

**Robyn Kelly**

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**From:** Jess Harris  
**Sent:** 28 June 2017 16:58  
**To:** DesignEnvironmentInfrastructureTeam  
**Cc:** Kevin Jaquest; Richard Bayley  
**Subject:** Community Infrastructure Levy – Statement of Modifications  
**Attachments:** CIL Modifications response BDBC Manydown leaseholder response.docx

**Importance:** High

Good afternoon,

Please find attached a request to be heard at the forthcoming examination in respect of the Borough Council's Community Infrastructure Levy (CIL) sent on behalf of Basingstoke and Deane Borough Council as a leaseholder of Manydown, Basingstoke.

Please let me know if you have any further questions.

Many Thanks

Jess

Jess Harris  
Operational Programme Manager  
Basingstoke and Deane Borough Council

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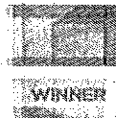
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Planning Policy and Infrastructure Team  
Basingstoke and Deane Borough Council  
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28 June 2017

Our Ref: KJ/RB/JH

Sent via email to:  
[deit@basingstoke.gov.uk](mailto:deit@basingstoke.gov.uk)

Dear Sir/Madam

### **Community Infrastructure Levy – Statement of Modifications**

On behalf of Basingstoke and Deane Borough Council as a leaseholder of Manydown in Basingstoke, I (or my consultants) request the right to be heard at the forthcoming examination in respect of the Borough Council's Community Infrastructure Levy (CIL). This is specifically in relation to Modification 6 (Table 1) of the Revised Draft Charging Schedule and the evidence presented to justify a CIL charge of £50 per square metre.

We write on behalf of the Council as joint leaseholders of Manydown, and in response to Three Dragons' Additional Transport Costs Briefing note, dated February 2017. We request to be heard at the forthcoming examination in order to elaborate on the reasons, outlined within this letter, for the CIL rate for the Manydown land.

For the avoidance of doubt, the comments made by the Council, acting as joint leaseholder, in September 2016 in response to the Consultation remain, with the following points added.

#### **Benchmark Land Value**

A greenfield, strategic site benchmark of £400,000 per gross hectare, which is approximately 20 times the agricultural value has been adopted. A benchmark land value of £2m is allocated to the Country Park, reflecting only agricultural value. In effect, this increases the Benchmark Land Value for the site, including the Country Park, to c £75.4m.

Whilst the general approach in valuing the Manydown development on the basis of greenfield strategic land is appropriate, this has valued the land for the Country Park in

isolation and without regard to its consequences for the value of Manydown. This approach does not address the essential matter, which is the linkage between the land for the Country Park and the adjacent site, Manydown, and the critical importance of it for the development of Manydown.

This ignores the fact that exclusion of the Country Park from the validated planning application for Manydown would materially reduce the scale of development elsewhere within the site and would adversely impact on achievable values and deliverability.

We consider that an alternative approach would be to apply a rate of £400,000/hectare to the total site area, which gives a benchmark land value of c £123.6m.

The effect of the adopted approach, in our view, is to enhance the viability of the scheme.

### **Infrastructure & s106 costs**

The viability testing includes an allowance for the costs of delivering large scale development at Manydown. It has adopted c £22.6m, based on £200,000/ha (equivalent to £6,650 per plot assuming 3,400 units). This figure is significantly below the figure previously advised to the Council, acting as joint leaseholder by its specialist cost consultant, which is currently estimated to be in the order of £108m.

A cost for s106 payments of £58.6m (£17,235 per plot assuming 3,400 units) in the 2016 calculation has been applied. We note that an additional £9.325m for transport cost is now included within the updated Three Dragons briefing note, February 2017. This increases the figure to £67.925m (£19,978 per plot assuming 3,400 units). This figure is significantly below the level currently being adopted by the Councils as leaseholders of Manydown, based on specialist cost advice, of £108m which is also verifiable through discussions with the local Highways Authority.

### **Summary**

In our view an arguable basis of valuation in respect of the Manydown Country Park Allocation has been adopted. The result is that the benchmark land value is materially less than it should be, and the viability is enhanced.

The advice from the Council, acting as joint leaseholder, in respect of infrastructure and s106 costs has not been fully taken into account, and it has materially underestimated the costs. In consequence the scheme is therefore portrayed as being significantly more viable than is the case.

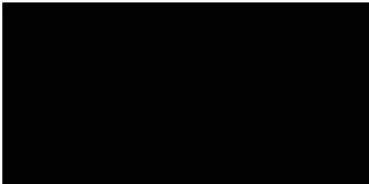
We do not believe that the DCLG Guidance on how to assess the value of strategic sites for CIL has been fully followed, all appropriate available evidence has not been considered, and all development costs have not been taken into account.

In the context of the areas highlighted, the application of a buffer is not a relevant or appropriate response when the resultant Residual Land Valuation calculation is demonstrably below the Benchmark Land Valuation.

We, as joint leaseholders, look to the examiner to consider all the factors put forward and to take full and proper account of all additional information to determine that Manydown should have a Zero CIL charge for the Manydown land allocation in the adopted BDBC Local Plan.

I trust this clarifies the current position, if you have any further questions please do not hesitate to contact me via phone on [REDACTED] or email [REDACTED]

Yours sincerely

A large black rectangular redaction box covering the signature area.

Kevin Jaquest  
Executive Director of Finance and Resources

