



*Basingstoke
and Deane*

Community Infrastructure Levy

Preliminary Draft Charging Schedule

Public Consultation

January 2014



Contents	Page
1 Introduction and details of consultation	2
2 The Infrastructure needs	3
3 CIL and S106	5
4 What is CIL and how is it calculated	7
5 Evidence Base	7
6 Viability testing	8
7 Preliminary Draft Charging Schedule	10
8 Next steps	12

Appendix 1

Geographical coverage of the proposed CIL charging area

1. Introduction

- 1.1 The Community Infrastructure Levy (CIL) is a levy that local authorities can choose to charge on new development in their area. The money raised can be used to fund a wide range of infrastructure such as transport schemes, schools, health and social care facilities, parks, green spaces and leisure facilities.
- 1.2 This consultation document – the Preliminary Draft CIL Charging Schedule is published for public consultation as the first step in the adoption of a CIL for Basingstoke and Deane Borough Council in accordance with Regulation 15 of the CIL Regulations 2010 (as amended).
- 1.3 The consultation provides an opportunity for representatives from the development sector, industry and commerce, Town and Parish Councils, community groups and organisations, neighbouring authorities, and any member of the public that may have an interest in CIL to make representations in respect of the approach that the Council as ‘Charging Authority’ is proposing to take in setting CIL rates for the borough, and consider the content of the economic viability evidence that the Council has used to inform the proposed rate(s) to be set, and the types of development that it proposes would be chargeable as a consequence of that evidence.
- 1.4 The consultation runs for six weeks from 6 January to 17 February 2014.

Comments can be submitted online by following the link <http://www.basingstoke.gov.uk/go/cil>

Or in writing to:
Planning Policy and Implementation Team
Basingstoke and Deane Borough Council
Civic Offices
London Road
Basingstoke
RG21 4AH

Alternatively, comments can be submitted via email to deit@basingstoke.gov.uk

For any enquiries please call 01256 845 469 or 845 750

- 1.5 Please note that comments cannot be treated as confidential. Personal details will be removed and representations will be made available as public documents.

2. The infrastructure needs

- 2.1 In order to meet the growing needs of the borough for new homes, regeneration and sustainable economic growth proposed in the emerging Local Plan, significant investment is required to ensure that the infrastructure needed to support that development at both a strategic and local level can accommodate the increased demand placed upon it. This will include for example providing for new schools, community and other local needs, improvements to the transport networks, additional healthcare facilities, investment in the borough wide leisure and recreational facilities and open space.
- 2.2 The meaning of infrastructure is set out in section 216(2) of the Planning Act 2008 as amended by CIL regulation 63 and includes:
- Roads and other transport facilities
 - Flood defences
 - Schools and other educational facilities
 - Medical facilities
 - Sporting and recreational facilities
 - Open space
- 2.3 The infrastructure will need to be funded from a variety of sources, a proportion of which would be funded from development itself. The Council's Infrastructure Delivery Plan (IDP) sets out the additional infrastructure requirements to support the emerging Local Plan. The Pre-Submission Local Plan makes provision for nearly 13,500 homes over the plan period, with over 10,700 homes still to be provided. The majority of this development will primarily take place in Basingstoke town followed by appropriate levels of growth in the smaller settlements of Whitchurch, Overton, Bramley, Kingsclere and Oakley.
- 2.4 With regard to employment, Basing View will be regenerated as a 21st century business park. The regeneration of this area will be phased over an approximate 20 year period. Improving the public realm, introducing an appropriate mix of uses, improving accessibility and wider links to the town centre will revitalise Basing View and create a more attractive and welcoming environment. The site capacity tests indicate that the indicative capacity is estimated to be 1.825 million sq. ft. when fully developed which compares with the current built area of

1.25 million sq. ft. The new build will include offices, hotel/leisure, residential and retail.

- 2.5 The emerging Local Plan seeks to maintain and enhance district and local centres and to expand the town centre boundary for Basingstoke town providing opportunities for the provision of additional services. The Borough Council is committed to playing a leading and supporting role in improving Basingstoke's Town Centre. In May 2013 Cabinet approved a Basingstoke Town Centre Programme which includes a rolling action plan to March 2015 and lists the actions such as improvement of the public realm and accessibility.
- 2.6 The Basingstoke Leisure Park is the borough's prime leisure destination, comprising of 45 acres of land owned and managed by the council. Since its inception, the Park has been developed in an ad-hoc fashion and there is now a long term strategy¹ to refresh and where possible enhance the existing facilities, which has included attracting new occupiers to the park.
- 2.7 During the preparation of the Local Plan and IDP, the Council has been working with key service providers and infrastructure providers in relation to the levels of growth proposed for the town and rural settlements. From the information received, it is clear that the cost of the required or proposed infrastructure exceeds the known available funds. The summary table below shows the funding gap which justifies the preparation of a CIL Charging Schedule. The table, however, is only a snapshot of the current situation. The information it contains will evolve and change as further information becomes available. It should be noted that of the estimated funding gap £197,612,705 is needed for necessary infrastructure provision and £94,058,697 for desirable infrastructure.

Table 1: Estimated Infrastructure cost/ Funding gap

Infrastructure Type	Estimated Cost	Estimated Funding gap
Transport	£82,696,000	£69,429,000
Chineham Station	£5,500,000	£5,500,000
Secondary education	£63,468,880	£63,468,880
Primary education	£52,597,970	£52,597,970

¹ Strategic Plan for Sport & Recreation in Basingstoke and Deane to 2025

Nursery	£540,000	£540,000
Health (GPs)	£906,855	£906,855
Social and community facilities	£9,562,000	£9,562,000
Sport and Recreation Strategic	£31,050,000	£31,050,000
Sport and Recreation Local	£14,020,000	£14,020,000
Green Infrastructure Strategic	£36,926,805	£36,926,805
Green Infrastructure Local	£14,020,000	£14,020,000
Library	£1,224,892	£1,224,892
Total		£291,671,402

3. CIL and S106

- 3.1 Basingstoke and Deane Borough Council currently collect financial contributions through Section 106 legal agreements (S106).
- 3.2 This approach is changing through the Government's new approach which enables local authorities to use CIL to fund the provision of infrastructure. This will enable local authorities to seek financial contributions from development to fund a wide range of supporting infrastructure. It is seen by government as a replacement for the majority of the existing process of planning obligations sought under S106 agreements. With the introduction of a CIL charge, the use of S106 obligations will be restricted to site specific impacts (i.e. access roads, or the provision of on-site open space) and the provision of affordable housing. This will replace the current practice of pooling contributions from numerous development sites under existing processes towards the provision of infrastructure such as transport and schools. From April 2015, or the date, on which CIL is adopted, Regulation 123 limits the use of planning obligations where there have been five or more obligations in respect of a specific infrastructure project or a type of infrastructure entered into on or after 6 April 2010.
- 3.3 The purpose of the levy is to give developers more certainty about costs and to give councils and local communities more flexibility about how infrastructure is

funded. This will also allow more strategic issues to be resolved through the use of CIL funding, for example, key road junctions which affect development in a specific settlement.

- 3.4 For clarification, it is intended that contributions currently sought on a formulaic basis under S106 will not disappear completely but their use will be scaled back once a CIL charge is adopted. The exception to this is intended to be large scale development where facilities and infrastructure are required to be delivered on site, or where impacts are directly related to a particular site, including enabling works such as site access. Where land is required to provide new infrastructure such as schools or community facilities the council will accept 'payment in kind'. Essentially, the total CIL amount payable is reduced by the value of the land / building offered.
- 3.5 The Council will publish a list of infrastructure projects or types of infrastructure that it intends will be, or may be, wholly or partly funded by CIL. This is known as the "Regulation 123 list". Infrastructure projects included in this list cannot be secured via Section 106 legal agreements in order to avoid double charging. The draft Regulation 123 list is being made available for information during this consultation. The Regulation 123 list is likely to be updated periodically, in line with the IDP, as infrastructure projects are completed, or new requirements identified.
- 3.6 Revenue from the CIL will be used to fund the delivery of infrastructure and will be directed to address the identified funding gap informed by the IDP to deliver the infrastructure needed to support the borough's growth, regeneration and development. It cannot be used to remedy pre-existing deficiencies in infrastructure provision unless such deficiencies will be made more severe by new development. In general, it is intended to spend revenue from CIL for infrastructure provision for highways, education, healthcare, social and community facilities, sport and recreation facilities, green infrastructure and libraries.
- 3.7 The Regulations require the Council to allocate a "meaningful proportion" of the revenues from CIL receipts to the neighbourhood within which the CIL chargeable development took place. In January 2013 the Government announced that Neighbourhoods (with a Neighbourhood Plan) will receive 25% of the revenues from the CIL arising from the development that they choose to accept – and neighbourhoods without a plan will receive a 15% share of the levy revenue, subject to a cap of £100 per council tax dwelling per year.

4. What is CIL and how is it calculated?

- 4.1 CIL is a non-negotiable fixed charge, which means applicants and developers will be clear about how much they will need to pay. The charge will be levied on new developments of more than 100 m² of floorspace and on those creating one or more dwellings, even where the floorspace is less than 100 m². In principle, this affects all types of new development that involve buildings ‘into which people normally go’. In cases of redevelopment, the charge will only be levied on any net additional floorspace created.
- 4.2 There will be no CIL charge for Change of Use applications unless additional floorspace is created and no charge for the subdivision of existing dwellings, self-build and extensions. Affordable housing and development for charitable purposes are exempt from CIL. The Government has announced its intention to further amend the CIL Regulations and that these are expected to come into effect in early 2014.
- 4.3 CIL is payable within 60 days of commencement of development, although the Regulations allow for an instalment policy to be adopted alongside CIL if the authority wishes. Any proposed instalment policy will be published alongside the Draft Charging Schedule (see table 3), and comments on the requirement and scope for an instalments policy are to be sought alongside the consultation on the Preliminary Draft Charging Schedule.
- 4.4 The responsibility to pay the levy lies with the owner of the land, unless liability is assumed as set out in Regulations 31 and 39 (as amended), and the amount payable will be calculated in accordance with Regulation 40 (as amended).
- 4.5 The chargeable rate will be index linked, which is the national All-in Tender Price index published from time to time by the Building Cost Information Service of the Royal Institute of Chartered Surveyors.

5. Evidence base

- 5.1 The legislation requires a charging authority to use ‘appropriate available evidence’ to inform their draft charging schedule and to demonstrate that their proposed CIL rate or rates are informed by ‘appropriate available’ evidence and consistent with that evidence across their area as a whole.
- 5.2 In order to set the rates the Council has regard to:

- The emerging Local Plan (2011 – 2029), which sets out how much development will take place within the Borough to 2029 and the broad locations of that development
- The draft Infrastructure Delivery Plan (July 2013), which is a living evidence base document produced to support the emerging Local Plan, the purpose of which is to list the infrastructure it is anticipated will be necessary and essential to support future sustainable growth
- The Basingstoke & Deane Borough Council Viability Study (October 2013)

5.3 As set out in the NPPF (para. 175) the council has worked up CIL charges alongside the emerging Local Plan.

5.4 As set out in section 2 of this document the IDP identifies an estimated ‘funding gap’ which is the difference between the indicative costs for infrastructure projects and the identified funding taking into account committed funds. The current identified funding gap, based on the best available information as of July 2013, is estimated to be approximately £291,671,402 (of which £197,612,705 is needed for necessary infrastructure provision and £94,058,697 for desirable infrastructure). It is therefore considered that Basingstoke and Deane Borough Council has justification for taking forward a CIL charging schedule. It is acknowledged that the funding gap will change over time as costs and funding levels are clarified, projects are completed and other potential future infrastructure projects are identified.

6. Viability testing

6.1 The Council has commissioned consultants to carry out a viability assessment of the planning policies to be included in the emerging Local Plan and the CIL charge rates. This evidence assesses the viability of a sample of different types of development across the borough to gauge the potential effects that the introduction of CIL would have on development viability taken as a whole.

6.2 The analysis uses a residual development land appraisal, which involves the assessment of the value of the completed development (Gross Development Value) from which is deducted the development costs to calculate a residual land value. The outputs identify either a positive or negative residual value. If a positive residual value exists, there is scope to charge CIL, if it is negative the development is not considered to be viable.

6.3 Assumptions (such as market values, benchmark land values, development costs, dwelling sizes, affordable housing assumptions and so forth) in the testing

have been agreed with Council officers and the development industry during a workshop. Two types of testing have been undertaken:

1. Notional 1 ha schemes at different densities and with different mixes of types of dwelling in the two market value areas (in and around Basingstoke and Tadley and the Market towns/villages)
2. A selection of the case studies that are representative of the types of development in the Local Plan, as well as examples of smaller schemes, not identified in the Local Plan, but which might be brought forward as windfall schemes. The case studies were informed by the emerging Local Plan as well as experience of past development patterns and the views of the development industry explored at the workshop. The case studies range in size from 1 dwelling to 3,000 dwellings.

- 6.4 Within the range of plan policies, the proportion of affordable housing has the greatest impact in terms of viability. A range of affordable housing proportions, and with different balances of social and affordable rent has been tested. All affordable housing comprises 70% rented and 30% shared ownership – with the rented component as either i. 75% affordable rent and 25% social rent or ii. 75% social rent and 25% affordable rent or iii. 100% affordable rent.
- 6.5 The analysis suggested the following trade-offs between affordable housing percentages and CIL levels. When applying 35% affordable housing this would give a theoretical maximum CIL level of £100 - £160. When applying 40% affordable housing this would give a theoretical maximum CIL level of £55 - £120.
- 6.6 The position in the rest of the borough is more straightforward and an affordable housing target of 40% appears generally justified in combination with a maximum CIL of £200.
- 6.7 CIL Regulation 14 set out that the charging authority, in setting levy rates, must aim to strike what appears to be an appropriate balance between the desirability of funding from the levy and the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area. The proposed CIL rates for residential development are set out in Table 2a.
- 6.8 With regard to non-residential development the different uses have been tested through case studies, which have been developed in discussion with officers to be representative of the types of development likely to come forward under the emerging Local Plan.

7. Preliminary Draft Charging Schedule

7.1 Based on the findings and outcomes of the Viability Assessment the following rates of CIL are proposed:

Table 2a: Proposed CIL rates – residential development

<u>Development type</u>	<u>Proposed CIL rate per sqm</u>
Strategic sites in and around Basingstoke/Tadley (Zone 1)	£105
All other sites in and around Basingstoke/Tadley (Zone 2)	£75
Residential in all other locations in the Borough (Zone 3)	£160

Table 2b: Proposed CIL rates – non-residential development

<u>Development type</u>	<u>Proposed CIL Rate per sq.m</u>
Town centre comparison retail	£85
Retail warehouse ²	£240
Small convenience retail ³	£60
Supermarket (above 280 sq m)	£100
Superstore (2500 sq m and above)	£220
Budget hotel	£55
Full service hotel ⁴	£0
Offices	£0
Industrial and warehouse	£0
Mixed leisure	£0
Care home / sheltered housing	£0

7.2 The geographical coverage of the proposed CIL charging area is set out in Appendix 1.

² Retail warehouses are large stores specialising in the sale of household goods, DIY items and other ranges of goods, catering for mainly car-borne customers

³ Which fits within the Sunday trading threshold (Sunday Trading Act 1994) of maximum 280 sq m floor area for serving customers

⁴ Full service hotels are defined typically 4 or 5 star quality and including a range of restaurant and leisure facilities as well as meeting rooms and conference facilities suitable for business use

8. Next steps

- 8.1 The Council is now consulting on the Preliminary Draft Charging Schedule as the first step in working towards adopting a CIL Charging Schedule. All comments received will be fully considered and taken into account in preparing a Draft Charging Schedule. This Draft Charging Schedule will then be subject to a further round of consultation, before being submitted to an independent Examiner prior to public examination. The table below sets out the anticipated time scale for adopting a CIL Charging Schedule.

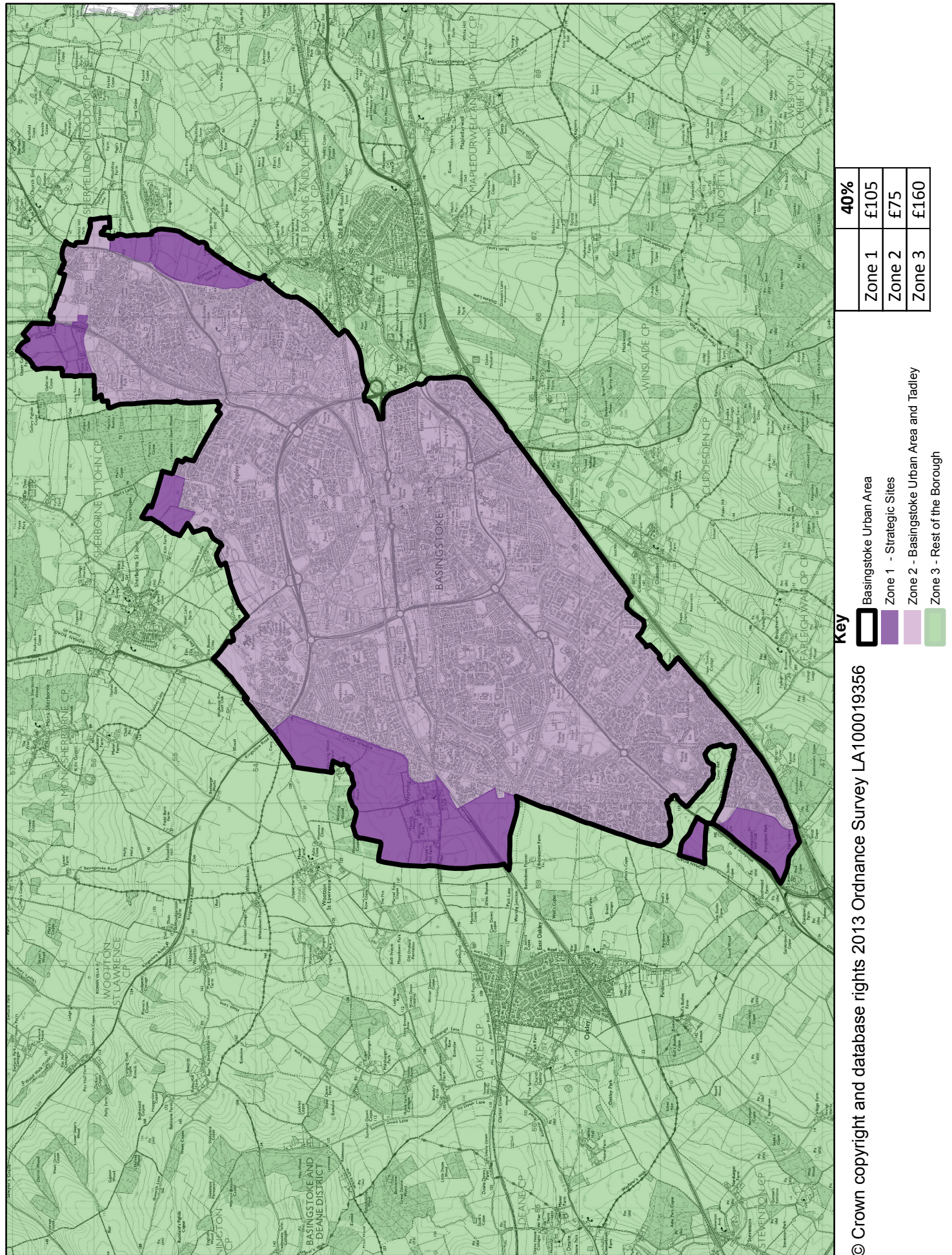
Table 3: Timescale for adoption of a CIL Charging Schedule

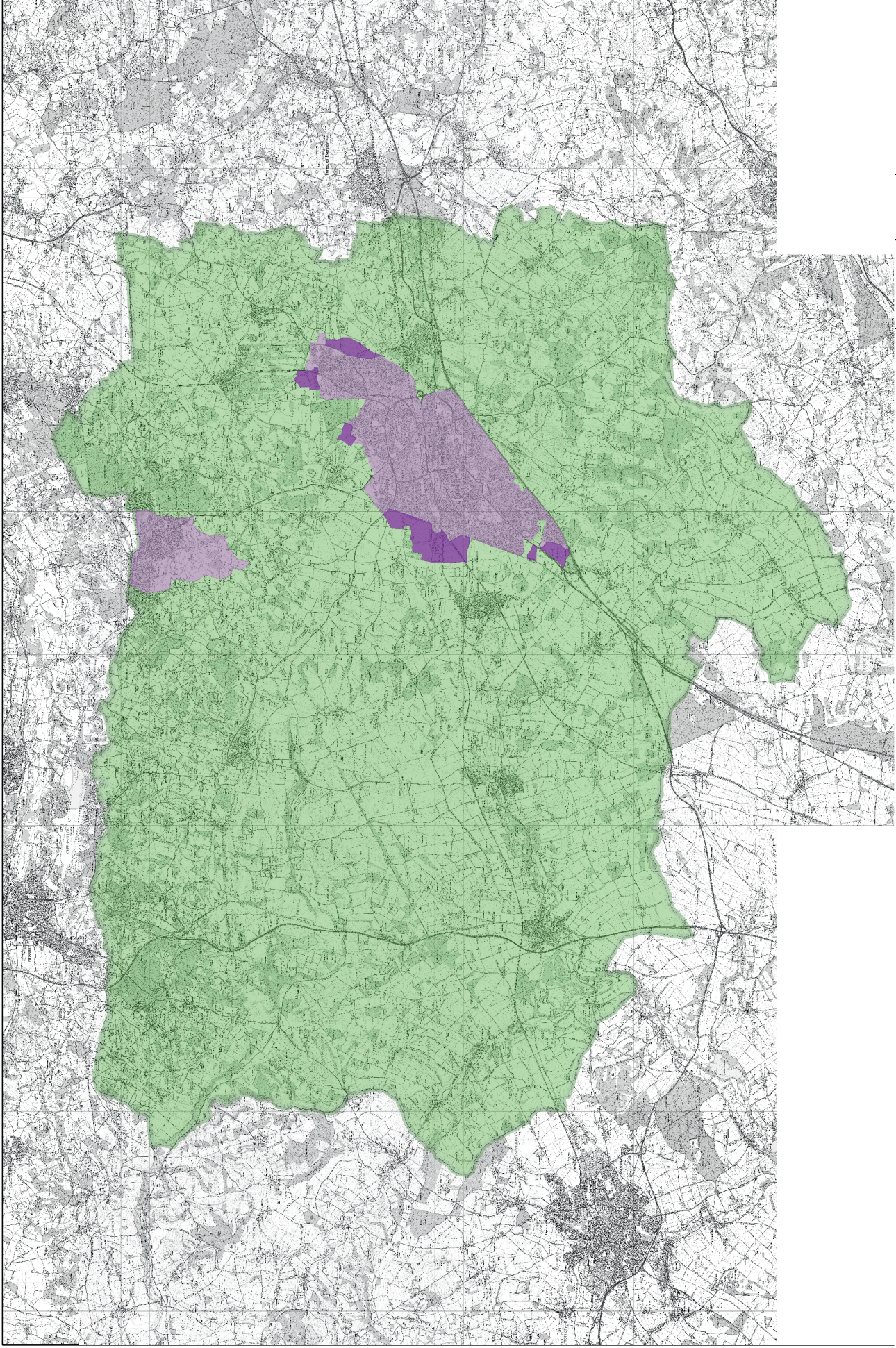
Preliminary Draft Charging Schedule consultation	06/01/14 – 17/02/2014
Draft Charging Schedule consultation	June – July 2014
Submit Draft Charging Schedule to independent Examiner	August/September 2014
Possible Examination	October 2014
Possible Examiner's report	November 2014
Adoption of CIL Charging Schedule	January 2015

- 8.2 Alongside this process, the Council will be required to review the status of the current Planning Obligations Document with a view to its replacement by a Supplementary Planning Document that is fit for purpose to operate alongside CIL, and the continued operation of S106 planning obligations for securing site specific infrastructure.
- 8.3 The Council is also required to monitor the level of CIL receipts received and spent and to publish annually such information.

Appendix 1

Geographical coverage of the proposed CIL charging area



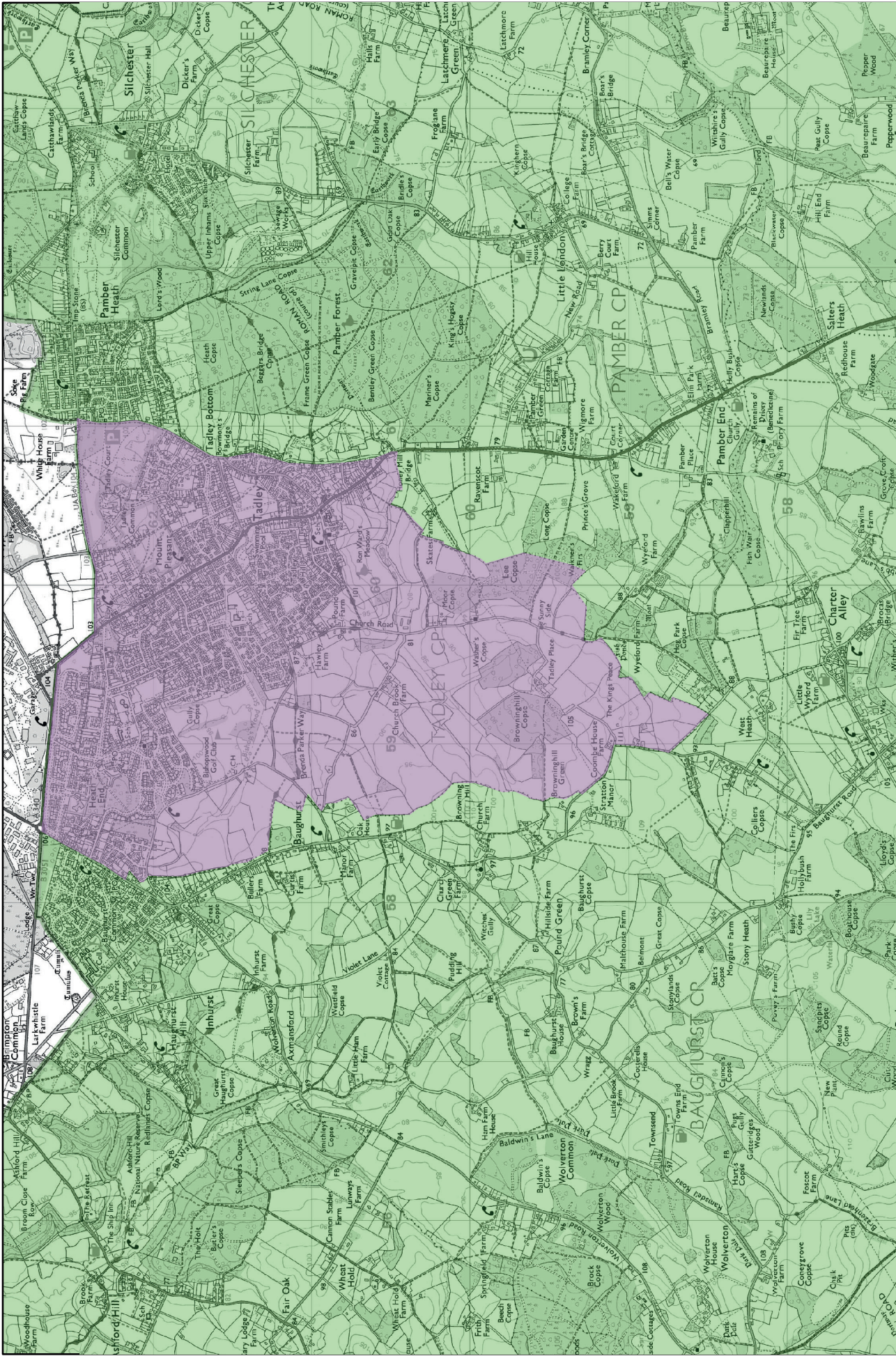


© Crown copyright and database rights 2013 Ordnance Survey LA100019356

Key

- Zone 1 - Strategic Sites
- Zone 2 - Basingstoke Urban Area and Tadley
- Zone 3 - Rest of the Borough

Zone 1	£105
Zone 2	£75
Zone 3	£160

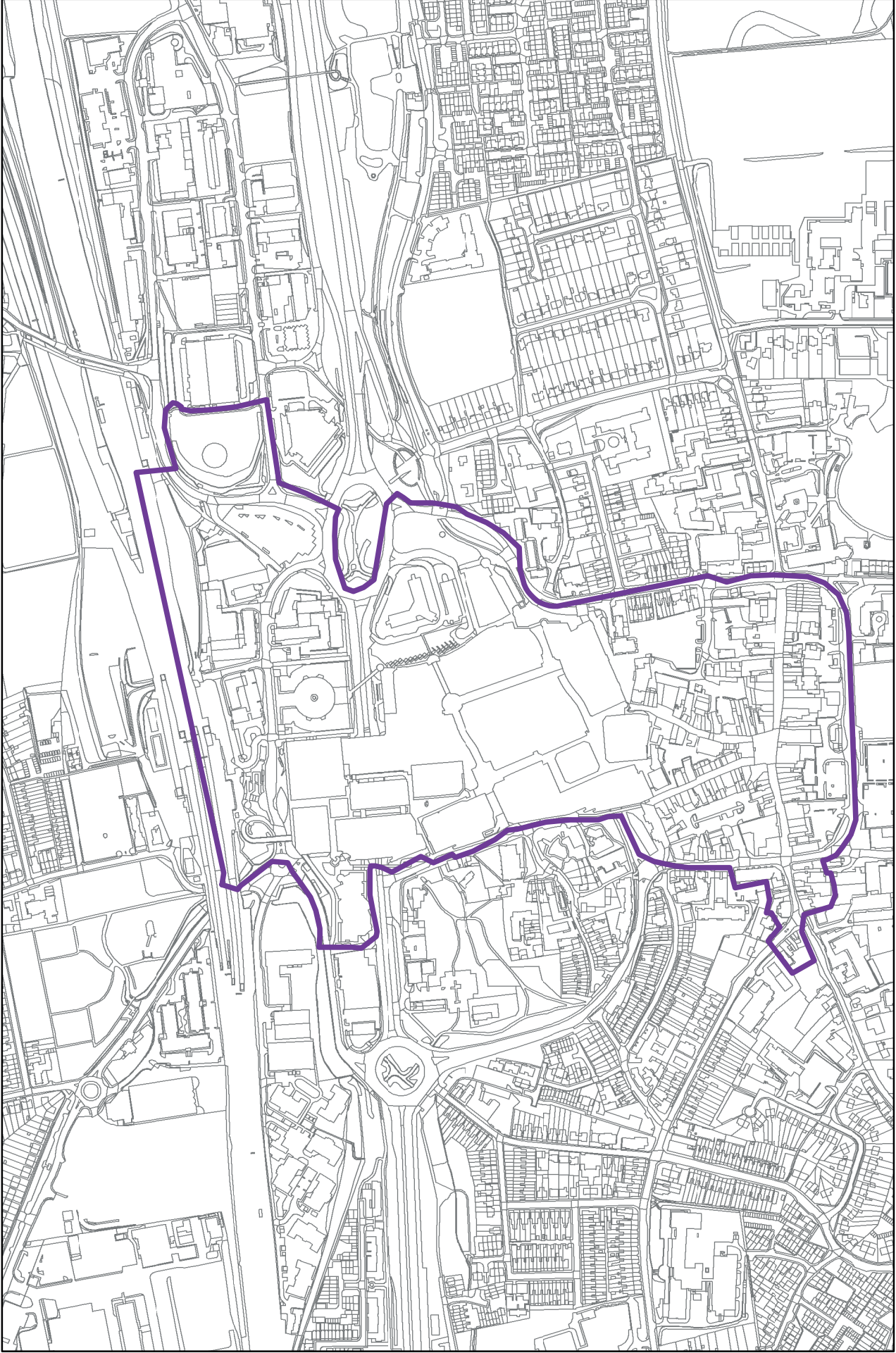


© Crown copyright and database rights 2013 Ordnance Survey LA100019356

Key

- Zone 1 - Strategic Sites
- Zone 2 - Basingstoke Urban Area and Tadley
- Zone 3 - Rest of the Borough

Zone 1	£105
Zone 2	£75
Zone 3	£160



Key



Town Centre Boundary

Community Infrastructure Levy

©Basingstoke and Deane Borough Council December 2013

Civic Offices
London Road
Basingstoke
RG21 4AH

Telephone 01256 844844
www.basingstoke.gov.uk
deit@basingstoke.gov.uk

 Follow us on Twitter: twitter.com/BasingstokeGov

