

Mark Lambert

Subject:

FW: Basingstoke & Deane Borough Council - CIL Examination

Dear Ms Vincent

On behalf of our client, The Manydown Company Ltd (TMCL) we have reviewed the Council's Additional Sensitivity Tests Briefing Note dated 20th September 2017 (Document Reference PS09a) for Zone 2 Manydown and wish to make the following comments:

Prior to PS09a, we provided comments to the Council on the proposed methodology. We requested a multi-variable sensitivity analysis using at least increments of +/- 1, 5, 10% sales variance against build cost variance on the 13 year delivery trajectory to analyse changes in combination, not undertaken as separate isolated tests. This seems to be covered in bullets h, i and j in section 12 of PS09a, and although they have used 2% rather than 1% as the lower sensitivity, this is still acceptable.

To reflect the likely delivery approach for a phased site of this scale we expected further analysis of the above (i.e. on the 2015 base with the same combinations of cost uplifts/decreases and value rises/falls) but using an extended trajectory of 16 and/or 18 years, not an isolated extended trajectory analysis as was done previously. The Council has only done an extended scenario of 18 years, with a 5% cost changes and OBR forecasts (Tests 2c and 2d). They have not tested the 2%, 5% and 10% increments that we asked for. As such the analysis is incomplete. The sensitivity tests undertaken in bullets h, i and j in section 12 of PS09a highlight the sensitivity of the proposed CIL rate to variations.

PS09a still includes the 2017 updated costs and values sensitivity testing – however this needs to account for changes to all variables based on up to date evidence including for example, infrastructure costs that reflect the cost consultant work and changes advanced by the Leaseholders. It is not clear whether the "costs" sensitivity includes infrastructure or purely above-ground housebuild. If not, then we consider the analysis is incomplete.

Following the lengthy discussion on the BLV and treatment of the Country Park (CP) in the viability appraisals at the examination, we expected to see a sensitivity test within PS09a which accounts for some incentivisation (above current use/ag land value) for the landowner to provide the country park land as part of the Manydown Policy SS3.10 allocation. This is appropriate regardless of whether the CP land is required to mitigate the impacts of the development as per the planning application or, to reflect the policy requirement for the land to be provided for a country park. The sensitivities of £2m, £3m and £4m which are Current Use Value (CUV), CUV x 1.5 and CUV x 2 do not represent adequate returns for the purposes of CIL setting for Zone 2 Manydown. It is our clear view that the Local Plan Policy intends for the CP land to be delivered by the Manydown Policy SS3.10. It should therefore be included at the same benchmark land value per gross acre as the development land within the sensitivity analysis.

Finally, we cannot see where some of the other items discussed at the examination are picked up in the sensitivity analysis– contingency, garage costs for example.

Overall, we do not consider that the Council has shown that the Proposed Zone 2 Manydown CIL rate can be supported in order to clearly demonstrate that the delivery of the Local Plan and the Objectively Assessed Housing Needs for the borough, including the delivery of affordable housing, will not be prejudiced.

Kind regards

Stacey Rawlings


BIDWELLS

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