

Report of: **The Cabinet**
Date: **28 November 2016**
Chairman: **Councillor C Saint**

A meeting of The Cabinet was held on 28 November 2016 at which the following item had been considered and referred to Council for determination.

Copies of the relevant report are available from Committee Services (telephone 01789 260245; email committeemanagers@stratford-dc.gov.uk).

Minute 503 – Community Infrastructure Levy

Councillor Chris Saint – Leader of the Council

Consideration was given to the 'Review of Residential Values, Costs and Scenario Testing' report undertaken by Peter Brett Associates as evidence to inform the Community Infrastructure Levy (CIL) Examination and to agree the Council's position in respect of the proposed CIL rate at Long Marston Airfield.

Following the CIL Examination Hearing in September 2016, the Independent Examiner had requested that the Council undertake further sensitivity testing to understand the implications on viability and CIL of applying alternative and more recent data on development costs and values prior to the Examination Hearings reconvening on 19 December 2016 and to seek formal endorsement of any changes to the Council's proposed rates.

The rates to be charged were based on the results of a technical assessment of development viability undertaken in accordance with national guidance. This was a high-level assessment using the residual land value model that applied a number of reasonable assumptions about development costs and values of types of schemes across the District.

The work helped to inform the decisions by the Council about the risk and balance between the policy aspirations of achieving sustainable development and the realities of economic viability. These factors needed to be taken into account in order to ensure that development in Stratford-on-Avon District remained deliverable and viable.

The Council's approach to CIL was set out in its Charging Schedule which proposed the following CIL rates:

Development Sector Proposed CIL £ per sqm	Development Sector Proposed CIL £ per sqm
Residential Development <input type="checkbox"/> At Gaydon/Lighthorne Heath new settlement <input type="checkbox"/> Long Marston Airfield <input type="checkbox"/> Canal Quarter Regeneration Zone <input type="checkbox"/> Small sites (10 and under units) <input type="checkbox"/> Rest of District <input type="checkbox"/> Extra care <input type="checkbox"/> Retirement dwellings	<input type="checkbox"/> £110 <input type="checkbox"/> £75 <input type="checkbox"/> £85 <input type="checkbox"/> £75 <input type="checkbox"/> £150 <input type="checkbox"/> £as prevailing rate <input type="checkbox"/> £0
Retail (A1-A5) <input type="checkbox"/> Within all identified centres (2) <input type="checkbox"/> Within Gaydon/Lighthorne Heath and LMA new settlements <input type="checkbox"/> Out of centre retail <input type="checkbox"/> All other forms of liable floorspace	<input type="checkbox"/> £0 <input type="checkbox"/> £10 <input type="checkbox"/> £120 <input type="checkbox"/> £0

The options open to The Cabinet were to:

- (1) accept the technical work as evidence to inform the CIL Examination and accept the recommendations that there should be no change to the Submission CIL Rates except at Long Marston Airfield, where a zero rate was now proposed;
- (2) accept the technical work as evidence to inform the CIL Examination, and accept the recommendations that there should be no change to the Submission CIL Rates, and that the Council's position was that it was appropriate to assume that higher values would be achieved at Long Marston Airfield and as a result, a CIL charge was achievable; and,
- (3) not accept the technical work as evidence to inform the CIL Examination.

In considering the report and options available, in regard to Long Marston Airfield, The Cabinet acknowledged that as with all models, the outputs that were generated were dependent upon the inputs applied and any inbuilt assumptions. Whilst it was not unreasonable to test the effect of applying lower sales values to Long Marston Airfield (which was simply the work that PBA have now undertaken), the Council did not agree that it was appropriate to assume lower values would be achieved at Long Marston Airfield than elsewhere in the Central area. This conclusion was reached based on the following:

- There were distinct differences between Long Marston Airfield and Meon Vale, not least in size, scale and nature of the development. This Council, in partnership with the developer CALA, had submitted an expression of interest to the Government seeking support for a locally-led Garden Village. The related business case presumed that almost £14m of CIL would be payable on the development. It was therefore reasonable to expect that values would be higher on a site that combined high quality design with substantial landscaping and open space and the application of garden village principles. Long Marston Airfield would also comprise a local village centre with a range of shops and services (including a library and GP surgery) as well as two primary schools and a secondary school. Whilst Meon Vale also included community infrastructure, the level of

provision was commensurate with the scale of development being less than one third the size of Long Marston Airfield.

- By its very nature, therefore, Long Marston Airfield had been planned as, and would become, a free-standing new community and, when built, the equivalent of a Main Rural Centre (MRC), the second tier of settlement in the District. Sales values would reflect these key differences.

Accordingly, Members concluded that the Council's position was that it was appropriate to assume that higher values would be achieved at Long Marston Airfield and as a result, a CIL charge would be achievable.

In view of the above, it was

RECOMMENDED: To Council

- (1) That the 'Review of Residential Values, Costs and Scenario Testing' Report undertaken by Peter Brett Associates be received as evidence to inform the CIL Examination; and,**
- (2) To accept the Report recommendations where there is no change to the Submission CIL Rates, and that the Council's position be that it was appropriate to assume that higher values would be achieved at Long Marston Airfield and as a result, a CIL charge was achievable.**