

STEVENAGE BOROUGH COUNCIL

DRAFT COMMUNITY INFRASTRUCTURE LEVY (CIL) SCHEDULE

EXAMINATION HEARING – 5 SEPTEMBER 2019

EXAMINER'S NOTE / HEARING AGENDA

Examiner's Note

Background

The Community Infrastructure Levy (CIL) is a tool for local authorities in England and Wales to help deliver infrastructure to support the development of the area. CIL is payable on the types of new development which create additional floorspace as prescribed in the Charging Schedule. Before CIL can be introduced, the local authority (the 'charging authority') must set out its CIL rates in a Draft Charging Schedule (DCS) and it must then be examined by an independent person (the Examiner).

I have been appointed by Stevenage Borough Council to undertake the independent examination of its DCS. I am a chartered Town Planner with over 30 years' experience in the public and private sectors, including roles as a Planning Inspector and Independent Examiner. I can confirm that I am entirely independent of the Council and that, other than this examination role, I have no business or other interests within the Council's administrative area.

The Examination

The examination is being held to consider whether the DCS published by Stevenage Borough Council meets the requirements of the Planning Act 2008 and the associated Regulations and Planning Practice Guidance (PPG).

To comply with the relevant legislation and guidance, the Council has to submit a charging schedule that should set an appropriate balance between helping to fund necessary new infrastructure and the potential effect of the proposed CIL rates on the economic viability of development across its area. More specifically, the PPG states that my examination should establish that:

- *the charging authority has complied with the legislative requirements set out in the Planning Act 2008 and the Community Infrastructure Levy Regulations as amended;*
- *the draft charging schedule is supported by background documents containing appropriate available evidence;*
- *the proposed rate or rates are informed by and consistent with the evidence on economic viability across the charging authority's area; and*
- *evidence has been provided that shows the proposed rate or rates would not undermine the deliverability of the plan.*

These identified matters are the main issues that will be explored through the examination. The process of examination is undertaken by a combination of a desk based consideration of written evidence and representations, and public Hearing sessions which will be attended by the Council and Representors who wish to exercise the 'right to be heard.' Only Representors who have made

submissions through the formal consultation processes may participate in the Hearing sessions.

My desk based review has given me a good understanding of the CIL proposals, the Council's evidence and the views of Representors. This has enabled me to identify the main issues and questions that I need to explore further through the examination Hearing sessions. The central theme of the examination will be on economic viability.

The Hearing sessions

The Hearing sessions will be held on **Thursday 5th September 2019** commencing at **9.30 a.m.** The venue will be:

The Council Chamber, Stevenage Borough Council, Daneshill House, Danestrete, Stevenage, Herts, SG1 1HN.

The Hearing sessions will be conducted in the form of structured 'round table' discussions, which I will chair. I have attached an agenda to this note. We will be following the order of the sessions set out and I will invite contributions from the Council and from participating Representors.

The structure of the sessions has a logical flow. It begins by looking at the bigger picture, in terms of exploring the Stevenage Local Plan, and then looks at the infrastructure needed to support planned growth.

It then explores the Council's CIL viability evidence, looking at the assumptions made and the way the modelling outputs have been used to inform the proposed CIL rates set out in the DCS. It will allow for discussion on any challenges to the Council's approach, evidence and proposals.

There will be separate sessions covering residential, sheltered housing and extra care, and commercial developments. The final session will also afford an opportunity for participants to sum up their case and, for Representors, to explain what changes they seek to the DCS.

The Hearing will be open to the public and the media. Any filming / recording of the Hearing will be at my discretion. After the Hearing, I do not intend to accept further evidence unless I have specifically requested it. I will then prepare and submit my report.

Further information

The Council's website <http://www.stevenage.gov.uk/149690/planning-policy/207277/> contains all of the examination documents. Inspection copies of these documents are also available to view at the Stevenage Borough Council Offices, Stevenage Central Library and Old Town Library.

*For any further questions regarding the examination please contact the Council's Planning Policy Team on 01438 242823 or by email at **planningpolicy@stevenage.gov.uk***

Philip Staddon BSc, Dip, MBA, MRTPI

16 August 2019

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AGENDA

Session 1 – Introduction

- Welcome from the Examiner and housekeeping matters
- Introductions and opening statement (5 minutes maximum) from Stevenage Borough Council
- Introductions and opening statements (5 minutes maximum each) from participating Representors

Session 2 – The Development Plan

This concise session will explore the Council's approach to planned sustainable growth as set out in the Stevenage Local Plan 2011 – 2031 (adopted 22 May 2019) (Document CIL 206). Its purpose is to understand the nature of planned growth in Stevenage in terms of type, scale, location, sites and policy requirements. This is important because the CIL examination will be considering the viability impacts of the proposed CIL charges on this planned development.

Session 3 – Infrastructure Planning Evidence

This session will explore the evidence concerning the infrastructure needed to support the planned growth. Discussion points will include:

- Stevenage Borough Infrastructure Funding Strategy (September 2015) (Document CIL 110)
- Infrastructure Delivery Plan (March 2017) (Document CIL 108)
- The Draft Regulation 123 List (Document CIL 104)
- Infrastructure Funding Gap – Technical Paper (Document CIL 109)

Session 4 – Economic Viability Evidence - Residential Development

This session will explore the Council's viability evidence, which is set out in three documents:

- Whole Plan Viability Study Including CIL (September 2015) (Document CIL 105)
- Viability Update – CIL (December 2017) (Document CIL 106)
- Post Consultation Viability Note (January 2019) (Document CIL 107)

Discussion points will include:

General

- The weight to be attached to the three viability documents and any matters arising from timing issues
- The Council's approach to assessing viability – the 'additional profit' methodology
- Land value assumptions
- Developer return

Residential development (market housing)

- The modelled residential sites / developments (sites 1 – 16)
- Residential sales values
- Residential development costs
 - build costs (baseline construction)
 - build costs (external works, utilities and site opening up costs)
 - abnormal costs
 - contingency allowances
 - affordable housing
 - S.106 costs
 - professional fees, finance, stamp duty, acquisition costs etc.
- Appraisal results – strategic sites 1 - 3
- Appraisal results – sites 4 - 16
- The 'Stevenage central' zone and the proposed £40 per square metre (psm) CIL charge
- The 'everywhere else' zone (including strategic sites) and the proposed £100 psm CIL charge

Residential development (older persons' housing)

- Definitions of older persons' housing development types
- Sheltered housing developments - testing assumptions, appraisal results and the proposed £100 psm CIL charge
- Extra care housing developments - testing assumptions, appraisal results and the proposed £40 psm CIL charge

Session 5 – Economic Viability Evidence – Non-residential Development

- The modelled sites / developments – office, industrial, distribution, hotels and leisure, community and institutional and retail ('supermarkets', 'retail warehouse' and 'shop')
- Modelling assumptions including the source of rents and yields
- Viability modelling results
- The proposed £60 psm retail development CIL charge (entire borough)
- The proposed £0 CIL rate for 'all other uses' developments

Session 6 – Other CIL Matters

This brief session will include discussions on:

- CIL Instalment Policy (Document CIL 201) and its impact on viability
- Discretionary relief
- Any other CIL related matters that the Council or Representors wish to raise

Session 7 – Summing Up and Close

In this final session, I will give the participants an opportunity to sum up their views on the evidence. The focus of this session will be on an overarching examination question, which is whether the CIL proposals strike an 'appropriate balance' between funding necessary infrastructure and development viability.

The session will include:

- Summing up – each Representor
- Summing up – Stevenage Borough Council
- Next steps and timetable for report writing / issue
- Close

Mr. P.J. Staddon – Appointed Examiner – 16 August 2019