



*Basingstoke
and Deane*

Planning
for our future



Community Infrastructure Levy

Draft Charging Schedule

Public Consultation

November 2014



Contents

Page

1	Introduction and details of consultation	1
2	The Infrastructure Needs	2
3	CIL and Section 106	4
4	What is CIL and how is it calculated?	6
5	Evidence Base	7
6	Viability Testing	7
7	Draft Charging Schedule	9
8	Next Steps	10

Appendix 1 – Geographical Coverage of the Proposed Charging Areas

Map A	CIL Charging Zones for Residential Development – Basingstoke and Deane Borough	A1
Map B	Charging Zones for Residential Development – Basingstoke	A2
Map C	CIL Charging Zones for Residential Development - Tadley	A3
Map D	CIL Charging Zones for Non-Residential Development – Basingstoke Town Centre	A4

1 Introduction and details of consultation

- 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 CIL Draft Charging Schedule is published for public consultation as the second stage in process of adopting a CIL for Basingstoke and Deane Borough Council in accordance with the CIL Regulations 2010 (as amended). It follows consultation on a Preliminary Draft Charging Schedule in January 2014, during which time 39 separate individuals or organisations provided comments. These comments have been taken into account in preparing the CIL Draft Charging Schedule and a schedule of these comments is available alongside the CIL Draft Charging Schedule.
- 1.3 The Draft CIL Charging Schedule is supported by the following documents:
- The Viability Assessment (2013 and updated in 2014);
 - The Draft Infrastructure Delivery Plan;
 - The Draft Regulation 123 list;
 - The Draft Instalments Policy; and
 - The Draft Supplementary Planning Document on Planning Obligations.
- 1.4 This consultation provides a further 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.
- 1.5 The consultation runs for six weeks from 7 November to 19 December 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 845469 or 845750.

- 1.6 Please note that comments cannot be treated as confidential so please do not include any personal information within your comments. Responses will be published on the borough council's website, together with the name and/or organization name of the respondent.

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 and additional school places, 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 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 on 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 of approximately £141 million is needed for necessary infrastructure provision and £94 million for desirable infrastructure.

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

Table 1: Estimated Infrastructure cost/ Funding gap

Infrastructure Type	Estimated Cost	Estimated Funding gap
Transport	£73,963,474	£56,196,474
Chineham Station	£5,500,000	£5,500,000
Secondary education	£37,591,140	£37,591,140
Primary education	£46,242,410	£40,470,140
Nursery	£540,000	£540,000
Health (GPs)	£671,847	£671,847
Social and community facilities	£9,068,320	£7,980,500
Sport and Recreation Strategic	£31,050,000	£31,050,000
Sport and Recreation Local	£6,600,845	£6,450,000
Green Infrastructure Strategic	£35,625,805	£35,626,805
Green Infrastructure Local	£11,362,161	£10,820,000
Library	£995,500	£995,500
Total		£233,892,406

3 CIL and S106

- 3.1 Basingstoke and Deane Borough Council currently collect financial contributions arising from development 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, in addition to key on-site infrastructure,

such as schools) 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. The council may accept 'payment in kind' in exceptional circumstances. Essentially, the total CIL amount payable will be reduced accordingly.
- 3.5 The Council has published a draft 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 alongside this schedule 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. Alongside the Regulation 123 list, a draft Supplementary Planning Document (SPD) has been prepared to detail the council's approach towards seeking affordable housing, infrastructure and other planning obligations required to make new development proposals acceptable. It will also contribute towards ensuring that the council is not seeking S106 contributions for infrastructure that will be funded or part funded by CIL, known as 'double-dipping'.
- 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 (except for new schools), 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. 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.
- 4.3 CIL is payable within 60 days of commencement of development, although the Borough Council is proposing to introduce an instalments policy, which is being consulted on alongside this Draft CIL 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 (2014), 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 (2013 and 2014).

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 £233,887,406 (of which around £141 million is needed for necessary infrastructure provision). 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 Further more detailed assessments were undertaken during 2014 to consider the larger allocated sites in the borough, including the scope to provide key on-site infrastructure through section 106 agreements, in response to comments made during the consultation.
- 6.5 CIL Regulation 14 sets 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.
- 6.6 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 Draft CIL Charging Schedule

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

Table 2: Proposed CIL rates – Residential Development

Location / type of residential development	Recommended Charge Rate (£ per square metre)
Manydown (zone 1)	£0
Basingstoke Golf Course; East of Basingstoke; Upper Cufaude Farm (zone 2)	£65
Basingstoke and Tadley (zone 3)	£70
Rest of the Borough (zone 4)	£150
Care homes / extra care / sheltered housing	£0

Table 2b: Proposed CIL rates – Non-Residential Development

Type of development	Recommended Charge Rate (£ per square metre)
Large convenience retail shop / Supermarkets ² Large comparison retail shop outside of Basingstoke town centre ³ / Retail warehouses	£150
Small scale convenience retail ⁴ Small scale comparison retail outside of Basingstoke town centre ⁵ Comparison retail within Basingstoke town centre (any size) Financial and professional services (Use class A2) Restaurants and cafes (Use class A3) Drinking establishments (Use class A4) Hot food takeaways (Use class A5)	£35
Budget hotel ⁶	£35
All other types of development	£0

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

² Shop with a floor area greater than 280 sq. m. for serving customers (Sunday Trading Act 1994)

³ Shop with a floor area greater than 280 sq. m. for serving customers (Sunday Trading Act 1994)

⁴ Shop with a floor area smaller than 280 sq. m. for serving customers (Sunday Trading Act 1994)

⁵ Shop with a floor area smaller than 280 sq. m. for serving customers (Sunday Trading Act 1994)

⁶ Budget hotels are defined by the British Hospitality Association Trends and Developments Report 2012 as a property without an extensive food and beverage operation, with limited en-suite and in-room facilities, low staffing and service levels and a price markedly below that of a full service hotel.

8 Next Steps

- 8.1 The Council is now consulting on the Draft CIL Charging Schedule as the second main stage in working towards adopting a CIL Charging Schedule. Following public consultation on the Draft CIL Charging Schedule, where modifications are required to the DCS or Regulation 123 List, the Council will make these changes available in a Statement of Modifications. The Draft Charging Schedule will then be submitted for examination by an independent Examiner. Details of the examination will be made available on the Council's website and those that submit representations and wish to be kept informed.
- 8.2 The table below sets out the anticipated time scale for adopting a CIL Charging Schedule.

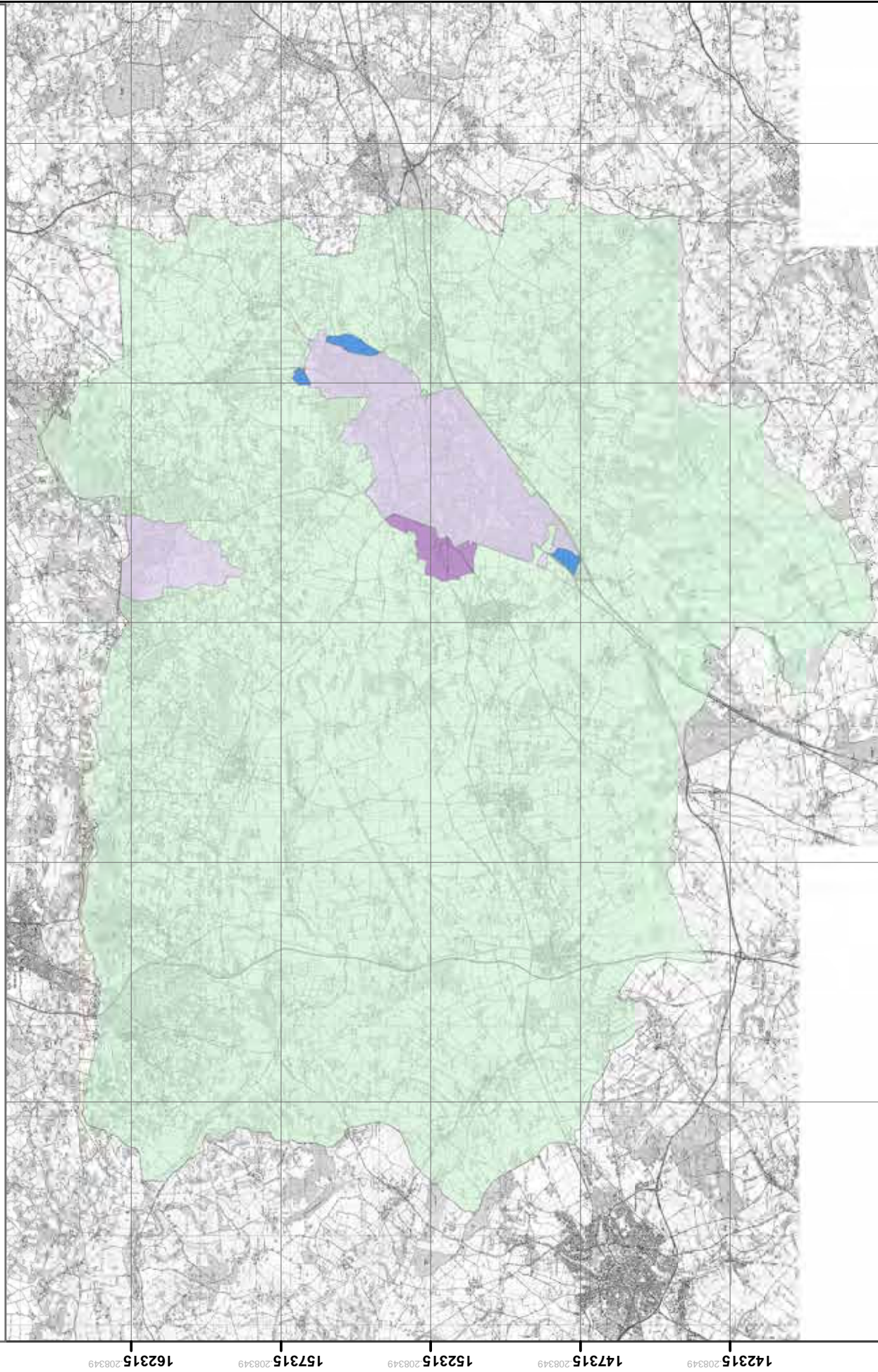
Table 3: Timescale for adoption of a CIL Charging Schedule

Submit Draft Charging Schedule to independent Examiner	January 2015
Examination	February / March 2015
Examiner's report	April / May 2015
Adoption of CIL Charging Schedule	June 2015
Implementation of CIL Charge	September 2015

- 8.3 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.
- 8.4 The Council is also required to monitor the level of CIL receipts received and spent and to publish annually such information. As required by the regulations, the Council will also monitor the CIL Charging Schedule to ensure that this remains appropriate over time. It may be appropriate to undertake a review in light of changing market conditions, which may affect development viability.

Appendix 1 - Geographical Coverage of the Proposed Changing Areas

Map A – CIL Charging Zones for Residential Development – Basingstoke and Deane Borough



433462 700043 441462 700043 449462 700043 457462 700043 465462 700043 473462 700043

162315 208349 157315 208349 152315 208349 147315 208349 142315 208349

Key

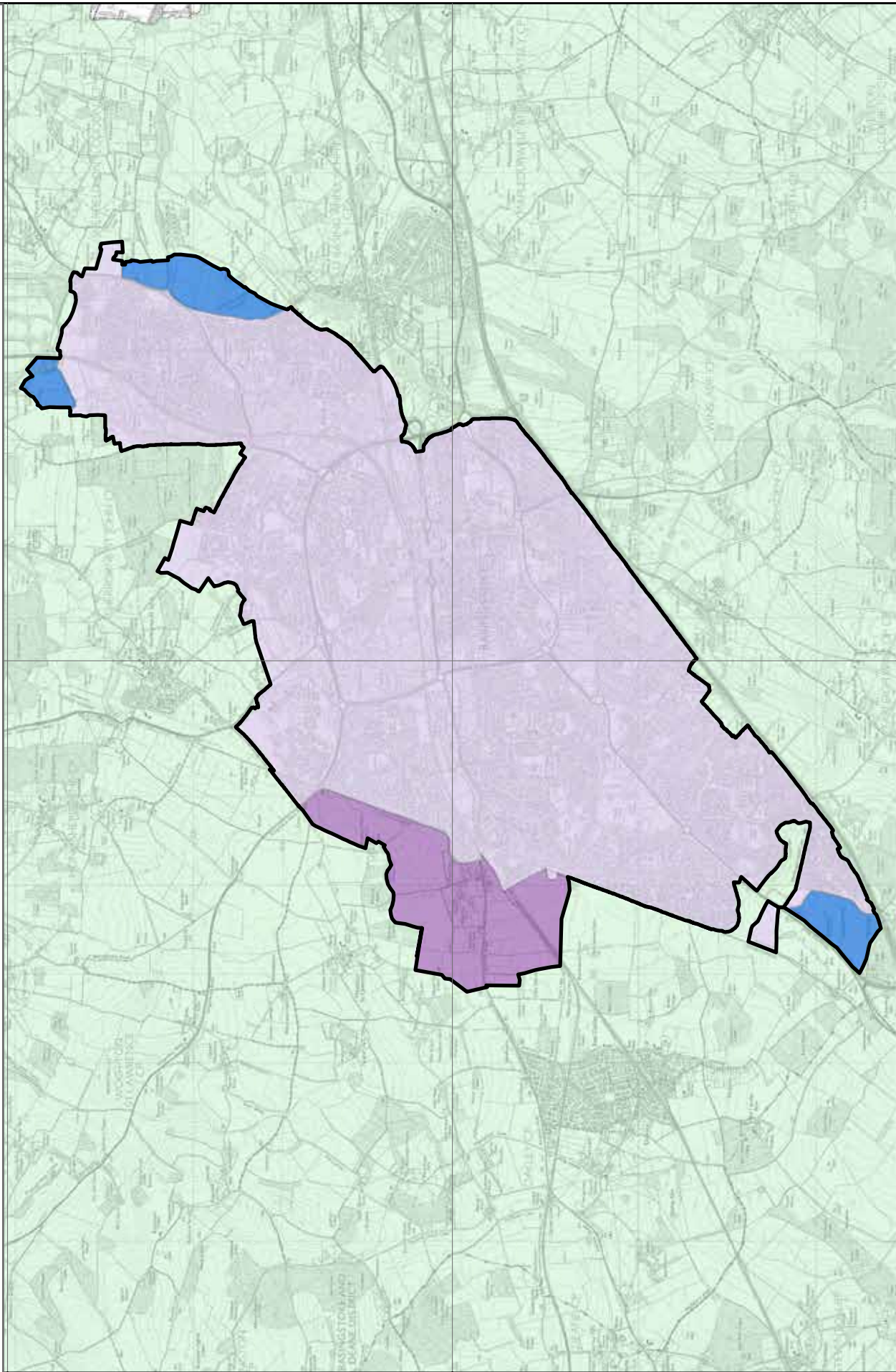
- Zone 1 - Manydown
- Zone 2 - Basingstoke Golf Course, East of Basingstoke and Upper Cufaude Farm
- Zone 3 - Basingstoke and Tadley
- Zone 4 - Rest of borough

Zone 1	£0
Zone 2	£65
Zone 3	£70
Zone 4	£150

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Appendix 1 - Geographical Coverage of the Proposed Changing Areas

Map B – CIL Residential Charging Zones for Residential Debelopment - Basingstoke



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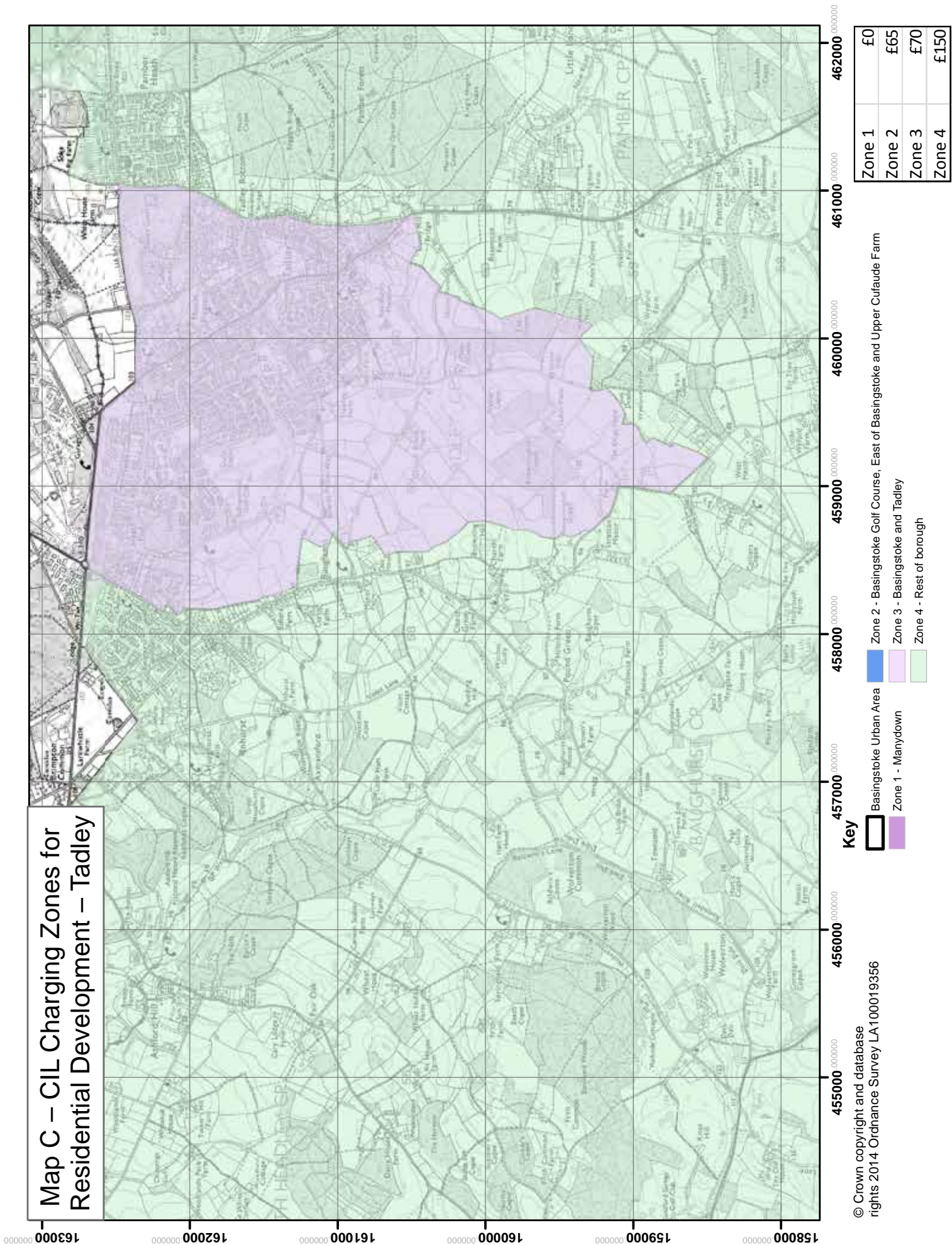
157093 810975 152093 810975 462523 669763

Key

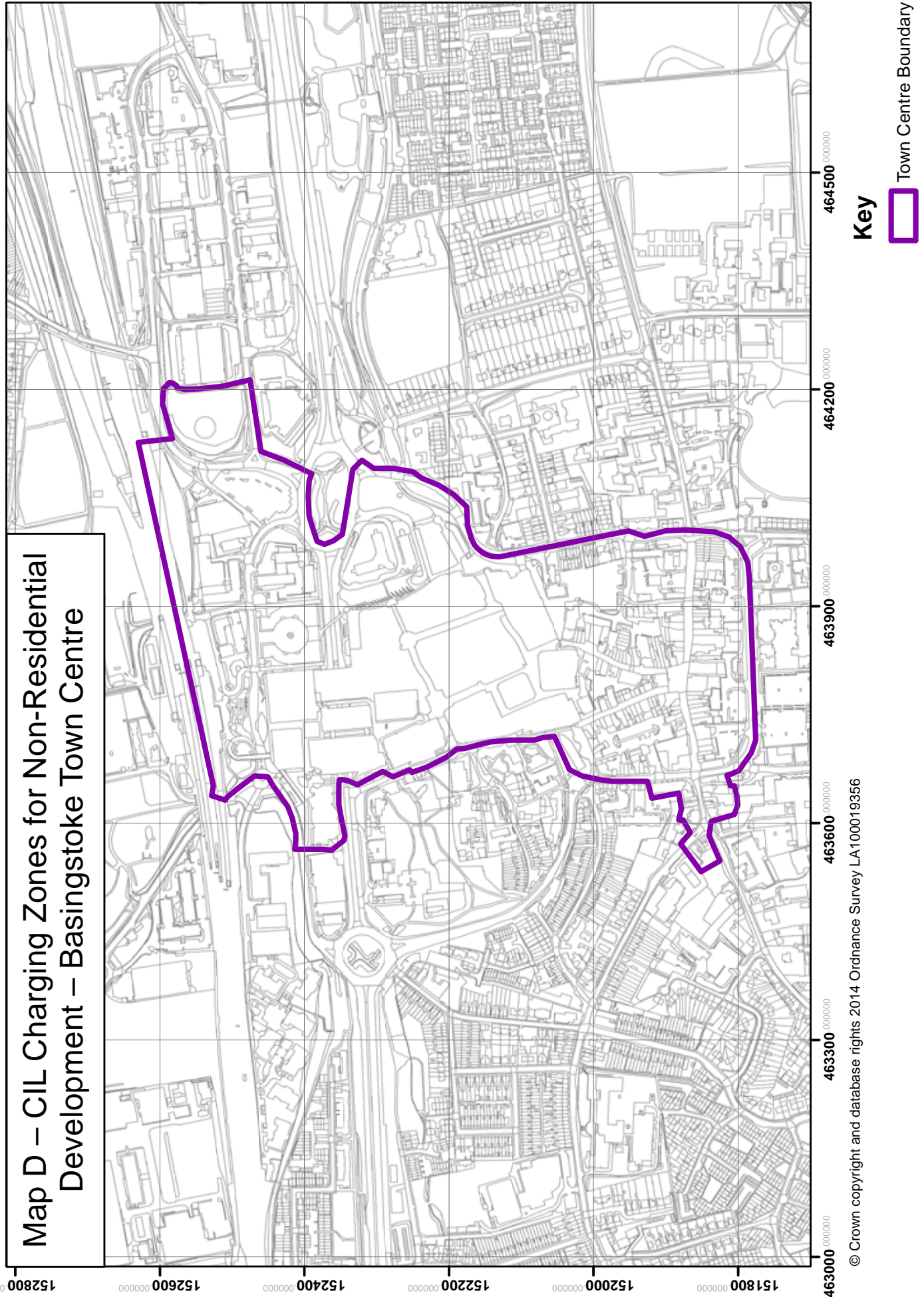
- Basingstoke Urban Area
- Zone 1 - Manydown
- Zone 2 - Basingstoke Golf Course, East of Basingstoke and Upper Cufaude Farm
- Zone 3 - Basingstoke and Tadley
- Zone 4 - Rest of borough

Zone 1	£0
Zone 2	£65
Zone 3	£70
Zone 4	£150

Appendix 1 – Geographical Coverage of the Proposed Changing Areas



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Community Infrastructure Levy

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