Stevenage Borough Revised Community Infrastructure Levy

Examination in Public

Note on Building Safety Act, Finance and BCIS Inputs

1 Building Safety Act compliance

1.1 No explicit BSA costs were included. The 2024 Viability Assessment (CID7) did not make specific cost adjustments for development typologies that may be more affected by BSA requirements.

1.2 However, related evidence exists:

- The original assessment tested additional costs for carbon reduction and accessibility, adding 5–15% on top of base build costs while still retaining 48–80% buffers across most sites. Since these requirements have been removed, this earlier modelling shows schemes can absorb similar increases (for example, additional staircase requirements).
- All appraisals include a 5% contingency allowance and maintain overall viability buffers above CIL rates.
- Gateway 1 requirements are considered to be covered within existing professional fees and planning fees.
- Gateways 2 and 3: The Building Safety Regulator indicates review periods of 12 weeks (Gateway 2) and 8 weeks (Gateway 3), and the appraisal timescales are aligned with these expectations.
- Building Safety Levy (BSL) is not included in modelling. However, using CIL as a proxy, viability testing shows developments could absorb charges ranging from ~£240 to £1,100 per sqm, leaving ample headroom compared with the Stevenage draft BSL levels of £21.73 and £43.46 per sqm.

2 Fixed Finance / Interest Rates and Cost Fluctuations

2.1 The assessment uses sensitivity tables to model impacts of changes in:

- CIL
- S106
- Profit levels
- Land values
- Density
- Build costs
- Market values
- Grant assumptions

2.2 There is no dedicated sensitivity test for finance or interest rate changes.

2.3 The rationale behind this is that other variables (for example, sharp rises in build costs) have greater influence on viability outcomes than finance rate changes.

2.4 These sensitivity tables informed recommendations to ensure that the proposed CIL rates maintain adequate buffers and avoid marginal viability.

2.5 Sensitivity tables can be found in Appendix 8 onwards of the Viability Assessment with an example table below:

Scheme Typology: TC3 - Centre West MOA | No Units: 2600
Site Typology: Location / Value Zone: **Middle** | Greenfield/Brownfield: **Brownfield**
Notes: 2,600no. Flats + 22,000 sqm commercial

SENSITIVITY ANALYSIS

The following sensitivity tables show the balance of the appraisal (RLV-BLV £ per acre) for changes in appraisal input assumptions above.

Where the surplus is positive (green) the policy is viable. Where the surplus is negative (red) the policy is not viable.

TABLE 1

Affordable Housing - % on site 25%

Balance (RLV - BLV £ per acre (n))	(670,581)	0%	5%	10%	15%	20%	25%	30%
	0.00	2,729,331	2,311,139	1,892,298	1,473,051	1,053,240	632,683	211,196
	10.00	2,589,702	2,177,880	1,765,794	1,353,264	939,970	525,990	111,141
CIL £ psm	20.00	2,449,435	2,044,444	1,638,961	1,232,915	826,305	418,949	10,665
120.00	30.00	2,309,002	1,910,565	1,511,701	1,112,394	712,463	311,728	(89,992)
	40.00	2,168,076	1,776,329	1,384,257	991,475	598,114	204,011	(191,015)
	50.00	2,026,798	1,641,821	1,256,226	870,188	483,531	96,075	(292,360)
	60.00	1,885,211	1,506,751	1,127,968	748,688	368,632	(12,165)	(393,921)
	70.00	1,743,050	1,371,455	999,326	626,609	253,278	(120,845)	(495,938)
	80.00	1,600,648	1,235,666	870,223	504,288	137,685	(229,762)	(598,233)
	90.00	1,457,713	1,099,475	740,866	381,616	21,666	(339,066)	(707,349)
	100.00	1,314,364	963,013	610,979	258,442	(94,751)	(448,777)	(827,158)
	110.00	1,170,727	825,909	480,716	134,990	(211,444)	(558,762)	(947,306)
	120.00	1,026,408	688,488	350,157	11,112	(328,614)	(670,581)	(1,067,785)
	130.00	881,757	550,715	218,993	(113,250)	(446,185)	(799,453)	(1,188,808)
	140.00	736,733	412,299	87,467	(237,933)	(564,074)	(928,689)	(1,310,254)
	150.00	591,032	273,539	(44,399)	(363,047)	(686,004)	(1,058,356)	(1,432,073)
	160.00	444,964	134,400	(176,874)	(488,698)	(824,170)	(1,188,634)	(1,554,339)
	170.00	298,502	(5,419)	(309,768)	(614,712)	(962,750)	(1,319,319)	(1,677,181)
	180.00	151,316	(145,631)	(443,049)	(754,244)	(1,101,768)	(1,450,431)	(1,800,439)
	190.00	3,712	(286,255)	(576,865)	(901,951)	(1,241,499)	(1,582,109)	(1,924,130)
	200.00	(144,329)	(427,505)	(719,510)	(1,050,146)	(1,381,695)	(1,714,352)	(2,048,318)
	210.00	(293,013)	(569,282)	(876,260)	(1,198,837)	(1,522,374)	(1,847,067)	(2,173,116)
	220.00	(442,272)	(719,840)	(1,033,537)	(1,348,072)	(1,663,563)	(1,980,274)	(2,298,391)
	230.00	(592,021)	(885,793)	(1,191,550)	(1,498,057)	(1,805,487)	(2,114,036)	(2,424,161)
	240.00	(755,607)	(1,052,586)	(1,350,200)	(1,648,589)	(1,947,946)	(2,248,465)	(2,550,445)
	250.00	(931,178)	(1,219,992)	(1,509,433)	(1,799,691)	(2,090,959)	(2,383,432)	(2,677,305)

3 BCIS Inputs and Buffers

3.1 The updated viability buffers remain strong, even considering changes since June 2024 BCIS data.

3.2 In terms of cost / value interplay:

- BCIS Tender Price Index increased 4.06% since the data was captured.
- Stevenage House Price Index has increased 6.41% since April 2024.
- Value appreciation helps offset construction cost growth.
- Although headroom varies across sites, consistency in CIL rates is important to avoid making other policy requirements unviable.