically lower value areas, this results set points to buffered CIL charging in the range £63 to £105/sq. m in the typically lower value areas. Based on maximum scope of approximately £425/sq. this means buffered charging scope in the range £213 to £298/sq. m in the typically higher value areas.

3.3.24 Overviewing the outcomes and commentary above representing varying scale and type of development on greenfield (GF) land, we propose that sustainable CIL charging could take place at up to £250/sq. m on schemes of fewer than 10 dwellings (the point beyond which s106 will be likely to increase significantly, and other costs also take effect, all as noted above). We suggest that a suitable charging rate should not be taken beyond this. Also considering % GDV as a secondary guide, £250/sq. m would be equivalent to approximately 5.4% to 6% of the GDV assumptions upon which we are proposing recommendations. It would represent a buffering factor of approximately 50% from the maximum theoretical charging scope.

3.3.25 For developments on GF which are expected to support the significantly higher s106 costs (i.e. of 10+ dwellings) the results are varied by test scenario (tested between 11 and 100 dwellings) and as above more of an overview needs to be made in coming to a judgment. We consider that the charging rate or rates should be placed well within the workable parameters bearing in mind both the fixed nature of CIL charging and the level of s106 that might be sought alongside a CIL. In any event these scenarios point to a larger differential between the scope in the typically higher and lower value areas, which in our view the Council should consider reflecting in the Charging Schedule. This would result in CIL charging at

say £80/sq. m in the typically lower value areas (on GF sites of 10+ dwellings) and in the typically higher value areas (where less development is planned) not more than £200/sq. m. Looking at %GDV again purely as a secondary guide check, this would place the CIL charging rates at levels that are unlikely to unduly affect the viability of development on the whole.

3.3.26 In summary, GF residential charging rates suggested based on but not exceeding the following:

- **£250/sq. m – housing developments of fewer than 10 dwellings on GF (all areas)**
- **£80/sq. m – housing developments of 10 or more dwellings on GF in the typically lower value areas.** We suggest this could apply only to Aylesbury and Buckingham towns plus any adjacent non-strategic sites. Although the Milton Keynes fringe area typically also supports lower values, and these can be amongst the lowest seen in N&CB, much of the planned development there is strategic in scale (exceeding 400 new dwellings) and therefore a lower rate is not necessary for CIL purposes outside those developments. It is also the case that on moving away from the built up area, higher rural and village values would start to be seen. If a line were to be drawn for a lower rate zone there, in our view this could become arbitrary and also create a false “cliff-edge” effect within the charging regime. This context was noted at 1.1.22 above.
- **£200/sq. m – housing developments of 10 or more dwellings on GF - all other areas** of N&CB (typically higher value overall)
- In cases where the **SAC zone of influence** impacts, we would expect to see a **reduction in the prevailing CIL charging rates of approximately £80/sq. m** in each case to reflect and broadly balance the SAC mitigation cost effect.

3.3.27 **Scenarios represented by typologies - PDL Sites** (see Appendix 2 – Tables 2a to 2j overall)

3.3.28 As discussed above, we understand that PDL development has a likely less prominent role in the ongoing site supply picture overall, with the majority of the planned supply to continue to come from greenfield sites. However, the role of PDL including from windfall development remains a relevant factor here in

considering CIL setting parameters. How the site supply may progress or evolve, including an assumed continued PDL element, is wider context both in looking towards the emerging new BC wide Local Plan and in the meantime.

3.3.29 Therefore, we have tested PDL typologies representing a range of potential development types from smaller-scale housing schemes through to the medium scale mixed (houses and flats) and a narrower scope of all-flatted (flats only) schemes. In the N&CB context, we assume these types of schemes are most likely to come forward within the main town centres or wider urban areas, or potentially in other larger settlements. There may also be instances of PDL redevelopments in smaller settlements or the countryside. On this basis, the results filtering assumes BLVs from £800,000 to £2.2m per hectare representing a range of different existing uses. Within that, upon further review we have considered it prudent to assume a BLV of at least £1.3m/ha for this strategic purpose of guiding CIL setting and will review the results below in the context of the £1.75m/ha BLV.

3.3.30 As above, we will assume VL2 values for considering viability for CIL setting purposes in the likely most relevant typically lower value areas. This again represents a suitable high-level overview of values at the two main towns of Aylesbury and Buckingham and while noting broadly similar values supported by the Milton Keynes fringe area, although as noted most development in that part of the north will continue to be at strategic scale. This is relative to the other areas of N&CB on the whole, again broadly represented by VL6 overall. Again, as above, the Figure 18 context on the general relationship between CIL charging rates and typical values in an area will be useful to keep an eye on.

3.3.31 The testing scope also includes typologies using adapted assumptions and representing high quality older persons accommodation – sheltered/retirement living and extra care housing envisaged primarily in the form of apartments schemes tailored to needs.

3.3.32 Overall, our results analysis indicates a likely relatively challenging viability picture in a range of PDL scenarios and especially so for flatted only (all flats) development. This is a common finding in our experience, given the typical characteristics of PDL sites and the often weaker value:cost relationship, due to higher levels of development cost further compounded by typically higher existing

use (site) values. Flatted development will be discussed in more detail further below, with DSP finding that a differential should be considered. This will be carried through to our recommendations on the CIL charging approach.

3.3.33 Table 2a. Following the same principles in overviewing results, the 5 houses typology on PDL suggests reduced maximum theoretical CIL scope of not more than £100/sq. m in the typically lower value areas, which then buffered back indicates a potentially suitable rate of £50 to £75/sq. m. Moving to the typically higher value areas, based on maximum scope of approximately £325/sq. m this indicates potential charging scope in the range approximately £163 to £228/sq. m. Indications as per Figure 24 below.

Figure 24: Max CIL scope and buffering back by stated % - 5 houses on PDL

TARGET BLV	**£1,750,000**			
		MAX CIL RATE	**BUFFERED 30%**	**BUFFERED 50%**
Value Level 1	£4,000	25	17.5	12.5
Value Level 2	£4,100	100	70	50
Value Level 3	£4,200	100	70	50
Value Level 4	£4,300	175	122.5	87.5
Value Level 5	£4,400	250	175	125
Value Level 6	£4,500	325	227.5	162.5

(DSP 2025-2026)

3.3.34 Table 2b. A similar tone of results is seen from the 9 houses scenario testing. This typology viewed against the assumed £1.75/ha PDL BLV again suggests maximum theoretical CIL scope of not more than £50/sq. m in the typically lower value areas, which then buffered back indicates a potentially suitable rate of £25 to £35/sq. m. Moving to the typically higher value areas, based on maximum scope of approximately £300/sq. m this indicates potential charging scope in the range approximately £150 to £210/sq. m. Indications as per Figure 25 below.

Figure 25: Max CIL scope and buffering back by stated % - 9 houses on PDL

TARGET BLV	£1,750,000			
		MAX CIL RATE	BUFFERED 30%	BUFFERED 50%
Value Level 1	£4,000	1	0.7	0.5
Value Level 2	£4,100	50	35	25
Value Level 3	£4,200	50	35	25
Value Level 4	£4,300	125	87.5	62.5
Value Level 5	£4,400	225	157.5	112.5
Value Level 6	£4,500	300	210	150

(DSP 2025-2026)

3.3.35 Table 2d. Including the higher s106 (as well as the affordable housing for the first time) in the scale of tests, the results for 11 houses on PDL point to no CIL scope in either the typically lower or higher value areas (see Figure 26 below) unless a low end BLV is assumed, if strictly interpreted.

Figure 26: Max CIL scope and buffering back by stated % - 11 houses on PDL

TARGET BLV	£1,750,000			
		MAX CIL RATE	BUFFERED 30%	BUFFERED 50%
Value Level 1	£4,000	1	0.7	0.5
Value Level 2	£4,100	1	0.7	0.5
Value Level 3	£4,200	1	0.7	0.5
Value Level 4	£4,300	1	0.7	0.5
Value Level 5	£4,400	1	0.7	0.5
Value Level 6	£4,500	1	0.7	0.5

(DSP 2025-2026)

3.3.36 The relationship between the RLVs and BLV is not sufficiently improved area wide when looking at the £1.3m/ha BLV, as Figure 27 below illustrates. Here there appears to be a maximum of approximately £150/sq. m scope (£75 to £105/sq. m after buffering), but with this reliant on the lower BLV in our view it might not be sustained consistently enough alongside the affordable housing and the potential s106 levels, bearing in mind the fixed nature of CIL charging.

Figure 27: Max CIL scope and buffering back by stated % - 11 houses on PDL (comparing effect of alternative BLV at £1.3m/ha)

TARGET BLV	£1,300,000			
		MAX CIL RATE	BUFFERED 30%	BUFFERED 50%
Value Level 1	£4,000	1	0.7	0.5
Value Level 2	£4,100	1	0.7	0.5
Value Level 3	£4,200	1	0.7	0.5
Value Level 4	£4,300	1	0.7	0.5
Value Level 5	£4,400	50	35	25
Value Level 6	£4,500	150	105	75

(DSP 2025-2026)

3.3.37 Table 2e. Assessing the 20 flats PDL typology indicates nil CIL charging scope (alongside the AH and s106) in any scenario, with any of the range of PDL BLVs applied.

3.3.38 Table 2f. The 30 mixed dwellings on PDL tests show a more favourable picture with the envisaged scheme only containing a proportion of flats. As Figure 28 below indicates, the lower value scenarios do not support CIL charging based on the assumptions made, but there may be some scope from such a scheme in the typically higher value areas. The indications are that in those localities maximum charging scope of approximately £175/sq. m could support buffered rates of approximately £88 to £123/sq. m.

Figure 28: Max CIL scope and buffering back by stated % - 30 mixed on PDL

TARGET BLV	£1,750,000			
		MAX CIL RATE	BUFFERED 30%	BUFFERED 50%
Value Level 1	£4,000	1	0.7	0.5
Value Level 2	£4,100	1	0.7	0.5
Value Level 3	£4,200	1	0.7	0.5
Value Level 4	£4,300	25	17.5	12.5
Value Level 5	£4,400	100	70	50
Value Level 6	£4,500	175	122.5	87.5

(DSP 2025-2026)

3.3.39 Following the above principles, again we would see some charging scope if a lower BLV at say £1.3m/ha were to be relied upon. This (as per Figure 29 below) leads to maximum theoretical scope at approximately £350/sq. m in the higher value localities, and buffered indications therefore of £175 to £245/sq. m charging

potential, again noting this to be reliant on a lower BLV. It is then interesting to note that in the typically lower value area very limited scope of less than £20/sq. m would be accommodated given the maximum of £25/sq. m and again noting this is dependent on the £1.3m/ha BLV level rather than the higher test that we suggest aligning the proposals to here.

Figure 29: Max CIL scope and buffering back by stated % - 30 mixed on PDL (comparing effect of alternative BLV at £1.3m/ha)

TARGET BLV	£1,300,000			
		MAX CIL RATE	BUFFERED 30%	BUFFERED 50%
Value Level 1	£4,000	1	0.7	0.5
Value Level 2	£4,100	25	17.5	12.5
Value Level 3	£4,200	100	70	50
Value Level 4	£4,300	175	122.5	87.5
Value Level 5	£4,400	250	175	125
Value Level 6	£4,500	350	245	175

(DSP 2025-2026)

3.3.40 In our view it would be prudent to consider the lower of the rates scope parameters in these circumstances, again because of the fixed nature of CIL charging and therefore potential impact on other planning objectives were it to be put in place at too high a level. Whilst CIL Charging cannot be and does not need to be guaranteed as workable alongside all other requirements in every instance, it should be workable across the planned development as a whole (Local Plan strategy and sites) rather than unduly impact too often, which would suggest it has been set too close to the margins of viability. In our view, the PDL scenario results that are workable only with an adjusted BLV assumption compared with others, for example, are a case in point. Overall, BC should consider setting rates in this mode.

3.3.41 Table 2i. 50 mixed dwellings on PDL. These tests indicate maximum theoretical CIL scope and then buffered scope as per Figure 30 below, which is the same as seen at Figure 28. Again, the lower value scenarios do not support CIL charging based on the assumptions made, but there may be some scope from such a scheme in the typically higher value areas – as above.

Figure 30: Max CIL scope and buffering back by stated % - 50 mixed on PDL

TARGET BLV	£1,750,000			
		MAX CIL RATE	BUFFERED 30%	BUFFERED 50%
Value Level 1	£4,000	1	0.7	0.5
Value Level 2	£4,100	1	0.7	0.5
Value Level 3	£4,200	1	0.7	0.5
Value Level 4	£4,300	25	17.5	12.5
Value Level 5	£4,400	100	70	50
Value Level 6	£4,500	175	122.5	87.5

(DSP 2025-2026)

3.3.42 Again, with all the variable factors involved and the variations likely to be scheme specific, in our experience it should be possible to select a suitable charging rate that is broadly workable, as is appropriate, across a range of circumstances if not set too high – bearing in mind these parameters and in this case keeping within them, we suggest.

3.3.43 Overall, in summary, PDL residential charging rates suggested based on but not exceeding the following:

- **£50/sq. m – housing developments of fewer than 10 dwellings on PDL (in typically lower value areas** – established as N&CB CIL relevant to Aylesbury and Buckingham towns)
- **£180/sq. m – housing developments of fewer than 10 dwellings on PDL elsewhere** (in typically higher value areas – i.e. away from Aylesbury and Buckingham)
- **£0/sq. m – housing developments of 10 or more dwellings on PDL in the typically lower value areas** (as above)
- **£100/sq. m – housing developments of 10 or more dwellings on PDL elsewhere** (typically higher value areas as above).
- In cases where the **SAC zone of influence impacts**, we would again expect to see a **reduction in the prevailing CIL charging rates of approximately £80/sq. m** in each case to reflect and broadly balance the additional cost – SANG and SAMM. This balancing adjustment would leave the only CIL charging scope from PDL housing sites of 10 + dwellings being in the typically higher value areas.

3.3.44 Reflecting the above, it is appropriate to consider more closely a subset of PDL development, being schemes of flats only. In connection with the flatted (only) tests (as opposed to mixed dwellings schemes including some flats), we often observe reduced viability, unless relatively high sales values are available to support the typically higher development costs. This is a common theme in the assessment of viability in planning, which we see quite frequently on a wide range of projects including in the context of planning application stage viability assessment. However, there is a distinction that needs to be made between wholly flatted development and flats forming a (usually smaller) proportion of a wider mixed scheme of houses and flats. We find mixed schemes including a proportion of flats to be a different (more balanced and positive) prospect in viability terms, as above, viewed as a whole. We would generally expect all-flatted schemes to come forward on PDL sites (unless forming part of a larger mixed development, as above). The results for these schemes clearly represent typically much more challenging viability scenarios than both the houses and mixed typologies. When assessed with the policy levels of affordable housing, we can see how sensitive the results are to lower values – viability appears to be typically under pressure even before CIL cost is applied (i.e. with nil CIL). The characteristics of a PDL site type discussed above are a key factor in the viability scope presented here, and in our view, this is going to need consideration of differential CIL rating treatment.

3.3.45 Based on our experience, we acknowledge there are scenarios where flatted development can and does come forward viably. This could be due to several factors but largely attributed to sales values at the upper end of the VL range as discussed above, or potentially on a site having a lower existing use value i.e. garden/amenity land (classified as greenfield) or lower value PDL such as a redundant community or low-key commercial use. There are a range of different scenarios and combination of assumptions that could come together to support some more positive viability prospects, capable of supporting some infrastructure requirements, which can also be addressed where needed via the existing mechanism alongside a CIL for this area. The generally poor or at best patchy nature of viable scheme outcomes with the policy and other costs applied, and these being highly sensitive to the value and cost assumptions changing, erode the scope for a general charging rate at a meaningful level approaching the others discussed above.

3.3.46 Although in some scenarios flatted (only) development on greenfield land (with low existing use value e.g. garden or amenity land, or paddocks/agricultural) could sufficiently support a modest level of CIL, the incidence of such development is thought likely to be very low. In our experience, flatted development on greenfield sites tends to come forward as part of a larger mixed scheme with houses, which typically will be more viable overall in any event as the mixed dwellings typologies results show. However, looking at this further, our results analysis indicates no clear scope to support a typical CIL charging rate on a reliable and consistent basis. When forming part of strategic scale development (beyond the general typologies scope), and which provides significant infrastructure, it is appropriate that this would be treated as part of the wider scheme. Strategic scale development is considered separately below.

3.3.47 Overall, it is clear that flatted development faces some challenging viability prospects unless able to rely on stronger than typical sales values – towards or at the higher ends of our assumed VLs ranges, and/or sites in low value existing uses. With this in mind, following the discussion above, we consider that overall, a marked differential should be considered by BC for flats as part of any charging schedule. The indications are that all-flatted schemes (developments of flats only) should be considered for nil-rating (charging at £0/sq. m) in all circumstances (example at results Table 2e in Appendix 2). In our view, a nil rate is most likely going to be appropriate for N&CB with a view to striking the appropriate balance between viability and infrastructure funding. These findings should not be taken to mean that flatted schemes will not come forward viably per se – we are reporting here on CIL viability testing factors, nuances and findings and also commenting from wider experience.

3.3.48 The provision of **older persons housing** has been identified as a type of development that may come forward in the Buckinghamshire Council context. We have included two such typologies representing both sheltered (often known as ‘retirement living’) and extra care apartments development.

3.3.49 These schemes come with a number of particular characteristics assumptions on development values and costs but most notably incorporating increased communal areas (non-saleable floorspace - to 25% and 35% respectively), larger apartment sizes, adjusted rates of sales (sales timings) and allowance for empty property costs pending full buy-in to the provided services. At 30 and 60

apartments, these typologies also reflect development at potentially around the minimum scale that might typically be pursued commercially in our experience (including undertaking a wide range of site-specific reviews of such scheme proposals).

3.3.50 From our wider experience, these types of schemes can also come forward in different forms, including much larger in scale and with a more premium level of on-site facilities or services.

3.3.51 While both typologies could come forward either in a PDL or greenfield site setting and be either independently progressed or a part of a larger development, these scheme types are also progressed as one-offs on a range of former commercial or existing residential sites (typically PDL).

3.3.52 In our experience, these schemes tend to produce mixed viability outcomes and are frequently the subject of viability review and negotiation resulting in a commuted sum payment towards affordable housing (in lieu of on-site). Retirement and extra care developments do however typically support premium sales values, which tend to go some way to counteracting the often higher than standard development costs.

3.3.53 Reviewing the results of both the **30 Flats Sheltered** and **60 Flats Extra Care** typologies indicates an often relatively poor viability picture unless relying on values only at the upper end of the adjusted higher range tested or beyond. On the assumptions applied, the extra care typology tests indicate marginally better viability prospects in comparison to the retirement living typology although again supporting any regular level of CIL charging would be reliant on a combination of positive assumptions viewed at this point in time e.g. higher sales values, improved sales timings, sites in lower existing use values and similar. As reflected in DSP's assumptions, the VALP policy does not seek affordable housing from extra care developments (whereas it does for sheltered/retirement living schemes at the general 25%) and much will depend on the achievable values and other factors in individual circumstances.

3.3.54 The findings are broadly similar to those for the general flatted scenarios assessed, showing typically more challenging viability than is generally supported by mixed dwellings or houses-based scheme types. Accordingly, we suggest that

it is likely to be appropriate to treat these as per the wider variety of flatted developments (based on the viability findings, subject to a suggested charging differential - at nil rate. This could change in future, as could any element of a charging schedule, but at this stage this is considered appropriate given the overall relationship between costs and values and the fact that CIL is not the only suitable infrastructure contributions route. The Council is able to continue using s106 where appropriate, and this can be tailored to the particular circumstances.

3.3.55 Overall, viability outcomes will vary, and negotiations on S106 provisions may be involved in practice, even where a nil or very low CIL is charged. Whilst it may be that some schemes could have potential to support a CIL charge, others may not clearly demonstrate sufficient viability scope to consistently support the levy. Nevertheless, as in all other cases, s.106 planning agreements can be used to secure necessary infrastructure and other development mitigation as appropriate. It is worth noting for wider context that in our experience generally these types of schemes can support some level of affordable housing contribution and / or other S106 provision via a commuted sum or equivalent where required, while meeting other policy development mitigation requirements and continuing to come forward viably as part of the overall spectrum of housing development and supply.

3.3.56 In discussion with the Council, it has become apparent that as a further element to operating a proposed Charging Schedule in N&CB may be the South East Aylesbury Link Road (SEALR) as has been mentioned above (see 1.1.22). We have noted that, where required, contributions to this scheme could amount to over £30,000 per dwelling equivalent as an estimate (BC provided indication). In running this assessment, collectively it was decided that this figure should not be included in any appraisals. Its geographical scope is limited, and we understand that this will be a scheme specific matter for BC to consider in the same way it would review another significant abnormal cost item or balance up an achievable package of planning requirements and obligations. However, taken alone this level of contribution would represent an approximately equivalent cost to CIL of say £400 to £450/sq. m based on an average dwelling size. Clearly, this is unlikely to be supportable in viability terms alongside the regular development and policy requirements including other infrastructure contributions/development mitigation, unless some other form of funding is available. This would mean assessing priorities in particular cases and it is not considered a matter that the CIL charging schedule needs to address through a further differential.

3.4 Strategic scale housing development findings review and analysis
(Appendix 3 - Tables 3a to 3e)

3.4.1 Following the above comprehensive general sites typologies review and scene setting for CIL charging on new build for residential use, we will now overview the appraisal outcomes reflecting the tests of strategic scale housing development. In the same way, the assessment purpose is to investigate whether there is clear viability scope to begin charging CIL on such sites, alongside the provision of specific infrastructure that we understand will continue to be secured directly via s106.

3.4.2 We have assessed such schemes through strategic type development reviewed at 5 scales between 550 and 900 dwellings. Whilst the appraisal of these aims to lift them beyond general typologies status, the review is necessarily but still appropriately relatively high level, owing the nature of information available to feed into a more specific approach per site. Nevertheless, DSP considers it appropriate to have a consistent approach to such sites within the strategic nature of a charging schedule, rather than looking to implement CIL on more of a site-specific basis.

3.4.3 The results are set out in Appendix 3 and were produced using the same appraisal principles and general methodology as for the smaller sites typology reviewing. Appendix 1 Tables 1a and 1b set out the general assumptions set applied consistent with the typologies testing basis. Additionally, the Appendix 3 results tables include other assumptions that have been used at this stage. These assumptions were based as far as possible on information provided to DSP by the Council, our research and experience of previous viability work undertaken in the Buckinghamshire Council areas, and stakeholder feedback as far as obtained through the assessment consultation process.

3.4.4 Given the nature of strategic scale sites, there are potentially some scheme specific costs that are not yet fully represented while most assumptions are based on available estimations as far as possible. For this reason, the Appendix 3 results tables show the £ surpluses (or in some cases deficits), that are indicated to be available dependent on the assumed VL (market housing sales value level), VALP affordable housing policy proportion (25%) and construction costs sensitivity testing – as the results grids set out.

3.4.5 The reported surpluses (green shaded areas of the results tables) or deficits (pink/red areas of results) show the level of available surplus (or deficit) once all other costs including site-wide/specific infrastructure works and s106 requirements are considered. The appraisals allow for the plot build costs, external works and site-wide works (site wide works/infrastructure at £35,000/dwelling average) on top of which s106 costs are tested at the levels stated on the left side of each table. On s106, a stripped-out test is included (at £0/dwelling) along with tests at £20,000 and £40,000/dwelling (results sets reading down from top to bottom of each Appendix 3 table).

3.4.6 The BLVs reflected as land cost within the appraisals are constants throughout each table. Although fixed for each set of tests, per development scale tested, and applied at a constant BLV rate of £250,000/ha across the noted total (gross) site area in each case, the land cost sums (cost of supporting the BLV) vary from one to another as different site areas have been assumed. Those assumptions represent BC information reflecting the range of strategic sites continuing to deliver or expected to deliver further new homes as the VALP runs on. It is worth noting that, as can be seen, large overall site areas have been assumed – again as part of the prudent approach. These strategic site typologies have been informed by the range of relevant VALP allocations yet to deliver housing or be fully progressed. This means that the assumed overall site areas are quite variable as would be expected through the actual delivery process, and this has enabled the testing of the effect of the typical cumulative development cost assumptions as this influence on viability varies.

3.4.7 As expected, within each results set, the outcomes (indicated surplus or deficit positions) are then seen to vary as the tested VL and included s106 cost is adjusted. Additional sensitivity testing then adjusts the construction costs from the base level as well, to give a feel for how sensitive the outcomes are to costs changes – with this variable also considered in combination with the full range of assumed sales value level (VL) tests.

3.4.8 Run in this way, the Appendix 3 results are set up so that the cumulative effect of the tested assumptions can be seen relative to the input s106 test level. The surpluses (or in some cases deficits) are based on nil CIL applied within the appraisal testing. With this approach we can consider whether there is sufficient viability scope for development of such a scale to support fixed CIL cost as well as

the explored s106 levels and the prospect that the scheme costs are likely to move around. It is possible to interpolate between tested positions too. The aim is to enable the Council to be able see how the combinations of surplus/deficit outcomes and tested s106 levels compare with its experience of infrastructure delivery cost on such sites to date.

3.4.9 It is important to note that the purpose of this assessment is not to comment on the overall viability prospects for each site or potential scenario, but solely to investigate the viability scope for fixed CIL charging to be added alongside s106 obligations, and currently used estimates of site-wide infrastructure and other works costs feeding into the viability of strategic scale development in N&CB.

3.4.10 The results indicate variable viability prospects overall, these being highly dependent on site-specific details. This is not unusual in our experience for schemes of this type and given the appropriate relatively high-level nature of CIL viability assessment. The results are highly sensitive (both positively and negatively) to minor looking changes to appraisal assumptions. Overall, the characteristic that this picture can be so variable and also sensitive to changing costs and values is typical. Whereby we can see surplus indications falling away quite quickly as less positive values assumptions are made, and/or costs increase (whether as a result of rising works costs and/or increased s106 needing to be provided) for example. There is also the potential for abnormal costs to impact variably, reflecting particular development mitigation or site-specific details/constraints as more become known and worked up for these sites. All in all, these are characteristics which in our view and experience lend themselves best to continuing to use more reactive and adaptable mechanism of s106 for directly providing the specific infrastructure required. Another factor to bear in mind is avoiding potentially placing affordable housing delivery under any further pressure by adding fixed cost, especially when there are inevitable unknowns.

3.4.11 On the whole, the clearest/most consistent viability indications across this overview are with not a great deal more than approximately £20,000 per dwelling s106 tested, unless mid to high N&CB range values or other more positive circumstances are available. Therefore, the available development values (house prices) where much of the strategic scale development is located is an important factor. This means reference mainly to the lower part of the values range currently – VLs 1 to 3 as noted above (Figure 17 above and related commentary).

3.4.12 Overall, while the results continue to indicate the scope for of this type of development to proceed viably over time, it is considered unlikely to be appropriate to introduce a CIL that adds significant fixed cost to strategic scale development. While some (nominal) level of CIL charging is not totally ruled out on viability grounds given the mixed results overall, there appears to be relatively little headroom to accommodate fixed CIL charging. Adding that to the cumulative development costs might well erode some of the scope to respond to all the variables on such sites (including any abnormal costs), which is how the existing s106 based more adaptable approach that is directly related to the particular nature of this delivery is able to operate.

3.4.13 In summary, on this basis the assessment findings are that adding the cost of a CIL to strategic scale development in N&CB, and certainly at more than any nominal level, is currently not recommended on viability grounds. At present it remains appropriate for these sites to deliver infrastructure directly via s106 which, given the nature of CIL, is also likely to be the most practical and timely approach on developments of this type.

3.4.14 Proceeding with a differential approach to include a specific treatment in a CIL charging schedule for strategic scale development will involve the relevant type of development to be adequately defined, or the scope of the differential to be zoned (mapped). As this addresses a type of development in a similar approach to that adopted within the Chiltern and South Bucks CIL Charging Schedule (adopted 2020), it may be appropriate for the Council to consider that approach and how well it has served in the areas now forming the east and south areas of the more recently formed Council area. That defines strategic scale development as '*Large sites of 400 homes or more (gross) or 10 hectares or more (gross) irrespective of land use'*. It goes on to note further that: '*Large Sites are defined as any site allocated in an emerging/adopted Local Plan with 400 homes or more (gross) or 10 hectares or more (gross), irrespective of land use and include any parcel within a Large Site irrespective of the size of the parcel*.' A similar use of a 400 dwellings threshold in N&CB has been discussed with BC officers.

3.4.15 While such a threshold cannot be specifically evidenced (to the precise point) through viability assessment, BC will have experience of how this has been operating as part of the Chiltern & South Bucks CIL Charging Schedule. In this instance, it appears to have scope to be effective, because upon reviewing the scale of development relevant to consider in the VALP supply, the site sizes fell

either well below or above a 400 dwellings potential threshold, hence the selection of the typologies up to 100 and then the strategic scale development modelling at 550 plus dwellings. It appears that the same 400 threshold applied to N&CB would not sit around a cusp of change in typical site characteristics, but clearly between quite distinct sets of circumstances. Again, the Council will be able to consider this further.

3.5 Residential developments – Rounding up on CIL findings

3.5.1 Following the results analysis, we consider there is viability scope for the Council to implement a CIL at charging rates that would contribute valuably towards the provision of infrastructure in support of appropriate new development.

3.5.2 There is variety in the circumstances which a new CIL for N&CB would need to respond to and support. In summary, these can be expected to reflect varying scales of development, development and host site type (GF compared with PDL), as well as the SAC related mitigation that we suggest needs balancing for. The significantly less regular SEALR contributions appear best dealt with through more specific discussions to address what particular developments can bear.

3.5.3 Additionally, broadly there are two sets of market housing sales values which we consider will be relevant to a CIL here and in the main we have found this to reflect the pattern (value levels and relativities) in N&CB, overall. The review and testing of these factors leads to a wide array of appraisal results. In theory, these could translate to a more complex range of positions/options for differential CIL rates and a proposed charging schedule containing more layers of differentiation overall. However, we aim to set out a fairly straightforward approach as far as appropriate. In DSP's view this would be capable of representing the circumstances and key variables, reflecting the main viability differentials.

3.5.4 CIL charging rates should not take viability to i.e. rely on it at the margins. Overall, a pragmatic approach may be taken by the charging authority, which has to demonstrate that in the local context an appropriate balance between the desirably of securing infrastructure funding and potential effects on viability has been struck.

3.5.5 As has been noted, important context for this is the nature of the remaining VALP site supply, particularly the characteristics and locations of the sites to come forward. Following our analysis above, we understand that a large proportion of

the remaining planned supply is coming forward on greenfield sites, with a more limited role for PDL development (except via windfall), overall, and noting the role of all-flatted development schemes generally appears a relatively limited part of the overall picture.

3.5.6 From the wide-ranging results basis, we see a strong common theme relating to the overall strength of results when comparing development coming forward on greenfield and PDL site types. Generally, our results analysis shows a clear distinction in the viability prospects for these, with a relatively challenging viability picture seen often through the PDL testing (and this effect emphasised in various typologies of all flats) compared to the greenfield based typologies which indicate much more positive viability scenarios overall. DSP suggests that this is a key differential (by site type) to consider for setting the N&CB CIL, appropriately reflecting the evidence. For information, this is a clear viability differential that we have been finding and reflecting in Local Plan viability assessments in the last several years too.

3.5.7 Linked to this, the PDL flats (only) typologies including housing for older persons, show if anything a further emphasised version of this effect, with fairly limited viability scope for infrastructure costs unless appropriately high sales values are available to support the typically higher development costs. These types of sites are often affected by relatively challenging viability which is not a result of planning policies or CIL costs but usually an inherent reflection of the more difficult relationship between development costs and values overall.

3.5.8 Although we acknowledge there will be some circumstances where flatted (only) development will come forward more viably, we consider those likely to be limited in their regularity. In our view, in viability terms a further differential rate should be considered in N&CB for flatted development (of all types), unless the Council can clearly demonstrate the occurrence of such development is limited to the degree of not being plan relevant, overall. In all cases the effect of the potential charging rate and frequency/scale of overall development of the type should be considered – as a Charging Schedule is not intended to reflect or respond to every eventuality.

3.5.9 In comparison to developments on PDL, generally greenfield site typologies (i.e. non-strategic scale schemes) indicate a more positive viability picture with, in some scenarios, the potential for very positive looking CIL rates. However, these

must be tempered to some degree, noting the potentially highly variable nature of schemes and site-specific requirements in combination with fixed CIL charging.

3.5.10 There are other alternatives / options that BC could consider. Those could involve on the one hand "cutting through" with fewer CIL charging differentials than have been suggested in the above commentary and carried forward to the concluding summary table at Figure 32 below (final section of this report) or, on the other, a more complex approach reflecting further variables. Further variables being factors such as the slightly higher values in the central compared with north area, generally, and looking further at scale and/or type of development, potentially.

3.5.11 However, the variation between such differential rates would be relatively small and particularly for PDL sites, such that we do not consider this warrants a more complex approach to the CIL rates setting than that offered here for BC's consideration. A more complex approach with a range of zones and differential rates would also not necessarily result in a larger overall level of CIL receipts or a better reflection of all the variables that will occur in development activity in practice.

3.5.12 In looking to pursue, for example, a single residential charging rate or a more limited approach to reflecting the key variable characteristics, in our view it would be difficult to settle on an approach that would adequately reflect the viability variance and work suitably across the N&CB area. For example, within the balance, pitching a single rate or limited rates adequately reflecting the greater greenfield viability scope could lead to the risk that PDL schemes struggle further for viability. Or, viewed the other way round, reducing the positive differential scope supported by the lower estimated levels of s106 (or the lower BLV applicable to GF sites) to more closely match what the other scenarios can support, could see the usefulness of the CIL from GF sites unnecessarily reduced. However, where there are multiple layers of differential potentially building, it is appropriate to take a prudent approach that seeks to ensure that less viable scenarios which are relevant to the Plan will also remain generally workable.

3.5.13 Our further review of strategic scale development prospects in this assessment points primarily to the application of nil CIL rating to those, which would need to be clearly defined and/or mapped in the Charging Schedule. The cost of infrastructure and other works can change during the planning and delivery processes. We have found that CIL cost at any level combined with likely s106

planning obligations (tested at varying levels) as part of the significant cumulative site-specific costs is likely to have the effect of "squeezing" the overall viability scope or at least reducing the required flexibility in operating that. Therefore, the delivery risk associated with these sites could be found to increase unless any CIL charging were only at a nominal level as a maximum. Continued use of s106 will also provide more scope to directly provide the required specific infrastructure in a timely way.

3.5.14 The still faltering strength of the wider economy and uncertainty in the cooler wider housing market remain as influences on development viability. This has been a relatively challenging time at which to consider viability to inform a CIL charging schedule, following the recent period of high build costs inflation, with mixed house price movements and increased costs related to national policy requirements.

3.6 Commercial/non-residential development typologies – results context and discussion (Appendix 4 – Tables 4a to 4k)

3.6.1 As noted above, we have undertaken a typical range of commercial/non-residential typology-based appraisals, appropriate for and proportionate to the CIL viability assessment purpose and applicable guidance. The results are set out in Appendix 4 at tables 4a to 4k as previously described. Each table reflects a typology and shows the variables considered – sensitivity testing in each case.

3.6.2 As can be seen, using the CIL viability approach and suitable assumptions for this, the viable scenarios range is limited and this reduces quickly upon moving away from the lower (more positive) yield % assumptions that inform the capitalisation of the assumed rental values. This is consistent with our general and wide experience or CIL viability assessment – studies undertaken since the inception of the CIL. The deterioration of results with increasing yield percentage reflects a progressively less positive view in relation to the capitalisation rate applied to the rental assumptions, indicating a less secure, higher risk income stream assumed for the commercial property investor as the yield percentage increases.

3.6.3 The development use types indicated as the potentially to marginally viable and viable ones (orange and green coloured areas of results tables) are those to which the lower investment yields are relevant, where there is some albeit limited clear CIL charging scope. As we will outline below, outside the larger format retail

typologies tested (representing foodstores and retail warehousing), it can be seen that even the lower (more positive) yield test assumptions do not support clear viability, whereas in most cases a range of yields or higher yield assumptions would be relevant in practice.

3.6.4 For completeness, however, we will explain this further and now go on to review the results of the commercial/non-residential typologies and the associated potential CIL charging scope. The approach is consistent with that typically required for CIL viability assessment; with assumptions again informed by our research, information review and experience, so as to be representative of local circumstances albeit based on a high-level overview approach rather than site-specific level detail.

3.6.5 As noted earlier, it is important to adopt assumptions appropriate for the assessment purpose and to ensure that no reliance is placed on pushing proposed CIL rates to the margins of viability. This proportional approach requires a much smaller number of appraisals for the commercial typologies testing compared with the residential sets. Reflecting this, these were developed as sets to the point where viability in each case falls away to a negative RLV – 'indicative non-viability' positions or similar using the assumptions set out - as shown in the Appendix 4 tables. Once a very low, nil or negative outcome is reached, it is not necessary to explore further in the context of CIL viability testing.

3.6.6 As with residential development, the strength of the market and therefore the strength of the relationship between development values and costs is the most significant factor alongside reviewing these results against appropriate BLVs – again as per the commentary at 2.13 above and as considered throughout.

3.6.7 As noted above, the same methodology (residual appraisal) and review principles apply here as per the residential element of this assessment. Appendix 5 sets out the results by development use type, varied by increasing rental value test (lower, medium and higher tests), assumed variable yield percentage from 4.5% to 8% (relevance depending on scheme type and applied in capitalising the annual rental assumptions) and potential CIL rate (trials from £0 to £500 per sq. m.). Although a wider range of site values as represented by BLVs (used as 'viability tests') could be applicable, we consider the key BLV range to be £1.3 to £2.2m per hectare in these instances - representative of existing or former commercial use sites which will most often host such developments. However, in some circumstances developments may come forward out of town settlement areas on greenfield sites

e.g. large-scale supermarkets/foodstores or some forms of industrial/warehousing/employment development; and perhaps in conjunction with strategic scale housing growth. Appendix 5 to this report sets out the background research conducted to inform the adopted values, using Co-Star and other sources. Reporting extracts from Co-Star are provided to the rear that Appendix.

3.7 Retail Development

3.7.1 The outcomes of the appraised 'larger format retail' typologies of **Supermarket/Foodstore** and **Retail Warehousing** indicate positive viability across a range of the more positive yield assumptions, with trial CIL charging applied – Appendix 4 Tables 4a and 4b.

3.7.2 Taking an overview of these results and after allowing for a suitable level of buffering, we consider a CIL charging rate of up to £100 to £125 per sq. m. to be supportable and suitable overall for these development types. This is based on considering the range of potential rental values whilst also having reviewed a range of information pointing to relevant key yields at or towards the lower end of the yield assumption tests in respect of foodstore investments and higher up the yield testing range in respect of retail warehousing – reflecting envisaged new provision in both instances.

3.7.3 At December 2025, the latest Knight Frank Investment Yield Guide information indicates yields of 4.5 to 4.75% and not greater than 5.75% for foodstores, with a consistent positive market sentiment reported. For retail warehousing (out of town retail), the same market reporting notes stable market sentiment with yields at 5.25 to 6.75%.

3.7.4 Although these results are sensitive to increasing yield assumption, particularly at the lower rental value tests, in arriving at an appropriate balance the Council will be able to consider the level of occurrence of these types of development over the remaining plan period and the likelihood that any new development considered sufficiently viable to proceed would be supported by the more positive assumptions within the ranges tested.

3.7.5 The results for the retail warehousing typology present the strongest looking viability prospects observed from these sets. However, with these types of schemes typically not supporting investment yields at quite as positive a level as

supermarkets/foodstores, there is likely to be something of an evening out effect between the two typologies, overall. The viability scope noted here in respect of the retail warehousing tests (which again is within typical findings in our experience) is largely supported by the relatively economic build costs of this typology. However, those results are also seen to fall away with yields assumed at 6.5 to 7%, within the yield guide noted range, whereas it appears there is a narrower band of more positive yields applicable to the foodstore scenario.

3.7.6 Taking an overview of these results and again as part of a buffered approach, we consider that a CIL rate at around £100 per sq. m would be appropriate and supportable overall for these typologies. Any schemes coming forward will of course vary in practice, but alignment of the charging rate suggested for these larger format retail types is considered a suitable approach viewed through this assessment and when also considering other factors such as these development uses often competing for or sharing similar site types/sites. DSP also considers it appropriate in the circumstances that this charging rate would not be out of step with the range for rates that are put forward as suitable for applying to residential development overall, since in theory these uses could be in competition for some sites.

3.7.7 The review of other typology tests representing developments of smaller units (town centre/comparison stores and local convenience stores) are not showing sufficient viability to support CIL charging.

3.7.8 Many schemes of this nature will be formed from the re-use, adaptation or extension of existing floorspace; in which cases the CIL funding generated would be limited overall even if, within the balance to be struck, a lower weighting towards viability was considered and a meaningful charging rate set. Unless as part of strategic scale development or similar, it also seems likely that any new development of this type that comes forward would be on sites with higher EUVs, meaning higher BLVs. In any event, we understand that these use types are unlikely to produce significant volumes of chargeable development, suggesting that any CIL income would be low in any event. With current and likely short term investor appetite for significant new build, setting the CIL at any positive rate could add further pressure to probable struggling viability. On this basis, if such development is relevant to the ongoing VALP context, we consider a nil or if not potentially a very low (nominal) rate approach to be appropriate.

3.7.9 The following is wider commentary for BC to consider, should the Council look to have a charging set up for retail developments that is different to our suggested simple approach. Allied to the above suggested differential approach to setting CIL charging rates applicable to retail development (which again reflects our wider experience over numerous cases), there are particular considerations to be aware of, because it is necessary to be aware of the distinct characteristics and be able to describe what the viability led differential rates will apply to; how the differentiation is set up and described.

3.7.10 The following could also be relevant to consider:

- The extent to which any or different forms of development may be relevant to the remaining plan period. For development types likely to be coming forward on an ad-hoc basis only then potentially it may be considered that any non-viability of individual schemes is not critical under the CIL principles. This could lead to more of a sweeping up approach whereby some developments that are not consistently viable are expected to pay the levy, and this being acceptable in CIL terms.

- On the other hand, development types having very limited or uncertain delivery frequency also suggests the prospect of a very low level of increase in infrastructure funding receipts even when setting a higher, more viability impacting, charging rate - compared with either setting a nil or nominal CIL charging rate.

- Within the overall balance, the Council may wish to consider the relevance of any unintended consequences of charging for other forms of development outside the more viable larger format retail, such for as smaller shops provision. This may be relevant in localities targeted for improving the retail offer or relating to the wider vitality of settlement centres through local plan policies. While for example setting a low or nil CIL cannot be used as a tool to achieve other aims, such as regeneration, it will be appropriate to consider the likely viability effects, viability being the driver of any rate differentials. So that nil-rating may have a positive effect on plans in some respects, but that consequence follows the viability rather than the rates setting being selected as part of a policy aim.

3.7.11 Charging authorities are able to set differential CIL rates by reference to varying scale of development as well as varying development use. Experience shows that differentiation can be based on scale where that relates to varying development use (i.e. retail offer, site and unit type associated with that) and is clearly justified and appropriately described. The difference between larger and smaller format retail can be clearly defined for the study purpose with type as the key differential and size as a secondary factor relating to scale but acting as a further way of clarifying the differentiating factors.

3.7.12 Looking at the size of unit only (i.e. an approach led by or relying solely on different scales of development) can be problematic or lead to inequalities in our view. DSP's experience is such that retail use does not necessarily change characteristics in any readily determinable way at any specific floor area point other than that determined by the Sunday Trading provisions. We consider that unless a prospective charging authority has particular planning policies that influence viability (i.e. cause switch points in viability) either side of a certain floor area, the floor area-based provisions relating to Sunday trading continue to provide a clear unit size linked viability differential, beneath which different characteristics are seen and above which there are no clear switch points at a specific floor area threshold/particular unit sizes.

3.7.13 Since altering the assumed floor area to any point between say 200 and 500 sq. m. would not trigger varying values or costs at this level of review, basically the reported values/costs relationship stays constant; so that we do not see altering viability prospects as we alter the specific floor area assumption over that range but assume development for the same use type. This means that the outcomes for these scenarios are not dependent on the specific size of unit alone.

3.7.14 We find the same at other unit size assumptions. In essence, to support a CIL differential at an alternative threshold point it is necessary to show a distinct change in viability, which would come from different appraisal input applying at a particular point – whether at 500, 1,000, 2,000 square metres or indeed any particular unit size. So, the same applies on altering the high-level testing for floor area variations on supermarkets or similar; the use type does not switch at particular points so that selection of thresholds for the varying scale of development could be arbitrary. This in itself could create inequity if the CIL charging approach aimed to introduce thresholds on floor areas or other measures that did not have a sufficient basis. In each case, unless viability was found to be

different either side of any such point (a particular floor area), in our view and experience it would not be appropriate to differentiate. The differential is more about the general characteristics of development - i.e. larger format retail comprising supermarkets/foodstores and retail warehouse units at sizes exceeding the Sunday Trading floor area limit versus all other retail development types.

3.7.15 The key factor differentiating the smaller types of retail scenarios that we refer to from the larger ones is that value/cost relationship related to the type of premises and the use of them; they are simply different scenarios where that relationship is not as positive as it is in respect of larger, generally out of town/edge of town stores. Specific floor area will not in itself produce a different nature of use and value/cost relationship unless applied in relation to the Sunday Trading provisions so far as we can see. Related to the opening hours available to an operator, these provisions create a clear threshold and at that a clear differentiator – based on sales area of less than 3,000 sq. ft. (approx. 280 sq. m).

3.7.16 To reiterate, in our view any differentiation is more about the distinct development use – i.e. the different retail offer that it creates and the particular premises and site type that it requires etc. For clarity of the Charging Schedule, the description of any relevant use types to be charged at differential rates (including any nil rate(s)) and their characteristics may therefore be more important than relying simply on a floor area threshold or similar. The latter could also be set out to add further clarity to the definition and therefore operation of the charging schedule in due course, however.

3.7.17 So, to recap, if setting positive differential rates for the smaller compared with larger retail formats, we consider that the size of sales floor space associated with the Sunday Trading provisions (3,000 sq. ft. or approx. 280 sq. m) may provide the most appropriate threshold if one is to be used – but as a secondary measure to the development use description that is the most relevant factor in both creating and describing the viability differential.

3.7.18 In addition, there are a range of retail related uses, such as motor sales units, wholesale type clubs/businesses, which may also be seen locally, although not regularly as new builds because these uses often occupy existing premises. Whilst it is not possible to cover all eventualities for ad hoc development, and that is not the intention of the CIL principles, we consider that it would be appropriate

in viability terms to also link these to the retail approach that is selected based on the main themes of plan delivery, all as above. This would therefore not alter the suggested CIL charging approach of a rate of up to/around the suggested £100 to perhaps £125 per square metre for the noted main larger format retail types (only) and £0 per square metre (nil rate) for all other retail development types (latter as per Appendix 4 Tables 4c and 4d results).

3.7.19 Similarly, we assume that, where relevant, any new fast food outlets, petrol station shops, etc., provided for example as part of large retail developments, would be treated as part of the retail scheme. Other uses under the umbrella of retail would be treated similarly too. Individual units or extensions would be charged according to their size applied to the relevant rate as per the regulations and standard charging calculation approach.

3.8 Offices/Industrial (employment development)

3.8.1 As per Appendix 4 Tables 4e to 4i, the results for the range of identified office and industrial typologies tested indicate no clear CIL charging potential. At this time, we suggest that a nil-rate charge should be considered for these development uses. We would typically expect the most relevant yield tests to be towards at the upper end of our range at this time, but it is also possible that yields above or below those levels could be relevant. Again, according to the latest available (December 2025) Knight Frank Investment Yield Guide, for offices indicated yields are currently between 7.25% to 11.5% for south east towns/south east business parks, with a negative to stable market sentiment. The investment and market prospects picture for industrial/warehousing reflects a more positive outlook with yields between 5% to 7% and a stable market sentiment noted. However, the corresponding results as set out in Appendix 4 clearly present likely challenging viability prospects generally and this is the case when using the study assumptions, even with the most positive yield indications applied from the range tested. As per other aspects of this reporting, this is not an unusual finding in our experience.

3.8.2 It is worth noting that the distribution typology tests (Table 4i) show how viability may prove workable based on some of most positive assumptions combinations and indeed this scheme type is one that currently appears to be progressed again in the right circumstances - more than many other types, nationally. The same could apply to other currently more positive investment sectors such as premises

for data centres or research and development (R&D). However, whilst the exercise provides some insight into this, the viability indications are not extensive enough to justify clear CIL charging scope in our view, so that instead (and as with most other non-residential development uses) it will likely be more appropriate for these to continue to provide any necessary infrastructure through s106 at this stage. Again, unless a purely nominal charging rate approach is preferred by looking at other factors as has been mentioned above. Potentially, a case could be made by the Council that the striking of the appropriate balance locally between funding infrastructure and the potential effects on viability would be served best by some nominal level of CIL charging. This could be considered further if appropriate and if so would need to be based on the scope for pragmatism in setting up a CIL and the likely limited additional impact of a nominal charge, as opposed to directly following the viability evidence.

3.9 Hotels and Residential Institutions (nursing/care homes)

3.9.1 Similar to the above, the results for both the hotel and care home typologies also indicate insufficient viability to support CIL charging, and this is also with the most positive combination of assumptions applied (tested with the assumed high rental values sensitivities capitalised based on the most positive yields). Although at a site-specific level there may be some scenarios where more positive viability prospects are seen, these are likely to be quite variable and schemes are unlikely to be frequent and so have a limited overall effect on CIL receipts in any event. Overall, in our view, with the viability prospects for such scheme types in practice likely to be highly variable, relying on a combination of potentially overly positive assumptions will not be appropriate. Any resulting viability supporting CIL scope would be highly sensitive to the values falling away or costs rising and, again, there is considered to be no clear CIL charging scope for these development use types in the local context at this stage.

3.10 Other development uses

3.10.1 Only the results relating to key commercial/non-residential development tests are discussed here and contained within Appendix 4. Other minor development uses (e.g. cafes, community centres, garages, cinema/bowling etc.) have also been considered at a suitably high-level only, based on the estimated broad strength of the relationship between values and build costs. On this basis, we find it is not necessary to carry out full appraisal modelling of these wider potential development types. This is because a simple comparison between the potential

completed value and BCIS build costs levels indicates poor to marginal viability prospects overall. This is one of the key reasons why these forms of development are generally not seen in isolation as new builds but tend to be provided as part of a mixed use or wider scheme that are financially driven by the residential and/or retail parts of mixed-use schemes or are brought forward with other drivers behind them.

3.10.2 Following our extensive iterative review process, throughout this assessment we can see that once values fall to a certain level there is simply not enough development revenue to support the developments costs, even before CIL scope is considered (i.e. where adding CIL cost simply increases the nominal or negative numbers produced by the residual land value results – makes the RLVs, and therefore viability prospects, more marginal or moves them further into negative territory). In such scenarios, a level of CIL charge or other similar degree of added cost in any form would not usually be the single cause of a lack of viability. Such scenarios are generally unviable in the sense we are studying here – as a starting point. This is because they have either a very low or no real commercial value and yet the development costs are often similar to equivalent types of commercial builds. We regularly see that even the build costs, and certainly the total costs, exceed levels that can be supported based on any usual view of development viability. These are often schemes that require financial support through some form of subsidy or through the particular business plans of the organisations promoting and using them. Indeed, some such developments may well be considered as infrastructure themselves.

3.10.3 As will be seen below, there are a wide range of potential development types which could come forward as new builds, but even collectively these are not thought likely to be hugely significant in terms of “lost opportunity” as regards significant CIL funding receipts overall, even with anything more than a nominal or nil CIL rate in place. We consider it likely that many of these uses would frequently occupy existing or refurbished/adapted premises.

3.10.4 A clear case in point will be community uses which generally either generate very low or sub-market level income streams from various local groups and as a general rule require very significant levels of subsidy to support their development cost; in the main they are likely to be a long way from regularly supporting anything other than a nil or nominal type CIL charge.

3.10.5 There are a range of other arguments in support of a distinct approach for such uses. For example, in themselves, such facilities are often contributing to the wider availability of community infrastructure. They may even be the very types of facilities that the pooled CIL contributions will ultimately support to some degree. For all this, so far as we can see the guiding principle in considering the CIL regime as may be applied to these types of scenarios remains their viability as new build scenarios.

3.10.6 As a part of reviewing, in general terms only, the likely viability prospects associated with a range of other uses, considered at a high-level as developments, we compared their estimated typical values (or range of values) – with reference to values research from entries in VOA Rating Lists and with their likely build cost levels or ranges (base build costs before external works and fees) sourced from BCIS. As has been discussed above, where the relationship between these two key appraisal ingredients is not favourable (i.e. where costs exceed or are not sufficiently outweighed by values) then we can quickly see that we are not dealing with viable development scenarios in the usual sense considered by this assessment or referred to in guidance. The lack of positive relationship is often such that, even with low land costs assumed, schemes will not be viable as developments. Some of these types of new developments may in any event be promoted/owned by charitable organisations and thereby be exempt from CIL charging (as affordable housing is).

3.10.7 On this basis, Figure 31 below provides examples of this high-level review only of the general relationship between values and costs - in a range of these other scenarios. This is not an exhaustive list by any means, but it enables us to gain a clear picture of the extent of development types which (even if coming forward as new builds) would be unlikely to support anything more than a nil or nominal CIL charge. Otherwise, the added viability burden could be likely to delay or frustrate schemes, mean other compromises or add to funding requirements. The Council may also wish to consider the administrative aspects – CIL charging implementation. These points are not key to the viability assessment overall, however.

3.10.8 These types of value/cost relationships are not unique to this area. Very similar information is applicable, and findings are seen, in a wide range of locations in our experience.

Figure 31 - Other development uses - viability prospects (indicative cost/value relationship overview)

Example development use type	Indicative annual rental value (£ per sq. m)	Indicative capital value (£ per sq. m) before sale costs etc.	Base build cost indications – BCIS**	Viability prospects and Notes
Cafés	£120 - £600 per sq. m.	£1,200 - £6,000 per sq. m.	Approx. £2,000 - £4,200	Insufficient viability to clearly and reliably outweigh the costs
Community Centres	£20 - £35 per sq. m.	£200 - £350 per sq. m.	Approx. £2,000 - £4,000	Clear lack of development viability
Day Nurseries (Nursery School/Crèches)	£200 - £700 per sq. m.	£2,000 - £7,000 per sq. m.	Approx. £1,100 - £5,500	Insufficient viability to clearly and reliably outweigh the costs
Preschools	£200 - £300 per sq. m.	£2,000 - £3,000 per sq. m.	Approx. £1,700 - £4,400	Insufficient viability to clearly and reliably outweigh the costs
Garages and Premises	£55 - £90 per sq.	£550 - £900 per sq. m.	Approx. £680 - £1,480	Low grade industrial (B uses) - costs generally exceed values
Halls	£20 - £40 per sq. m.	£200 - £400 per sq. m.	Approx. £1,500 - £3,950	Clear lack of development viability – subsidy needed
- Community Halls				
Leisure Centre - Health and Fitness (Sports Centres/recreational centres) generally	£60 - £120 per sq. m.	£600 - £1,200 per sq. m.	Approx. £1,600 - £4,500	Likely marginal development viability at best - probably need to be supported within a mixed-use scheme; or to occupy existing premises
Leisure Centre Other - Bowling/Cinema	No information available		Approx. £1,000 - £3,000	Likely marginal development viability at best - probably need to be supported within a mixed-use scheme; or to occupy existing premises

Example development use type	Indicative annual rental value (£ per sq. m)	Indicative capital value (£ per sq. m) before sale costs etc.	Base build cost indications – BCIS**	Viability prospects and Notes
Museums	No information available		Approx. £1,000 - £4,300	Likely clear lack of development viability – subsidy needed
Storage Depot	£40 - £75 per sq. m.	£400 - £750 per sq. m.	Approx. £450 - £1,800 (mixed storage types to purpose-built warehouses)	Assumed (generally low grade) B type uses. Costs generally exceed values - no evidence in support of regular viability.
Storage Premises	£30 - £140 per sq. m.	£300 - £1,400 per sq. m.	Approx. £450 - £1,800 (mixed storage types to purpose-built warehouses)	Assumed (generally low grade) B type uses. Costs generally exceed values - no evidence in support of regular viability.
Surgeries	£100 - £200 per sq. m.	£100 - £2,000 per sq. m.	Approx. £2,500 - £4,000 (Health Centres, clinics, group practice surgeries)	Insufficient viability to clearly and reliably outweigh the costs based on other than high-end looking value assumptions.
*£/sq. m rough guide prior to all cost allowance (based on assumed 10% yield for illustrative purposes - unless stated otherwise).				
**Approximations excluding external works, fees, contingencies, sustainability additions etc.				
***BCIS Latest available data average - Aylesbury Location Factor				

(DSP 2025)

3.10.9 Potentially there are a wide range of considerations here, as above, going beyond viability in the usual development sense. Our recommendation at this stage is indicating insufficient viability scope to support positive CIL charging so that nil rating (£0 per sq. m.) or at most a nominal charging rate is suggested by DSP in respect of the range of other development uses beyond those for which specific charging rates are likely to be appropriate (most residential and larger format retail

only). All aspects of our recommendations and the final N&CB rates selections for consultation may be reviewed in the future, however.

3.10.10 In all cases, the identified viability scope for the different commercial/non-residential typologies tested and as discussed above does not mean that all developments subject to positive CIL charging will be inherently viable; or that all development types subject to a nil or low/nominal CIL rate will not come forward at all. There will always be site-specific circumstances and characteristics at play which cannot be factored into this type of high-level assessment.

3.11 Commercial findings summary and conclusions

3.11.1 The assessment review of commercial and non-residential development in the N&CB context has focused on our typical approach to this element of CIL viability, again using the established approach and principles shared with the residential development aspects of this study.

3.11.2 In our experience, when assessing CIL viability, it is not unusual for many or most forms of non-residential/commercial development to generally present poor to marginal viability prospects or at best mixed results that are reliant on a collection of positive assumptions, other than those representing certain forms of retail development; broadly the same findings as presented here to Buckinghamshire Council.

3.11.3 Typically, larger format retail developments such as retail warehousing and foodstores tend to show good levels of viability where they come forward. In comparison, the other typologies tested as part of this study (and noting particularly employment uses that are within the scope of planned development - industrial/warehousing and offices) indicate challenging viability prospects overall. We do however acknowledge that development circumstances and proposals are variable depending on individual circumstances and can come forward on the strength of business plans/operational drivers rather than showing regular viability to support a CIL when viewed as development activity using prudent assumptions away from the margins of viability, and buffering principles, consistent with the guidance bearing in mind the fixed top-slice nature of the CIL.

3.11.4 In making clear the larger format retail development types we refer to as able to accommodate the CIL charging, the descriptions used in the Wycombe CIL

Charging Schedule (now covering the West area) would be relevant in our view. Information as follows:

- Large convenience based supermarkets/superstores and retail warehousing (net retail selling space of over 280 sq. metres.
- Superstores/supermarkets are shopping destinations in their own right where weekly food shopping needs are met and which can also include non-food floorspace as part of the overall mix of the unit.
- Retail warehouses are large stores specialising in the sale of household goods (such as carpets, furniture and electrical goods), DIY items and other ranges of goods, catering mainly for car-borne customers.

3.11.5 The non-viable outcomes included in the assessment do not necessarily mean that development will not be delivered through flexibility in development appraisal inputs and negotiations. However, these scheme specific level factors are not suitable to assume in appropriately assessing viability for informing CIL setting, and things can move both for and against viability. As well as potential upsides, there is the potential for unidentified costs or values trends to influence viability negatively.

3.11.6 In summary, our results indicate positive viability prospects to support CIL charging for larger format retail developments where those progress – in the form of retail warehousing and foodstores (which for extra clarity could also have a secondary element to the description – i.e. of being over the Sunday Trading floor area threshold). A CIL charging rate of up to £100 to125 per sq. m. or thereabouts is supportable (£100/sq. m put forward) for the relevant types should such schemes come forward in the N&CB area. Otherwise, in summary, for other development uses nil rating (rating at £0 per sq. m) is suggested.

3.11.7 For completeness of information, if for example smaller retail units (e.g. local convenience stores, settlement centre shops) are not considered plan relevant overall, then an alternative could be to set a single rate (e.g. the suggested £100 per sq. m. be applied for all retail uses) as strictly speaking this would not prejudice the planned development delivery. However, given the likely variable and inconsistent viability prospects of other retail developments, this approach could add risk to smaller shops provision as discussed above. There are some

potential parallels here with the discussion included earlier in the report about flatted development.

3.11.8 Following the high-level review of other minor development uses (e.g. community and other uses as set out in Figure 28 above) comparing the completed development value to the likely costs indicates generally challenging viability prospects unless these types of development come forward as part of a wider scheme being financial driven by the residential or other viable development. Although there may be some instances where these types of development are viable, when viewed overall with the wider context kept in mind, we consider a nil (£0 per sq. m) charging rate to be appropriate – applicable to all other forms of development.

3.11.9 Looking outside the viability work and considering the addressing of the above mentioned balance, an alternative to nil rating could be to put forward a nominal (very low positive charging) rate. There are instances of CIL charging authorities taking that approach, and there is also the approach of the London Mayoral CIL, but that would need to be based on an absence of measurable effect on viability.

3.12 Suggested CIL charging rates summary

3.12.1 In overall summary, following the comprehensive assessment exercise set out above and across the appendices to this report, the headlines for Buckinghamshire Council's consideration of the proposed N&CB CIL charging schedule rates (suggested for proposed draft consultation) are as follows (tabled at Figure 32 below).

3.12.2 In all cases the suggested rates are informed by the provided review, appraisal and analysis. Although stated at one £ per sq. m level in each case, they are not precise figures and are instead judgement based and put forward at round figure levels set within or well within the margins of viability – proposed for the Council's consideration in the context of the VALP and related infrastructure information, at this stage. As part of preparing the draft Charging Schedule, the Council will need to consider the most appropriate wording (and/or any mapping) to accompany differential rates, and particularly in relation to the description and any further definitions/wording in respect of the suggested strategic scale housing development, flatted development and retail differentials.

Figure 32 – Recommendations - Suggested CIL charging rates basis to consider

Residential CIL charging rates proposals for BC's consideration - £/sq. m CIL					
Fewer than 10 dwellings			**10 or more dwellings**		
PDL	Main towns	50	PDL	Main towns	0
	Other areas	180		Other areas	100
GF	All areas	250	GF	Main towns	80
				Other areas	200
All-flatted*	All areas	0	All-flatted*	All areas	0

Sites impacted by Chiltern Beechwoods SAC zone of influence (where SANG & SAMM contributions relevant)	
All areas and residential site types	Adjustment factor - reduction of £80/sq. m from above rates proposals in each case. Note: Setting nil-rates is the maximum that can be done to mitigate against viability pressure.

Strategic scale housing allocation sites (BC define as 400+ dwellings)	
All sites – differential being the nature and scale of development generally. All areas.	0 (£nil-rated) Covers all uses within allocations.

Scenarios where developer contribution to SEALR impacts
Likely to need balancing of priorities/compensating for within package of requirements placed on developments – BC to consider how best to manage this. However, particular treatment in CIL Charging Schedule not considered necessary.

Non-residential / commercial / other development uses – All N&CB Areas		
Large format retail – Foodstores & Retail Warehousing. All areas.	£100/sq. m	Charging Schedule to define - see commentary
All other forms of development. All areas.	£0/sq. m (Viability position alone)	Potential alternative to apply a nominal rate**

*All-flatted developments (developments of only flats) - All areas and site/scheme types. Including specialist developments for older persons – retirement living (sheltered and extra care)

**As part of balance rather than necessarily following viability. Consideration of this could potentially cover some uses (e.g. certain types of business/employment uses) or extend to cover all other non-residential uses.

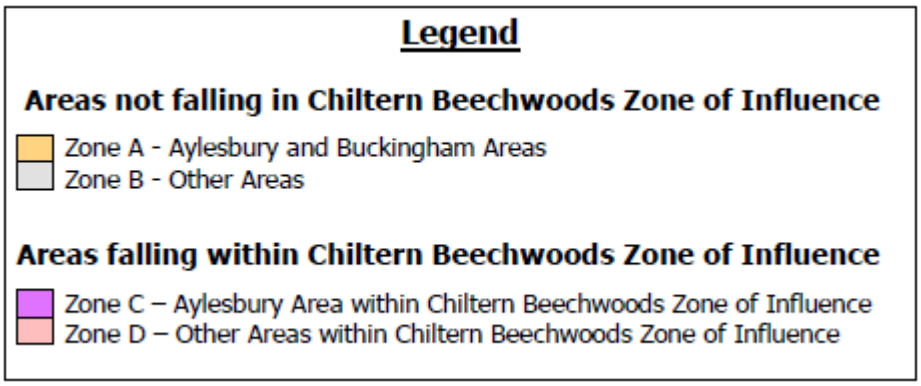
(DSP 2026)

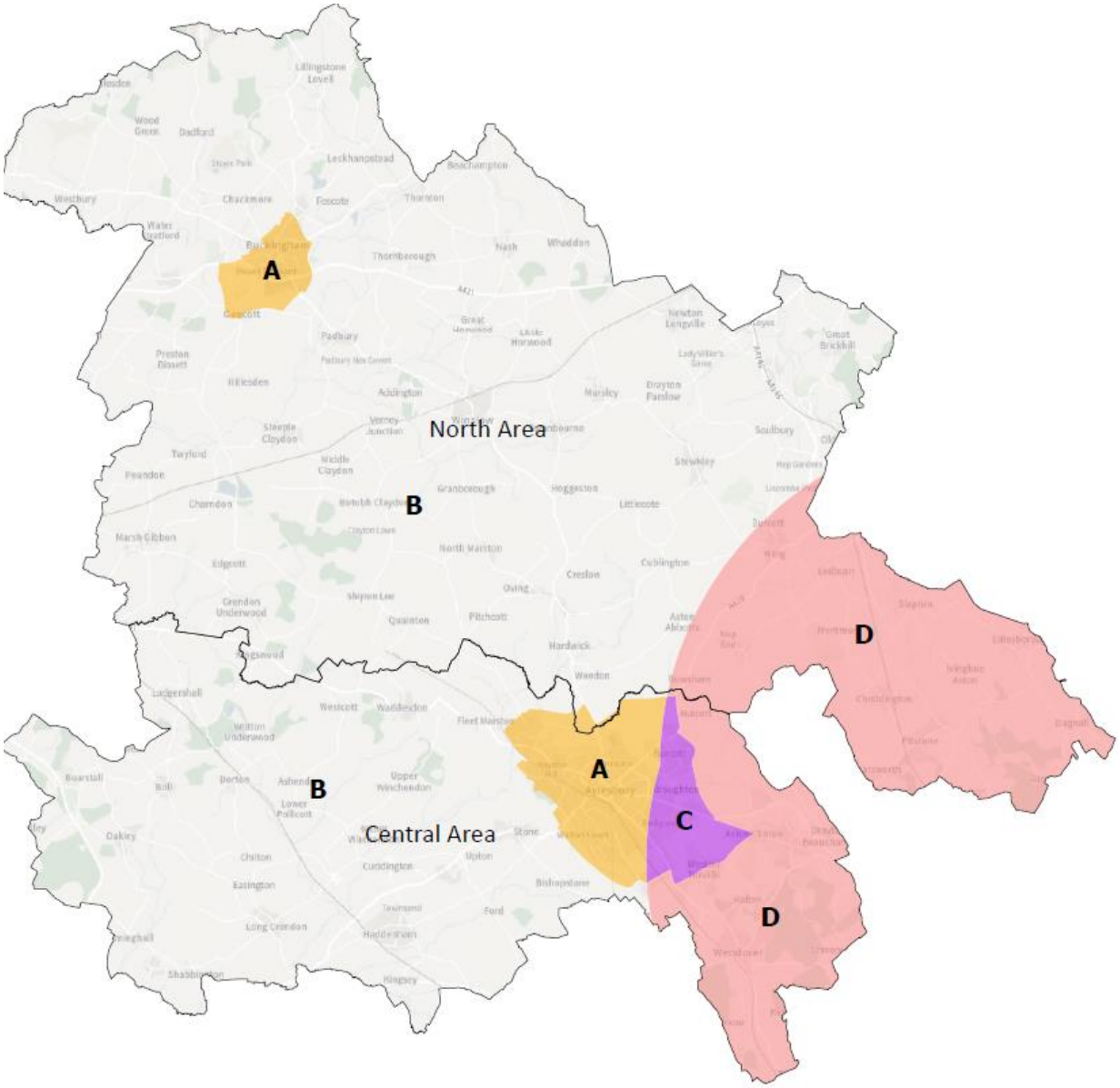
3.12.3 Following discussion through with BC officers through the assessment period, the Council has provided the following map – see Figure 30 below. This represents the zoning that would relate to the above suggested Charging Schedule approach and rates. Similar mapping is expected to go forward with the Draft Charging Schedule Proposals.

3.12.4 The yellow shaded areas/zones marked 'A' reflect the areas (Aylesbury and Buckingham) that we have found typically support lower values than the rest of N&CB – marked B. As per the commentary above, this does not take forward a proposed lower charging zone for the Milton Keynes fringe in the north – that is not considered necessary.

3.12.5 Zone C shown in purple below represents the typically lower value area of Aylesbury that overlaps (is within) the SAC zone of influence. The zoned D pink areas represent the portion of the typically higher value area (rest of N&CB) that falls within the zone of influence.

Figure 33 – Proposed CIL charging zones – Legend and Map





(Source – BC – Copyright Buckinghamshire Council Licence No. 0100062456 2026)

3.12.6 The review and potential revisiting of any CIL charging schedule is likely to be appropriate after a few years, based on further updated circumstances and information. In this case the Council's intention is to implement CIL based on the current (adopted) Local Plan for the relevant area (VALP) as soon as practically possible. This is also with a view to this first N&CB Charging Schedule to be set up in a way that ideally does not need a complete overhaul in order to be workable with the new Buckinghamshire Local Plan strategy and policies. That may need to be considered further, however, once it becomes possible to fully assess the need

or otherwise for a CIL charging schedule review as the LP development process reaches an appropriate stage.

3.12.7 It is not necessary for a prospective CIL charging authorities to exactly follow its viability evidence, rather it should be able to show how the information (along with other sources of evidence and drivers) has informed the selected approach to striking an appropriate overall balance to support the development of the area.

3.12.8 DSP will be pleased to assist the Council further with this as may be required.

Notes and Limitations

1. This has been a desk-top exercise based on information provided by Buckinghamshire Council, supplemented with information gathered by and assumptions made by DSP, all as appropriate in the context of planning in viability at this strategic level of informing the setting up of a CIL Charging Schedule.

2. This review has been carried out using well recognised residual valuation techniques by consultants highly experienced in the preparation of strategic viability assessments for local authority policy development including whole plan viability, affordable housing and CIL economic viability as well as providing site-specific viability reviews and advice. In order to carry out this type of assessment many assumptions are required alongside the consideration of a wide range of information which rarely fits all eventualities.

3. It should be noted that every scheme is different, and no review of this nature can reflect all the variances seen in site specific cases. Accordingly, this assessment (as with similar studies of its type) is not intended to directly prescribe assumptions. Assumptions applied for our test scenarios are unlikely to be appropriate for all developments. A degree of professional judgement is required. We are confident, however, that our assumptions are reasonable in terms of making this viability overview and further informing and supporting the Council's approach to and proposals for a robust and viable CIL Charging Schedule.

4. Small changes in assumptions can have a significant individual or cumulative effect on the indicative residual land value (RLV) or other surplus or deficit output generated – the indications generated by the development appraisals for this strategic purpose will not necessarily reflect site specific circumstances. Nevertheless, the assumptions used within this study reflect the requirements of the Vale of Aylesbury Local Plan (VALP) policies as well as national standards and therefore take into account the cumulative costs of development.

5. The research, review work and reporting for this assessment has been assembled at a time when economic uncertainties remain. This may run through into many potential areas affecting development viability or deliverability, particularly in the short term. However, there could be a range of influences and effects, not necessarily all negative in their impact on viability. It is only possible to work with available information at the point of carrying out the assessment.

6. This is consistent with the approach that typically is taken already when either a significant amount of time passes, or other circumstances change during the period of evidence preparation/review and potentially pending or during examination. In the meantime, this work contains information on the impact of varied assumptions applied within a range of sensitivity tests. Run in this way, and through regular dialogue with the Council while in progress, this has helped and continues to inform Buckinghamshire Council's consideration of development viability in the wider local delivery context.

7. This document has been prepared for the stated objective and should not be used for any other purpose without the prior written authority of Dixon Searle Partnership Ltd (DSP); we accept no responsibility or liability for the consequences of this document being used for a purpose other than for which it was commissioned.

8. To the extent that the document is based on information supplied by others, Dixon Searle Partnership Ltd (DSP) accepts no liability for any loss or damage suffered by the client or others who choose to rely on it.

9. In no way does this study provide formal valuation advice; it provides an overview not intended for other purposes nor to override particular site considerations as the Council's policies will be applied from case to case.

10. DSP conducts its work only for Local Authorities and selected other public organisations. We do not act on behalf of any development interests. DSP acted for former Aylesbury DC on strategic level viability in planning projects (including a previous CIL viability assessment and Local Plan viability study informing and supporting the VALP. DSP has also acted for former Wycombe DC and former Chiltern and South Bucks DCs in similar capacities. We and are not undertaking other work in the Council's area at the time of this project but have undertaken viability assessments on behalf of authorities in the wider region.

11. In any event we can confirm that no conflict of interests exists, nor is likely to arise given our approach and client base. Our fees are all quoted in advance and agreed with clients on a fixed or capped basis, with no element whatsoever of incentive or performance related payment. Our project costs are simply built-up in advance, based on hourly or day rates and estimates of involved time. In the preparation of this

assessment DSP has acted with objectivity, impartiality, without interference and with reference to appropriate available sources of information.

Report ends

Appendices 1 to 5 follow