SBC Revised Community Infrastructure Levy

Response to Inspector's Main Issues and Questions

March 2026

Stevenage
BOROUGH COUNCIL

Contents

Legal and Procedural Requirements

Main Issue 1 – Whether the Revised Charging Schedule has been prepared and submitted in accordance with the procedural requirements of the CIL Regulations.

Q1. Has the Council complied with the requirements of the CIL Regulations (as amended) prior to submission of the schedule for examination?

Yes, the Council has complied with the requirements of the CIL Regulations (as amended) prior to submission.

The first consultation on the Preliminary Draft Charging Schedule (Regulation 15) was held from 14 October to 24 November 2024 (CID8) and took place in accordance with Regulation 15 of the Community Infrastructure Regulations 2010 (as amended). A second round of public consultation on the Draft Charging Schedule (under Regulation 16 of the Community Infrastructure Regulations 2010 (as amended) was held from 22 January to 18 February 2025 (CID16). The DCS did not change as a result of public consultation and was submitted as consulted upon.

The Council has also considered and taken into account representations made under Regulation 17 which were made during the consultation process. The Council prepared a consultation statement relating to the PDCS (CID9) and for the DCS (CID2, comments also within CD3).

In regards to Regulation 19, the Council has submitted to the independent examiner the following:

- The draft charging schedule of new CIL rates (CID1).
- A statement of representations with a summary of the main issues (CID2).
- Copy of the representations received (CID3).
- Evidence supporting the schedule (CID5 to CID15).
- A statement of fact / compliance (CID4).

The Council has also consulted relevant bodies with respect to funding gaps which have been identified. The Council has also prepared and issued an updated Infrastructure Funding Statement (CID6, updated by CID17).

Q2. How were the representations received during the Draft Charging Schedule consultation (responses to Draft Charging Schedule Consultation, February 2025) (CID3) considered? How have they informed CID1?

The Council prepared a consultation statement relating to the DCS (CID2, comments also within CID3).

The Council received formal responses from the following external bodies:

- Hertfordshire County Council Growth & Infrastructure Unit
- RPS Consulting Services Ltd on behalf of Mace Developments (Stevenage) Ltd
- Historic England
- Natural England

A further 145 visitors reviewed the Council's consultation interface 'Commonplace', of which, a total of 20 comments from 8 individual respondents was received.

The Planning Policy Team ensured that the appropriate consultation responses on the Draft Charging Schedule were considered (CID3) prior to the submission of the CIL Draft Charging Schedule to the Secretary of State (MHCLG), ahead of the independent Examination in Public.

A complete schedule of consultation responses and the Council's response to the comments are provided in CID3.

The main themes arising from the consultation comments are summarised as follows:

Theme: Community Sports and Leisure Facilities **Comments**: Positive comments for the proposal to continue the exclusion of Zero CIL rates for 'all other development' that includes community sports and leisure facility related development. Most community sports facilities such as leisure centres, playing fields etc are operated by local authorities, clubs, and voluntary/charitable organisations on a not-for-profit basis to meet community needs. If CIL was charged for new facilities, or enhancements to existing facilities, this may have viability implications. ***Response****: Comments acknowledged and noted*.
Theme: Proposed CIL Rate **Comments**: There are some reservations in regard to the impact on affordable housing if CIL Rates were to increase. The impact of CIL, a non-negotiable development tax can be disproportionate in relation to the delivery of affordable housing. Consequently, any increase in CIL has the potential to stymie the optimal delivery of affordable housing.

The comment generally focused on the economic uncertainty and that there is little confidence in an accurate forecast of what growth will look like for the UK economy in 2025.

The market is sensitive to mortgage interest rates and both domestic and global factors are key to the level of impact on how quickly prices will rise. Current debates include the rise in National Insurance paid by employers and the concern that this could translate to higher prices or fewer jobs.

Other comments on the proposed CIL charging rate felt that the proposed rates do not go far enough to secure the necessary contributions to mitigate development impacts.

***Response**: Comments acknowledged and noted.*

It is expected that other infrastructure is required across the Borough and the decision to increase CIL is expected to be considerate of wider infrastructure needs beyond affordable housing.

Paragraph 004 of the Viability PPG promotes the use of average cost and values and that approach has been adopted in the Viability Assessment. Officers are satisfied this is based on the latest and most reliable data available and has been adjusted appropriately to reflect the market in Stevenage. Furthermore, the assessment has identified that a number of sites generate surplus values above the viability thresholds which act as a buffer to market movements.

The appraisals also allow for a contingency budget which is applied to all development costs, including the BCIS rates which include overheads and profit. It is also recognised that there are implicit buffers included within some of the cost and value inputs adopted within the assessment (see paragraphs 5.44, 5.45, 7.5 of the Viability Assessment 2024).

The latest Viability Assessment has considered the most up-to-date data to assess viability across the Borough and recommends the levels of CIL that could be charged (whilst not threatening the ability of sites to come forward) in accordance with the National Planning Policy Framework , Planning Practice Guidance (PPG), RICS Financial Viability in Planning and assessing viability in planning.

Theme: Viability and Costs **Comments**: Construction costs and other challenges have made the delivery of development challenging over the past and that the latest Viability Report 2024 goes some way to clarify that it has been necessary to make several basic assumptions about the development that could be delivered. Other comments feel the current consultation seeks to increase these charges only by inflation and therefore this CIL charging rate does not go far enough to secure the necessary contributions to mitigate development impacts. The outcome of the viability testing as the eventual development which comes forward could differ from the assumptions made in their testing and as such the outcomes are likely to change as and when key details are confirmed (such as unit numbers, commercial capacity, developable areas, infrastructure costing and so on). ***Response****: Comments acknowledged and noted. However, the latest Viability Assessment has considered the most up-to-date data to assess viability across the Borough and recommends the levels of CIL that could be charged (whilst not threatening the ability of sites to come forward) in accordance with the National Planning Policy Framework, Planning Practice Guidance (PPG), RICS Financial Viability in Planning and assessing viability in planning.*
Theme: Building Safety Requirements **Comments**: A comment was received regarding the Main Viability Report. It was felt that the impact of the Building Safety Act 2024 had not been taken into consideration. The Act has introduced a more stringent and regulatory regime for the design and construction of higher-risk buildings (residential buildings of 18 metres and above). The consultee felt the omission of discussion and implications of the Building Safety Act is an important consideration and should be reconciled. ***Response****: Comments acknowledged and noted however, the Viability Study 2024 has taken into account the impact of the Building Safety Act 2024 when testing sites allocated in the Local Plan.* *Paragraph 012 of the Viability PPG promotes the use of the RICS Building Cost Information Service (BCIS) for plan making purposes. Officers are satisfied that the BCIS data is representative of the cost for the majority of sites tested in the assessment and the information currently available (i.e. scheme design, anticipated building heights etc.). The viability assessment has refined the data sample to incorporate the most recent rates uploaded to the database, ensuring recent inflation and regulatory changes are captured where available.*

The opinions and views of the public were considered when we prepared the Draft Charging Schedule (DCS) for submission to the Secretary of State.

After reviewing the comments, it was generally concluded that no substantive changes were required to the Draft Charging Schedule (CID1).

Q3. The Council has not proposed any post submission changes to CID1, is this still the case?

Yes, this is still the case.

Appropriate Available Evidence

Main Issue 2 – Whether the Revised Charging Schedule (CID1) is supported by appropriate available infrastructure planning evidence?

NOTE: The Council's Infrastructure Delivery Plan, September 2024 (CID5) was updated in October 2025 (CID14). This update took place after the CIL Charging Schedule (CID1) was submitted for examination.

Yes, the Council has produced the relevant evidence to justify the proposed rates with respect to the infrastructure funding gap identified in the IDP (CID5, updated by CID14). This is further supported by evidence set out in the Economic Viability appraisal prepared by Aspinall Verdi (CID7).

Q1. What are the main changes between CID5 and CID14 and does CID1 require any modification to reflect the updated evidence in CID14?

There are minimal changes in the funding gap between the Council's Infrastructure Delivery Plan 2024 (CID5) and the Infrastructure Delivery Plan dated October 2025 (CID14). Therefore, CID1 does not require any modification to reflect the updated evidence in CID14.

The main updates in CID14 are within Chapter 10 on Health, which have been provided by the Hertfordshire and West Essex Integrated Care Board (HWE ICB), and the chapter on emergency services which has been updated by HWE ICB and Hertfordshire Constabulary.

HWE ICB provided information on GP surgery demands as well as within Acute Services. The attached Health Schedule in the Appendix of CID14 shows in more detail the costings for services.

CID14 does not publish a single headline figure for "how much demand is put on GP surgeries," but it does set out two clear themes:

- Primary care demand is already under significant pressure, driven by population growth, new housing, and an ageing demographic.
- CIL alone cannot meet the full cost of required GP capacity, so the IDP expects a mix of CIL + Section 106 + NHS capital funding to deliver new or expanded facilities.

It is important to note that HWE ICB covers all of Hertfordshire and the West Essex area, serving around 1.6 million people. Therefore, within the health schedule and updated text, some services are provided for a much wider population than Stevenage. This is factored within the text to explain that contributions will need to be obtained from cross boundary partnerships.

The Lister Hospital serves far beyond Stevenage, acting as a major acute and specialist centre for a large part of Hertfordshire and neighbouring authorities. It functions as a regional hub rather than a town hospital. The costings have been included to show the importance of such infrastructure, but funding will need careful consideration from several funding sources.

This is also recognised within the Emergency Services section in CID14. Through recent consultations and engagement, the updates from Hertfordshire Constabulary were included within the update to recognise the importance to local community needs.

These have been recognised but deemed not to have a significant impact on the funding gap.

At present, CID1 does not require an update but it is recognised that further updates to the borough's IDPs, will need to be reflected in future CIL reviews.

Q2. Have CID5 and CID14 been developed through appropriate engagement with relevant agencies involved in the delivery of infrastructure?

a) Has Hertfordshire County Council been appropriately engaged as a consultation body?

Yes. Hertfordshire County Council have been consulted at every stage of development and provided relevant updates to the Council's Infrastructure Delivery Plans, including to CID5 and CID14.

The Council regularly meet with Hertfordshire County Council officers to discuss, among a wider range of planning matters, the proposed changes to the adopted CIL rates and this has included IDP updates. As such, the County Council have informed our Infrastructure Delivery Plans and will continue to do so on a regular basis.

b) Has Hertfordshire Constabulary been appropriately engaged? Should "facilities and equipment for emergency services" be recognised as "essential infrastructure" in the Council's Infrastructure Delivery Plan?

Yes, the Hertfordshire Constabulary has been appropriately engaged at each stage of consultation on the revised CIL and progression of the IDP.

Facilities and equipment should be recognised in the IDP. Section 216(2) of the *Planning Act 2008* sets out the types of infrastructure that CIL may fund. It lists examples such as transport, flood defences, schools, medical facilities, and open spaces, but crucially the list is illustrative, not exhaustive. This means any infrastructure needed to support development can be included.

Because the legislation defines infrastructure broadly, local authorities must identify all infrastructure needed to support planned growth. In practice, this means IDPs routinely include:

- Police estate (stations, custody suites, vehicles)
- Fire and rescue infrastructure (stations, appliances)
- Ambulance hubs and response posts

These are treated as essential social and community infrastructure, fully compatible with the statutory definition.

Regulation 59 of the *CIL Regulations* (as amended in 2012 and 2013) governs how charging authorities may spend CIL. The amendments clarified that CIL can be used for:

- **Any infrastructure needed to support development**, not just the categories listed in the Act.
- **Increasing the capacity of existing infrastructure** or **repairing failing infrastructure**. This explicitly includes facilities such as police stations and other community safety infrastructure.

The 2012 and 2013 amendments widened the scope so that CIL could support a very broad range of facilities, including emergency services.

This definition allows the levy to be used to fund a very broad range of facilities including community safety facilities. Facilities and equipment help provide and maintain social and community safety. The IDP is designed to highlight infrastructure in need of financial assistance within a community. It does not stipulate spending in these areas unless appropriate evidence is available, and these areas will undergo regular review to ensure they are vital in the community.

Q3. The Council's Annual Infrastructure Funding Statement, December 2024 (CID6) identifies an infrastructure funding gap. Is this based on robust evidence and has the infrastructure funding gap been recalculated in light of CID14?

The Council has consulted relevant bodies with respect to funding gaps which have been identified.

The Infrastructure Delivery Plan (IDP) is updated annually following engagement with the Council's key infrastructure providers to estimate expected funding gaps for key pieces of infrastructure within the IDP. The IDP identifies a funding gap which is then incorporated into the Infrastructure Funding Statement (IFS).

There are minimal changes in the funding gap between the Council's IDP 2024 (CID5) and 2025 (CID14). As a result, the updated IFS dated December 2025 (CID17) continues to identify a funding gap of over £200 million as set out in the IFS dated December 2024 (CID6).

Main Issue 3 – Whether the Revised Charging Schedule (CID1) is supported by appropriate available viability evidence?

NOTE: The Council's viability evidence comprises the Local Plan & CIL Review Viability Assessment – Main Report, October 2024 (CID7) and Viability Addendum Report November 2025 (CID15).

Q1. Has the Council's viability evidence (CID7 and CID15) been prepared in accordance with the Viability Planning Practice Guidance (viability PPG1)?

Yes, the viability assessment has been undertaken in accordance with:

• National Planning Policy Framework (NPPF)

• Planning Practice Guidance (PPG)

• RICS Financial Viability in Planning: Conduct and Reporting, Professional Standard, 1st Edition, May 2019

• RICS, Assessing viability in planning under the National Planning Policy Framework 2019 for England, Professional Standard, 1st Edition, March 2021

Please refer to paragraph 2.9 and Table 2.2 of CID3 (Viability Assessment, October 2024).

Q2. Does the viability evidence (CID7 and CID15) require updating in any way to reflect the main modifications proposed to the partial update Plan?

No, the Council do not wish to make any subsequent amendments.

<u>The Charging Rates</u>

Main Issue 4 – Whether the proposed CIL rates for development in the Borough are informed by and consistent with the evidence?

NOTE: CID1 sets out the following levy rates for development:

a) Market housing in Zone 1 (Stevenage Central) £50 per square metre (increased from £40 per square metre)

b) Market housing in Zone 2 (Everywhere else outside Stevenage Central) £120 per square (increased from £100 per square metre)

c) Sheltered housing £120 per square metre (increased from £100 per square metre)

d) Extra care housing £50 per square metre (increased from £40 per square metre)

e) Retail Development £75 per square metre (increased from £60 per square metre)

f) Industrial Development £40 per square metre (new levy rate not included in the adopted charging schedule)

Q1. Is each levy rate justified by appropriate available evidence, having regard to the viability PPG and local infrastructure needs arising from the development plan for the area?

Yes. The levy rates set out in CID1 have been prepared in accordance with the viability PPG and local infrastructure needs.

Q2. How has each levy rate been derived from the Council's viability evidence and does that evidence show that each proposed rate would not prejudice the delivery of development in the Borough?

The viability evidence CID7 sets out the proposed CIL rates submitted for examination, in conjunction with the expanded policy requirements set out in the Local Plan Partial Update (as submitted in August 2025).

The evidence tested a range of residential and non-residential development scenarios and adopted a baseline profit of 17.5%, consistent with the PPG. The testing assessed the ability to increase the existing CIL rates, based on a 2026 forecast indexation rate and whether an additional rate for industrial uses could be viable.

Stevenage Borough Council adopted their CIL Charging Schedule in 2020 when the Indexation (I_c) was 334.

Schedule 1 of the CIL Regs 2010 (as amended) states that:

"...the index figure for a given calendar year is: … in relation to the calendar year 2020 and any subsequent calendar year, the RICS CIL Index published in November of the preceding calendar year by the Royal Institution of Chartered Surveyors".

Table 1 below shows the current 2026 index-linked rates applied to the base figures as per the adopted Charging Schedule (2020).

Table 1. 01 January 2026 to 31 December 2026 – Index Rate (I_p): 400

Development Type	CIL Rate	
	Zone 1	Zone 2
Residential		
Market	£47.90 / sq. m	£119.76 / sq. m
Sheltered housing	£119.76 / sq. m	
Extracare housing	£47.90 / sq. m	
Retail	£71.86 / sq. m	
All other development	£0 / sq. m	

Table 1 confirms that the testing based on 2026 forecasts are broadly accurate and therefore justified.

The PPG Reference ID: 25-020-20190901 sets out that proposed rate or rates should be reasonable, given the available evidence, there is no requirement for a proposed rate to exactly mirror the evidence. However, development increases land value in different ways depending on what the land is currently used for and what it will be used for in the future. Higher-value developments on lower-value land can generate more uplift than lower-value schemes or development in already high-value areas.

Charging authorities can reflect these differences when setting varied levy rates, so they can maximise funding without making development unviable. They should balance two elements: (A) the area's infrastructure needs and the additional value created by planning permissions, while (B) ensuring that development remains deliverable.

Whilst the viability of older persons' housing is shown to be more challenging, there are no sites within the Local Plan which are specifically allocated for this development type. Please refer to Paragraph 7.19 to 7.24 of the Local Plan & CIL Review Viability Assessment – Main Report, October 2024 (CID7) for the Older Persons' housing results summary.

As a result, all development types set out in the adopted CIL, have been updated to reflect inflation in line with the current 2026 indexation rate. This is with the exclusion of the new levy rate for industrial development which has shown to be viable given the Local Plan policy requirements submitted for examination in August 2025.

Modifications

Main Issue 5 – Whether modifications are necessary to ensure compliance with the CIL Regulations.

Q1. Are any modifications to CID1 required?

No modifications are required.