

STRATFORD-ON-AVON DISTRICT COUNCIL
COMMUNITY INFRASTRUCTURE LEVY (CIL) SCHEDULE
EXAMINATION HEARING 20 SEPTEMBER 2016 CONTINUING 21
SEPTEMBER IF NECESSARY

AGENDA

1. INTRODUCTION

Welcome and Introductions

Explanation of the Examination Process

Opening Statements from the Council and Representors (if desired)

2. MAIN ISSUES FOR CONSIDERATION BY THE EXAMINER

- Is the charging schedule supported by background documents containing appropriate available infrastructure planning and economic viability evidence?
- Are the proposed charging rates informed by, and consistent with, the evidence?
- Does the evidence demonstrate that the proposed charging rates would not put the overall development of the area at risk?

3. EVIDENCE BASE – DEVELOPMENT PLAN AND INFRASTRUCTURE

This session will explore the Development Plan's approach to strategic growth in the District and the Council's evidence in terms of infrastructure needs to support that growth. It will explore the projected infrastructure funding gap and the extent to which CIL receipts may fill that gap. The key items for discussion are:-

- The Stratford-on-Avon Core Strategy 2011-2031
- The Infrastructure Delivery Plan (November/December 2015)
- The Draft Regulation 123 List (October 2015)
- Clarification of Draft Regulation 123 List paper (May 2016)
- Planning Obligations Position Statement (May 2016)

4. RESIDENTIAL CIL

This session will explore the evidence base that the Council has used to inform and set its proposed CIL charges. The assumptions made, data sources and viability modelling will all be discussed. The following structure for the session is proposed:

Viability Evidence

- Status of the viability evidence documents including CIL Viability Study (PBA September 2013 – **SCS.17**), CIL Economic Viability Study Final

Report (PBA June 2014 – **SCS.12**) and CIL Economic Viability Study (PBA September 2015 – **SCS.2**).

Residential CIL Viability Modelling Assumptions

General Housing

- Residential sales values – sources, patterns and trends
- Residential site typologies – sources and relevance in different locations, site coverage and different land types
- Affordable housing – quantum, types and costs
- Build costs including allowances for external works and national technical standards requirements
- Should the most up-to-date evidence be used (e.g. Q3 and Q4 2015)? If so would there be any implications for viability?
- Fees, contingency, site costs and finance
- Are the site cost assumptions for brownfield, greenfield and mixed sites realistic?
- Should the Gaydon Lighthorne Heath site be classed as mixed rather than greenfield?
- Should the assessment show the development programme assumed for strategic sites? By not doing so, does this underestimate the finance costs associated with delivery of the strategic sites?
- Should the internal rate of return (IRR) be shown as a key part of the analysis on longer-term strategic sites?
- S106 and S278 costs
- Developer profit
- Threshold Land Values (TLV) – sources, robustness and relevance in different locations and different types of land
- Should sensitivity testing be applied to assumptions regarding density, site coverage, sales values and build costs?
- Are the assumptions regarding ongoing S106 payments for the strategic sites realistic?

Housing for Older People

- Scheme sizes, size of units
- Build costs and abnormal costs
- Land values

Residential CIL Viability Appraisal Outputs

- Results of the residential viability testing
- The process of defining the residential CIL zones and rates

Residential CIL Zones and Charges

- Approach to viability buffers and CIL as a proportion of development costs

- The £75 psm CIL charge proposed for small sites (<10)
- The £150 psm CIL charge proposed for sites 11+ (all areas)
- The £110 psm CIL charge proposed for Gaydon Lighthorne Heath
- The £85 psm CIL charge proposed for the Canal Quarter Regeneration Zone
- The £75 psm CIL charge proposed for Long Marston Airfield
- The £0 psm CIL charge for extra care housing
- The £0 psm CIL charge for retirement dwellings

5. Commercial CIL

This session will explore the evidence base that the Council has used to inform and set its proposed CIL charges for commercial developments. The assumptions made, data sources and viability modelling will all be discussed. The following structure for this session is proposed:

Commercial CIL Viability Modelling Assumptions

- Development types
- Commercial rents and yields
- Fees, finance and contingencies
- Commercial building costs
- Developer profit
- S106 and S278 costs
- Existing use value

Commercial CIL Viability Appraisal Results

- B Class uses
- Retail
- Leisure
- Private care homes

6. Other CIL Matters

- Discretionary relief for exceptional circumstances
- Instalments policy
- AOB

7. Round Up and Conclusions

In this final session, I will give the participants an opportunity to sum up their views on the evidence. The focus of this session will be on an overarching examination question as set out above which is whether the CIL proposals strike an “appropriate balance” between funding necessary infrastructure and development viability.

Participants

Cushman & Wakefield for St Modwen Developments

Jones Lang LaSalle for Gateway One Ltd

NLP for Cala Homes

Savills for Housebuilder Consortium

Turley for IM Properties