

Planning and Regulation

Assistant Director of Planning and Regulation: Zayd Al-Jawad

Our Ref: CIL post hearing
consultation
Contact: Planning Policy
Team
Direct Line: 01438 242579
E-mail:
planning.policy@stevenage.gov.uk

Date: 12 September 2019

Dear

CIL post hearing consultation

I am writing in relation to the Community Infrastructure Levy (CIL) public examination hearing session that took place last week, on 5 September 2019.

Those of you that were in attendance at the session will be aware that during the session an error in the viability appraisal modelling that underpins the CIL rates was pointed out by one of the attendees. This was not something we, or the Examiner, were aware of, so its implications needed to be fully understood.

The error related to the affordable housing requirement, which had been modelled incorrectly with a mix of 30% affordable rent and 70% intermediate, as opposed to the Policy HO8 requirement of 70% affordable rent and 30% intermediate.

During a break in the hearing session, the Council's viability consultant re-ran the appraisals, with the corrected figures included. The output of this work was considered by the Examiner and those in the room, albeit, we acknowledge that this was new evidence submitted at very short notice. Following some initial discussions, it was agreed that a sensible way forward would be to allow all Reg 17 respondents, including those not present at the CIL examination, an opportunity to look at the revised evidence in more detail and to provide a representation to the Examiner in relation to this.

It was agreed with the Examiner that a period of 2 weeks should be allowed for consultation responses to be received. The Examiner will then consider the new evidence presented, and the responses made, before finalising his report.

Whilst this work was being undertaken, we have also taken the opportunity to consider and explain some of the other key issues raised at the hearing session.

Attached to this email, you will find the following documents:

- 1. Post Hearing Viability Note and appendices** – this sets out evidence relating to the following issues:
 - The error identified during the hearings

- Up-to-date figures for build costs and values
- Revised costs for the Stevenage West site to take into account a new tunnel under the A1(M) at Meadway
- Challenges to specific figures used in the appraisals

2. Revised draft Instalments Policy – this has been produced in response to issues raised before and during the hearings that the Instalments Policy should allow payments over a longer period (6 years), in line with recommendations within the 2015 Viability Study. Whilst the Instalments Policy is not officially a document to be examined, at the hearings, we advised we would be happy to provide a revised draft for consultation.

3. Note on older persons housing definitions – due to the update to the definitions for older persons housing within the PPG, we are suggesting to the Examiner that a footnote is added to the CIL levy rate table within the Charging Schedule.

As a result of the revised modelling presented in the Post Hearing Viability Note, the Council has asked the Examiner to recommend amendments to the proposed rates for both West and North Stevenage, to reduce the rates for both of these sites to £40/m². No other changes are being proposed.

For information, a revised high level estimate of the CIL income likely to be achieved if this amendment were to be made has been provided as an appendix to this letter.

If you have any comments on the attached documents, these must be provided in writing to the Planning Policy Team by emailing: planning.policy@stevenage.gov.uk or you can write to us at:

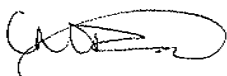
Planning Policy Team
Daneshill House
Danestrete
Stevenage
Herts
SG1 1HN

Comments must be provided **by Midday on Friday 27 September 2019**.

All comments will be passed to the Examiner for his review.

If you have any questions, or you would like to view inspection copies of these documents, please contact us on 01438 242823.

Kind Regards



Caroline Danby
Planning Policy Manager

Appendix 1: Estimation of likely CIL income (with amendments to CIL rates, as requested to be recommended by the Examiner)

A very broad estimate of the likely level of CIL income was originally provided in the Infrastructure Funding Gap Technical Paper, July 2018. This is by no means a detailed calculation, it is based on an average CIL rate and an average internal floorspace.

In the 2018 calculation an average CIL rate of £70/m² was used within the calculation.

To take into account lower rates on the northern and western new settlements, a lower average of £62/m² is now more appropriate.

As such, the calculation is amended as follows:

Homes likely to be subject to CIL (3,032) x Average property size (85m²) =
257,720m²

257,720 x £62 = £15.98m over the remainder of the plan period.