

Date – 19<sup>th</sup> October 2017

Ref - 17.7013

BY EMAIL:

[Joanna.Vincent@basingstoke.gov.uk](mailto:Joanna.Vincent@basingstoke.gov.uk)

Dear Council

## **Re: Basingstoke and Deane CIL Examination: Additional Sensitivity Tests Briefing Note**

Boyer, on behalf of our client Danescroft and in connection with their development proposals at Basingstoke Golf Club, appreciates the opportunity to express our views on the further sensitivity testing undertaken by the Council.

Whilst we recognise that there is merit in preparing further sensitivity tests we are of the view that the current sensitivity testing results have limited value until the baseline appraisal inputs have been agreed by the Examiner. As discussed at the hearing the main points of contention concerned:

- The inclusion of a standard 5% contingency on build costs;
- Higher professional fees at circa 10-12% of build costs which would be more in keeping with strategic sites with large and complicated infrastructure requirements;
- Finance on the cost of land;
- Higher profit levels for strategic sites; and
- The underestimation of onsite infrastructure costs for strategic sites.

The Three Dragon's modelling excludes a developer's contingency which Boyer along with the other respondents from the development industry (who attended the Public Hearing) agreed was a standard viability input. As we have outlined previously many other CIL Charging viability studies include contingency as a standard assumption. Its inclusion would likely add in excess of £5 million of additional costs to the Basingstoke Golf Course development based on the information provided in the Three Dragon viability model EV04.26.

The Council in their response<sup>1</sup> to written submissions argue against the inclusion of a 5% contingency for several reasons; namely it is a requirement not specially mentioned in the Viability Testing Local Plans 2012 document; a 5% contingency only takes account of price increases not decreases; and that other CIL Studies may have used a lower external works allowance alongside a contingency.

While the Testing Local Plans 2012 document does not specifically mention the word 'contingency' it does discuss unexpected costs including site abnormalities stating:

*'The planning authority should include appropriate average levels for each type of site unless more specific information is available' (p35).*

<sup>1</sup> Summary and Analysis of Representations on the Modifications to the Revised Draft Charging Schedule.



RTPI  
Learning Partner



worksafe  
consultant  
www.smasitd.com



as recognised by  
SAFETY  
SCHEDULES IN  
PROCUREMENT



Three Dragon modelling upon which finance charges are added throughout the development programme and therefore cash flowed against receipts. This is not considered normal practice and its impact on the viability of the strategic sites should be confirmed.

As outlined in our previous written submission and at the Public Hearing we are concerned with the onsite infrastructure costs applied to the Golf Course site. Whilst we acknowledge the difficulty in modelling onsite infrastructure costs accurately we have concerns with the apparent inconsistencies between the Council's evidence base documents and widely differing costs applied to the different strategic sites.

In terms of the Council's viability evidence base we still struggle to understand why the total costs modelled in the 2016 viability study do not match those contained in the 2017 Infrastructure Delivery Plan as outlined in detail in our previous written submission. The viability modelling also applies significantly lower onsite infrastructure costs to the Golf Course site compared to other strategic sites as tabulated below.

Table 2 – Onsite infrastructure cost comparisons

	Manydown	Golf Course	Hounsme Fields	East of Basingstoke	Upper Cufaude Farm
Total onsite infrastructure costs per dwelling	£18,708 <sup>2</sup>	£11,620	£18,633	£14,549	£11,684

Of particular concern is the significant difference in costs modelled between the Golf Course site and Hounsme Fields which lie adjacent to one another; and only separated by the A30. The applicable Local Plan Policies for both sites are similar in terms of their onsite infrastructure requirements which seemingly supports the proportionate approach applied to the majority of the relevant infrastructure items; the major exception being Strategic Transport. Here the cost applied to the Golf Course site is nearly 5 times lower than that applied to the Hounsme Fields site (see EV04; p112).

At the Public Hearing the Council explained the main reason for the much lower strategic transport cost being applied to the Golf Course site was because the Hounsme Fields development will forward fund the majority of the highways improvements. We don't feel this significant assumption is justified given the Hounsme Fields development has only recently been granted Outline Planning permission (26<sup>th</sup> September 2017); and therefore is somewhat off from starting onsite and delivering the necessary support infrastructure; including highways upgrades. Danescroft and Boyer have been in constant contact with the Council and are programmed to submit a planning application for the Golf Course site by spring / early summer next year and start on site as soon as possible once planning permission is granted.

We are also struggling to reconcile the Council's assumption that the Hounsme Fields development will forward fund the majority of the shared Strategic Transport infrastructure given the signed s106

<sup>2</sup> Revised from Manydown Strategic Site Additional Transport Costs Briefing Note February 2017