

**Hounslow Local Plan (2020-2041)**

**Examination**

**Stage 1 Hearings Note**

# **Viability**

**March 2026**



**London Borough  
of Hounslow**

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## 1.0 Introduction

1.1 This Note responds to a request from the Inspectors made during the Matter 6 Hearing Session (Viability and Policy Requirements) of the Stage 1 Hounslow Local Plan 2020-2041 hearings, held on Wednesday 28<sup>th</sup> January 2026. The details of the tasks undertaken in this Note are set out in *Documents Requested by Inspectors in Hearings Week 2* (Document **EX41**)<sup>1</sup> as follows:

- Clarification of the extent to which all policy asks in the Plan are addressed and accounted for in viability evidence (particularly document **EBV1**<sup>2</sup>).
- Updates to relevant tables in document **EBV1** to clarify where the carbon off-setting requirements are being tested (and to what level), in circumstances where viability is also testing a proposal's potential to deliver net zero carbon requirements fully on site.
- Explanation of the Council's intended approach to flexibility for viability to be applied to development proposals that demonstrate deliverability challenges, and the extent to which the Plan approach aligns with the London Plan (particularly London Plan Policy DF1).
- Explanation of any relevant proposed modifications to the Plan arising from hearing discussions and the tasks listed above.

1.2 In addition, during the Matter 6 Hearing Sessions, there was also a discussion about the assumptions made for the cost of Section 106 obligations per residential unit in the Council's Whole Plan Viability Assessment (**EBV1**). The Inspectors requested information from the Council in relation to this. As such, a further section of this Note responds to the information sought from the Inspectors following the discussion about Section 106 planning obligations.

## 2.0 Clarification of the extent to which all policy asks in the Plan are addressed and accounted for in viability evidence (particularly document **EBV1**)

2.1 A Whole Plan Viability Assessment (**EBV1**) was undertaken on the policies in the Plan to ensure that, in combination, the policy asks alongside any planning obligations sought through the Plan's policies would be viable. The specific cost implications of the policies in the Plan are considered in **EBV1** on pages 16 to 18 in Table 2.59.1: *Emerging policies with*

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<sup>1</sup> EX30 – [Documents Requested by Inspectors in Hearings Week 1 \(2026\)](#)

<sup>2</sup> EBV1 [Hounslow Whole Plan Viability Assessment \(2024\)](#)

*cost implications*. This sets out the requirements of the policies and how they are addressed in **EVb1**. Section 4 of **EVb1** sets out the assumptions of the appraisal and includes, in detail, the rates and assumptions applied for the various planning obligations sought through the policies in the Plan that were tested. These are set out from page 24 to page 31 of the study.

2.2 In certain cases, the policy requirements that seek infrastructure in the Plan would be delivered through CIL funding. The assumptions for both Borough CIL and Mayoral CIL are included on page 30 of **EVb1**, and both have been tested in the study, whereby the CIL rates set out in the Borough’s CIL Charging Schedule were applied with relevant indexing at the point of the study’s production. This is set out in **EVb1** at Table 4.26.1: *CIL rates per net additional square metre in the Charging Schedule* with the indexed rates shown in italics.

2.3 Pages 73 and 74 of Section 7 in **EVb1** explain the conclusions and recommendations of the study in relation to the viability of the policies in the Plan. This section demonstrates that **EVb1** and its supporting appendices have tested the ability of development typologies in Hounslow to support emerging Plan policies while making contributions to infrastructure that will support growth through CIL. The financial commitments or obligations sought through policies in the Plan are set out in this section and the viability impacts are summarised. Overall, it is demonstrated that, in combination, the requirements of the policies in the Plan are viable.

2.4 In addition to the impacts of Plan policies that were tested and summarised in Section 7 of **EVb1**, the Inspectors have asked the Council to specifically explain how certain other policy requirements in the Plan that include obligations have been taken account of in **EVb1**. This includes Part A of Policy ED4 - Enhancing Local Skills, which seeks, *“planning obligations towards construction training, employment training, including apprenticeships, and job brokerage where related in scale and kind to the development.”* It also includes Part D of Policy CI1 – Providing and Protecting Community Facilities which expects, *“development proposals to contribute to the delivery of high quality local community facilities and social infrastructure in line with the Infrastructure Delivery Plan.”*

2.5 The Council’s viability consultant (Quintic Advisory, formerly BNPP) has prepared a Note (see Appendix 1 – Local Plan Contributions in Policies CI1 and ED4) that sets out how both

obligations in Policies ED4 and CI1 are accounted for in **EVB1**. As explained in Appendix 1, the requirements of Part D of Policy CI1 are taken account of in **EVB1** through CIL contributions, used to fund the delivery of local community facilities and social infrastructure. This enables the Council to retain control of the quality of the facilities delivered, as well as pooling contributions towards this type of infrastructure. The Council also expects that health and education facilities will largely be delivered through CIL contributions, which results in the same benefits.

2.6 In relation to Policy ED4, **EVB1** incorporates an allowance for construction and employment training via a calculation based on the number of jobs per £1 million of construction costs, equating to circa 0.75% of construction costs or £10.21 per square metre. As such, both of these planning obligations have also been tested in the Whole Plan Viability Assessment.

### **3.0 Clarifying where the carbon off-setting requirements are being tested in Appendix 7 of the Whole Plan Viability Assessment**

3.1 Following the discussion during the Matter 6 Hearing Session (Viability and Policy Requirements), as part of **EX41**, the Inspectors requested that the appraisal outputs in Appendix 7 of **EVB1** should be revised to ensure that the policy requirements are not duplicated or overinflated in the Study. Quintic Advisory (formerly BNPP) has confirmed that Appendix 7 of **EVB1** contained a mislabelling issue on page 154 of the **EVB1** PDF document whereby the label stated that £95 per tonne was included for carbon offsetting, however this figure should in fact have been £0 per tonne. Quintic Advisory (formerly BNPP) has also confirmed that the figure of £0 per tonne for Carbon Offsetting was correctly applied in **EVB1**.

3.2 As such, it is not necessary to update Appendix 7 of **EVB1**, as the study correctly tested the 5% uplift in construction costs reflecting the estimated on-site net zero carbon build costs, and also correctly excluded a carbon offsetting fee (£0 per tonne).

### **4.0 Council's intended approach to flexibility for viability to be applied to development proposals that demonstrate deliverability challenges and the extent to which the Plan approach aligns with the London Plan**

4.1 The Council notes that Part D of Policy DF1 (Delivery of the Plan and Planning Obligations) of the London Plan 2021 (**ADP1**)<sup>3</sup> states that,

*“When setting policies seeking planning obligations in local Development Plan Documents and in situations where it has been demonstrated that planning obligations cannot viably be supported by a specific development, applicants and decision-makers should firstly apply priority to affordable housing and necessary public transport improvements”*

4.2 Whilst acknowledging this, the Council maintains that the approach to viability taken in **EVb1** is in accordance with **ADP1**, which has specific regard to Policy H5 of the London Plan. In particular, Part F of Policy H5 states,

*“Where an application does not meet the requirements set out in Part C it must follow the Viability Tested Route. This requires detailed supporting viability evidence to be submitted in a standardised and accessible format as part of the application:*

- 1) *the borough, and where relevant the Mayor, should scrutinise the viability information to ascertain the maximum level of affordable housing using the methodology and assumptions set out in this Plan and the Affordable Housing and Viability SPG”*

4.3 Furthermore, paragraph 4.5.2 in the supporting text of Policy H5 of **ADP1** states,

*“The Viability Tested Route will assess the maximum level of affordable housing that a scheme can deliver in cases where the threshold level of affordable housing cannot be met and where fixed or minimum affordable housing requirements are not in place. It is possible that, via the viability assessment using the detailed methodology in the SPG, a greater affordable housing contribution than the threshold level will be found to be viable and thus will be required.”*

4.4 As set out in paragraphs 6 to 11 of the Council’s written statement for the Matter 6 - Viability and Policy Requirements hearing (Document **WS6.1**)<sup>4</sup>, the emerging affordable housing policies in the Local Plan and Policy H5 of **ADP1** are applied subject to viability, having regard to site-specific circumstances. As stated in **WS6.1**, the affordable housing requirements in Policy SC2 of the Plan are applied on a ‘subject to viability’ basis, in line with the threshold approach in Policy H5 of **ADP1**, which is reflected in the Local Plan.

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<sup>3</sup> ADP1 [London Plan \(2021\)](#)

<sup>4</sup> WS6.1 - [Matter 6 Hearings Statement - Viability and Policy Requirements](#)

4.5 **EBV1** therefore finds that the policy requirements of other policies in the Plan have a relatively small impact and are, in any event, taken into consideration alongside the affordable housing policies which have built in flexibility. The Council therefore considers that the Plan’s approach to flexibility for viability applied to development proposals that demonstrate deliverability challenges is in general conformity with the London Plan.

## 5.0 Proposed modifications to the Plan in relation to Viability

5.1 During the Matter 6 Hearings Session, the Inspectors requested for the Council to consider a number of Main Modifications to be added into the updated version of the Schedule of Suggested Modifications (**Document S11**<sup>5</sup>). A number of these are referred to in the *Revised approach to address limitations on Supplementary Planning Documents Note* and the *Zero Carbon Note* as appropriate, whilst those specifically requested in relation to viability are referred to within this Note.

5.2 A Main Modification (reference EiP\_C5\_05) is proposed to include additional wording in paragraph 5.11 of the supporting text in Policy SC2 of the Plan to clarify the results of **EBV1** in relation to affordable housing. A further Main Modification (reference EiP\_C11\_06) is proposed to cross reference to the approach set out in Policy DF1 of the London Plan 2021 (**ADP1**). Both of the proposed Main Modifications have been included in document **S11** and are also set out in this Note below.

Modification code	Policy, Map/ Figure	Paragraph/ Clause	Page	Modification	Reason for Modification
EiP_C5_05	SC2 Maximising the Provision of Affordable Housing	5.11	106	5.11. This policy seeks to maximise the provision of affordable housing on all sites. However the Council is aware that the on-site provision of affordable housing will be limited by overall development viability and other policy objectives. <b>Factors that may impact the amount of affordable housing that it is viably achievable to deliver will include private sales</b>	To include additional wording in paragraph 5.11 of the supporting text in Policy SC2 of the Plan to clarify the results of <b>EBV1</b> in relation to affordable housing.

<sup>5</sup> S11 [Schedule of Suggested Modifications](#)

Modification code	Policy, Map/ Figure	Paragraph/ Clause	Page	Modification	Reason for Modification
				<p><u>values, scheme composition and benchmark land value.</u> The Council’s Whole Plan Viability Assessment evidence has tested the affordable housing requirements in the policy and demonstrates that in most cases schemes can accommodate an affordable housing requirement that is policy compliant: <u>showing that the affordable housing target is broadly deliverable over the plan period. Where following the viability tested route, affordable housing should be applied on a ‘maximum viable proportion’ basis taking site-specific circumstances into account.</u></p>	
EiP_C11_06	IMP3	11.3	248	<p><del>11.3</del> <u>11.8 The local CIL rates are set out in the Hounslow CIL charging schedule. This will be reviewed and updated periodically to ensure it continues to help inform negotiations and set appropriate local CIL rates to deliver the infrastructure required to support growth. This is in accordance with the approach set out in London Plan Policy DF1 (Delivery of the Plan and Planning Obligations).</u></p>	<p>This modification relates to part of paragraph 11.3. This text has been moved from paragraph 11.3 so that it now follows the newly added paragraphs 11.4–11.7 as it sits more appropriately here. Minor wording adjustments have also been made to ensure the relocated text reads smoothly and integrates clearly.</p> <p>Furthermore, a modification which includes an explicit reference to London Plan Policy DF1 as requested by the Inspector during the Stage 1 hearing</p>

Modification code	Policy, Map/ Figure	Paragraph/ Clause	Page	Modification	Reason for Modification
					<p>sessions to strengthen alignment with the London Plan.</p> <p>Lastly, changes to the paragraph numbering due to additional paragraphs added above (paragraph 11.4-11.7).</p>

5.3 It should also be noted, in relation to planning obligations, a modification (reference EIP\_C11\_05) to the supporting text of Policy IMP3 has also been included in **S11** to provide a clear explanation of the Council’s approach to identifying and negotiating planning obligations, in accordance with paragraph 34 of the NPPF (Document **ORD3**<sup>6</sup>).

## 6.0 Assumptions Made for Section 106 Requirements in Relation to Residential Development

6.1 The Council’s viability consultant (Quintic Advisory, formerly BNPP) has prepared a Note (Appendix 2 – Section 106 Requirements) that justifies the approach taken to testing Section 106 obligations, particularly in relation to residential development, in **EV B1**. As explained in Appendix 2, paragraph 4.28 of **EV B1** assumes an average Section 106 obligation of £2,000 per residential unit.

6.2 As also set out in Appendix 2, based on the Council’s own evidence of planning obligations sought on schemes coming forward in the borough since the adoption of CIL in 2015, with necessary deductions applied for contributions that are already factored into the appraisals in **EV B1**, the average 'headline' cost for Section 106 obligations is £1,955 per residential unit.

6.3 As part of an additional supplementary exercise, Quintic Advisory has tested typologies for Section 106 contributions at £2,000 per unit and also a higher figure of £6,000 per unit, to illustrate what impact there would be if higher cost Section 106 contributions were to be

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<sup>6</sup> ORD3 [National Planning Policy Framework December 2023](#)

negotiated. Whilst the higher figure of £6,000 per unit has been tested to account for any possible future cases involving higher obligations, the Council considers it unlikely that contributions will generate this per unit rate. The results of the additional supplementary exercise are included in Appendix 3 of this Note.

6.4 As Quintic's Note in Appendix 2 concludes, the impact of the higher Section 106 requirement of £6,000 per residential unit on the maximum viable affordable housing percentage is either nil or negligible. Furthermore, as obligations are negotiable, the Council will be able to consider the potential impact of its requirements on affordable housing delivery as part of the development management process. The outputs of the supplementary exercise therefore confirm that there is little impact on affordable housing and consequently the policies remain viable.

# **Appendix 1**

## **Local Plan Contributions in Policies CI1 and ED4**

**LONDON BOROUGH OF HOUNSLOW – LOCAL PLAN  
CONTRIBUTIONS IN POLICIES C11 AND ED4**

The Inspectors have requested further information on how the following contributions in the Plan policies were viability tested in the Local Plan Viability Study:

**Contributions sought in Part D of Policy C11 “We will expect development proposals to contribute to the delivery of high quality local community facilities and social infrastructure in line with the Infrastructure Delivery Plan”.**

The Local Plan Viability Assessment reflects the requirements of Part D of Policy C11 through CIL contributions, which the Council will use to fund the delivery of local community facilities and social infrastructure. Funding these facilities through CIL enables the Council to retain control of the quality of the facilities delivered, as well as pooling contributions from a wider range of schemes than would have been possible through the use of planning obligations.

**Policy ED4 – Enhancing Local Skills Part A - Seeking planning obligations towards construction training, employment training, including apprenticeships, and job brokerage where related in scale and kind to the development.**

The Local Plan Viability Study incorporates an allowance for construction and employment training via a calculation widely used across London based on the number of jobs per £1 million of construction costs. This equates to circa 0.75% of construction costs or £10.21 per square metre.

**Table 1: Employment and training levy incorporated into the appraisals**

	Site	Employment and Training Levy
37	West Cross Industrial Estate	£630,614
38	Phoenix Business Park	£178,546
39	Kew Bridge District Centre	£457,174
40	EMC Tower	£788,288
41	Lidl Feltham	£103,044
42	Land at Hatton Fields	£648,096
43	MOD Feltham	£258,592
44	Leisure West	£157,300
45	Land south of West International	£355,049
46	34 Staines Road	£46,663
47	Hounslow Bus Garage	£95,929
48	Sainsburys Chiswick	£222,912

Quintic Advisory  
11 March 2026

Note for Inspectors: The development viability business line at BNP Paribas Real Estate transferred to Quintic Advisory from 1 March 2026

# **Appendix 2**

## **Section 106 Requirements**

## LONDON BOROUGH OF HOUNSLOW – LOCAL PLAN SECTION 106 REQUIREMENTS

As discussed during the examination hearings, paragraph 4.28 of the Local Plan Viability Assessment (Document **EVb1**) assumes an average Section 106 obligation of £2,000 per residential unit. Some parties queried this allowance, suggesting that contributions on some development proposals were higher. The Council has undertaken some further research which demonstrates that total contributions on recent large scale schemes permitted since the Council adopted CIL in 2015 have resulted in an aggregated average of £3,149 per unit.

Furthermore, the Section 106 cost per unit would in fact be significantly lower given certain items would need to be deducted as they are taken account of elsewhere within the Whole Plan Viability Assessment (Document **EVb1**), as follows:

- Carbon offsetting (incorporated through Net Zero Carbon on-site solutions in the **EVb1** appraisals);
- Employment and Training contributions (incorporated through explicit allowances in the **EVb1** appraisals); and
- Commercial floorspace deductions (incorporated through an allowance of £25 per square metre GIA of commercial floorspace in the **EVb1** appraisals, which should therefore be deducted from the per residential unit cost).

Taking account of these necessary deductions, the average 'headline' contribution of £3,149 per unit falls to £1,955 per unit.

As noted at paragraph 4.28 of **EVb1**, Section 106 obligations are very site specific and the actual amounts will be subject to site-specific negotiations when schemes are brought forward. The Council does not operate Section 106 obligations as a quasi tariff, so the amounts will vary.

Nevertheless, we have tested the typologies with both a £2,000 and also a higher figure of £6,000 per unit Section 106 obligations package. The higher figure of £6,000 per unit has been tested to account for any possible future cases where higher obligations are negotiated on some schemes in instances where the need for a package of mitigation of such scale may be required, though based on the per home contribute rates discussed above, it is considered unlikely that contributions will generate this per unit rate.

The results of this additional testing are summarised in Table 1 (the full outputs are attached as Appendix A). These outputs are based on the middle value in the Borough wide range (£7,948 per square metre) and the maximum affordable housing is based on a comparison of the residual values to Benchmark Land Value 3.

**Table 1: Comparison of residual land values with £2,000 and £6,000 per unit Section 106 obligations and impact on viable percentages of affordable housing**

Description	No of units	RLV 35% AH £2k S106	RLV 35% AH £6k s106	Max AH% £2k S106	Max AH% £6k S106	Change
1 Small - 8 houses (40 dph)	8	£1,593,739	£1,566,251	45%	40%	-5%
2 Small - 8 houses and flats (50 dph)	8	£1,606,498	£1,579,010	50%	50%	0%
3 Small - 8 flats (70 dph)	8	£892,809	£865,321	40%	40%	0%
4 Small - 8 flats (90 dph)	8	£1,612,833	£1,585,346	50%	50%	0%
5 Small - 8 flats (170 dph)	8	£731,915	£704,428	50%	50%	0%
6 Small - 8 flats (190 dph)	8	£1,613,185	£1,585,697	50%	50%	0%
7 Small - 8 flats (220 dph)	8	£250,984	£223,496	30%	30%	0%

	Description	No of units	RLV 35% AH £2k S106	RLV 35% AH £6k s106	Max AH% £2k S106	Max AH% £6k S106	Change
8	Small - 8 flats (350 dph)	8	£1,615,116	£1,587,627	50%	50%	0%
9	Medium - 20 houses (40 dph)	20	£2,184,286	£2,115,567	10%	5%	-5%
10	Medium - 20 houses and flats (50 dph)	20	£4,030,326	£3,961,607	50%	50%	0%
11	Medium - 20 flats (70 dph)	20	£2,108,044	£2,039,458	35%	35%	0%
12	Medium - 20 flats (90 dph)	20	£1,091,333	£1,022,747	25%	20%	-5%
13	Medium - 20 flats (170 dph)	20	£929,852	£861,267	35%	35%	0%
14	Medium - 20 flats (190 dph)	20	£698,695	£630,109	30%	30%	0%
15	Medium - 20 flats (220 dph)	20	£543,532	£474,947	30%	30%	0%
16	Medium - 20 flats (350 dph)	20	£153,482	£84,897	25%	25%	0%
17	Large - 50 houses (40 dph)	50	£4,949,669	£4,781,112	0%	0%	0%
18	Large - 50 houses and flats (50 dph)	50	£5,060,773	£4,892,216	20%	15%	-5%
19	Large - 50 flats (70 dph)	50	£4,775,009	£4,606,780	30%	30%	0%
20	Large - 50 flats (90 dph)	50	£2,871,813	£2,703,585	25%	25%	0%
21	Large - 50 flats (170 dph)	50	£1,944,122	£1,773,328	30%	30%	0%
22	Large - 50 flats (190 dph)	50	£1,389,241	£1,218,447	30%	25%	-5%
23	Large - 50 flats (220 dph)	50	£929,950	£759,154	25%	25%	0%
24	Large - 50 flats (350 dph)	50	£63,960	£-108,464	20%	20%	0%
25	Large - 100 flats and houses (70 dph)	100	£9,328,978	£8,992,850	30%	30%	0%
26	Large - 100 flats (90 dph)	100	£5,547,162	£5,211,035	25%	20%	-5%
27	Large - 100 flats (170 dph)	100	£3,716,342	£3,380,214	30%	30%	0%
28	Large - 100 flats (190 dph)	100	£2,624,268	£2,288,140	30%	25%	-5%
29	Large - 100 flats (220 dph)	100	£1,893,889	£1,557,477	25%	25%	0%
30	Large - 100 flats (350 dph)	100	£40,261	£-305,588	20%	20%	0%
31	Large - 200 flats and houses (70 dph)	200	£17,107,405	£16,457,747	25%	25%	0%
32	Large - 200 flats (90 dph)	200	£9,781,475	£9,121,904	20%	15%	-5%
33	Large - 200 flats (170 dph)	200	£6,241,062	£5,581,491	30%	25%	-5%

	Description	No of units	RLV 35% AH £2k S106	RLV 35% AH £6k s106	Max AH% £2k S106	Max AH% £6k S106	Change
34	Large - 200 flats (190 dph)	200	£4,116,813	£3,457,242	25%	20%	-5%
35	Large - 200 flats (220 dph)	200	£2,705,065	£2,035,429	20%	20%	0%
36	Large - 200 flats (350 dph)	200	-£899,887	-£1,579,740	15%	15%	0%
37	West Cross Industrial Estate	1,800	£113,374,890	£108,473,707	50%	50%	0%
38	Phoenix Business Park	260	£29,577,579	£28,745,716	50%	50%	0%
39	Kew Bridge District Centre	750	£40,079,477	£37,664,146	50%	50%	0%
40	EMC Tower	420	£27,429,189	£26,064,906	50%	50%	0%
41	Lidl Feltham	220	£635,376	-£102,767	15%	10%	-5%
42	Land at Hatton Fields	-	£45,583,689	£45,583,689	0%	0%	0%
43	MOD Feltham	1,370	£63,610,361	£59,450,286	15%	10%	-5%
44	Leisure West	310	-£2,734,338	-£3,788,109	0%	0%	0%
45	Land south of West International	-	£24,937,640	£24,937,640	0%	0%	0%
46	34 Staines Road	120	£2,271,798	£1,876,055	25%	20%	-5%
47	Hounslow Bus Garage	830	-£1,155,006	-£3,976,393	25%	25%	0%
48	Sainsburys Chiswick	300	£26,694,096	£25,719,609	50%	50%	0%

As can be noted, the impact on the maximum viable affordable housing percentage is either nil or negligible. Furthermore, as obligations are negotiable, the Council will be able to consider the potential impact of its requirements on affordable housing delivery at the development management stage. Even if Section 106 obligations are sought at the level tested above, the outputs confirm that there is little impact on affordable housing and consequently the policies remain viable.

Quintic Advisory  
11 March 2026

**APPENDIX A: APPRAISAL OUTPUTS**

## **Appendix 3**

### **Appendix A of Section 106 Requirements Note – Section 106 Appraisal Outputs**

**(See separate document)**