

**Robyn Kelly**

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**From:** James, Matthew (PBR) [REDACTED]  
**Sent:** 28 June 2017 17:48  
**To:** DesignEnvironmentInfrastructureTeam  
**Subject:** Basingstoke and Deane Borough Council - Community Infrastructure Levy  
**Attachments:** E01526 DM04 2017-06-28 MJ BDBC CIL modifications letter.docx; E01526 DM04 2017-06-28 MJ BDBC CIL modifications letter.pdf

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Dear Sir / Madam,

Please see the attached representations in respect of the statement of modifications and request to be heard at the forthcoming CIL examination.

Kind regards

Matthew

**Matthew James** BA(Hons) MAUD MRTPI APMPQ

Planning and Design Manager

Estates and Development Services

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*Date:* 28 June 2017

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Dear Sir / Madam

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

On behalf of Hampshire County 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. The request to be heard is in order to elaborate on the reasons, outlined within this letter, for reviewing the CIL rate for the Manydown land.

For the avoidance of doubt, the comments made by the County 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 County 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, a questionable 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 County 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; that all appropriate available evidence has been considered; or all development costs taken into account.

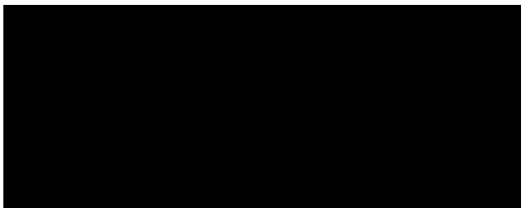
In the context of the areas highlighted, the application of a buffer is not a relevant or appropriate response when the resultant Residual Land Valuation calculation is

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.

Please contact me if you have any further queries and otherwise I look forward to hearing from you in due course.

Yours sincerely



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