

BASINGSTOKE AND DEANE BOROUGH COUNCIL COMMUNITY INFRASTRUCTURE LEVY CHARGING SCHEDULE EXAMINATION

EXAMINER'S MATTERS AND ISSUES FOR THE EXAMINATION

Examiner – Louise Nurser BA (Hons.) Dip UP MRTPI

Hearing to be held on 5 September 2017

The initial draft Hearing Timetable should be read in conjunction with
the Examiner's Briefing Note

Joanna Vincent

Email: joanna.vincent@basingstoke.gov.uk

Website: www.basingstoke.gov.uk

**Basingstoke and Deane Borough Council
Community Infrastructure Levy Charging Schedule Examination**

Main Issues for the Examiner

1. *Has the charging authority complied with the procedural requirements in the 2008 Act (Part 11 and section 221), and the 2010 Community Infrastructure Levy Regulations (as amended) (CIL)?*
2. *Is the CIL Draft Charging Schedule (DCS) supported by appropriate available evidence on infrastructure planning and economic viability?*
3. *Are the proposed CIL charging rates informed by and consistent with the evidence?*
4. *Does the evidence show that the proposed CIL charging rates would not put at risk the overall development of the area? Has an appropriate balance been struck between helping to fund the new infrastructure required and the potential effect of the levy on the economic viability of development across the borough and the implementation of the objectives of the Basingstoke and Deane Local Plan (2011-2029)?*

Matter 1: Infrastructure planning evidence

Issues

1. What evidence is there of the need for infrastructure to support the development proposed in the local authority area in the adopted development plan? Have the infrastructure requirements been correctly identified in a manner consistent with the local plan¹?
2. Has the expected total cost of this infrastructure been robustly estimated? What are the actual and expected sources of funding to meet these costs? What is the funding gap? What contribution is CIL expected to make towards filling this gap?

Matter 2: General approach to rate setting

Issues

3. Does the Draft Charging Schedule (DCS) make clear the approach that would be taken to uses not included in the charging schedule in the DCS and is this justified by the viability evidence?
4. Do the maps set out in Appendix 1 of the DCS clearly illustrate where each of the proposed charges are to be applied?
5. In setting CIL rates Charging Authorities must take account of policy requirements set out in the 'relevant plan' which for the purposes of the Examination is the

¹ National Planning Practice Guidance (NPPG): Paragraph 17 ID: 25-017-2014612

Basingstoke and Deane Local Plan (2011 to 2029). How are the financial implications associated with the policies of the adopted local plan, articulated and accounted for in the valuation assessments? Has this been undertaken in a sufficiently transparent manner²?

6. Is the future approach to the use of section 106 planning obligations as set out in the Draft Regulation 123³ list sufficiently clear? Does the Draft Regulation 123 list provide adequate certainty as to those items of infrastructure that CIL will contribute towards, and where section 106 obligations/section 278 agreements will continue to be used? Is there any duplication between the two? What is the relationship with the consultation draft of the Planning Obligations for Infrastructure Supplementary Planning Document⁴?
7. Are the assumptions, and the evidence⁵ on which they are based, set out in the Viability Study, appropriate, sufficiently transparent, consistent, robust, and flexible?
8. Are the valuation assessments which underpin the DCS consistent with those undertaken to support the development plan⁶? Is the definition of key terms such as Benchmark Land Value and Residual Land Value clear? Is the use of the standard residual land value approach appropriate in the setting of CIL rates?
9. What are the implications of potential changes, both up and down, to development costs and sales values on the economic viability of development within the Borough and the implementation of the development strategy? Should a separate contingency cost be included?
10. How has the Council provided for a viability cushion or margin? How has this influenced the levels at which CIL is to be set? Is this of an appropriate size to accord with the advice set out in the National Planning Practice Guidance⁷?
11. How have the implications of the Council's draft instalments policy been considered on the economic viability of development?
12. What are the arrangements for the monitoring and review of the CIL?

² NPPG Paragraph 020 Ref ID:25- 020-20140612

³ CD07

⁴ BD02

⁵ I note that the background evidence includes documents with different base dates.

⁶ NPPG Paragraph 020 Ref ID:25- 019-20140612

⁷ NPPG: Paragraph 19 Ref ID: 25-019-20140612

Matter 3: Residential Levy Rates

Issues

13. Are the differential local levy rates for new residential accommodation delineated by zone, development type and scale, justified by appropriate available, consistent and transparent viability evidence^{8, 9}? Has the Council sought to avoid undue complexity?
14. Are the site acquisition costs and benchmark land values justified by appropriate available evidence, including consideration of the impact of CIL on land values? Has evidence of recent land transactions been taken into account? If so, should it be?
15. Are the assumptions relating to both generic and site specific S106 and S278 contributions sufficiently realistic and derived from an adequate and transparent evidence base based on past developments and the policy requirements of the adopted development plan¹⁰?

Zones 1-3

16. Is the methodology used to calculate the economic viability of future large scale developments adequately transparent and replicable to enable robust and proportionate sensitivity testing?
17. Are the assumptions used appropriate, including contractor and developer profit; finance costs; professional, legal and marketing fees; opening up costs; Stamp Duty; housing size, density, mix, tenure; and sales values?
18. Are the costs associated with the site specific policies of the development plan, relating to the strategic sites, including where relevant, the provision of Gypsy and Traveller sites, suitably robust and appropriately set?
19. What is the economic evidence to justify the Benchmark Land Values for the Golf Course and the Country Park. If higher Benchmark Level Values are appropriate, what is the evidence to support the higher figures?

Zones 4 and 5

20. Is there sufficient fine grained evidence to differentiate between the boundary of zones 4 and 5? For example, is there economic viability evidence to differentiate between Pamber and Baughurst?
21. Overall, to what extent do the residential rates strike an appropriate balance between helping to fund the new infrastructure required and the potential effect on the economic viability of new residential accommodation across the five geographical zones?

⁸ NPPG: Paragraph 21 Ref ID: 25-021-20140612

⁹ NPPG: Paragraph 23 Ref ID: 25-023-20140612

¹⁰ NPPG: Paragraph 18 Ref ID: 25-018-20140612

Affordable Housing

22. What impact has the Court of Appeal judgement of 11 May 2016¹¹ had on the economic viability of housing and the amount of overage available for CIL in the residential charging zones? Has the judgement had any specific impact with reference to the differential rates proposed, based on housing type, and numbers of dwellings?

Other Housing

23. Is it possible to justify the setting of differential rates for specialist housing, flats and single dwellings by economic viability evidence? How would the imposition of such rates impact on the need to fund the infrastructure required and the economic viability of other housing and the implementation of the objectives of the Basingstoke and Deane Local Plan? In particular, is the exclusion of 100% flatted dwellings from the zero rating charge, where they form part of a larger site, justified by economic viability evidence?

Matter 4: Retail Levy Rates

Issues

24. Is there adequate economic justification to support two separate differential rates for A1 retail warehousing/ comparison shopping outside and within Basingstoke town centre so that they are justified by appropriate available viability evidence¹²? Has the Council sought to avoid undue complexity?

25. What role does retail warehousing/ comparison shopping have in delivering the development strategy for Basingstoke and Deane?

26. Overall, do the rates strike an appropriate balance between helping to fund the new infrastructure required and the potential effect on the economic viability of new retail warehousing and comparison shopping outside of Basingstoke and across the Borough?

Matter 5: Hotel Levy Rates

Issues

27. Is there adequate economic justification to support differential rates between budget and mainstream hotels so that they are justified by appropriate available viability evidence¹³? Is this evidence consistent with that used within the viability assessments for other uses within the Borough? Has the Council sought to avoid undue complexity?

28. What role do budget hotels have in delivering the development strategy for Basingstoke and Deane?

¹¹ Secretary of State for Communities and Local Government v West Berkshire District Council and Reading Borough Council [2016] EWCA Civ 441: Planning obligations and affordable housing & tariff-style contributions

¹² NPPG: Paragraph 22 Ref ID: 25-022-20140612

¹³ NPPG: Paragraph 22 Ref ID: 25-022-20140612

29. Overall, do the rates strike an appropriate balance between helping to fund the new infrastructure required and the potential effect on the economic viability of new budget hotels across the Borough?

Initial draft hearing timetable

Date	Morning session 10 am	Afternoon session 2 pm
Day 1 Tuesday 5 September	<ul style="list-style-type: none"> • Examiner’s opening announcements • Opening statement of the charging authority. • Matter 1 – Infrastructure planning evidence • Matter 2 – General approach to rate setting <p><i>Attendance – to be confirmed</i></p>	<ul style="list-style-type: none"> • Matter 3 – Residential Levy Rates • Matter 4 – Retail Levy Rates • Matter 5 – Budget hotel rates <p><i>Attendance – to be confirmed</i></p>
Day 2 Wednesday 6 September	<ul style="list-style-type: none"> • Additional day if required. 	