

Local Planning Authority Response to the Submission from Matthew James (HCC) on behalf of the Manydown leaseholder

The comments below respond to the submission from Hampshire County Council (HCC) as joint leaseholder for the Manydown site and follows a request from the CIL Examiner for figures relating to the site with a base date of Quarter 3 2015.

The Local Planning Authority (LPA) is grateful for the submission of this information, which provides a cross reference to details extracted from the Three Dragons Viability Assessment which supports the LPA's approach to CIL. It is, however, noted that this is incomplete in some areas and there are some variations in respect of a number of the assumed infrastructure costs.

In terms of the 2016 Three Dragons study, the total allowed for **on-site infrastructure** at 2015 prices was £79,089,748 (as opposed to the £23,449,761 highlighted by HCC). The £79,089,748 consists of:

- Opening up costs of £22,666,000;
- External works £51,425,748; and
- Generic s106 £4,998,000.

This breakdown is made clear in responses made to date by the LPA. Along with the £63,607,000 allowed for site specific s106 (including the additional strategic transport and the Country Park costs), this takes the total infrastructure costs in the 2016 study/Country Park update to £142,696,748 at 2015 prices.

In comparison to the £79,089,748 on-site infrastructure allowed by Three Dragons, HCC has allowed £96.2m for site opening up, roads, services etc, which is a difference of £17.1m. However, the difference in infrastructure costs is covered by Three Dragons' use of BCIS **median** build costs, which are over 10% higher than the **lower quartile** rates that might be expected from volume housebuilders who are likely to deliver this site. The difference in build costs between median and lower quartile at June 2015 costs is £16.4m (after allowing for garages on top of the dwelling build costs) and this is within £0.7m of the infrastructure costs gap. The table below sets out these calculations, and this shows that while the details may differ, the on-site development and infrastructure costs, in the round, broadly cover the costs suggested by HCC.

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| Total build cost at median BCIS (excluding external works) | £342,838,317 |
| Estimated total build cost at lower quartile BCIS excluding external works | £308,554,486 |
| Garages at £7,000 each for all semis and detached (75% of dwellings and noting that affordable homes do not typically provide garages) | £17,850,000 |
| Estimated total build cost at lower quartile BCIS external works + garages | £326,404,486 |
| Build costs balance (£342,838,317 - £326,404,486) | £16,433,832 |
| Difference between on-site infrastructure allowances | £17,108,551 |
| Difference (£17,108,551 - £16,433,832) | £674,719 |

In terms of the specific infrastructure costs set out by the leaseholders of the Manydown site, it is noted that there are some variations in these that have been identified by the LPA, through close liaison with service providers. These are outlined below:

| Infrastructure Type | Leaseholder's Cost | LPA Cost | Difference | Commentary |
|--|--------------------|---|----------------|---|
| Primary school | £19,974,660 | £17,618,623 | (-) £2,356,037 | Costs provided by the Local Education Authority (LEA) are based on 3,400 dwellings for Manydown (including the smaller parcels in separate ownership around Worting) and are correctly based on the 4.37 forms of entry needed to mitigate impact, rather than 5 forms of entry which includes other needs. The balance of costs will be met by other sites and / or the LEA. |
| Secondary school | £24,626,733 | £18,266,547 | (-) £6,360,186 | The LPA's costs were provided by the Local Education Authority (LEA) and are based on 3,400 dwellings for Manydown (including the smaller parcels in separate ownership around Worting) and are correctly based on the 4.28 forms of entry needed to mitigate impact, rather than 5 forms of entry. The balance of costs will be met by other sites and / or the LEA. |
| Nursery | £7,631,206 | - | (-) £7,631,206 | The LPA makes no allowance for the provision of a nursery. The Infrastructure Delivery Plan identifies that any such provision would be on a commercial basis and funding would be provided by a private sector organisation. It seems erroneous to include costs without the associated commercial income. |
| Community centre | £4,369,538 | £3,000,000 | (-) £1,369,538 | The LPA's costs are based on information provided by the Borough Council's Community Development Manager |
| Library | £10,874 | £568,845 | (+) £557,971 | The LPA's costs are based on information previously provided by Hampshire County Council's Libraries Services Team |
| Travellers | £693,577 | - | (-) £693,577 | Travellers' sites have a commercial value and it is assumed that this will be used to fund provision, along with external funding, such as that provided by the HCA, will be utilised to deliver the site. It seems erroneous to include costs without the associated commercial income. |
| Highways – site access (excluding other) | £11,166,596 | £11,400,000 (updated figure provided by | (-) £233,404 | Discussions with the Local Highways Authority indicate that initial work undertaken for the <u>two</u> most significant junctions for |

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| contributions such as bus subsidy) | | the Local Highways Authority) | | accessing the site are likely to cost in the region of £11.4m (at 2017 prices), based on the current, underdetermined planning application. |
| Highways – off-site works | £4,952,338 | | | Discussions with the Local Highways Authority indicate that work undertaken to date associated with the planning application is not sufficiently robust to attach an accurate cost to. |
| Total | | | £17,619,169 | LPA's costs compared to those provided by the Manydown leaseholders |

Combined with the difference in overall on-site development costs (£674,719) and taking into account the figure outlined above gives a total of £17,619,169 between the costs assumed by the Local Planning Authority and the leaseholders. It should be noted that this excludes any variation in costs that may arise from the off-site highways works, which have yet to be considered by the Local Highways Authority in respect of the current planning application. For reference, the leaseholders have assumed that these amount to around £4.9m as highlighted above.

Other cost areas which are not included in the above analysis:

- Land costs have been factored in to the figures provided by the Manydown leaseholder, which were previously considered and which is considered should be excluded given that these are taken into account as a part of the benchmark land value for the site; and
- Revenues associated with the utilities have been adequately taken into account in the costings.