CABINET AGENDA

Date:       Wednesday 28 January 2015
Time:       6.30 pm
Venue:      Council Chamber, Penns Place, Petersfield, GU31 4EX

Membership: Councillor F Cowper (Chairman)

Councillors J Butler, N Drew, A Glass, J Gray, M Maynard, R Millard (Vice-Chairman), B Mouland, D Phillips and G Shepherd

The business to be transacted is set out below:

Jo Barden-Hernandez
Service Manager – Legal & Democratic Services

Date of Publication: 20 January 2015

Contact Officer: Penny Milne 023 9244 6234
Email: penny.milne@easthants.gov.uk
PART 1 (Items open for public attendance)

1 Apologies for Absence

To receive apologies for absence from members present.

2 Chairman’s Announcements

3 Minutes

To approve the minutes of the meeting of the Cabinet held on 6 November 2014 and the extraordinary meeting of the Cabinet held on 9 December 2014.

4 Declarations of Interest

To receive and record any declarations of interest from members present in respect of any of the various matters on the agenda for this meeting.

5 Urgent Matters

To note the following urgent decisions taken under Standing Order 46:

(i) Emergency Replacement of Holybourne Village Hall’s Boiler.

Leader and Finance Portfolio

6 Budget Strategy - 2015/16

Comunities Portfolio

7 Cabinet Approved Community Grant Applications

Planning Portfolio

8 Statement of Community Involvement

9 National Planning Policy Guidance - Revision to Developer Contributions Thresholds for Affordable Housing and other Tariff Style Contributions

10 Use of the Interim Housing Policy Statement

11 East Hampshire Community Infrastructure Levy (CIL)
New Business Implementation Portfolio

12 Personalisation

Economic Development Portfolio

13 East Hampshire Strategy for Business 2015-21

14 Exclusion of the Press and Public

RECOMMENDED that the press and public be excluded from the meeting during consideration of the following item as:

(a) it is likely, in view of the nature of the business to be transacted, or the nature of the proceedings, that if members of the public were present during that item there would be disclosure to them of exempt information as specified in Part 1 of Schedule 12A (as amended) to the Local Government Act 1972; and

(b) in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Item 15 – Urgent Matters (Confidential)
Paragraph 3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information).

PART 2 (Confidential Items - closed to the public)

15 Urgent Matters (confidential)

To note the following confidential urgent decision taken under Standing Order 46:

(i) Virement from Asset Maintenance Reserve to Property revenue budget.
GENERAL INFORMATION

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Internet

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1.0 Purpose of Report

1.1 To recommend submission of the proposed EHDC Community Infrastructure Levy Draft Charging Schedule (DCS), Regulation 123 List, Proposed CIL Submission Statement and supporting procedures for examination by an independent examiner in accordance with regulation 19 of the Community Infrastructure Levy Regulations 2010 (as amended).

2.0 Recommendation

2.1 It is recommended that Cabinet agree to:

1. Approves the CIL Draft Charging Schedule (DCS) Consultation Document and supporting documentation as set out below for submission to examination in accordance with Regulations 18 of the Community Infrastructure Levy Regulations 2010:
   a. CIL Viability Assessment (March 2014, November 2014 Addendum and January 2015 update)
   b. Draft Regulation 123 list
   c. Draft IDP
   d. Submission Statement
   e. Additional Statement regarding Instalment policy

2. Gives delegated authority to the Executive Head of Planning and Environment, in consultation with the Portfolio Holder for Planning, to:
   a. Make any necessary minor drafting amendments to the documents listed in recommendation 1 prior to submission.
   b. Take any necessary actions on behalf of the Council in order to enable the Council to deal with the preparation and publication of the DCS and supporting documents prior to the commencement of the examination.
   c. Take any necessary actions on behalf of the Council in order to enable the Council to deal with the preparation of the DCS and supporting
documents and make any necessary amendments in response to the public consultation prior to submission of documents and information to the examiner in accordance with Regulation 19 of the Community Infrastructure Levy Regulations 2010.

d. Submit the draft charging schedule and necessary supporting documentation to the examiner, make available the submission documentation and give notice to those persons who requested notification of the submission in accordance with Regulation 19 of the Community Infrastructure Levy Regulations 2010.

3. In exercising this delegation, the Executive Head shall, in consultation with the Planning Portfolio Holder, determine whether it is appropriate to obtain the views of DPP, if so, the Executive Head shall convene a meeting of DPP as appropriate and necessary in the lead up to, during the CIL Examination and up to the point of adoption by Council.

3.0 Summary

3.1 CIL will largely replace S106 agreements – This is national and very complex legislation that comes into effect in April 2015. If CIL is not in place by April 2015 then the Local Planning Authority’s ability to secure contributions towards infrastructure requirements generated by new development are restricted to pooling of up to 5 development S106 agreements for any new infrastructure (backdated to April 2010).

3.2 The first part of getting CIL in place is the CIL Charging Schedule. The basis for CIL is viability; the economics of development in different geographical areas of the District is tested by independent consultants using evidence based on RICS technical development costs. The CIL Charging rates are set at the maximum that could be collected whilst maintaining the viability of development through a £ per square metre (SqM) charge.

3.3 In order to secure a CIL Charging Schedule it is necessary to prove that there is an infrastructure funding gap. The Infrastructure Delivery Plan (IDP) is the mechanism that shows that there is a funding gap in East Hampshire. Government recognises that CIL will not pay for all the necessary infrastructure.

3.4 Two 6 week periods of public consultation have already taken place on the early draft CIL Charging Schedule and Members of DPP have been kept up to date with the proposals in the previous consultations. The next stage is the Submission of the Draft Charging Schedule for Examination.

3.5 As the National April 2015 deadline for CIL approaches there is urgency to progress this long running process and an Examination slot has been secured with the Planning Inspectorate (PINS) in March. Many other Councils will be seeking to get their CIL through Examination and so it would be good to be able to accept this PINS examination slot otherwise time will be lost when collection of contributions will be restricted.

3.6 The Draft Charging Schedule proposes charges of £180 per SqM north of the SDNPA; £100 per SqM south of the SDNPA; a ‘CIL Island’ around the key regeneration sites in Whitehill & Bordon and a £60 per SqM in Whitehill & Bordon outside the regeneration sites. Additional technical work is currently being
undertaken to review the £180 charge at Alton relative to the £150 charge being proposed by the SDNPA for Petersfield.

3.7 The sums that could be generated by CIL whilst unlikely to meet all our community’s infrastructure needs will be substantial; e.g. a standard 3 bedroom house of 80 SqM in the area north of the SDNPA would generate CIL of £14,400 towards infrastructure. In the southern parishes it would generate £8,000 and in Whitehill and Bordon outside the regeneration area, £6,000. With around 5,300 homes yet to get planning permission and so liable to CIL in the future this could generate about £53m over the plan period or about £4m p.a.

3.8 In summary therefore we must adopt the CIL for the collection of contributions towards infrastructure, the sooner we have the Charging Schedule in place the less contributions are likely to be lost.

3.9 The Council must be confident that the CIL Charging Schedule maximises the funds that it can secure for the necessary infrastructure for our communities; it must not undermine development viability. The calculation of the CIL charge is based on exhaustive viability testing and the Draft Charging Schedule is recommended to be approved by Cabinet for Submission to Examination. Following Examination the CIL will be brought back to Cabinet and Council before it can be implemented.

3.10 For comparative purposes the following table shows how neighbouring Authorities compare to East Hampshire in terms of CIL charges:

<table>
<thead>
<tr>
<th>Local Authority</th>
<th>Sub Area</th>
<th>CIL Rate (Per square metre)</th>
</tr>
</thead>
<tbody>
<tr>
<td>East Hampshire District Council</td>
<td>Northern Parishes</td>
<td>£180</td>
</tr>
<tr>
<td></td>
<td>Southern Parishes</td>
<td>£100</td>
</tr>
<tr>
<td></td>
<td>Whitehill &amp; Bordon</td>
<td>£60</td>
</tr>
<tr>
<td></td>
<td>W &amp; B Regeneration area</td>
<td>£0</td>
</tr>
<tr>
<td>Winchester City Council</td>
<td>Rural Areas</td>
<td>£80</td>
</tr>
<tr>
<td></td>
<td>City</td>
<td>£120</td>
</tr>
<tr>
<td></td>
<td>Strategic Allocations</td>
<td>£0</td>
</tr>
<tr>
<td>Havant Borough Council</td>
<td>General</td>
<td>£80</td>
</tr>
<tr>
<td>Fareham Borough Council</td>
<td>General</td>
<td>£100</td>
</tr>
<tr>
<td>Basingstoke and Deane Borough Council</td>
<td>Rural Areas</td>
<td>£150</td>
</tr>
<tr>
<td></td>
<td>Basingstoke Town</td>
<td>£70</td>
</tr>
<tr>
<td></td>
<td>Strategic Allocation</td>
<td>£0</td>
</tr>
<tr>
<td>Hart District Council</td>
<td>SW Hart</td>
<td>£250</td>
</tr>
<tr>
<td></td>
<td>Central Hart</td>
<td>£175</td>
</tr>
<tr>
<td>South Downs National Park</td>
<td>Rural areas</td>
<td>£200</td>
</tr>
<tr>
<td></td>
<td>Petersfield</td>
<td>£150</td>
</tr>
<tr>
<td></td>
<td>Liss</td>
<td>£100</td>
</tr>
</tbody>
</table>

4. Policy
4.1 Legislation was introduced in the Planning Act 2008 to allow Local Authorities to introduce a CIL. A CIL allows local authorities to raise funds on a pro-rata (£per m2 of net new development) basis on development projects in their area towards

4.2 Commitment to the introduction of an EHDC CIL is set out in the supporting text to policy CP32 – Infrastructure and Developer Contributions, of the Core Strategy (para 10.3). The Council has approached the production of CIL in accordance with its planning policy framework as set out in the Core Strategy, which was formally adopted by Council in May 2014.

5. Background

5.1 The Council previously consulted on a Preliminary Draft Charging Schedule (PDCS) in May and June of 2014 in accordance with Regulation 15 of the CIL Regulations 2010. The Council consulted in accordance with Regulation 16 of the CIL Regulations 2010 in November and December 2014.

5.2 The PDCS and DCS are the first and second statutory stages in preparing a CIL as set out in the regulations. This is followed by an Independent Examination prior to adoption of the final Charging Schedule by Full Council. Members will be aware that as of 6th April 2015 or at the point of adoption of a CIL, S106 planning obligations, used to secure contributions from developers towards local infrastructure, will be curtailed predominantly to ‘on-site or immediately related’ mitigation only. As a result, the ability to use S.106 accumulated from several schemes will be greatly curtailed to only allowing the pooling of contributions from five S106 agreements towards a ‘type of infrastructure or project’. Consequently, the only effective means of ‘pooling’ contributions from development towards off-site infrastructure will therefore be via the CIL.

5.3 It is therefore important that East Hampshire, following the adoption of the Core Strategy, moves forward with its CIL. The programme for adoption of CIL is as set out in the council’s published Local Development Scheme. Levy rates are set out in a ‘Charging Schedule’ (Attached as appendix 1). In order to ensure the CIL is in place prior to 6th April 2015 (when S.106 agreements will be greatly curtailed), it is important that submission of the Draft Charging Schedule and supporting documentation is carried out before the end of January 2015. The process of consultation and submission has been curtailed because of the need to adopt the JCS and undertake the two 6 week consultations after that adoption and comply with the Governments timescale of CIL having to be in place by 06 April 2015.

6. Submission Documents

6.1 For the purposes of this stage in preparation of CIL it is proposed to submit the following documents (see appendices):

- CIL Consultation Document / Draft Charging Schedule and CIL Maps (Appendix 1)
- CIL Justification Paper (The Adams Integra Report and Addendum Report (Appendix 2)
- Draft Regulation 123 list (Appendix 3)
- Draft Infrastructure Delivery Plan (Appendix 4)
- Procedural policy statement for Instalments (Appendix 5)
- The Consultation responses to Consultation 1 (Appendix 6)
- The Consultation responses to Consultation 2 (Appendix 7)
7. The Issues

Relationship of CIL to S106 agreements

7.1 The principal means of securing contributions towards on and offsite infrastructure from developers is currently by S106 agreement. S106 agreements can be complex and time consuming to negotiate and write as contributions should be agreed on a site by site basis. The infrastructure being funded by the S106 contributions also has to be ‘reasonably related’ geographically. Consequently many, particularly small scale development sites do not currently contribute at all to local infrastructure as it is impractical to negotiate S106 on the many small scale developments that take place and technically the council is prevented from ‘pooling’ contributions from across the district to fund strategic infrastructure requirements.

7.2 The advantage of the CIL regulations is that it allows the charging authority to charge developers on a pro-rata (£ per m2) basis and pool receipts towards infrastructure.

7.3 Charges can be applied to new net development upward of a single dwelling or 100m2 of floorspace. Self build dwellings as defined by and meeting criteria set out at Regulations 54A-D (2014 CIL regulations), residential extensions and annexes are exempt from CIL charges. Developments granted planning permission (with signed S106 agreements) prior to the date that the Council implements CIL charges will not pay CIL.

7.4 The CIL Regulations require that upon adoption of a CIL, local authorities cease to use Section 106 agreements as the principal mechanism of securing developer contributions towards new off-site infrastructure. Section 106 planning obligations will therefore accordingly be scaled back to cover predominantly the provision of on-site specific measures (including green infrastructure, public open space and affordable housing) and immediately related infrastructure (e.g. local highway access / safety improvements and offsite POS), required to mitigate the impact of development. In East Hampshire, most major developments will therefore continue to have S106 agreements (for affordable housing and public open space) and (with the exception of the New Community at Whitehill and Bordon) pay CIL.

Local communities

7.5 CIL (Amendment) Regulations 2014 requires that 15% of CIL receipts capped at £100 per existing household (within the parish) per year, or 25% uncapped, where there is a Neighbourhood Plan in place, is passed back to Parish and Town Councils or Community Councils. Parish and Town Councils (or the Local Authority where there is no Parish or Town Council) will be able to spend these receipts from development carried out in their locality on the provision, improvement, replacement, operation or maintenance of infrastructure; or anything else that is concerned with addressing the demands that development places on an area. Unlike the local authority, parish and town councils are not constrained by the spending priorities as set out in their Regulation 123 infrastructure list. DCLG Guidance (Feb 14) explains that local communities may spend their element of CIL on affordable housing and developing a Neighbourhood Plan. They will also be expected to discuss and liaise with the charging authority and neighbouring Parish and Town Councils on spending
priorities. They are also required to account for the way CIL receipts are spent on an annual basis.

**Justifying the introduction of a CIL**

7.6 The regulations require that charging authorities justify to an Independent Inspector the need to introduce CIL in their area. Emerging best practice following the successful adoption of CIL by other authorities indicates this has been undertaken by simply setting out the principal infrastructure requirements of the area, their estimated cost and known existing funding. The Infrastructure Delivery Plan (November 2014 update- Appendix 4), was previously published as evidence to DCS Consultations is an update of the IDP used to support the JCS through Examination in Public, provides this necessary background information. Thereby a ‘funding gap’ can be shown as the justification for needing to make a charge.

**Infrastructure funding**

7.7 The regulations require that charging authorities should ‘aim to strike an appropriate balance’ between the need to fund infrastructure and ensuring development remains viable. This should be evidence based and explain how the proposed levy rates will contribute towards implementation of the ‘plan’ and support development in the area. It is not expected that CIL receipts will be sufficient to fund all infrastructure needs. CIL will continue to be one of a range of possible funding sources for infrastructure including Central Government grants, City Region Deal, New Homes Bonus, prudential borrowing etc and will support the continuation of S.106 agreements where these remain relevant and necessary.

7.8 The regulations also require that the charging authority sets out on its web site what it intends to spend CIL receipts on (known as a Regulation 123 list). S106 receipts (existing S106 agreements signed prior to implementation of the CIL are unaffected) will not allowed to be spent on items on this list. Furthermore it is not intended that CIL receipts will be the only source of funding for such items. The authority is also not compelled to spend receipts on these items. A Draft Regulation 123 list is set out at appendix 3. Charging Authorities (EHDC) can spend CIL receipts on the ‘provision, improvement, replacement, operation or maintenance of infrastructure’.

7.9 CIL receipts will therefore be collected corporately and the Council will need to decide what they are spent on according to the provisions and exclusions of the Regulation 123 list, via the capital programme decision-making and funding processes. The regulations require that the Council reports the £amount that was raised and what it was spent on annually. The Regulation 123 list can be reviewed and amended on as frequent a basis as the charging authority sees fit, subject to ‘appropriate public consultation’. Typically, other authorities have stated an intention to review the Regulation 123 list on an annual basis. A review of the charging rates can also be undertaken, but this would involve the Council undertaking the CIL production process again. The CIL / S106 Guide therefore suggests that market and build cost indicators are monitored annually in order to inform the necessity to undertake a full review of rates or in any event the rates should be reviewed every three years.
Setting Charges

7.10 The regulations require that charges are set according to development viability evidence (the conclusions of the Viability Assessment – see supporting background paper at appendix 2). Charges should accordingly ensure that most development remains viable. The Viability Assessment applies a standard valuation methodology (residual land value), taking account of development scenarios common to East Hampshire and the application of the council’s planning policy framework requirements (such as 40% affordable housing, 35% at Whitehill and Bordon) including its mix and type, and the council’s sustainable construction design policy for a range of land-uses. The regulations allow CIL charges to be differentiated by type, scale of development and by ‘zone’ (geographic area). Guidance also now makes it clear that LAs should viability test strategic sites and should test against target AH rates (40/35%).

7.11 In summary, the Viability Assessment (VA) cannot test all development scenarios in all locations, therefore its conclusions represent generalisations and there will no doubt be exceptions to the rule. The VA supporting the Draft Charging Schedule (Nov 2014) concluded that market conditions whilst relatively weak were likely to improve year on year. In setting a draft charging schedule the council sought to establish charges that reflects the viability of land uses across the District. This resulted in a three zone CIL for residential – recognising the difference between viability in communities of the north, Whitehill and Bordon and the southern parishes. The viability assessment has been revised to assess whether small residential sites that fall below the affordable housing threshold can withstand a higher charge. A single CIL charge irrespective of location was proposed for the other uses as set out below. It was also not proposed to levy a charge on all other uses, such as industrial, office, leisure and educational and other institutional buildings as the assessment showed marginal or negative viability in the current market conditions. This was broadly in line with adjoining authorities. The CIL Charges consulted on in November and December 2014 are set out as follows:

<table>
<thead>
<tr>
<th>Residential Use</th>
<th>CIL in £/sq m</th>
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<tbody>
<tr>
<td>Residential (Land north of SDNP excluding Whitehill and Bordon)</td>
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</tr>
<tr>
<td>Residential Sheltered Housing (C3 Residential accommodation with some communal facilities age restricted)</td>
<td>£40</td>
</tr>
<tr>
<td>Whitehill and Bordon (Excluding Green-Town)</td>
<td>£60</td>
</tr>
<tr>
<td>Whitehill and Bordon (Green-Town)</td>
<td>£0</td>
</tr>
<tr>
<td>Land south of SDNP (The Southern Parishes)</td>
<td>£100</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Non- Residential Use</th>
<th>CIL in £/sq m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hotels</td>
<td>£70</td>
</tr>
<tr>
<td>All Retail</td>
<td>£100</td>
</tr>
<tr>
<td>Any other non-residential development</td>
<td>£0</td>
</tr>
</tbody>
</table>

7.12 Consultation on the PDCS was carried out between May and June 2014, it received 35 responses these comprised broadly:
Residential Developers. These respondents generally are seeking clarity / confirmation of assumptions used in the viability assessment, including ensuring abnormal costs, fees and contingency costs are taken fully into account.

Specialist Housing providers represented by Planning Bureau and McCarthy and Stone. These respondents generally point out the particular nature of such flatted schemes which involve ancillary uses, higher build costs and cash flow risks.

Hoteliers. These respondents generally sought clarification on assumptions made about the viability of hotel developments if a CIL levy were charged and the consequent impact on tourism.

Other responses were generally from organisations that wish to be represented on the Regulation 123 list and Parish and Town Councils. A detailed summary of responses can be found at appendix 6 and 7.

7.13 In response Adams Integra (viability consultants) were re-engaged. Further research on sales values and build costs has been carried out, as well as meetings with developer representatives. The research has shown an increase in sales values, but some further inflation in build costs and fees is also assumed.

7.14 Adjustments to some of the assumptions with regard items like abnormals, sales rates, contingencies and fees have also been undertaken with particular regard to the Strategic Sites. Further work with regards affordable housing tenure mix, values and space standards has also been undertaken to test previous assumptions. In addition, in accordance with the DCLG guidance 2012, strategic site viability at Whitehill and Bordon.

7.15 The viability testing also considered sheltered housing and extra-care in the C3 use class. Primarily, due to higher build costs of typically flatted schemes and provision of communal facilities, slower sales rates and affordable housing requirements (often via a commuted sum) and the often brownfield nature of these schemes viability showed that these schemes are not currently able to take a CIL charge.

7.16 The second consultation was undertaken between November and December 2014. There were 22 responses to the second consultation. The results of that consultation are attached as appendix 7 to this report. The main issues are:

- Developers representative remain concerned at the CIL levels proposed are too high, comparison was made with Authorities around EHDC where CIL rates are marginally lower, particular concern was expressed about the potential impact on viability if the Alton Sports Centre contribution remained to be charged on top of CIL. The viability conclusions are being sensitivity tested and any changes to the proposed rates will be reported. As a matter of clarification CIL will replace S106 negotiations in Alton and the surrounding area and the Alton Sports Centre contribution will NOT be levied when CIL is adopted.

- DOI on behalf of the MOD at Whitehill and Bordon support the zero CIL charge proposed for the Whitehill and Bordon regeneration area but suggest it covers the whole of the regeneration area rather than the 4 main planning applications as proposed in the CIL map inset. In addition they remain concerned at the terminology used and also the confusion over whether CIL
will be charged on non-residential uses in the Whitehill and Bordon area. In response the Zero CIL zone is configured so that the 4 main applications in the regeneration area are covered by S106 agreements (to avoid the pooling impact) and not the whole of the regeneration area identified in the JCS. In addition terminology will be clarified in the submission DCS. Finally the Zero CIL zone should deal with all development by S106 agreement and the DCS will be refined to cover this.

- Concern has been expressed at the CIL levels proposed now that the Government has relaxed the rules regarding the imposition of affordable housing and other contributions on smaller schemes (of 10 units or less generally and 6 or less in designated rural areas). This matter is being tested and the results will be reported when available.
- General clarification is needed on other policies needed to support the CIL rates and these are attached to this report and will be submitted for examination if agreed.

7.17 A key issue for the council is to understand the impact of CIL in relation to the existing system of S106 agreements. It is difficult to make a precise comparison given the complexity of S106 agreements and the distinction of on and off-site mitigation. However, the following should be considered:

- From April 2015 S106 will be restricted. Therefore without CIL it would not be possible to raise developer contributions towards offsite strategic infrastructure such as the rapid transit scheme or primary school education from new development sites.
- A typical 3 bed house is approximately 85m2. Such a dwelling would therefore be charged £8500 in the southern parishes, £5,100 in Whitehill and Bordon outside the zero CIL zone and £15,300 in the northern parishes. This represents about 5-10% of a typical build cost.
- 15-25% of CIL receipts will be passed back to local communities. Failure to implement CIL would therefore mean that local communities would not benefit from these funds.
- It is estimated that approximately 50 -100 new dwellings (that would have attracted Affordable Housing and S106 contributions) predominantly on small sites will be removed from such an obligation by the November changes to thresholds, these schemes are granted permission in East Hampshire per year, they would have contributed AH and other contributions. A special CIL rate for smaller schemes will therefore raise between £200k- £700k per annum from these developments (before P&TC % and administration expenses).
- On medium sized residential sites where most contributions are towards offsite items such as education, transport and open space, the impact, (following a review of existing S.106 data) of the introduction of CIL is expected to be fairly neutral.
- On major mixed use sites such as the Core Strategy, Whitehill and Bordon Regeneration area the overall ‘pot’ for infrastructure contributions, remains the same whether taken through S106 and or a CIL. This sites will be required to provide large on-site infrastructure packages, including primary schools, community facilities and open space etc. through S106 agreements.
Revised Charging Schedule

7.18 Further checking is being undertaken in terms of the viability of the proposed charges. Any amendments to the charging levels will be reported to Cabinet. However in order to clarify some areas respondents found confusing the following revised charging schedule is proposed:

<table>
<thead>
<tr>
<th>Residential Use</th>
<th>CIL in £/sq m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential (Land north of SDNP excluding Whitehill and Bordon)</td>
<td>£180</td>
</tr>
<tr>
<td>Residential (Land north of SDNP excluding Whitehill and Bordon) Sites of 10 dwellings or less that 1,000 square metres</td>
<td>TBA</td>
</tr>
<tr>
<td>Residential Sheltered Housing (C3 Residential accommodation with some communal facilities age restricted)</td>
<td>£40</td>
</tr>
<tr>
<td>Whitehill and Bordon (Excluding the regeneration area as shown on the CIL Map Inset)</td>
<td>£60</td>
</tr>
<tr>
<td>Whitehill and Bordon (Excluding the regeneration area as shown on the CIL Map Inset) Sites of 10 dwellings or less that 1,000 square metres</td>
<td>TBA</td>
</tr>
<tr>
<td>Whitehill and Bordon Regeneration area as shown on the CIL Map Inset</td>
<td>£0</td>
</tr>
<tr>
<td>Land south of SDNP (The Southern Parishes)</td>
<td>£100</td>
</tr>
<tr>
<td>Land south of SDNP (The Southern Parishes) Sites of 10 dwellings or less that 1,000 square metres</td>
<td>TBA</td>
</tr>
</tbody>
</table>

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<thead>
<tr>
<th>Non- Residential Use</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Hotels</td>
<td>£70</td>
</tr>
<tr>
<td>Hotels in the Whitehill and Bordon Regeneration Area as shown on the CIL Map Inset</td>
<td>£0</td>
</tr>
<tr>
<td>All Retail</td>
<td>£100</td>
</tr>
<tr>
<td>Retail in the Whitehill and Bordon Regeneration Area as shown on the CIL Map Inset</td>
<td>£0</td>
</tr>
<tr>
<td>Any other non-residential development</td>
<td>£0</td>
</tr>
</tbody>
</table>

Other Supporting CIL Documents

7.19 Members should note that Affordable Housing and chargeable buildings used by charitable organisations have mandatory exemption from the charge.

7.20 Members should also note that the Council can choose to allow relief from CIL charges for buildings used as an investment by charities and in ‘exceptional circumstances’ where the CIL charge would mean a development was rendered unviable. In both instances the authority would have to be content that by allowing relief it would not infringe state aid rules. It is not proposed to extend relief from CIL in these circumstances at this time as it is not considered that it would provide any significant practical benefit to developers and charitable organisations in East Hampshire.
8. Consultation

8.1 The CIL process requires 2 public consultations, in addition the Council has consulted stakeholders on the updating of its IDP. Member of DPP have been kept up to date following the adoption of CIL as a means of generating infrastructure provision through the JCS. Members have been made aware of the rates to be charged at DPP and through the consultation process. It is proposed that Cabinet approve the CIL rates for submission to examination and the results of the examination be reported to Cabinet and to Council for permission to adopt.

Instalment Policy

8.2 If a charging authority wishes to offer the option of paying by instalments, it must publish an Instalments Policy. Although earlier regulations set out the phases for payment, it is now for the charging authority to decide when payments should be made. The phasing of payments varies considerably amongst those authorities who have already adopted an Instalments Policy, with Portsmouth City Council having adopted a very simple policy and Shropshire having adopted a more complex system based on the number of dwellings.

8.3 Feedback from developers so far has indicated that there are concerns that requirements for a large proportion of CIL liability to be paid up front will jeopardise delivery. The purpose of the Instalments Policy is to assist with cash flow issues through the life of a development. The Council has to balance this against receipts and the need to provide infrastructure to support growth.

8.4 The proposed EHDC Instalments Policy recognises the fact that it can be difficult, particularly for small developers, to pay large sums of money in one instalment soon after commencement of development. As such, the threshold for paying in only one instalment has been set at only £20,000. CIL payments of over £20,000 are then phased with payments required after certain periods of time. It will be necessary to provide detail of fines and interest charges for late payment before CIL is implemented.

8.5 The proposed policy has been based on policies adopted elsewhere and the feedback provided by developers. It is hoped that it provides an appropriate balance between recognising development cash flow constraints and contributing towards infrastructure. However, the regulations do allow for the policy to be reviewed, subject to notice and if it becomes apparent that the policy is not suitable, it will be possible to change it in the future.

8.6 The CIL regulations provide detail guidance on how to manage late payments and liability for developers who are unable to pay because of insolvency. This information will be set out in an easy to read and understand developer’s guide, which will be published alongside the CIL Charging Schedule when it comes into effect on 1 April 2015.

Exceptional Circumstance Relief

8.7 The CIL Regulations also allow a charging authority to offer Exceptional Circumstances Relief or ‘Levy Relief’ in its area. Exemption is already available separately for charities and social housing. Allowing a period of Levy Relief is in the charging authorities gift.
8.8 Government has made it clear that CIL should remain the fixed charge on development, which is non-negotiable. This provides developers and infrastructure providers with certainty with regards to costs due and spending available, which allows strategic and local infrastructure to be properly management and invested in. Section 106 and 278 payment may also be required to secure site related transport, affordable housing and education contributions. Government has said that these contributions should be negotiated where viability is an issue.

8.9 A Levy Relief period is therefore not something that authorities should normally allow where applicants are citing viability issues. The Council’s existing policies are flexibly and positively worded to allow negotiations to take place on to reduce S106 contributions, where viability is independently confirmed to be an issue.

8.10 In addition, the CIL rates have been set based on an Economic Viability Assessment and will be subject to examination. The figures set are based on up-to-date costs and values, and take into account the current economic climate and difficulties and fluctuations in the market. The rates recommended in the District are considered very realistic and have been purposely set at lower levels that are actually viable to ensure there was no difficulty with viability.

8.11 Some developers may view Levy Relief as an opportunity to avoid paying CIL. This perception cannot be given any credence. Issues of viability for developments must be addressed when the developer purchases the land, the responsibility is on the developer to get his or her viability appraisal right and only pay the landowner what the site is worth to produce normal profit and provide shareholders with their expected rate of return. It is not the role of the Council to generally or randomly allow Levy Relief because landowners expectations are inflated and developers pay too much for land. Portsmouth is one authority that have allowed this, and officers have stated that in hindsight this was not necessary and has lead to lengthy and costly negotiation on viability on schemes varying from 1 to 100 new units.

8.12 Officers, therefore recommend that the Council do not allow Levy Relief to be applied when the Charging Schedule comes into effect. An independent government inspector, who will assess whether the CIL rates are realistic and viable for developments in EHDC and the policies are in place to allow S106 to be negotiated, will approve the Council’s Charging Schedule. Whilst the Regulations provide for Levy Relief to be allowed at any point in the future, that must be in extremely rare instances where the Council agree to allow a period of Levy Relief temporarily to allow a critical scheme to come forward in accordance with the CIL regulations. However there is potential within the regulations to allow in lieu provision in place of the financial contribution. The Council will consider in lieu proposals only in exceptional circumstances but will use its best endeavours to ensure that the best possible infrastructure provision is the result of this consideration.

8.13 The details of this relief is found in the CIL Regulations and guidance documents on Communities and Local Governments website. This information will also be set out in an easy to read developers guide, which will be published alongside the CIL Charging Schedule when it comes into effect on 1 April 2015.
9. Options
9.1 The Council could choose not to implement a CIL and continue to rely on S106 agreements to seek developer contributions towards infrastructure required to support growth. However, it has never been considered practical to seek to negotiate such contributions from the many small developments that take place annually in East Hampshire and only 5 S106 agreements can be utilised towards a project or type of infrastructure after April 2015. Not implementing a CIL would therefore mean that the Council continues to forego potential funding from the new dwellings that currently make no contribution towards new infrastructure, our communities would be denied the 15 or 25% of CIL receipts, and it would jeopardise S106 funding for infrastructure from new major developments towards types of infrastructure or projects where more than 5 such agreements have already been sought.

9.2 Managing future development is identified as one of the Council’s corporate aims. Implicit in this is ensuring that existing and new developments have the necessary social and environmental infrastructure and services to ensure they are sustainable. As of April 2014 CIL provides the only practical way of pooling financial contributions from new development (other than the strategic sites) towards the provision of off-site strategic infrastructure. Business will also benefit from infrastructure provided as a consequence of funds raised through the CIL. The Members of DPP have been working with officers in preparing the DCS and supporting documentation. The Council has undertaken the processes necessary post adoption of the JCS and now recommends a CIL charge and supporting documents to members for approval to submit for examination.

10. Implications
10.1 Resources
10.1.1 The Council Plan identifies the pressure of housing growth as a key challenge. Managing future development is identified as a priority area. The Council has made the necessary financial provision to cover work so far on the Core Strategy. However, it is important to recognise that any new developments will bring potential liabilities for new services and infrastructure. The funding of these will need to be considered in future years’ budgets and capital programmes. CIL is required to be spent on infrastructure and thereby will form one such funding stream. Implementation of CIL has implications for determining the CIL liability of each development, the calculation of and collection of payments from owners/developers, and the sharing of proceeds with appropriate local communities. This will require the identification of resources to ensure the necessary administrative software packages and trained staff are in place by April 2015 or at the point of adoption. The planning service has prioritised staff to investigate these costs.

10.1.2 CIL Regulations allow Local Authorities to use up to 5% of CIL receipts for the administration of the levy and 15% (25% in areas with a Neighbourhood Plan) are required to be paid to the appropriate Parish / Town Councils. The Council will also need to recognise that there will be a consequential future reduction in S106 contributions. There will also be restrictions on future S106 receipts can be used once the CIL is implemented (see para 6 above). This will have implications for the Capital Programme financing Plan 2015/16 onwards. There will also be a
reduction in income from S106 fees which will impact on the revenue budget for 2015/16.

10.2 Legal

10.2.1 Regulation 122 of the CIL Regulations 2010 restricts the use of planning obligations to where it is necessary, directly related and fairly and reasonably related in scale and kind to the development. These provisions restrict the potential for pooling contributions towards strategic off-site infrastructure. Regulation 123 further restricts the scope for pooling planning obligations to the use of only 5 S106 agreements towards a project or type of infrastructure as of April 6th 2015.

10.2.2 Regulation 123 allows local authorities to specify what infrastructure it intends to spend CIL receipts on (via a Regulation 123 list) thereby breaking the link between the site and the infrastructure item (i.e. not having to be ‘directly related’). CIL therefore provides the only practical means of pooling contributions from development across the district towards strategic infrastructure in the long-term. As CIL is effectively a local development tax it therefore has legal implications in terms of collecting outstanding amounts where they become debts.

10.3 Risks

10.3.1 Implementation of a CIL presents a significant opportunity to obtain developer contributions from small scale schemes that may under the Government’s proposals escape making a contribution towards local infrastructure. In setting the DCS the council has sought to ensure its planning policy framework, including the timely delivery of the Whitehill and Bordon Regeneration area and approach to affordable housing, is not put at risk by CIL. To this end, the CIL Charging Schedule set out above and Appendix 3 is considered to ensure CIL can be achieved while also maintaining the council’s planning policies.

10.3.2 Moreover, the major proportion of contributions from many medium sized development schemes are for off-site infrastructure such as local schools and transportation needs. These kinds of contributions would be covered by the CIL charge. Implementation of CIL therefore presents an opportunity to simplify and reduce the number of new S106 agreements that the Council currently deals with and potentially speeds up the decision making process. Provisions within the regulations allow the authority to borrow against future CIL receipts to forward fund infrastructure. The Government has not yet enacted this part of the regulations.

10.3.3 Implementation of CIL requires that the Council go through a number of statutory consultation and adoption procedures set out in the LDS programme. These are anticipated to take a further 3 months to achieve. Any delay at this stage will therefore substantially increase the risk that the Council will not be able to start charging CIL ahead of April 2015 when S106 planning obligations may be restricted to on-site mitigation only.
10.3.4 Implementation of CIL will require new or adapted IT systems to administer the charge. Colleagues in Planning and Finance are currently reviewing systems used by other councils particularly Havant BC who have recently adopted CIL.

10.4. Strategy:

10.4.1 The Adoption of CIL is in the Business Plan and is a statutory requirement if a Local Planning Authority wants to collect developer contributions in accordance with national legislation.

10.5 Communications

10.5.1 The changes will be communicated via press briefings and the website.

10.6 Consultation

10.6.1 The National consultation requirements have been met throughout the CIL process and Councillors have been kept up to date throughout.

Background Papers
EHDC Core Strategy (December 2013)
EHDC Local Development Scheme
EHDC Infrastructure Delivery Plan (IDP) November 2014
EHDC Preliminary Draft Charging Schedule and supporting documents

Appendices
1. Draft Charging Schedule (including maps)
2. CIL Justification Papers (The Adams Integra Report and Addendum Report)
3. Draft Regulation 123 list
4. Draft Infrastructure Delivery Plan
5. Procedural policy statement for Instalments
6. Consultation 1 Responses summary
7. Consultation 2 Responses Summary

Agreed and signed off by:

Legal Services: 14/1/15
Finance: 14/1/15
Executive Head of Planning and Built Environment: 14/1/15
Portfolio Holder: 14/1/15

Contact Officer: Andrew Biltcliffe
Job Title: Shared Service Manager (Planning Policy)
Telephone: 023 92 446511
E-Mail: Andrew.biltcliffe@easthants.gov.uk
1. East Hampshire District Council (‘the Council’) has published this Community Infrastructure Levy (‘CIL’) Draft Charging Schedule as the Local Planning Authority and CIL Charging Authority for the area of East Hampshire District Council outside the South Downs National Park Authority area, under powers provided by Section 206 of the Planning Act 2008.

2. This Draft Charging Schedule is published for public consultation as the second step in setting a CIL charge for East Hampshire District Council. It is published in accordance with Regulation 15 of the CIL Regulations 2010 and the consultation process will follow the statutory Guidance 2014. The Council will take into account any comments made on this document from the First consultation before publishing a Submission Charging Schedule for examination.

East Hampshire District Council CIL

3. The CIL was introduced by Part 11 of the Planning Act 2008 and is governed by the CIL Regulations 2010 (as amended). Statutory Guidance was published by the Department for Communities and Local Government in April 2013 and amended in January 2014. East Hampshire District Council intends to adopt and implement a CIL Charging Schedule on 1 April 2015. The current requirements for planning obligations under Section 106 of the Planning Act will continue until the CIL is adopted.

4. The Council is required to, in setting CIL rates, ‘strike an appropriate balance between’ the desirability of funding infrastructure 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’.\(^1\)

5. The rates proposed in this consultation document have therefore been informed by evidence of both infrastructure needs and development viability as well as the first consultation. The finance secured through the CIL will provide additional investment for infrastructure delivery in support of new development across the Council’s area. It will not threaten the viability of the development strategy in the East Hampshire District Joint Core Strategy, as required by the statutory Guidance \(^2\) and the National Planning Policy Framework.\(^3\)

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\(^1\) Regulation 14 (as amended by Regulation 5(3) of the CIL Amendment Regulation 2014)
\(^2\) CIL Guidance 2013, para.8.
Appropriate evidence

6. East Hampshire District Council CIL rates must be informed by appropriate available evidence. iv

7. The evidence underpinning the CIL rates includes:
i) The adopted East Hampshire District Joint Core Strategy 2014
ii) Responses to the first consultation and the Council’s response and proposed changes/additions.
iii) The draft Regulation 123 List,
iv) Draft Infrastructure Delivery Plan 2014, and

8. This evidence can be found at the Council’s website: www.easthants.gov.uk/CIL.

Draft Charging Schedule rates

9. The proposed rates set out below are supported by evidence of development viability across the East Hampshire (excluding South Downs National Park) area. These rates will come into force in April 2015, subject to amendment if necessary, and will be non-negotiable. They will apply to the areas shown on the maps attached as Appendix 1.

<table>
<thead>
<tr>
<th>Residential Use</th>
<th>CIL in £/sq m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential other than class C2, C2A uses and Extra Care Housing</td>
<td>VP2 Locations £60 (Whitehill/Bordon excluding Green Town designated area)&lt;br&gt;VP3 Locations £100 (Southern parishes of Clanfield, Horndean and Rowlands Castle&lt;br&gt;VP4 and VP 5 Locations £180 (Northern parishes excluding Whitehill/Bordon)</td>
</tr>
<tr>
<td>Residential C3A sheltered housing in self contained houses and flats with communal facilities and an age restriction</td>
<td>£40</td>
</tr>
<tr>
<td>Whitehill &amp; Bordon (Green-Town)</td>
<td>£0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other Use</th>
<th>CIL in £/sq m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offices</td>
<td>£0</td>
</tr>
<tr>
<td>Hotels</td>
<td>£70</td>
</tr>
<tr>
<td>High street/ centre retail and out of centre retail</td>
<td>£100</td>
</tr>
<tr>
<td>Industrial and warehousing</td>
<td>£0</td>
</tr>
<tr>
<td>Student accommodation</td>
<td>£0</td>
</tr>
<tr>
<td>All class C2, C2A, C3B, C3C and extra care housing use</td>
<td>£0</td>
</tr>
<tr>
<td>Any other development</td>
<td>£0</td>
</tr>
</tbody>
</table>

Use of Proposed Levy (£/m2)

iv Defined by Section 211 (7A) of Planning Act 2008 (as amended by Section 114(2) of the Localism Act 2011) and Regulation 14 (as amended by Regulation 5 of the CIL Amendment Regulations 2014)
v The proposed ‘Residential’ levy rates are based on an interim assumption of 40 per cent affordable housing policy in the Local Plan with the exception of a 35% target at Whitehill & Bordon. See the Viability Assessment for further information.
10. The ‘chargeable amount’ of CIL for any new development is calculated in accordance with Part 5 of the CIL Regulations (2010, as amended). The locally set rates above are multiplied by the ‘gross internal area’[vi] of new buildings and enlargements to existing buildings, taking demolished floorspace into account and subject to the exemptions listed in Part 6 of the Regulations.

11. Part 6 of the CIL Regulations 2010 (as amended) exempts the following types of development from CIL liability:
- Social (affordable) housing
- Domestic residential extensions
- Self-build development
- Development by charitable institutions
- Changes of use that do not increase floor space
- Buildings into which people do not normally go or go only intermittently for the purpose of maintaining or inspecting machinery, and
- Buildings with temporary planning permission.

12. The Council is proposing to set differential rates, in accordance with the Regulation for different intended uses of development and different locations.

13. For residential uses, the Council also proposes to set differential rates for different geographical zones with reference to viability evidence. The boundaries of residential zones are shown on the Draft Charging Schedule Map (at the end of this document).
- Zone 1 relates to the land to the north of the SDNP (excluding Whitehill & Bordon);
- Zone 2 relates to the Southern Parishes (or land to the south of SDNP);
- Zone 3 relates to Whitehill & Bordon excluding the Eco-Town and
- Zone 4 relates to the Eco-Town growth area.
- A district wide zone for Residential Sheltered housing.

Non-residential rates have similarly been tested with the resulting conclusions in section 9 above.

13. The CIL rates will increase with market inflation over time to ensure their effectiveness at delivering infrastructure. They are linked to the All-in Tender Price Index published by the Building Cost Information Service of the Royal Institute of Chartered Surveyors.

Discretionary matters

14. The CIL Regulations allow the Council to make certain choices about how to implement the CIL. Some of these discretionary matters relate to exemptions from paying a CIL levy for certain types of development. All choices on discretionary matters are flexible and can be amended or removed at any time. The Council welcomes your further comments on the following discretionary matters.

Payment by instalments [vii]

15. Payment of a CIL charge is due from the date a chargeable development commences. The Council can offer the payment of CIL by instalments to provide flexibility and support for more complicated developments. An ‘instalment policy’ stating the parameters of this process would be published alongside the adopted

[vi] The Authority will use the HMRC Valuation Office Agency’s definition of gross internal area.
[vii] Enabled by Regulation 69B of the CIL Regulations 2010 (as amended).
Charging Schedule. The Council welcomes your comments on the use of an instalments policy and what it should contain.

Relief for exceptional circumstances

16. Liability to pay a CIL charge on chargeable development is a statutory obligation and is non-negotiable. The Council can, however, in exceptional circumstances offer discretionary relief from liability to pay a CIL charge. Offering this relief would provide the Council with some flexibility to deal with complex sites which are proved to have exceptional costs or other requirements which make them unviable.

Justification for this relief would have to be demonstrated through appropriate evidence of viability and is entirely at the discretion of the Council. This relief can be activated and deactivated at any time subject to a notice of intention to be published by the Council. At this stage it is not anticipated that there will be any discretionary exemptions however the Council welcomes your comments on exceptional circumstances relief and the above position.

Land- and infrastructure-in-kind

17. The Council can allow, at its discretion, the value of land transferred to the Council and infrastructure provided or constructed by a developer to be offset against the CIL charge. This would enable developers to provide the infrastructure needed to support new development directly, rather than paying for it indirectly through the CIL. The value of land- and infrastructure-in-kind would be determined by the District Valuer. The Council welcomes your comments on payment-in-kind.

Relief for charitable investment activities

18. The Council can allow, at its discretion, relief from CIL liability to charity landowners where the greater part of a development is held as an investment from which the profits are applied for charitable purposes. The Council welcomes your comments on this form of relief.

Relief for low-cost market housing

19. The Council can allow, at its discretion, relief from liability to pay a CIL charge to new market houses that are to be sold at no more than 80 per cent of their market value. It is the Council’s position that this will not be recommending this discretion. The Council welcomes your comments on this form of relief.

Consultation process

20. The consultation period for this Draft Charging Schedule will run from 6 November 2014 to 5pm on 19 December 2014. Comments are invited from all stakeholders, individuals and groups in this open consultation particularly related to the proposed rates, the ‘discretionary matters’ and any other issues you wish to raise.

21. Comments are invited using the following contact details:

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viii Enabled by Regulations 55 and 57 of the CIL Regulations 2010 (as amended) and CIL Relief: Information document (May 2011).

ix Enabled by Regulations 59 and 73 of the CIL Regulations 2010 (as amended by Regulation 8 of the CIL Amendment Regulations 2014).

x Enabled by Regulations 44–48 of the CIL Regulations 2010.

xi Enabled by Regulation 49A of the CIL Regulations 2010 (as amended by Regulation 7 of the CIL Amendment Regulations 2014).
Accessibility
22. All documents related to this consultation are available on the Council’s website (www.easthants.gov.uk/cil). Copies of the documents are also available to view at the Council Offices in Petersfield, local libraries and information centres within East Hampshire District.

If for any reason you are unable to access the documents in this way please contact the Planning Policy Team on the contact details above.

Next steps
23. The Council will take into account any comments made on this document before publishing a Submission Charging Schedule in January 2015. An independent examiner must approve the Draft Charging Schedule before the Council can adopt a final Charging Schedule. The CIL charge will be applied to all liable planning permissions from the date of adoption in April 2015. The CIL rates will be reviewed periodically thereafter.
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East Hampshire District Council

Addendum report following Consultation into Preliminary Draft Charging Schedule

Adams Integra
November 2014
Introduction

In March 2014 Adams Integra produced a report for East Hampshire District Council that was designed to support a Preliminary Draft Charging Schedule (PDCS) for the introduction of a Community Infrastructure Levy (CIL). At that time, the recommended CIL rates were:

<table>
<thead>
<tr>
<th>Use Class</th>
<th>Proposed EHDC CIL Rate March 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>VP2 locations £60</td>
</tr>
<tr>
<td></td>
<td>VP3 locations £100</td>
</tr>
<tr>
<td></td>
<td>VP4 and VP5 Locations £180</td>
</tr>
<tr>
<td>Office</td>
<td>£nil</td>
</tr>
<tr>
<td>Hotel</td>
<td>£70</td>
</tr>
<tr>
<td>High Street/Centre Retail</td>
<td>All Retail £100</td>
</tr>
<tr>
<td>Out of Centre Retail</td>
<td></td>
</tr>
<tr>
<td>Industrial and Warehousing</td>
<td>£nil</td>
</tr>
<tr>
<td>Student Accommodation</td>
<td>£nil</td>
</tr>
<tr>
<td>Residential and non-residential institutions</td>
<td>£nil</td>
</tr>
<tr>
<td>Any other development</td>
<td>£nil</td>
</tr>
</tbody>
</table>
The Council submitted the PDCS for public consultation in May 2014 and responses were received through June and July 2014, broadly under the following headings, broken down between residential uses, non-residential uses and procedural issues to be addressed by the Council.

**Residential uses**

- Sales values
- Look at Alton sales values. Should the town be in VP4?
- Viability buffer
- How were existing use values obtained? How do they relate to geographical areas?
- Build costs, including allowances for surveys and site preparation.
- Check build costs for codes 4 and 5.
- Allowance for externals
- Net to gross ratios
- CIL on sheltered housing (C3)
- Why is there such a difference between northern and southern CIL rates?
- The level of £180 looks high in relation to other authorities.

**Sales values**

Responses to the consultation called for a more refined examination of sales values. The report of March 2014 included, at Appendix 1, the outcome of research into sales values in a number of settlements in East Hampshire District. The figures show both asking prices and then the prices with a reduction of 5%, to reflect a negotiating margin.

At Appendix 1 to this addendum, we show the build up to the value points table, from this research. In table 1, we show a distillation of the researched values, by house type, in the different settlements. In light of the fact that there were not many new developments, from which to gather evidence, we also considered second hand properties, as shown in green on the table. At table 2, we are looking to allocate settlements to different values for each house type. These different values are then
represented by the value points in the value points table, also included in this appendix.

At this stage, the value points table only includes values for open market housing. The value points table at Appendix 2 of the March 2014 report also includes values for affordable housing.

**Alton Sales Values**

In the consultation responses, there is a question as to whether Alton should be in value point 3, not value point 4. By way of response, we have looked again at the evidence from the March 2014 report and we have also carried out further research into today’s values for the town. On the basis of this new work, it would appear that certain house types would be closer to VP3 than to VP4. We do not believe that the evidence would suggest conclusively that Alton should be in VP3, so we have made no change.

**Viability buffer**

Responses sought greater clarification of the buffer that prevents the proposed CIL charges testing viability to the limit. The idea of the buffer is to allow for site specific abnormal circumstances that might arise.

With regard to the buffer, we would make two points. First, we have based viability upon an average land value per hectare, arising out of the scenarios at each value point. For example, if we look at Appendix 4 of the March 2014 viability report, the table headed 40% affordable, code 4, 70/30 rented:shared ownership and £2,000 infrastructure, there are average land values per hectare at the bottom of each column. These land values are only included in the average where they are above zero. The average for value point 2 is shown as £1,079,015 per hectare. From the figures in the column, the maximum viability level could have been assumed at around £1,400,000 per hectare. In this instance there is, therefore, a buffer of around 30%.
The average for value point 3 is shown as £1,609,586 per hectare, whereas the maximum viability level could have been taken at around £2,000,000 per hectare, giving a buffer of some 24%.

The average for value point 4 is shown as £2,225,220 per hectare, whereas the maximum viability level could have been taken at around £2,700,000 per hectare, giving a buffer of some 21%.

In addition, it should be borne in mind that the buffer is intended to accommodate any site specific abnormal costs that would not be taken into account in a report of this nature. For this reason, we base the base build costs on the upper quartile figures of the BCIS index, as opposed to the median values, which might reasonably be adopted. This implies that we are adding a further buffer of between 10% and 12% to the base build costs.

**How were existing use values obtained?**

EUV figures are obtained in a variety of ways. The agricultural figure is intended to reflect the sum that might be typically used in an option agreement, with a developer, to reflect the minimum sum that a landowner would accept. We believe that £450,000 per hectare is also in line with HCA guidelines on Greenfield threshold values, of 10 to 20 times the agricultural land value. The employment thresholds are the result of our own knowledge and experience of such values in the area and take account of different types of employment use, providing a range of values across the area. It is not always the case that a higher value residential location, for example, will also see high value employment uses. It is worth noting that the CIL viability report for SDNP Authority (January 2014) adopted the following thresholds:

- Agriculture: £370,000 to £500,000 per ha.
- Industrial: £850,000 to £1,500,000 per ha
- Residential: £2,000,000 per ha.

The thresholds adopted for the Adams Integra report were within these values, with the exception of the higher residential figure, which was £2,772,000. The adopted thresholds apply an increase of 5% over figures adopted for a report in 2013, to reflect improving market conditions.
In response to a query, as to whether these EUVs reflect future policy, we would say that the threshold values reflect current existing use values and are used as the land value required to release land for development. They take into account values, not future policy requirements.

**Clarify build costs, including allowances for surveys and site preparation.**

The rise in build costs, to which the respondent refers, is the difference in the BCIS figures for March 2013 and March 2014, which is stated as being 0.4% and, therefore, not significant. BCIS is a respected source for such information. The specific costs that are mentioned cannot be covered in a report of this nature, being a more generic snapshot of viability at a particular time. We do not believe that build costs will vary between locations as much as sales values. Over time, however, we would expect build costs to increase, as the housing market improves. We have, therefore, carried out sensitivity testing, as below, to test the impact of higher build costs that are proposed by respondents.

With regard to surveys and site preparation: if we look at a specific appraisal, say 25 units at medium density, with 40% affordable housing and code 4 build costs, then the position is as follows:

- Consultants’ costs: 7%
- Insurances: 2.5%
- Planning application costs: £9,625
- Renewables over base build: £3,500 per unit.
- Survey Costs: £12,500.
- Site abnormals: £50,000.

**Net to gross ratios**

The response to the consultation states that the larger sites of 25 and 75 units should differentiate between net and gross site areas. The significance of this is that the net area would be used for the number of units at a specific density, while the gross area
would be used as the basis of the EUV calculation, since a landowner will part with the gross area of land for a particular development.

We have looked at a number of actual sites to assess the net:gross ratios that might be experienced on the ground. Whilst it is clear that some larger sites will include an area of public open space, including a play area, any greater area of POS would appear to be dictated by the circumstances of individual sites, such that it cannot be assumed that all site areas will be reduced by, for example, buffer landscaping.

For the purpose of this exercise, however, we have increased the area of the 75 unit sites by 10%, ie we have added 10% to the net area that was calculated from the proposed densities.

The outcome of this is that the land values are assessed across a larger, gross site area and the land values per hectare are reduced.

The impact on viability is, however, not significant, as can be seen in the table attached at Appendix 2. This table takes the land values per hectare from appendix 4 of the March 2014 report, affordable housing at 40%, code 4 and s106 at £5,000 per unit. We have then amended the land values for the 75 unit scenarios, based on the larger, gross land areas. We have then, as before, calculated the average land value per hectare for each value point and compared it to the viability thresholds for viability.

From this it will be seen that there is no significant impact upon viability as a result of adopting the larger gross area for 75 unit sites.

**Sensitivity analysis**

We have carried out some sensitivity analysis, combining both increased build costs and applying a net:gross ratio to 75 unit sites into a cumulative impact table. The outcome of this exercise is attached as appendix 3. The build costs are at code 4 and are taken from one of the consultation responses; they increase our original build costs by some 10% overall.
The table is based on Appendix 4 of the March 2014 report, specifically assuming 40% affordable housing. S106 costs are taken at £3,000 per unit, in line with latest thinking from the Council.

We have considered the outcomes in two different ways. First, we have taken the average of the land values per hectare excluding, as in the previous report, those land values that are zero. This results in a marginal impact on viability for VP3 against the lower employment threshold.

Second, we have considered the density evidence arising from the actual sites which is generally in the 30-40dph range, rather than 60dph. We have, therefore, shown separately an average land value for each value point that excludes the highest density. This then restores viability close to the position shown in the March 2014 report.

**CIL on sheltered housing (C3)**

Following a consultation response in respect of sheltered housing, as opposed to care homes, we have carried out some further testing, based upon figures provided by the respondent. These figures reflect both the increased build cost associated with communal areas, together with the longer sales rates that are experienced with these types of development. The sales figures are based upon those for the sheltered scheme that is currently selling in Alton.

Having undertaken this exercise, we believe that it would be reasonable to charge a reduced CIL of £40 per square metre for such developments.

**Differences in the proposed CIL rates**

The difference in CIL levels will be as a result of different sales values, as set out in the value points table at appendix 2 of the March 14 report. At Appendix 4, we then see the resultant land values per hectare for different development scenarios, including affordable housing levels. In particular, if we look at the viability impact of 40% affordable housing, with £2,000 per unit infrastructure, we see that there is good
viability against all thresholds with CIL at £180 for value point 4, with the exception of the higher residential threshold.

In connection with the current consultation, it will then be seen that the same differentials can be maintained, following sensitivity analysis into such matters as build costs and net:gross ratios.

In connection with adjoining authorities, it will be noted that the South Downs National Park Authority’s PDCS proposes a CIL rate of £150 for Petersfield and £200 for the rural areas.

**Residential Rates Conclusion**

Based upon the above, we do not see a reason to change the proposed residential CIL rates.

We would, however, add an additional category of C3A sheltered housing, to which we would apply a rate of £40 per square metre.

**Non-residential uses**

Comments have been provided to the individual comments from the consultation. These are shown in Table 1 Summary of Consultation Representations. Additional comments and conclusions are provided below to the main issues raised under the following headings.

- A challenge to the single retail rate
- A challenge to the retail viability assumptions
- A Request for clarity in the PDCS in respect of Class C2 which includes care homes
- Request that extra care housing is considered separately
- Ability to charge for ‘business investment such as leisure clubs’
- Challenge to the £70 per m2 rate for hotels
• Whether water and waste water buildings should be exempt
• Advice not to charge CIL on agricultural, forestry and rural employment types of development

Single Retail Rate

The only comment on the retail rate objects to the approach taken by Adams Integra on the grounds that it fails to take account of the latest changes in policy. The latest amendments to the CIL Regulations 2014/385 have been taken into account. However the retail rate is recommended in the context of the financial viability for new retail development. It is not appropriate to respond to comments in respect of a Draft Regulation 123 List which will be the subject of a separate consultation.

Adams Integra have sought to set the retail CIL rate at a level that will not stop any new retail development from coming forward nor unduly affect the economic performance of new larger retail developments.

Other than in the proposed new eco-town of Whitehill and Bordon there is expected to be a limited amount of new retail development in the district over the plan period. Nevertheless a broad spectrum of models has been tested including supermarkets, retail warehouses, convenience stores and comparison shops.

The provision of infrastructure in Whitehill & Bordon will be provided by specific s106 contributions so new retail development in this area will not be affected by the CIL charge and it has not been necessary to test this scenario.

The single rate that has been recommended has been selected so as not to affect any type of new retail development from coming forward.

Whilst it is suggested that specific retailers are taken into consideration this is not appropriate under the CIL Regulations. Rather the CIL rate must apply to all types of retailers across the district based on the anticipated financial viability.

Retail viability assumptions

As stated the modelling that Adams Integra have used takes into consideration most forms of new retail development that are anticipated to take place in the district
during the plan period including supermarkets, retail warehouses, convenience stores and comparison shops.

The supermarket models have included an additional 10% of the construction costs over and above the other categories to allow for the usually higher planning obligations for this type of development, such as s106 and s278 obligations. In addition a substantial 5% contingency has been allowed for which would be larger than usual for a pre-let development, further ensuring ample allowance for the costs associated with this form of development.

Therefore the viability assumptions are considered to be robust and appropriate based on the available evidence with an adequate buffer.

**Request for clarity in the PDCS in respect of Class C2**

Class C2 of the Use Classes Order 2010 covers Residential Institutions including care homes, hospitals, nursing homes, boarding schools, residential colleges and training centres.

The PDCS proposed a zero charge for care homes whereas the study considered all uses within the Class C2 category. It is acknowledged that the DCS should add clarity with an amendment to change the ‘Care Homes’ category to ‘All C2 Uses’ to ensure that the likes of nursing homes and other new residential institutions attract a zero CIL charge rather than the full residential rate.

It is considered appropriate that Class C2A Secure Residential Institutions (such as secure hospitals and secure local authority accommodation) do not generate open market revenue and are generally funded by the public sector and do not generate a surplus to justify a CIL charge. Therefore it would appropriate to include Class C2A into a zero rate under ‘All C2 & C2A Uses’ category

**Extra Care Housing to be considered separately**

Adams Integra have modelled care homes and tested their viability to support a CIL charge. It is acknowledged that ‘extra care housing’ can fall with Class C3 that covers Dwelling Houses but that this form of development has very different development costs and values.
Class C3 is formed of 3 parts being Class C3 (a) which covers use by a single person or a family, an employer and certain domestic employees (such as a nurse), a carer and the person receiving the care and a foster parent and foster child.

Class C3 (b) covers up to six people living together as a single household and receiving care such as those with learning difficulties or mental health problems.

Extra Care Housing is defined as ‘purpose built accommodation in which varying amounts of care and support can be offered and where some services are shared’. It is recognised that some Extra Care provision could fall within the C2, C3 (a) or the C3 (b) categories depending on the nature and amount of care provided.

Therefore it is reasonable to provide clarity in the Charging Schedule to ensure that this type of use does not attract a CIL charge more appropriate to open market housing. For this reason it is recommended that Extra Care housing is specifically included within the Class C2 & C2A category so that it attracts a zero CIL charge. Hence ‘Care Homes’ is changed to ‘All Class C2 & C2A uses including Extra Care Housing’.

**Ability to charge for business investment- such as leisure clubs**

Adams Integra has modelled the financial viability of a broad range of non-residential uses that are likely to be developed in the district over the plan period. There are many categories that are not expected to be developed in the East Hampshire District due to the limited catchment and economic conditions.

Leisure Clubs such as private members sports clubs and gyms could be developed but are expected to be of a relatively small scale and when tested in other areas have been shown to have relatively marginal viability when outside of major regional centres.

Other investment type property is expected to be captured by the other non-residential categories. However when the economy improves it will be appropriate to review the Charging Schedule and other categories could be added at that time.
Challenge to the £70 per m2 rate for hotels

Adams Integra have modelled a new 100 room hotel development and tested its sensitivity to a number of variables. These have included the capital value per room against the construction cost and also against the surplus remaining after allowing for various CIL charges. The industry norm has been used whereby a 20% developers profit has been deducted, calculated on the full development cost. In the example used the developers profit, after a £70 per m2 charge, is shown to be £1.329m.

At the £70 per m2 level, the CIL contribution makes up only 1.95% of the total development costs which is well within the accepted 5% level considered reasonable.

It is anticipated that a new hotel development in the East Hampshire District will probably take the form specified by an operator as part of a pre-letting agreement. In these circumstances there would be no letting risk to the developer. It is usual in this situation that a developer would be prepared to take a lower profit level of between 12% to 17% of the development costs.

Taking this into consideration and the other conservative estimates, it is considered that the proposed charge of £70 per m2 can comfortably be afforded without adversely affecting viability. Furthermore it is considered appropriate that new hotel development should contribute towards local infrastructure improvements that the development would undoubtedly benefit from if it can afford to.

We have also looked at the report prepared for EHDC by Hotel Solutions titled ‘Hotel And Pub Accommodation Futures’ [October 2013]. This report identifies the potential for new hotel and pub accommodation development in the district. It does not provide any empirical data or viability assessments. It recommends that any proposed CIL charge for these categories reflect the economics of this form of development and is ‘reasonable, proportionate and affordable’.

We have also considered the Viability Study carried out by Dixon Searle Partnership Housing and Development Consultants on behalf of the South Downs National Park Authority. As the SDNP bisects the district it is relevant to consider their proposed CIL charges and how they were arrived at as the economics should be similar.
The published Preliminary Draft Charging Schedule for the SDNP does not list a separate charge for Hotels with a zero charge for ‘All other development.’

The Viability Study shows that room rental rates and construction costs have been tested and that all produce a negative residual land value. We cannot comment in detail on the approach used as no appraisal is provided. We cannot determine how the room rental rates were arrived at or how a capital value was deduced.

The model used was a 60 bed hotel on a site of 0.36 Ha with 50% site cover but no land values are stated so we cannot comment on what benchmark the outcome has been tested against.

In summary we do not consider that the methodology used by the SDNP is more robust than that used by Adams Integra. Therefore we do not believe that any weight should be placed on the conclusions reached by the neighbouring authority.

Our recommendations are based on appropriate available evidence. This has been sourced from suitably qualified specialists including the Peter Spelman Consultancy, Savills, Knight Frank, Fleurets and Christies. This has been used to evaluate the economics of new hotel development using robust methodology. Our conclusions are considered to be reasonable, proportionate and affordable. We have not seen any economic evidence to justify a change to the £70 per m2 rate therefore we recommend that this is maintained.

**Water and waste water buildings should be exempt**

The Community Infrastructure Levy Regulations 2014 No. 385 states that for the purposes of calculating a CIL charge the definition of a ‘building’ shall not include buildings into which people do not normally go or shall not include a building into which people go intermittently for the purpose of inspecting or maintaining machinery.

Therefore it is not considered necessary to make any amendments to the DCS to allow for water or waste water buildings associated with new infrastructure development as the above exemptions will apply.
Advice not to charge CIL on agricultural, forestry and rural employment types of development

New Agricultural, forestry and rural development not covered by the other use categories within the proposed CIL charging schedule, will attract a zero charge under the ‘Any other development category’.

Therefore any farm diversification scheme involving new development over 100 square metres will only attract a contribution where the proposed use falls within those categories where a CIL charge is considered affordable and appropriate.

A change of use where no new floor space is created, will not attract a CIL contribution.
Conclusion
The conclusion drawn from the non-residential comments is that clearer definitions should be used in the charging schedule for Class C2 and C2(a) and Extra Care Housing as shown in the following table:

<table>
<thead>
<tr>
<th>Use Class</th>
<th>Proposed EHDC CIL Rate March 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential other than Class C2, C2A uses and Extra Care Housing</td>
<td>VP2 locations £60 VP3 locations £100 VP4 and VP5 Locations £180 £40</td>
</tr>
<tr>
<td>Residential C3A sheltered housing in self-contained houses and flats with communal facilities and an age restriction</td>
<td></td>
</tr>
<tr>
<td>Office</td>
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</tr>
<tr>
<td>Hotels</td>
<td>£70</td>
</tr>
<tr>
<td>High Street/Centre Retail</td>
<td>All Retail £100</td>
</tr>
<tr>
<td>Out of Centre Retail</td>
<td></td>
</tr>
<tr>
<td>Industrial and Warehousing</td>
<td>£zero</td>
</tr>
<tr>
<td>Student Accommodation</td>
<td>£zero</td>
</tr>
<tr>
<td>Residential and non-residential institutions All Class C2, C2(a), C3(b), C3(c) uses including Extra Care Housing</td>
<td>£zero</td>
</tr>
<tr>
<td>Any other development</td>
<td>£zero</td>
</tr>
</tbody>
</table>
Table 1

Sales build up from initial research tables
Figures are asking prices less 5% for negotiation.
Used to inform the Value Points table

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<thead>
<tr>
<th>Type</th>
<th>1 bed flat</th>
<th>2 bed flat</th>
<th>2 bed house</th>
<th>3 bed house</th>
<th>4 bed house</th>
<th>5 bed house</th>
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<tbody>
<tr>
<td>Area sqm</td>
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<td>65</td>
<td>76</td>
<td>90</td>
<td>121</td>
<td>160</td>
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<td></td>
<td></td>
<td></td>
<td>£372,000</td>
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<td></td>
<td></td>
<td></td>
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<td></td>
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<td>£470,000</td>
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<tr>
<td></td>
<td></td>
<td>£270,000</td>
<td>£365,000</td>
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<td></td>
</tr>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
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<td></td>
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<td></td>
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<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td>£260,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td></td>
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<td>£325,000</td>
<td>£340,000</td>
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<td>£290,000</td>
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<tr>
<td>Liphook</td>
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<td></td>
</tr>
<tr>
<td>Liss</td>
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<td></td>
<td></td>
<td></td>
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Figures in green are second hand evidence
Other figures are newbuild evidence.
### Table 2

Sales build up from initial research tables
From Table 1
Used to inform the Value Points table

<table>
<thead>
<tr>
<th>Unit</th>
<th>Value</th>
<th>VP</th>
<th>Location</th>
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<tbody>
<tr>
<td>1 bed flat</td>
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<td>VP2</td>
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<tr>
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<td>Clanfield</td>
</tr>
<tr>
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<td>£243,000</td>
<td>VP5</td>
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</tr>
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<td></td>
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<td>VP3</td>
<td>Rowlands Castle Clanfield Horndean</td>
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<td></td>
<td>£600,000</td>
<td>VP5</td>
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</table>
East Hampshire District Council

Value Points

Sales build up from initial research tables
From Table 2

<table>
<thead>
<tr>
<th>Unit</th>
<th>Area sqm</th>
<th>VP1</th>
<th>VP2</th>
<th>VP3</th>
<th>VP4</th>
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<td>£600,000</td>
<td>£660,000</td>
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</table>

NB: VP1 represents a fall in values of 10% from VP2.

VP6 represents a rise in values of 10% from VP5.

Researched values are VP2 to VP5.
East Hants

Average LVs per ha with changes to 75 units to incorporate net:gross ratio of 10%.

Testing appendix 4 outcomes from March 2014 report.
40% affordable, code 4, £5,000 per unit infrastructure.

<table>
<thead>
<tr>
<th>Unit number</th>
<th>Density</th>
<th>VP2</th>
<th>VP3</th>
<th>VP4</th>
<th>VP5</th>
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</tr>
<tr>
<td>CIL</td>
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<td>£100</td>
<td>£180</td>
<td>£180</td>
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<td>10</td>
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<td>£1,836,661</td>
<td>£2,515,271</td>
<td>£3,230,371</td>
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<tr>
<td></td>
<td>40</td>
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<td>£2,093,842</td>
<td>£2,671,160</td>
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</table>

Average LVs excl. £0/ha

<table>
<thead>
<tr>
<th>Land values against EUVs</th>
<th>EUV per ha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greenfield</td>
<td>£450,000</td>
</tr>
<tr>
<td>Employment</td>
<td>£945,000</td>
</tr>
<tr>
<td>Employment</td>
<td>£1,386,000</td>
</tr>
<tr>
<td>Residential</td>
<td>£2,016,000</td>
</tr>
<tr>
<td>Residential</td>
<td>£2,772,000</td>
</tr>
</tbody>
</table>

From the March 2014 report, appendix 4.
E Hants

Cumulative impact of increased build costs, 10% net/gross for 75 unit sites, s106 at £3,000 per unit.
Build costs increased to £1,231 per sqm for houses and £1,471 per sqm for flats (see Turley response to consultation).
Build costs assume code 4.

<table>
<thead>
<tr>
<th>Unit number</th>
<th>Density</th>
<th>VP2</th>
<th>VP3</th>
<th>VP4</th>
<th>VP5</th>
</tr>
</thead>
<tbody>
<tr>
<td>CIL</td>
<td></td>
<td>£60</td>
<td>£100</td>
<td>£180</td>
<td>£180</td>
</tr>
<tr>
<td>10</td>
<td>25</td>
<td>£298,693</td>
<td>£629,680</td>
<td>£854,645</td>
<td>£1,157,501</td>
</tr>
<tr>
<td></td>
<td></td>
<td>£746,732</td>
<td>£1,574,201</td>
<td>£2,136,612</td>
<td>£2,893,752</td>
</tr>
<tr>
<td>35</td>
<td></td>
<td>£357,664</td>
<td>£523,751</td>
<td>£666,367</td>
<td>£936,752</td>
</tr>
<tr>
<td></td>
<td></td>
<td>£1,251,824</td>
<td>£1,833,128</td>
<td>£2,332,286</td>
<td>£3,278,632</td>
</tr>
<tr>
<td>50</td>
<td></td>
<td>£200,959</td>
<td>£296,536</td>
<td>£441,275</td>
<td>£592,694</td>
</tr>
<tr>
<td></td>
<td></td>
<td>£1,004,796</td>
<td>£1,482,678</td>
<td>£2,206,374</td>
<td>£2,963,470</td>
</tr>
<tr>
<td>25</td>
<td>30</td>
<td>£838,926</td>
<td>£1,398,734</td>
<td>£1,912,318</td>
<td>£2,588,072</td>
</tr>
<tr>
<td></td>
<td></td>
<td>£1,006,711</td>
<td>£1,678,481</td>
<td>£2,294,782</td>
<td>£3,105,686</td>
</tr>
<tr>
<td>40</td>
<td></td>
<td>£709,123</td>
<td>£1,021,677</td>
<td>£1,391,265</td>
<td>£2,000,621</td>
</tr>
<tr>
<td></td>
<td></td>
<td>£1,134,596</td>
<td>£1,634,683</td>
<td>£2,226,024</td>
<td>£3,200,994</td>
</tr>
<tr>
<td>60</td>
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<td>£0</td>
<td>£7,927</td>
<td>£187,005</td>
<td>£732,945</td>
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<td></td>
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<td>£0</td>
<td>£19,025</td>
<td>£448,812</td>
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</tr>
<tr>
<td>75</td>
<td>30</td>
<td>£1,850,927</td>
<td>£3,485,070</td>
<td>£4,808,304</td>
<td>£6,683,231</td>
</tr>
<tr>
<td></td>
<td></td>
<td>£673,064</td>
<td>£1,267,298</td>
<td>£1,748,474</td>
<td>£2,430,266</td>
</tr>
<tr>
<td>40</td>
<td></td>
<td>£1,732,653</td>
<td>£2,700,199</td>
<td>£3,703,594</td>
<td>£5,345,461</td>
</tr>
<tr>
<td></td>
<td></td>
<td>£841,094</td>
<td>£1,310,776</td>
<td>£1,797,861</td>
<td>£2,594,884</td>
</tr>
<tr>
<td>60</td>
<td></td>
<td>£0</td>
<td>£0</td>
<td>£346,055</td>
<td>£1,894,695</td>
</tr>
<tr>
<td></td>
<td></td>
<td>£0</td>
<td>£0</td>
<td>£251,676</td>
<td>£1,377,960</td>
</tr>
</tbody>
</table>

Av land value per ha excluding £0

<table>
<thead>
<tr>
<th>Land values</th>
<th>EUV per ha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greenfield</td>
<td>£450,000</td>
</tr>
<tr>
<td>Employment</td>
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</tr>
<tr>
<td>Residential</td>
<td>£2,016,000</td>
</tr>
<tr>
<td>Residential</td>
<td>£2,772,000</td>
</tr>
</tbody>
</table>

Av land value per ha excluding high density

<table>
<thead>
<tr>
<th>Land values</th>
<th>EUV per ha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greenfield</td>
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<td>Residential</td>
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</tr>
<tr>
<td>Residential</td>
<td>£2,772,000</td>
</tr>
</tbody>
</table>
East Hampshire District Draft Regulation 123 list

1.1 This Regulation 123 list is valid from April 2015 (Subject to Examination etc).

1.2 Regulation 123 of the Community Infrastructure Levy Regulations 2010 restricts the use of planning obligations (1) for infrastructure that will be funded in whole or in part by the Community Infrastructure Levy, to ensure no duplication between the two types of developer contributions.

1.2 A CIL charging authority is required to publish a list of infrastructure on its website that will benefit from CIL. The list below sets out those infrastructure projects that East Hampshire District Council intends will be, or may be, wholly or partly funded by CIL. In accordance with Regulation 123, developer contributions to the projects listed will not be sought through S106 planning obligations or S278 agreements (under the Highway Act 1980). The Interim Infrastructure Delivery Plan November 2014 provides information with regard to the funding of items not on this list.

1.3 The Council will review this list at least once a year, as part of its monitoring of CIL collection and spending. The Council will only make amendments to the list following consultation with it's communities.

1.4 Inclusion of infrastructure types in this list does not signify a commitment from the Council to fund the projects listed, or the entirety of any one project through CIL. The order in the table does not imply any order of preference for spend. The Whitehill and Bordon regeneration area (Green Town) refers to development sites located within the respective CIL charging zones at Whitehill and Bordon.(See plans attached to the Draft Charging Schedule).

1.5 CIL receipts can be used for the 'provision, improvement, replacement, operation or maintenance of infrastructure'. Parish and Town Councils may use CIL receipts for the, 'provision, improvement, replacement, operation or maintenance of infrastructure; or anything else that is concerned with addressing the demands that development places on an area.' Parish & Town Council expenditure of CIL receipts is not limited by this Reg123 list. Parish & Town Council's are expected to work with the Council and neighbouring Parishes to agree spending priorities.

1 Regulation 123(2) of the Community Infrastructure Levy Regulation 2010 states that 'A planning obligation may not constitute a reason for granting planning permission for the development to the extent that the obligation provides for the funding or provision of relevant infrastructure.'
1. **Projects and Exclusions**

<table>
<thead>
<tr>
<th>Project</th>
<th>Exclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>It is expected that projects identified below will at least in part be funded through CIL. Regulation 123 allows for up to 5 separate S106 agreements (signed on or post 6th April 2010) for the funding or provision of an infrastructure project or type of infrastructure as an alternative to the CIL.</strong></td>
<td><strong>It is expected that items identified as ‘exclusions’ in the table below will be provided for by developer contributions or in-kind via Section 106 agreements and/or Section 278 agreements associated with the strategic site at Whitehill and Bordon. Such contributions will have to accord with Regulation 122 &amp; 123 of the CIL regulations. Respective S106 agreements will identify a specific project(s) within that category.</strong></td>
</tr>
<tr>
<td>Traffic Management measures in communities.</td>
<td>Measures directly related to the Strategic Site at Whitehill/Bordon unless it is considered essential for a contribution to be made from the wider community.</td>
</tr>
<tr>
<td>Strategic Walking &amp; Cycling Networks</td>
<td>Extensions associated with serving the Strategic Site at Whitehill/Bordon unless it is considered essential for a contribution to be made from the wider community.</td>
</tr>
<tr>
<td>Bus Services</td>
<td>Passenger Information Systems &amp; Revenue support for extension of services through the Strategic Site unless it is considered essential for a contribution to be made from the wider community.</td>
</tr>
<tr>
<td>Community / Demand</td>
<td>Measures directly related to the Strategic Site unless it is considered essential for a contribution to be made from the wider community.</td>
</tr>
<tr>
<td>Primary School Places</td>
<td>New primary schools required onsite to serve the Strategic Site and financial contribution or in-kind provision to extend a local school unless it is considered essential for a contribution to be made from the wider community.</td>
</tr>
<tr>
<td>Secondary School Places</td>
<td>New secondary school required onsite at Whitehill/Bordon or financial contribution towards refurbishment of a local secondary school. Unless it is considered essential for a contribution to be made from the wider community.</td>
</tr>
<tr>
<td>Nursery Facilities</td>
<td>Onsite facilities or in-kind or financial contribution required to serve the strategic site. Unless it is considered essential for a contribution to be made from the wider community.</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Youth Facilities</td>
<td>Onsite facilities or in-kind or financial contribution required to serve the strategic site unless it is considered essential for a contribution to be made from the wider community.</td>
</tr>
<tr>
<td>Community Meeting Spaces</td>
<td>Onsite facilities or in-kind or financial contribution required to serve the strategic site unless it is considered essential for a contribution to be made from the wider community.</td>
</tr>
<tr>
<td>Libraries</td>
<td>Onsite facility required to serve Whitehill/ Bordon. Financial contributions or in kind provision towards the improvement a local library unless it is considered essential for a contribution to be made from the wider community.</td>
</tr>
<tr>
<td>Health Facilities</td>
<td>New onsite or local offsite facility or extension of local facility(ies) required to serve the strategic site unless it is considered essential for a contribution to be made from the wider community.</td>
</tr>
<tr>
<td>Outdoor sports pitches</td>
<td>Onsite facilities required to serve Whitehill and Bordon and onsite facilities or in-kind or financial contribution required to improve a local facility in a local area unless it is considered essential for a contribution to be made from the wider community.</td>
</tr>
<tr>
<td>Post 16 training and education</td>
<td>Onsite facilities required to serve Whitehill and Bordon and onsite facilities or in-kind or financial contribution required to improve a local facility in a local area unless it is considered essential for a contribution to be made from the wider community.</td>
</tr>
<tr>
<td>Upgrade and/ or extension to household waste recovery centres</td>
<td>Onsite facility required to serve Whitehill and Bordon and onsite facilities or in-kind or financial contribution required to improve a local facility in a local area unless it is considered essential for a contribution to be made from the wider community.</td>
</tr>
<tr>
<td>Indoor Leisure Facilities &amp; Centres</td>
<td>Onsite facility required to serve Whitehill and Bordon and onsite facilities or in-kind or financial contribution required to improve a local facility in a local area unless it is considered essential for a contribution to be made from the wider community.</td>
</tr>
</tbody>
</table>
Museum or heritage asset | Onsite facilities or in-kind or financial contribution required to serve strategic sites unless it is considered essential for a contribution to be made from the wider community.

## 2. S106 Negotiations

Green Infrastructure, Public Open Space and landscaping scheme requirements and local transportation & highway works, plus the items listed below will continue to be provided by way of S106 agreements (See CIL & S106 Guide SPD):

- Works or funding for the management and conservation archaeological interests where a development has an adverse impact.
- Works or funding for the restoration, conservation / enhancement of listed buildings, buildings of local importance and monuments.
- Works or funding for the diversion and or enhancement of Public Rights of Way
- Works or funding for the provision of public art
- Affordable Housing
- Works or funding required to mitigate the impact of development on Special Areas of Conservation and Special Protection Areas
East Hampshire District Local Plan: 
Joint Core Strategy

INFRASTRUCTURE DELIVERY PLAN

Interim Statement and Infrastructure Schedule

October 2014
## East Hampshire District Council Instalments Policy

<table>
<thead>
<tr>
<th>Band</th>
<th>Amount of CIL liability</th>
<th>Number of instalments</th>
<th>Payment periods and amounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Less than £20,000</td>
<td>0</td>
<td>100% within 120 days of commencement of development</td>
</tr>
<tr>
<td>2</td>
<td>Equal to or greater than £20,000 and less than £100,000</td>
<td>3</td>
<td>25% within 60 days of commencement of development, Additional 25% within 180 days, Final 50% within 240 days</td>
</tr>
<tr>
<td>3</td>
<td>Equal to or greater than £100,000 and less than £250,000</td>
<td>3</td>
<td>25% within 60 days of commencement of development, Additional 25% payable within 180 days of commencement of development, Final 50% within 360 days of commencement of development</td>
</tr>
<tr>
<td>4</td>
<td>Equal to or greater than £250,000 and less than £750,000</td>
<td>4</td>
<td>25% payable within 60 days of commencement of development, Additional 25% payable within 180 days of commencement of development, Additional 25% payable within 240 days of commencement of development, Final 25% payable within 360 days of commencement of development</td>
</tr>
<tr>
<td>5</td>
<td>Equal to or greater than £750,000</td>
<td>4</td>
<td>25% payable within 90 days of commencement of development, Additional 25% payable within 180 days of commencement of development, Additional 25% payable within 360 days of commencement of development, Final 25% payable within 540 days of commencement of development</td>
</tr>
</tbody>
</table>
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### Preliminary Draft Charging Schedule Stage 1 Consultation

#### Table 1 - Summary of Consultation Representations

<table>
<thead>
<tr>
<th>Ref.</th>
<th>Name of Respondent</th>
<th>Details of Representation</th>
<th>Council's Response</th>
<th>Amendments recommended</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Annette Gould, Lindford Parish</td>
<td>Which band is Lindford in?</td>
<td>Lindford is in the outer Whitehill/Bordon zone where the CIL is £60 per square metre for residential property.</td>
<td>Amended CIL Map.</td>
</tr>
<tr>
<td>2</td>
<td>Ian Stevens, Savills</td>
<td>Proposed CIL charges and the adopted JCS. Note the points made about a buffer.</td>
<td>With regard to the buffer, we would make two points. First, we have based viability upon an average land value per hectare, arising out of the scenarios at each value point. For example, if we look at appendix 4 of the March 2014 viability report, the table headed 40% affordable, code 4, 70/30 rented:shared ownership and £2,000 infrastructure, there are average land values per hectare at the bottom of each column. These land values are only included in the average where they are above zero. The average for value point 2 is shown as £1,079,015 per hectare. From the figures in the column, the maximum viability level could have been assumed at around £1,400,000 per hectare. In this instance there is, therefore, a buffer of around 30%. The average for value point 3 is shown as £1,609,586 per hectare, whereas the maximum viability level could have been taken at around £2,000,000 per hectare, giving a buffer of some 24%. The average for value point 4 is shown as £2,225,220 per hectare, whereas the maximum viability level could have been taken at around £2,700,000 per hectare, giving a buffer of some 21%. In addition, it should be borne in mind that the buffer is intended to accommodate any site specific abnormal costs, that would not be</td>
<td>No Change proposed.</td>
</tr>
<tr>
<td>Ref.</td>
<td>Name of Respondent</td>
<td>Details of Representation</td>
<td>Council’s Response</td>
<td>Amendments recommended</td>
</tr>
<tr>
<td>------</td>
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</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>taken into account in a report of this nature. For this reason, we base the base build costs on the upper quartile figures of the BCIS index, as opposed to the median values, which might reasonably be adopted. This implies that we are adding a further buffer of between 10% and 12% to the base build costs.</td>
<td>No Change proposed.</td>
</tr>
<tr>
<td></td>
<td>Assumed s106 costs need justification against those achieved.</td>
<td>This matter is under review and will inform the DCS consultation.</td>
<td>No Change proposed.</td>
<td></td>
</tr>
<tr>
<td>Page 169</td>
<td>Data to inform house prices is not sufficiently refined, due to the inclusion of SDNP figures and the use of both newbuild and second hand evidence. The use of values within the SDNP distorts the assessment. The use of quoted sales prices, less a 5% discount, is not considered an acceptable practice.</td>
<td>Contacted Savills for evidence.</td>
<td>No Change proposed.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>How were EUV figures obtained and to what extent do they reflect different market areas across EHDC?</td>
<td>EUV figures are obtained in a variety of ways. The agricultural figure is intended to reflect the sum that might be typically used in an option agreement, with a developer, to reflect the minimum sum that a landowner would accept. We believe that £450,000 per hectare is also in line with HCA guidelines on Greenfield threshold values, of 10 to 20 times the agricultural land value. The employment thresholds are the result of our own knowledge and experience of such values in the area and take account of different types of employment use, providing a range of values across the area. It is not always the case that a higher value residential location, for example, will also see high value employment uses. It is worth noting that the CIL viability report for SDNP Authority (January 2014) adopted the following thresholds:</td>
<td>No Change proposed.</td>
<td></td>
</tr>
</tbody>
</table>
Ref. | Name of Respondent | Details of Representation | Council’s Response | Amendments recommended
--- | --- | --- | --- | ---
 | | | Agriculture: £370,000 to £500,000 per ha. | | 
 | | | Industrial: £850,000 to £1,500,000 per ha | | 
 | | | Residential: £2,000,000 per ha. | | 
 | | | The thresholds adopted for the Adams Integra report were within these values, with the exception of the higher residential figure, which was £2,772,000. The adopted thresholds apply an increase of 5% over figures adopted for a report in 2013, to reflect improving market conditions. | | 
 | | How have threshold land values taken account of future plan policy requirements? | The threshold values reflect current existing use values and are used as the land value required to release land for development. They take into account values, not future policy requirements. | No Change proposed. |
 | Page 170 | It is considered that rises in build costs will be greater than those assumed in the report. A review of more recent figures should be undertaken. Variations in build costs would be expected to reflect geographical and development specific variances. | The rise in build costs, to which the respondent refers, is the difference in the BCIS figures for March 2013 and March 2014, which is stated as being 0.4% and, therefore, not significant. BCIS is a respected source for such information. The specific costs that are mentioned cannot be covered in a report of this nature, being a more generic snapshot of viability at a particular time. We do not believe that build costs will vary between locations as much as sales values. 

It is possible, however, that with the rise in the housing market, a more significant rise in build costs will be seen in the near future. 

We have, therefore, carried out some sensitivity analysis, combining both increased build costs and applying a net: gross ratio to 75 unit sites into a cumulative impact table. The outcome of this exercise is attached as | No Change proposed. |
<table>
<thead>
<tr>
<th>Ref.</th>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>appendix...The build costs are at code 4 and are taken from one of the consultation responses; they increase our original build costs by some 10% overall. The table is based on appendix 4 of the March 2014 report, specifically assuming 40% affordable housing. S106 costs are taken at £3,000 per unit, in line with latest thinking from the Council. We have considered the outcomes in two different ways. First, we have taken the average of the land values per hectare excluding, as in the previous report, those land values that are zero. This results in a marginal impact on viability for VP3 against the lower employment threshold. Second, we have considered the density evidence arising from the actual sites, shown in appendix... which is generally in the 30-40dph range, rather than 60dph. We have, therefore, shown separately an average land value for each value point, that excludes the highest density. This then shows a viability position close to that shown in the March 2014 report.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>The allowance of 15% for externals is too low. Further allowances should be made for larger sites to reflect scheme abnormal costs. A level of abnormal costs is allowed for in appraisals. See below for an example of abnormals allowances.</td>
<td>No Change proposed.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>A wider range of unit numbers should be tested, including larger consented sites. The range of unit numbers was agreed with the Council from the outset, reflecting those sites that were most likely to form the housing supply, outside Whitehill and Bordon.</td>
<td>No Change proposed.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>The approach to net:gross ratios should be clarified. Whilst 100% site coverage is not</td>
<td>No Change proposed.</td>
</tr>
</tbody>
</table>

Page 5 of 27
<table>
<thead>
<tr>
<th>Ref.</th>
<th>Name of Respondent</th>
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<tbody>
<tr>
<td></td>
<td>unreasonable for 5-10 unit schemes, a reduced site coverage would apply to 25 and 75 unit sites. Appraisal should take into account the extra servicing costs of larger sites.</td>
<td>differentiate between net and gross site areas. The significance of this is that the net area would be used for the number of units at a specific density, while the gross area would be used as the basis of the EUV calculation, since a landowner will part with the gross area of land for a particular development. We have looked at a number of actual sites to assess the net:gross ratios that might be experienced on the ground. Whilst it is clear that some larger sites will include an area of public open space, including a play area, any greater area of POS would appear to be dictated by the circumstances of individual sites, such that it cannot be assumed that all site areas will be reduced by, for example, buffer landscaping. For the purpose of this exercise, however, we have increased the area of the 75 unit sites by 10%, ie we have added 10% to the net area that was calculated from the proposed densities. The outcome of this is that the land values are assessed across a larger, gross site area and the land values per hectare are reduced. The impact on viability is, however, not significant, as can be seen in the table attached at appendix…. This table takes the land values per hectare from appendix 4 of the March 2014 report, affordable housing at 40%, code 4 and s106 at £5,000 per unit. We have then amended the land values for the 75 unit scenarios, based on the larger, gross land areas. We have then, as before, calculated the average land value per hectare for each value point and compared it to the viability thresholds for viability.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ref.</td>
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<td>Council's Response</td>
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<tr>
<td></td>
<td></td>
<td>From this it will be seen that there is no significant impact upon viability as a result of adopting the larger gross area for 75 unit sites.</td>
<td></td>
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</tr>
<tr>
<td></td>
<td></td>
<td>Profit should be 20% across the board, including affordable housing.</td>
<td>The 20% profit level reflects the risk that a developer will incur in selling market units. The same risk does not apply to affordable housing, apart from shared ownership, and a lower profit level is, therefore, appropriate.</td>
<td>No Change proposed.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Explain the figures that have been allowed for site surveys and site preparation.</td>
<td>If we look at a specific appraisal, say 25 units at medium density, with 40% affordable housing and code 4 build costs, then the position is as follows: Consultants’ costs: 7% Insurances: 2.5% Planning application costs: £9,625 Renewables over base build: £3,500 per unit. Survey Costs: £12,500. Site abnormalities: £50,000.</td>
<td>No Change proposed.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EHDC will have to be confident that the range of typologies tested is sufficient to judge whether the proposed CIL rate provides a sufficient buffer to the maximum theoretical viable level.</td>
<td>The range of sites chosen reflects the type of site being put forward through the SHLAA submissions, this initial work is being tested against actual sites as part of the background work for the DCS consultation.</td>
<td>No Change proposed.</td>
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<td>The introduction of an instalments policy is vital</td>
<td>Noted</td>
<td>No Change proposed.</td>
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<td>for larger sites.</td>
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<td>Clarification is sought on the status of the IDP and whether, with its date of July 2013, it forms the appropriate evidence base to inform a Regulation 123 list. A draft Regulation 123 list is required to inform the likely onward use of s106/278.</td>
<td>The IDP is under review and an amended version will be submitted for consultation with the DCS.</td>
<td>IDP Amended.</td>
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<td>IDP – Alton Sports centre. EHDC should review the funding mechanism for Alton Sports Centre and consider whether the enhancement works proposed would be best funded through CIL. It is considered that the contribution per dwelling is contrary to the CIL regulations and that this has implications for the IDP, PDCS and viability report.</td>
<td>Noted.</td>
<td>No Change proposed.</td>
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<td>EHDC should provide details of how, in practice, the operation of Payments in Kind may work, notably for infrastructure provision. This might be a useful mechanism to avoid the risk of double-counting s106/infrastructure provision with CIL.</td>
<td>A PIK policy is under consideration.</td>
<td>No Change proposed.</td>
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<td>EHDC should have a clearly defined review mechanism; monitoring should take place on a 6-monthly basis.</td>
<td>Noted</td>
<td>No Change proposed.</td>
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<td>3</td>
<td>Carl Dyer, Thomas Eggar for Asda Stores</td>
<td>The DCS and the viability report do not consider the impact of the CIL (amendment) regulations 2014/385. We note that the Council have not produced a draft Regulation 123 list. Without this we are unable to make any meaningful comment on the level of residual funds needed via s106.</td>
<td>The Preliminary Draft Charging Schedule and viability report comply with the CIL Guidance February 2014 and CIL (Amendments) Regulations 2014. The EHDC Infrastructure Development Plan provides the necessary justification for charging a CIL.</td>
<td>No Change proposed.</td>
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<td>Any CIL schedule that imposes a substantial CIL charge on superstores or supermarkets and a very low rate or nil rate on all other uses, could effectively undermine the retail function of local</td>
<td>A single rate for all retail categories is proposed. The rate is considered to be at a level that will not affect any new retail development from coming forward.</td>
<td>No Change proposed.</td>
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<td>and town centres.</td>
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<td>The viability study contains retail development assumptions that are inadequate as they do not make sufficient allowance for the costs involved in obtaining planning permission. No allowance for s106 and s278 agreements in addition to CIL. See figures in the response. Viability allows 5% of build costs for external works and 5% of construction costs for contingencies. This is considered inadequate in relation to examples set out in the response.</td>
<td>In their appraisals Adams Integra have made an allowance of 10% of the construction costs for supermarkets to allow for additional costs usually associated with obtaining planning permission for this category of development such as s.106 or s.278 contributions. This equates to over £547,000 which is considered a sufficient allowance when combined with the professional fees and contingency. Furthermore a CIL charge may be contributing to the Regulation 123 list of infrastructure improvements that a retail development will benefit from and therefore will be subject to lower s106 or s278 obligations.</td>
<td>No Change proposed.</td>
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<td>The Council should adopt a flat rate levy for comparable sectors of the economy/use classes or, if it not prepared to do so, provide an explanation as to why State Aid issues are not engaged by the setting of differential rates within use classes.</td>
<td>A single ‘flat’ rate for all retail categories is proposed because the viability assessments considers that the whole use class can support such a charge and other use classes (other than residential and hotels) cannot. State Aid is not being offered to any development categories.</td>
<td>No Change proposed.</td>
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<td>The viability study does not acknowledge that the economics of conversion schemes are very different to those of newbuild schemes. It is difficult to see whether the imposition of CIL will put the majority of these schemes at risk without having considered its impact on their viability.</td>
<td>Conversions that do not create new development floor space and would not be liable for CIL.</td>
<td>No Change proposed.</td>
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<td>We note that the Council intends to publish a draft instalments policy for CIL. We would encourage the Council to introduce an instalments policy, as managing cashflow during development is often key to determining whether a scheme will be successfully delivered.</td>
<td>Noted</td>
<td>No Change proposed.</td>
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<td>We would encourage the Council to adopt an Exceptional Circumstances Relief Policy. The Council will have the flexibility to allow unprofitable development schemes to come forward, by exempting them from the CIL charge, or reducing it in certain circumstances.</td>
<td>EHDC is currently not considering an ECR Policy.</td>
<td>No Change proposed.</td>
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<td>A much fairer solution would be to divide the Council's estimate of total infrastructure costs over the charging period by the total expected development floorspace and apply a flat rate levy across the Borough and across all forms of development.</td>
<td>This suggestion is not practical as there is no certainty as to whether some forms of development would be made unviable.</td>
<td>No Change proposed.</td>
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<td>Given that the provision of infrastructure is often key to unlocking unimplemented planning permissions, we would urge the Council to seriously consider adopting a policy to allow payment in kind.</td>
<td>EHDC is currently considering a PIK Policy.</td>
<td>No Change proposed.</td>
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<td>Christopher Hemmings, WYG for HCA and Landowners East of Selborne Road</td>
<td>The schedule would benefit from a detailed articulation of the link between infrastructure requirements and the proposed level of CIL rate. It is unclear why there is such a difference between the northern and southern CIL rate.</td>
<td>The revised IDP, the draft Reg 123 List and the DCS should draw the links referred to in this representation</td>
<td>No Change proposed. Review of IDP and Reg 123 List will form part of the second consultation.</td>
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<td>It is unclear whether the Alton Sports Centre is to become a CIL item, as currently within the IDP it is shown to be delivered through s106 agreements only.</td>
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<td>When the CIL rates for other Districts are compared to East Hampshire, it is clear that there are inconsistencies of approach. For example,</td>
<td>When comparing to different local authorities, it is necessary to understand not only the sales values, but also any differences in other</td>
<td>No Change proposed.</td>
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<td>average prices in Winchester District are higher than East Hampshire, but Winchester’s CIL rate is significantly lower at £80 or £120. In addition Petersfield, within the South Downs National Park, is £150 per sqm whereas Alton, which most likely has lower houseprices compared to Petersfield, is at a higher rate of £180 per sqm.</td>
<td>valuation inputs, such as densities, cost assumptions and s106 levels.</td>
<td>In connection with Alton, we have looked separately at the evidence and would agree that it should be in VP3, not VP4.</td>
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<td>The report attempts to forecast the impact of code 5 in 2016. It should also take into account rises in build costs and benchmark land values.</td>
<td>Some further testing can be done to address this point.</td>
<td>No Change proposed.</td>
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<td>Need to check the affordable housing methodologies between the 2012 and 2014 reports. It should take a more realistic approach to affordability issues, based on household incomes per annum and Local Housing Allowance rents.</td>
<td>The Viability study has taken account of the affordable housing procurement methodology in place at the time the viability work is undertaken. Checks will be made with Housing Services in this regard.</td>
<td>No Change proposed.</td>
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<td>5</td>
<td>Christopher Hemmings for Linden Homes Southern</td>
<td>As in 4, plus: the Council should give consideration to the adoption of CIL rate relief in exceptional circumstances where the burden of the CIL rate, affordable housing, Code for Sustainable Homes, exemplary design standards and on-site s106 requirements do not deliver a competitive return to the willing landowner and developer.</td>
<td>See above.</td>
<td>No Change proposed.</td>
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| 6    | David Neame, Neame Sutton for Southcott Homes Ltd. | Concern that the Council does not appear to have identified exactly what infrastructure the CIL charges will provide for. Many infrastructure requirements are not costed and are therefore uncertain.  
   It is unclear what infrastructure costs have been taken into account in reaching a charging schedule, particularly for residential development.  
   It is unclear which infrastructure requirements may fall outside of the CIL charge and therefore become an additional financial burden on new development. | Noted              | Reviewed IDP and Reg123 List submitted as part of the Stage 2 consultation.                                                                          |
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<td>Southcott Homes</td>
<td>considers that the charging schedule should include the ability for applicants to provide evidence to demonstrate exceptional circumstances for relief of CIL payment where the need arises.</td>
<td>No ECR policy is under consideration.</td>
<td>No Change proposed.</td>
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<td>Land and infrastructure in kind. The charging schedule should make allowances for the provision of land and infrastructure, instead of CIL, is the most appropriate approach.</td>
<td>A PIK policy is under consideration.</td>
<td>No Change proposed.</td>
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<td>Relief for low cost market housing. This option is essential for inclusion in the charging schedule, to ensure that, where low cost market housing is proposed to meet a clearly identified need, its delivery is not thwarted on grounds of viability as a result of the CIL charge.</td>
<td>Noted, no exceptions are currently under consideration</td>
<td>No Change proposed.</td>
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<td>Matthew Spilsbury, Turley, for Martin Grant and Persimmon</td>
<td>Which organisations were consulted in the preparation of the 2014 viability assessment, and specifically the land value benchmarks? What evidence was submitted and how is this representative of benchmark land values across the District?</td>
<td>The residential land value benchmarks were the product of our own work to calculate what a developer might have to pay for existing residential land, assuming developments based on actual applications. The original work was done in 2013 and the land values were increased by 5% to 2014, before the 20% premium was added. We took two residential rates to represent a range of existing values that might apply. With regard to the employment thresholds, these were based upon work done by the commercial surveyor in the consultant’s team. He is based in Chichester and is, therefore, familiar with values in southern England.</td>
<td>No Change proposed.</td>
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<td>What constitutes local in connection with EUV and how has this been defined and evidenced? What is the experience of the consultants in purchasing land within the District? What examples of transactional evidence can the consultants provide to justify both the benchmark land values and the 20% premium applied across the District?</td>
<td>As above. One member of the consultant's team spent over 25 years with housebuilders, purchasing land in such locations as Petersfield, but also in Winchester and Chineham, Basingstoke. In other studies of this nature, we have seen reference to appeal decisions, for example in Beckenham and Woodstock, that support premiums above EUV of 20% and 10% respectively. We believe, therefore, that 20% is a reasonable rate to adopt.</td>
<td>No Change proposed.</td>
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<td>Build costs. Costs should make allowances for external works (roads, sewers, POS etc), site abnormals, s278 works, sustainable urban drainage, communal areas for flats.</td>
<td>Checks undertaken.</td>
<td>No Change proposed.</td>
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<td>Costs for codes 4 and 5 should be checked.</td>
<td>Checks undertaken.</td>
<td>No Change proposed.</td>
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<td>Review other valuation inputs, as in the representation.</td>
<td>A response on certain inputs has been provided in 2 above. Regarding other inputs, mentioned by the respondent: Sales and marketing costs. We believe that 3% is sufficient, particularly as it is taken on the whole development value, including affordable housing. We could, however, do some sensitivity testing in lower value locations at a higher percentage, where lower values will generate less cost recovery. Regarding contingency, sensitivity testing can be carried out.</td>
<td>No Change proposed.</td>
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<td>Site acquisition costs include stamp duty at 4%, legal fees at 0.75% and finance.</td>
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<td>Concerns regarding the inclusion of Alton within VP4. Alton should be reduced to the rate for VP3. There is no mention of a buffer, drawing back from the margins of viability. The approach to defining a buffer should be clarified.</td>
<td>We have looked at the values for Alton again. Whilst there are some housetypes that could relate more to VP3 than to VP4, we have kept Alton in VP4. See 2 above regarding the buffer.</td>
<td>No Change proposed.</td>
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<td>Payment by instalments. It is considered that an instalment policy set by reference to the amount of CIL would form the most straightforward approach. See the respondent’s table.</td>
<td>A payment by instalment policy is under consideration.</td>
<td>No Change proposed.</td>
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<td>Exceptional circumstances. The PDCS does not confirm whether the Council will introduce discretionary relief from CIL liability in exceptional circumstances.</td>
<td>EHDC is currently not considering an ECR Policy.</td>
<td>No Change proposed.</td>
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<td>Land and infrastructure in kind. This would be a useful method of providing greater certainty over the timescale for the delivery of infrastructure.</td>
<td>The provision of infrastructure in kind will be encouraged where appropriate.</td>
<td>No Change proposed.</td>
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<td>Relief for low cost market housing. Would welcome the introduction of discretionary relief for low cost market houses that are to be sold at no more than 80% of market value.</td>
<td>Various levels of market housing are assessed as part of the viability testing.</td>
<td>No Change proposed.</td>
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<td>Interaction of CIL and s106. The representors have previously submitted representations to the consultation on the EHDC Guide to Developers’ Contributions in January 2014 and subsequently to the Consultation on Developer Contribution Details for the Alton Sports Centre. The Alton Sports Centre contribution is inappropriate and unlawful. The representors do not believe that EHDC can provide any robust evidence to substantiate that the proposed sports centre contribution meets any of the CIL.</td>
<td>Noted</td>
<td>No Change proposed.</td>
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<td>7</td>
<td>The Council has not presented its proposed policy for the scaling back of s106 agreements alongside the PDCS and neither has it set out the extent to which s106 targets have been met.</td>
<td>The IDP will be updated and will include this information</td>
<td>No Change proposed.</td>
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<td>8</td>
<td>Stakeholders should be provided with the opportunity to comment on how relevant s106 policies will be amended upon adoption of CIL prior to examination, together with evidence of recent s106 obligations.</td>
<td>This is not considered appropriate or necessary at this stage</td>
<td>No Change proposed.</td>
<td></td>
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<td>9</td>
<td>It is recommended that the proposal to introduce a contribution towards Alton Sports Centre should be revoked with immediate effect.</td>
<td>Noted</td>
<td>No Change proposed.</td>
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<td>8</td>
<td>Absence of Regulation 123 list. The representors insist that the Council prepares and publishes a full draft regulation 123 list for comment alongside consultation on the CIL draft charging schedule.</td>
<td>A draft Regulation 123 list forms part of the stage 2 consultation.</td>
<td>No Change proposed.</td>
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<td>8</td>
<td>Sophie Lucas, Barton Willmore, for Hallam Land Management. When viewed alongside neighbouring authorities, the CIL figure of £180 per sqm, proposed on land north of the SDNP, is excessively high.</td>
<td>EHDC is currently not considering an ECR Policy.</td>
<td>No Change proposed.</td>
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<td>9</td>
<td>The PDCS must be amended to accord with the Council’s evidence base in relation to class C2 developments, confirming that they are not proposed to be subject to a requirement to pay CIL.</td>
<td>The evidence supporting the PDCS concluded that Class C2 was not able to support a CIL charge. Whilst it was intended to maintain simplicity in the schedule so that this use class would be covered by the £0 charge for ‘Any other non-residential development’ - it is acknowledged that some clarity is required for residential care homes and extra care facilities that are residential in nature.</td>
<td>Amend the Draft Charging Schedule to show clearer definitions for Residential uses other than C3 (a) as follow All Class C2, C2(a), C3(b), C3(c) uses including Extra Care Housing</td>
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<td>10</td>
<td>Laura Lax, Environment Agency</td>
<td>No comment, other than to be consulted on work associated with CIL and the regulation 123 list.</td>
<td>Noted.</td>
<td>No Change proposed.</td>
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<td>11</td>
<td>Emily Howbrook, Hampshire County Council</td>
<td>Concerned that the viability assessment does not consider extra care housing. This should be charged at an appropriate rate on grounds of viability.</td>
<td>See 9. above</td>
<td>No Change proposed.</td>
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<td>12</td>
<td>Nicholas Branch, EHDC Cllr Alton Westbrooke</td>
<td>The top CIL level should be the same as Petersfield, ie £200, to reflect the market attraction of non-SDNP areas and to cope with historic shortfall in infrastructure investment.</td>
<td>Will be considered.</td>
<td>No Change proposed.</td>
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<td>payments by instalment should relate to project cashflow, but with a minimum annual amount, based on total project value</td>
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<td>Any request for discretionary relief on the grounds of viability must be backed up by a formal assessment approved by the District Valuer</td>
<td>Noted</td>
<td>No Change proposed.</td>
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<td>The justification and calculation of relief should be backed up by an independent report, e.g. from accountants, District Valuer etc.</td>
<td>Noted</td>
<td>No Change proposed.</td>
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<td>Relief should not exceed 20% of the current CIL rate</td>
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<td>No Change proposed.</td>
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<td>Claire Hughes, EHDC and Havant</td>
<td>No ability to charge for business investment, such as private leisure clubs. Is this a conscious decision?</td>
<td>Adams Integra has modelled the financial viability of a broad range of non-residential uses that are likely to be developed in the district over the plan period. There are many categories that are not expected to be developed in the East Hampshire District due to the limited catchment and economic conditions. Leisure Clubs such as private members sports clubs and gyms could be developed but are expected to be of a relatively small scale and when tested in other areas have been shown to have relatively marginal viability when outside of major regional centres. Other investment type property is expected to be captured by the other non-residential categories. However when the economy improves it will be appropriate to review the Charging Schedule and other categories could</td>
<td>No Change proposed.</td>
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<td>be added at that time.</td>
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<td>Supports payment by instalments, but the Council should determine how it would be allocated. Some developments would require a sizeable proportion of CIL to be delivered at early stages to enable infrastructure to be provided.</td>
<td>Noted</td>
<td>No Change proposed.</td>
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<td><strong>14</strong></td>
<td>Angela Glass</td>
<td>References to the “Eco-Town” should now be the “Green Town”.</td>
<td>Agreed.</td>
<td>Amended.</td>
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<td><strong>15</strong></td>
<td>Helen Bennett, Selborne Parish Council</td>
<td>Relief for low cost market housing. Supported, but would need to be considered in light of the need for infrastructure investment.</td>
<td>Noted, no ECR policy is currently under consideration.</td>
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<td><strong>16</strong></td>
<td>Robin Twining</td>
<td>Under the proposed CIL charging schedule, would solar farms be liable to pay CIL? If so, how much?</td>
<td>Solar Farms are not considered as new development under the CIL Regulations 2010 6.2 (a) a building into which people do not normally go. Therefore they will not qualify for a CIL charge.</td>
<td>No Change proposed.</td>
</tr>
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<td><strong>17</strong></td>
<td>Sarah Goudie, Four Marks Parish Council</td>
<td>Four Marks Parish Council, together with Medstead Parish Council, are currently in the early stages of preparing a Neighbourhood Plan. One of the incentives to prepare a plan was that we were informed that, if a parish has an adopted Neighbourhood Plan, then the amount of CIL per sqm would be considerably increased, but there is no mention of this in the PDCS. It is felt that reference should be made.</td>
<td>The presence of a neighbourhood plan will not have a material effect on the amount of CIL charges that may be affordable. Rather the Neighbourhood plan will enable the allocation of receipts directly to the neighbourhood parish for their own infrastructure projects.</td>
<td>No Change proposed.</td>
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<td><strong>18</strong></td>
<td>Martin Small, English Heritage.</td>
<td>Would remind the Council to be aware of the implications of any CIL contribution on the viability and effective conservation of historic environment and heritage assets in development proposals.</td>
<td>Noted</td>
<td>No Change proposed.</td>
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<td>Welcome para 17 of the CIL document.</td>
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<td>Noted</td>
<td>No Change proposed.</td>
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<td>Would recommend that the conditions and procedures for CIL relief be set out within a</td>
<td></td>
<td>Noted</td>
<td>No Change proposed.</td>
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<td>Page 187</td>
<td>19</td>
<td>Ian Sowerby, Bell Cornwell for Lamron Estates</td>
<td>Question the assumed capital values and build costs for hotels and say that the CIL rate for hotels should be zero, not £70.</td>
<td>The market evidence and viability appraisals carried out by Adams Integra supports the proposed charge of £70 per m2 for Hotels.</td>
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<td>20</td>
<td>John Tunney, EHDC</td>
<td>Asking for clarification work to take place as a matter of some urgency regarding Whitehill and Bordon’s status for s106 contributions. Previous understanding was that all of W and B within the ecotown policy boundary would be subject to s106. From some of the CIL documentation, there would seem to be some uncertainty about this, or whether s106 only applies to the smaller mosaic area of strategic allocation sites within the town. Very strong preference for the more geographically widespread ecotown policy boundary to apply.</td>
<td>This matter has been clarified in the Maps attached to the DCS document.</td>
<td>No Change proposed.</td>
</tr>
<tr>
<td>21</td>
<td>Carmelle Bell, Savills, for Thames Water</td>
<td>Consider that water and waste water infrastructure buildings should be exempt from CIL. This appears to be the case in the draft schedule where ‘any other non-residential development has a £0 charge. The Council may, however, wish to consider using CIL contributions for enhancements to the sewerage network beyond that covered by the Water Industry Act and sewerage undertakers, for example by providing greater levels of protection for surface water flooding schemes.</td>
<td>The CIL Regulations do not permit a CIL charge for Buildings into which people do not normally go or only go into intermittently for inspecting or maintaining machinery.</td>
<td>No Change proposed.</td>
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<td>22</td>
<td>Alison Appleby, Natural England</td>
<td>Note the absence of any mention of the Solent coastal SPAs in the IDP. Whilst CIL may not be the correct mechanism for for delivery of mitigation, we assume that contributions for this mitigation will continue to be secured via other</td>
<td>Noted and agreed</td>
<td>No Change proposed.</td>
</tr>
<tr>
<td>Page 188</td>
<td>Megan Cameron, CLA</td>
<td>Advises EHDC not to impose CIL on agricultural, forestry, employment and commercial development, as these are important areas for rural landowners and farmers to diversify into, in order to support their farming and forestry enterprise. CLA advises EHDC not to impose CIL on retail developments in rural areas, as farm shops would have to pay the charge, coming under the Food Retail use type. Would like clarification that the CIL charges for farm diversification, eg clay pigeon shooting grounds, are exempt from CIL as they fall under Leisure. The proposed contribution of £180 and £100 for residential in rural areas will act as a significant disincentive and will suppress development. CLA feels strongly that all developments being requested to contribute to infrastructure should have the opportunity to negotiate the level of payment, depending on what a community/area needs.</td>
<td>These categories will be covered by the £0 per m2 charge for 'Any other non-residential development'. Farm shops usually operate from converted buildings and where no new development takes place and therefore will not incur a CIL charge. Where new development takes place a CIL charge of £0 per m2 would apply for these categories. The viability assessment concludes that these CIL charge rates will not hinder new development. The CIL Charging Schedule, IDP and Reg 123 List are all open for consultation. No Change proposed.</td>
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<td>Page 188</td>
<td>CLA would like to know what will happen where landowners decide to build houses to keep within their long term ownership (build to rent), to diversify their income through a residential portfolio of properties. There are no capital receipts from which to fund a CIL charge. In this instance the Council should be more flexible in their approach for the payment of CIL, if the property would remain available for rental for at least 5 years.</td>
<td>The local infrastructure will be impacted and a contribution from the developer will be sought for development in excess of 100 m2. No Change proposed.</td>
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<td>Page 188</td>
<td>CLA has concerns that there is no allowance for housing needed for rural businesses, such as agricultural, forestry and other essential rural workers. Would like clarification that these dwellings will be treated the same as affordable</td>
<td>As above. No Change proposed.</td>
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<td>housing with a nil CIL rate. CIL should not apply to these dwellings, which will have been justified as a requirement for the business.</td>
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<td>24</td>
<td>Rose Freeman, Theatres Trust</td>
<td>Support the nil rate for “any other non-residential development”.</td>
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<td></td>
<td>Noted.</td>
<td>No Change proposed.</td>
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<td>25</td>
<td>Roger Shipton, GVA Grimley, for Defence Infrastructure Organisation.</td>
<td>The table at para 9 suggests that there is a £0 proposed residential CIL for Whitehill and Bordon eco-town. It is unclear what the eco-town reference is intended to mean. To confuse matters further, the map at the end of the consultation document refers to “Whitehill Bordon Strategic Development Area (Eco town).”</td>
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<td></td>
<td>Noted, this matter is made much clearer in the CIL Maps attached to the DCS.</td>
<td>No Change proposed.</td>
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<td></td>
<td>What geographical area is covered by the £60 charge excluding the eco-town?</td>
<td>See above.</td>
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<td></td>
<td>DIO would object to a £60 charge in the adopted Strategic Allocation area; it would make the allocation potentially undeliverable.</td>
<td>Noted.</td>
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<td></td>
<td>Agreed.</td>
<td>No Change proposed.</td>
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<td></td>
<td>In para 12 is the zone 4 reference to the “eco-town growth area” intended to refer to the strategic allocation or to something else?</td>
<td>See above regarding CIL Maps.</td>
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<td></td>
<td>The PDCS does not clearly identify the extent of the 4 zones.</td>
<td>As above.</td>
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<td></td>
<td>The map at the end of the draft document identifies a figure of £60 for Whitehill Bordon which the key defines as “Main towns including Whitehill Bordon Strategic Development Area (Eco Town)”. This conflicts with the proposed zero charge referred to in para 9 table for the Whitehill and Bordon (Eco town) area and clarification is required.</td>
<td>As above.</td>
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<td></td>
<td>The indicative CIL levels on the map do not distinguish between proposed residential and non-residential charges.</td>
<td>As above.</td>
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<td>Page 190</td>
<td>In relation to the proposed CIL charge for retail development, this should not apply to retail or hotel development in the adopted (2014) JCS W and B Strategic Allocation area boundaries (JCS map 4). In the event that a CIL charge is sought for non-residential development, the viability considerations will discourage, if not completely prevent, such developments being brought forward.</td>
<td>Noted, however the Viability Report has tested these uses and confirm that a charge can be made.</td>
<td>No Change proposed.</td>
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<td>The CIL map is at such a scale that it is impossible to work out the precise boundaries of the different charging zones. The 4 zones identified in para 12 do not correspond to the 3 areas identified in the key to the CIL map.</td>
<td>See above.</td>
<td>No Change proposed.</td>
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<td>Page 190</td>
<td>When will EHDC publish its Draft List (Regulation 123 list)? This is not available on line and a request to EHDC to provide the list remains unanswered.</td>
<td>With the DCS Consultation.</td>
<td>No Change proposed.</td>
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<td>26</td>
<td>Lynn Thomason, Hotel Solutions. The viability report identifies that there has been relatively little new hotel development to track and that is, indeed, an indication of how the hotel market has suffered since the market downturn in 2008. It has been difficult to make development stack up with performance dropping back and rooms on the market in the form of existing hotels for sale at less than development value. Even in good market conditions, the economics of hotel development are very fragile and any extraordinary costs can easily tip viability over the edge. Would suggest that it is worth running the valuation and costings past some hotel sector specialists.</td>
<td>This has been noted.</td>
<td>No Change proposed.</td>
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<td>27</td>
<td>Steering Group of East Question whether the economic viability of hotel It has been concluded that hotel development can afford to support a modest CIL charge. No</td>
<td>No Change proposed.</td>
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<td>Hampshire Tourism and Marketing Partnership.</td>
<td>Development has been fully taken into account. A zero rate for CIL would be more appropriate. A CIL charge would work against the provision of a new hotel for Whitehill and Bordon.</td>
<td>Change proposed. Whitehill and Bordon will be subject to separate s106 planning obligations.</td>
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<td>It would be unfair to charge different levels of CIL across the District. It is already potentially divisive that there is a proposed charge for CIL for hotel developments outside the SDNP boundary and no charge within the boundary.</td>
<td>The SDNPA are making their own CIL charging proposals based on their own consultants recommendations.</td>
<td>No Change proposed.</td>
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<td>Ziyad Thomas, Planning Bureau for McCarthy and Stone and Churchill.</td>
<td>Given the extent of projected housing need for older persons accommodation, it is paramount that the CIL schedule recognises the potential shortcomings of providing a uniform CIL rate for all forms of residential development. The additional costs associated with the construction and initial maintenance of this form of development, coupled with the slower sales rate, make it clear that the financial viability of such developments is more finely balanced than with houses and apartments. It is requested that development scenarios for sheltered/retirement housing and Extra Care accommodation are undertaken, so as to ensure that these forms of accommodation are not rendered unviable by the proposed CIL rates.</td>
<td>Regarding sheltered housing, as opposed to care homes, we have carried out some further testing, based upon figures provided by the respondent. These figures reflect both the increased build cost associated with communal areas, together with the longer sales rates that are experienced with these types of development. The sales figures are based upon those for the sheltered scheme that is currently selling in Alton. Having undertaken this exercise, we believe that it would be reasonable to charge a reduced CIL of £40 per square metre for such developments. An amendment is proposed to the DCS in relation to age restricted sheltered housing.</td>
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<td>Giles Stogdon</td>
<td>There is a disproportionately high level of charge in the north of the district. This should be altered.</td>
<td>The evidence supports the different charges. No Change proposed.</td>
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<td>The FAQs say that there should not be much difference in cost between CIL and the current s106 charges. S106 and CIL, taken together, should not exceed the old s106 charges, so as not to adversely impact the supply of land for development.</td>
<td>CIL Regulations do not permit ‘double dipping’. S.106 contributions cannot be sought for items covered by the Reg 123 List. No Change proposed.</td>
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<td>It is unclear if the CIL includes the £10,000 per unit charge for the Alton Sports Centre in the northern part of the district. This charge should not be on top of CIL, so as not to adversely</td>
<td>Noted. Please see the Viability Report for clarification on this matter. No Change proposed.</td>
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<td>Impact the supply of land for development.</td>
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<td>30</td>
<td>Katie Weir, Grayshott Parish Council</td>
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<td>Have reviewed the DCS and have no comment.</td>
<td>Noted.</td>
<td>No Change proposed.</td>
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<td>31</td>
<td>Paul Sansby, Portsmouth Water</td>
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<td>Have no direct involvement in CIL and have no comments on the process.</td>
<td>Noted.</td>
<td>No Change proposed.</td>
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<td>32</td>
<td>Nawal Atiq, Highways Agency</td>
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<td>No comment at this stage, but reserve the right to make representations about national/strategic transport matters, as and when they arise in the development process and on a case by case basis.</td>
<td>Noted.</td>
<td>No Change proposed.</td>
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<td>33</td>
<td>Peter Parkinson</td>
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<td>Surprised to read the proposal that WandB has two CIL rates, one of £60 per sqm and the other of £0 per sqm. The zero rate applies to what is called the “Eco-town.” There is no eco-town.</td>
<td>Noted, Green Town is more appropriate and this is defined in the CIL Map attached to the DCS Document.</td>
<td>No Change proposed.</td>
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<td>W and B clearly needs special assistance, so zero rating the development is a clear signal that there will be no gain, no benefit for existing residents, no facilities deriving from the huge housing developments in the town. How will these now be financed?</td>
<td>In WB S106 agreement negotiations will allow an appropriate negotiated solution to be put in place. The CIUL Regulations specifically allow this process under certain circumstances.</td>
<td>No Change proposed.</td>
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<td>It appears that the modest £60 per sqm for W and B outside the eco-town is all that will be available to finance the list of supposed gains.</td>
<td>Agreed, however development close to WB may benefit from the infrastructure delivered to support the Green Town.</td>
<td>No Change proposed.</td>
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<td>34</td>
<td>Nicole Penfold, Gladman</td>
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<td>Local planning authorities need to be able to demonstrate the infrastructure need and funding gap and must ensure that the level of CIL receipts reflects these true needs and the proposals in the local plan. The Council needs to ensure that they have a full understanding of the potential costs of infrastructure projects, needed to meet infrastructure needs. Gladman believe that it is inappropriate to set the levy based on a partial understanding of these infrastructure costs and in particular if the total money needed for</td>
<td>This is set out in the IDP.</td>
<td>No Change proposed.</td>
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<td>Liss Parish Council</td>
<td>Does not apply to Liss, but wanted to bring EHDC’s attention to their comments on CIL for the SDNP.</td>
<td>Noted.</td>
<td>No Change proposed.</td>
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<td>Gladman believe that the Council need to have a clear understanding of the level of residential development to be brought forward in the plan period when preparing the charging schedule. Without this, the charging schedule will not reflect the relevant and true infrastructure needs of the area.</td>
<td>Noted although the market will dictate the amount of development that actually takes place.</td>
<td>No Change proposed.</td>
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<td>Would like to remind the Council of the need to review CIL tariffs once they have been set.</td>
<td>Noted.</td>
<td>No Change proposed.</td>
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<td>Gladman would urge the Council to adopt an instalments policy for CIL payments, as this will give developers the flexibility to pay contributions in line with development phasing and will facilitate cashflow and therefore development viability.</td>
<td>Currently no ECR policy is under active consideration.?</td>
<td>No Change proposed.</td>
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<td>Discretionary relief should be factored into CIL, to avoid rendering sites with specific cost burdens unviable in exceptional circumstances.</td>
<td>Noted.</td>
<td>No Change proposed.</td>
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<td>It is integral, when setting differential rates for different geographical areas that these rates are based on accurate, up to date housing market intelligence, forming the evidence base for this decision.</td>
<td>Agreed</td>
<td>No Change proposed.</td>
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<td>infrastructure is unknown.</td>
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<td>Ref.</td>
<td>Name of Respondent</td>
<td>Key areas of Representation</td>
<td>Council’s Response</td>
<td>Amendments recommended</td>
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<td>1</td>
<td>McCarthy and Stone Retirement Lifestyles Ltd.</td>
<td>Impact of CIL on sheltered development, withdraws objection</td>
<td>Noted</td>
<td>None</td>
</tr>
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<td>2</td>
<td>Kevin Scott Consultancy</td>
<td>Rate of CIL too high compared to nearby authorities especially in northern area</td>
<td>Noted, CIL levels are based on viability assessment which is the driver for the levels set in the DCS. Alton will be reviewed but otherwise NFA</td>
<td>Assess Alton VP level and amend charge rate if required.</td>
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<td>3</td>
<td>The Theatres Trust</td>
<td>Support setting NIL rate for theatres</td>
<td>Noted</td>
<td>None</td>
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<td>4</td>
<td>English Heritage</td>
<td>Support the use of CIL to fund historic building renovation. Would not wish for CIL to preclude the beneficial reuse of historic buildings</td>
<td>Noted, no further action needed</td>
<td>None</td>
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<td>5</td>
<td>Farringdon Parish Council</td>
<td>Concerned at difference between EHDC and SDNP CIL rates</td>
<td>Noted</td>
<td>None</td>
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<td>6</td>
<td>Sport England</td>
<td>Wish for IDP and EHDC generally to get in to dialogue regarding sports provision in EH outside Whitehill Bordon</td>
<td>Noted</td>
<td>Add Whitehill Bordon IDP to draft district wide IDP when available</td>
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<td>7</td>
<td>Thames Water</td>
<td>CIL should not be levied on Water Authority Infrastructure Could CIL be used to fund drainage infrastructure</td>
<td>Noted</td>
<td>None</td>
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<td>8</td>
<td>Highways Agency</td>
<td>No comments on DCS</td>
<td>Noted</td>
<td>None</td>
</tr>
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<td>9</td>
<td>Whitehill Town Council</td>
<td>Whitehill and Bordon should have a lower CIL rate for hotels</td>
<td>Noted</td>
<td>Will review CIL rate for Hotels outside the CIL Island area in the Whitehill Bordon regeneration area</td>
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<tr>
<td>10</td>
<td>Hampshire County Council</td>
<td>Raise a range of issues regarding IDP updates and Reg 123 List</td>
<td>These matters will be addressed prior to examination submission.</td>
<td>No changes required to Reg 123 list and IDP</td>
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<td>Organization</td>
<td>Comment</td>
<td>Action</td>
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<td>11</td>
<td>Alton Town Council</td>
<td>Would like a CIL presentation</td>
<td>Noted, a presentation will be made ASAP.</td>
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<td>No general Comment</td>
<td>CIL rates are being reviewed in Alton and smaller sites will be reassessed across the District to see if a separate rate should be charged for smaller sites of 10 or less</td>
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<td>Are concerned that with smaller sites (10 and under) now being exempt from contributions and affordable housing this may impact on viability and infrastructure provision</td>
<td>Reassess Alton and contributions being withdrawn from residential sites of 10 or less</td>
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<td>12</td>
<td>Southern Water</td>
<td>No comments on CIL, have comments on IDP</td>
<td>The IDP is under continual review, these comments will be included in the IDP review later in 2015.</td>
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<td>13</td>
<td>SGN</td>
<td>General CIL comments</td>
<td>Noted</td>
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<td>14</td>
<td>Hallam Land Management Ltd</td>
<td>CIL assessment must be based on viability, respondents concerned that CIL viability assessment has not followed guidance and regulation. Northern parishes disproportionately high No exceptional circumstances relief, payments in kind and low cost market housing relief</td>
<td>CIL rates have been set against viability evidence, Alton rates will be subject to further review. CIL viability has in the Council’s view followed good practice. The Council will consider a Payment in Kind policy. Review Alton rates. Produce a Payments in Kind Policy for submission in response to this representation.</td>
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<td>15</td>
<td>Environment Agency</td>
<td>No comment</td>
<td>Noted</td>
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<td>16</td>
<td>WYG</td>
<td>There is a disparity between Havant at £80 psm and the southern Parishes at £100 psm. The Reg 123 list excludes payments in kind in lieu of CIL</td>
<td>The CIL level has been set in accordance with up to date viability indicators which will be rechecked before submission for examination. There is an expectation that a portion of CIL will be used to fund education projects if needed, there will not be a separate payment made through the planning process. Wording will be clarified to reflect this position. Check Southern Parishes CIL level and amend if appropriate. Amend Reg 123 list text to reflect an understanding of this concern.</td>
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<td>17</td>
<td>Gladman Developments</td>
<td>General CIL comments</td>
<td>Noted</td>
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<td></td>
<td></td>
<td>No change</td>
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<tr>
<td>18</td>
<td>Natural England</td>
<td>It is not clear from the Reg 1234 List where funding will be collected for loss of biodiversity where required.</td>
<td>This matters falls outside CIL and S106 agreement and it will be for the Planning Authority to produce a separate methodology for collection.</td>
<td>No change needed</td>
</tr>
<tr>
<td>19</td>
<td>Councillor Shepherd</td>
<td>Concerned that Southern Parishes CIL rate is too low. CIL rate should be the same as S106 rates not lower as proposed, reference Education contributions as an example. Current S106 rates not deterring developer interest therefore must be acceptable. Rate of £180 psm considered appropriate. Should be no low cost market housing relief. CIL should increase year on year in accordance with an agreed process.</td>
<td>The southern parishes CIL rate has been set in accordance with regulation and guidance based on Viability parameters. A buffer is included in accordance with guidance so that in most cases development will not be impeded. The CIL level has been set in accordance with up to date viability indicators which will be rechecked before submission for examination. Current S106 negotiations are based on site-by-site viability assessment, the basis for CIL is to provide greater certainty of charges. The CIL rate of £100 psm is the maximum the Council should charge from a viability point of view. No relief is proposed top cover low cost market housing. There will be a mechanism in place to allow CIL rates to rise in accordance with an appropriate index.</td>
<td>Check Southern Parishes CIL level and amend if appropriate.</td>
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<tr>
<td>20</td>
<td>Defence Infrastructure Organisation</td>
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<tr>
<td>There are confusing references (Green Town/EcoTown etc) which must be clarified. DIO supports zero residential CIL in the strategic allocation area. The zero CIL area does not follow the W&amp;B SAA area JCS Map 4.</td>
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<tr>
<td>This matter requires clarification in terms of terminology and amendments will be made to the DCS prior to submission.</td>
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<tr>
<td>Noted.</td>
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<tr>
<td>The zero CIL zone follows the 4 main planning application envisaged within the W&amp;B SAA area. If the whole SAA were zoned then pooling would occur if more than 5 applications were submitted. For this reason the 4 main applications form the zero CIL zone. The 5th application site is not clear.</td>
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<tr>
<td>More clearly describe the reasoning behind the boundaries of the Zero CIL zone and why it differs from the W&amp;B SAA boundary.</td>
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<tr>
<td>See above</td>
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<tr>
<td>There is no evidence to substantiate why differing CIL charges apply to different parts of the W&amp;B SAA. DIO objects to differential rates in the SAA.</td>
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<tr>
<td>Clarify in the DCS prior to submission.</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Noted.</td>
<td></td>
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<tr>
<td>There should be zero CIL applied to retail and hotel development in the SAA.</td>
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<tr>
<td>Clarify terminology.</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Noted.</td>
<td></td>
<td></td>
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<tr>
<td>DIO is concerned that the IDP does not contain information regarding infrastructure requirements of the SAA.</td>
<td></td>
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</tr>
<tr>
<td>For this reason the zero CIL zone does not follow the SAA. Inevitably therefore outside the Zero CIL zone a charge will need to be made as those developments will not be governed by S106 negotiations. As an In Kind policy will be submitted to the Council for approval prior to submission this may allow in kind contributions to infrastructure outside the Zero CIL zone but inside the SAA.</td>
<td></td>
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<tr>
<td>Clarify in the DCS prior to submission.</td>
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<tr>
<td>It is the intention that Hotels and Retail developments should be zero CIL within the zero CIL zone, however there will be a charge within the SAA.</td>
<td></td>
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<tr>
<td>The major application submitted just prior to the end of December 2014 did not contain information which would allow the IDP to be attached to the draft district wide IDP. The W&amp;B IDP will be attached when appropriate.</td>
<td></td>
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</tbody>
</table>
| Page 199 | 21 | Cata Homes, Crest Nicholson and Persimmon Homes (Savills) | Concern at level of CIL (up to £180 psm) particularly if the Alton Sports Centre contribution is added.  
Query whether the IDP is appropriate in place of the Reg 123 List.  
House price data and build cost analysis is not accurate.  
CIL rate along with the affordable housing requirement S in the JCS will render some schemes unviable.  
No buffer is evident in setting AH and CIL rates.  
There are a number of queries within the Viability report which require clarification.  
There is no Instalments policy.  
Given a lack of 5 years supply CIL set too high will further impede the delivery of housing.  
Clarification is needed via an SPD to show how CIL will sit alongside S106 requirements  
Would welcome a meeting to discuss these matters. | A significant number of concerns have been considered in the DCS which moves forward from the PDCS consultation. The matters in the representation will be covered in the Adams Integra Further Addendum report which will support the CIL Submission.  
An instalments policy will be drafted in response to this and other concerns regarding the need for such a policy.  
EH has a 5 year supply of housing. However a buffer between what could be charged and the proposed charging levels mean that most development will be able to deliver the CIL rate and other requirements of planning policy.  
The Council envisage that outside the Zero CIL zone S106 contributions will largely be replaced by CIL other than on site mitigation and contributions in lieu. The Alton Sports Centre contribution will NOT be charged when CIL is adopted.  
Adams Integra and EH will meet with Savills to discuss. | Amendments will be made to DCS, IDP etc only of required by the review being undertaken regarding viability. |
| Martin Grant Homes & Persimmon South Coast (Turley Economics) | Do not consider that the residential charging rates have been set in accordance with the regulations Concern over the benchmarks used in formulating the viability model. Benchmarks are artificially low and hence overstate viability. Alton should not be placed within VP4, therefore the charging rate is too high. There is no evidence that the CIL rate has been robustly and transparently assessed, The Alton Sports Centre contribution has not been factored in to the costs of development; the imposition of this contribution has a significant impact on viability. Build costs and professional fees have been underestimated. The presence of and explanation of the buffer needs to be clear and transparent. An Instalment Policy is needed. Exceptional circumstances relief is needed regarding Low cost market housing A Land and infrastructure in kind policy should be in place. The Reg 123 list requires contribution towards the Alton Sport Centre. | To be reassessed and position reaffirmed on all the points registered by the respondents regarding the viability evidence. The Alton Sports Centre contribution will NOT be charged once CIL is adopted. An Instalments Policy will be adopted alongside the CIL Charging Schedule. ECR for LCMH is not proposed at this stage. Land and infrastructure in kind contributions may be allowed in exceptional circumstances. See above. CIL may contribute towards the ASC but not a separate contribution as at present. | Amendments will be made to DCS, IDP etc only of required by the review being undertaken regarding viability |
1.0 Purpose of Report

1.1 The Councils Strategy includes the personalisation of Services so that residents and businesses can be offered a level of service at a price to suit their needs. In order to deliver this programme of work funding is required and this report is asking for the release of funds needed to deliver the Personalisation programme. Attached is the full business case which supports the proposed programme of work.

2.0 Recommendation

It is recommended that cabinet:

2.1 Approves the attached business case

2.2 Release funding from the transformation reserves in the sum of £201,500 to fund the implementation costs of this programme and

2.3 Approves the additional Revenue Budget of £171,750 reducing to £150,750 in year 3 as set out in the attached business case.

3.0 Summary

3.1 The Vision in the Corporate Strategy states ...“Throughout, EHDC has remained a well-defined local council with an admired and trusted mutually beneficial relationship with the residents and businesses of East Hampshire. Our focus on our customers ensures that services are accessed in ways that reflect their preferences and needs which has resulted in
Supplementary Information

EAST HAMPSHIRE DISTRICT COUNCIL
CABINET
28 January 2015

Dear Councillor

I am now able to enclose, for consideration at next meeting of the Cabinet, to be held on 28 January 2015 the following supplementary information that was unavailable when the agenda was printed.

<table>
<thead>
<tr>
<th>Agenda No</th>
<th>Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>National Planning Policy Guidance - Revision to Developer Contributions Threshholds for Affordable Housing and other Tariff Style Contributions (Pages 1 - 2)</td>
</tr>
<tr>
<td>11</td>
<td>East Hampshire Community Infrastructure Levy (CIL) (Pages 3 - 26)</td>
</tr>
</tbody>
</table>
National Planning Policy Guidance – Revision to Developer Contributions
Thresholds for Affordable Housing and other Tariff Style Contributions

Please see update below following consideration of the draft report by the Development Policy Panel on 21 January 2015. The text below provides clarity on how the Joint Core Strategy Policy CP13 should be interpreted following Council agreement.

In light of the changes the NPPG made to seeking affordable housing and S106 contributions. JCS Policy CP13 should be interpreted as follows:

In order to meet affordable housing needs all residential development within East Hampshire District Local Planning Authority Area resulting in 11 or more additional dwellings (net) or, 10 or less dwellings (net) and which have a combined gross floorspace of more than 1000sqm should contribute towards the provision of affordable housing. This provision will normally be provided on-site.

If the site lies within a designated rural area a financial contribution should be sought for a scheme of between 6 and 10 additional dwellings (net). No on site provision will be sought. For schemes of 5 additional dwelling (net) or less, no affordable housing provision will be sought.
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Cabinet Update

The CIL report was considered in detail at DPP and the following queries were made which have been clarified as follows:

1. There was a strong feeling that the Charging rates should be annually reviewed and updated for inflation or RICS Property prices? Is there any legal reason why we can't have an inbuilt inflation/prices increase (that doesn’t require a full process review). The CIL Regulations allow for a “cost of living” increase year on year without complex consultation needing to be undertaken, they do not allow significant changes to alter CIL rates without full consultation.

2. There was concern about the tables in the Adams Integra report – Members focused on the sales values in Table 1 for which there was widespread feeling that the prices were not realistic. They specifically mentioned 3 bed house prices in Rowlands Castle and the lack of any data on 5 beds in Rowlands. All tables have been reviewed by the Consultant and updated with new information where it is available. Moving out of a recessionary position means that in some circumstances full comparable evidence is minimal simply because there have not been significant transactions taking place. In these circumstances discussion takes place with developers and local agents to assess trends and allow accurate forecasting. The CIL addendum report is attached as Appendix 1.

3. The smaller unit prices at Liphook were also felt to be unrealistic. These prices have been checked and found to be accurate.

4. Members also noted that the tables should be in colour to show any distinction between 2nd hand and new build. As Table 2 is derived from Table 1 they also queried whether that would be right. The tables will be adjusted before the report is brought back to Cabinet and Council after examination.

5. Councillor Williams thought that Headley had been mistakenly put in VP3 rather than VP4? Agreed, this has been checked and amended accordingly.

6. There main concern was that we are only going to get 50% of what we previously got from S106 through CIL. Members wanted some comparative information e.g. How much S106 have we got from Green lane Clanfield and what would be the comparative sum from viability. A table was circulated with examples of how sites might perform if CIL replaced S106 negotiations (Attached as appendix 2)

7. Councillor Carew also felt £60 Sqm at Whitehill was poor. Whitehill has been rechecked and the rate found to be appropriate. There will always be pockets where values are greater, however guidance suggests that
CIL charging areas cannot be that fine grained and that CIL rates should wash over parishes or other wider zones.

8. Cllr Branch was concerned at the potential to reduce the CIL rate for Alton from £180 per sq m to a lower level. The CIL rate for Alton has been rechecked and found to potentially impact on viability, the Consultant recommends a CIL rate of £140 per sq m in place of the suggested £180. The CIL maps have been revised and are attached as Appendix 3.

9. Why is there reference to the Sports Centre contribution in the Adams Integra report? Developers and site promoters have been critical of the viability of the CIL recommendation for Alton partly because of the VP4 £180 sq m rate (see 8 above) but also their understanding that the £10,000 sports centre contribution would be levied on top of that. It would be unlawful to make such a charge once CIL is adopted and it is for this reason that the statement has been made.
East Hampshire District Council

Addendum report following Consultation into Draft Charging Schedule

DRAFT

Adams Integra
January 2015
In March 2014 Adams Integra produced a report for East Hampshire District Council that was designed to support a Preliminary Draft Charging Schedule (PDCS) for the introduction of a Community Infrastructure Levy (CIL). This was followed by an addendum report in November 2014. At that time, the recommended CIL rates were:

<table>
<thead>
<tr>
<th>Use Class</th>
<th>Proposed EHDC CIL Rate November 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential other than Class C2, C2A uses and Extra Care Housing</td>
<td>VP2 locations £60</td>
</tr>
</tbody>
</table>
| Residential C3A sheltered housing in self-contained houses and flats with communal facilities and an age restriction | VP3 locations £100  
|                                                                           | VP4 and VP5 Locations £180             |
|                                                                           | £40                                   |
| Office                                                                    | £zero                                 |
| Hotels                                                                    | £70                                   |
| High Street/Centre Retail                                                | All Retail £100                       |
| Out of Centre Retail                                                     |                                       |
| Industrial and Warehousing                                               | £zero                                 |
| Student Accommodation                                                    | £zero                                 |
| All Class C2, C2(a), C3(b), C3(c) uses including Extra Care Housing      | £zero                                 |
| Any other development                                                    | £zero                                 |
The Council submitted the DCS for public consultation over November and December 2014 and responses were received under the following main headings:

- Look at Alton sales values. Should the town be in VP4 or VP3?
- Impact of the contribution to the Alton sports centre.
- Viability buffer
- How were existing use values obtained? How do they relate to geographical areas?
- Explain professional fees and other allowances.
- Net to gross ratios
- Why is there such a difference between northern and southern CIL rates?
- The level of £180 looks high in relation to other authorities.
- Justify s106 costs.

In addition, the Council has asked us to consider appropriate CIL rates for small sites, following the planning guidance of 28th November 2014.

As part of this addendum report, we are including the following appendices:

- Appendix 1 Tables of Alton sales values.
- Appendix 2 Tables of 75 unit sites with different net: gross ratios.
- Appendix 3 Tables of land value outcomes from addendum report of November 2014, including higher build costs.
- Appendix 4 Tables of land value outcomes for small sites with no affordable housing or s106 contributions.

**Alton sales values and CIL level.**

Alton is due to provide a significant number of the new homes under the Joint Core Strategy (CP10).

In the consultation responses, there is a question as to whether Alton should be in value point 3, not value point 4. By way of response, we have looked again at the
evidence from the March 2014 report and we have also carried out further research into today’s values for the town. The outcome of this research is shown at appendix 1, where the tables illustrate both values from September 2014 and sold prices taken over the last year. Where possible, we note both the prices and the floor areas and then adjust the values, as necessary, to reflect the floor areas on which the study is based. We then apply a VP level to this resultant sales value.

From this work, we have concluded that values range between VP3 and VP4, as stated in the previous addendum report. In light of the importance of delivering the expected housing numbers from Alton, we would suggest that the town could take a CIL level greater than VP3, but that VP4 could lead to viability pressure.

We are proposing, therefore, that a separate rate is introduced for Alton, at £140 per square metre.

**Alton Sports Centre**

We have been instructed by the Council that there will be no contribution required towards the Alton sports centre, in addition to CIL. We have not, therefore, assumed any additional cost for this.

**Viability buffer**

Responses sought greater clarification of the buffer that prevents the proposed CIL charges testing viability to the limit. The idea of the buffer is to allow for site specific abnormal circumstances that might arise.

In this connection, we would make two points. First, we have based viability upon an average land value per hectare, arising out of the scenarios at each value point. For example, if we look at appendix 4 of the March 2014 viability report, the table headed 40% affordable, code 4, 70/30 rented:shared ownership and £2,000 infrastructure, there are average land values per hectare at the bottom of each column. These land values are only included in the average where they are above zero. The average for value point 2 is shown as £1,079,015 per hectare. From the figures in the column,
the maximum viability level could have been assumed at around £1,400,000 per hectare. In this instance there is, therefore, a buffer of around 30%.

The average for value point 3 is shown as £1,609,586 per hectare, whereas the maximum viability level could have been taken at around £2,000,000 per hectare, giving a buffer of some 24%.

The average for value point 4 is shown as £2,225,220 per hectare, whereas the maximum viability level could have been taken at around £2,700,000 per hectare, giving a buffer of some 21%.

It will be seen from the tables of 75 unit outcomes, attached as appendix 2, that we have applied a specific buffer of 20% to the land values. We have done this, as opposed to relying on the averages, as the outcomes produce similar land values for the different scenarios. In this instance the average would not, therefore, act as a buffer against the highest values.

In addition, it should be borne in mind that we have a buffer in mind when we are considering appropriate sales values for the value points table. For example, in connection with the Alton sales values at appendix 1, there are a number of values that would apply to value points 4 and 5, but we have taken a conservative view that a more appropriate level for Alton would be VP3/4; we have proposed a CIL level accordingly.

How were existing use values obtained?

EUV figures are obtained in a variety of ways. The agricultural figure is intended to reflect the sum that might be typically used in an option agreement, with a developer, to reflect the minimum sum that a landowner would accept. We believe that £450,000 per hectare is also in line with HCA guidelines on Greenfield threshold values, of 10 to 20 times the agricultural land value. The employment thresholds are the result of our own knowledge and experience of such values in the area and take account of different types of employment use, providing a range of values across the area. It is not always the case that a higher value residential location, for example, will also see high value employment uses. It is worth noting that the CIL viability report for SDNP Authority (January 2014) adopted the following thresholds:

Agriculture: £370,000 to £500,000 per ha.

Industrial: £850,000 to £1,500,000 per ha
Residential: £2,000,000 per ha.

The thresholds adopted for the Adams Integra report were within these values, with the exception of the higher residential figure, which was £2,772,000. The original advice was sought in March 2013 from a commercial agent. From this, we assumed two levels of employment thresholds, being £750,000 and £1,100,000 per hectare. We then applied an incentive premium of 20%, before adding a further 5% to reflect improving market conditions to 2014.

Clarify build costs, including allowances for surveys and site preparation.

In response to a representation made on the preliminary draft charging schedule, we ran appraisals with a higher build cost. The outcome of these appraisals is shown at appendix 3, being the table from the addendum report of November 2014. For this current addendum, we have also run appraisals for 75 units, also assuming the higher build costs. The table of these results is at appendix 2.

With regard to surveys and site preparation, if we look at a specific appraisal, say 75 units at 40dph, with 40% affordable housing and code 4 build costs, then the position is as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base build cost</td>
<td>£8,813,960</td>
</tr>
<tr>
<td>Houses</td>
<td>£1,231, per sqm</td>
</tr>
<tr>
<td>Flats</td>
<td>£1,470, per sqm</td>
</tr>
<tr>
<td>Renewables</td>
<td>£262,500</td>
</tr>
<tr>
<td>Site abnormalities</td>
<td>£150,000</td>
</tr>
<tr>
<td>Architect’s fee</td>
<td>£272,294</td>
</tr>
<tr>
<td>Other consultants</td>
<td>£363,058</td>
</tr>
<tr>
<td>Insurances</td>
<td>£226,912</td>
</tr>
<tr>
<td>Surveys</td>
<td>£37,500</td>
</tr>
<tr>
<td>Planning application</td>
<td>£21,924</td>
</tr>
<tr>
<td>Total</td>
<td>£921,688 = 10.5% of base build cost.</td>
</tr>
</tbody>
</table>
Net to gross ratios

The response to the consultation states that the larger sites should differentiate between net and gross site areas. The significance of this is that the net area would be used for the number of units at a specific density, while the gross area would be used as the basis of the EUV calculation, since a landowner will part with the gross area of land for a particular development.

We have looked at a number of actual sites to assess the net: gross ratios that might be experienced on the ground. Whilst it is clear that some larger sites will include an area of public open space, including a play area, any greater area of POS would appear to be dictated by the circumstances of individual sites, such that it cannot be assumed that all site areas will be reduced by, for example, buffer landscaping.

For the purpose of the previous addendum report, we increased the area of the 75 unit sites by 10%, ie we added 10% to the net area that was calculated from the proposed densities.

For the current report, we have shown the impact of increasing the net developable area of the 75 unit sites by 20% and then by 30%. The outcome of this is shown at appendix 2. In this connection, it should be noted that we have allowed an additional cost, of £100,000 per site, for the public open space that is assumed to form the difference between the net and gross site areas. This cost arises from recent discussions with a quantity surveyor, who quoted figures of £150,000 to £200,000 per hectare for open space, including paths, landscaping and some play equipment.

The result of this is that the land values are assessed across a larger, gross, site area and the land values per hectare are reduced. This reflects, therefore, the fact that a landowner will need to receive a viable land value across the whole of his land area before releasing land for development.

From the tables at appendix 2 it will be seen that all outcomes show viability against Greenfield sites. In those scenarios where the gross area is 20% larger than the net area, there is also viability at the lower employment thresholds for value points 3-5, with value points 4-5 also showing viability at the higher employment threshold.

When the gross area is increased to 30% over the net area, then we see viability for all scenarios against Greenfield thresholds, but sites need to be in value points 4 and 5 before viability is seen against employment thresholds.
It is necessary, therefore, for the Council to consider the weight that it might wish to attach to existing employment uses in connection with the development of larger sites.

**Differences in rates across the District.**

The CIL rates are derived from the ability of different development scenarios to absorb costs at different value levels, while providing competitive returns to both landowner and developer (see NPPF paragraph 173). The ability to absorb these costs will depend upon a number of factors, not least the differences in sales revenues in different locations. It is common practice for the development appraisals to be carried out on a "residual” basis, where costs are deducted from revenue, to produce a residue for the land element. Whilst build costs will remain similar across the District, sales values will vary; it is this variation that is reflected in the CIL rates.

**Section 106 costs**

We have consulted with the Council as to the appropriate level of s106 cost, assuming that a number of existing cost headings would be covered by CIL. Once CIL is in place, the only s106 item to be covered would be public open space and it is felt, therefore, that a s106 cost of £2,000 per unit is appropriate alongside CIL.

**Small sites**

Following revisions to national planning policy guidance on 28\textsuperscript{th} November 2014, the Council asked us to consider the impact of zero affordable housing and s106 contributions on sites of up to 10 units and which have a gross internal floor area of less than 1,000 square metres.

The table at appendix 4 illustrates the land value outcomes for sites of 1, 3 and 10 units, at different densities and across the different value locations.
We are, again, comparing land value outcomes with existing use thresholds but, in this instance, we are taking the view that these smaller sites are more likely to be seen in existing residential use. Whilst the lack of affordable housing contributions would improve the revenue from a development, this would be countered by the need to match a higher existing use value, with the result that a higher CIL cannot always be assumed.

In light of the fact that the land value outcomes are within narrow ranges for each value point, we have again applied a buffer of 20% to the average land value per hectare. In practice, this results in a land value per hectare that is between 25% and 39% lower than the highest land value per hectare under each value point.

From this exercise, we have concluded that the CIL rates for value points 2 and 3 should remain unchanged for the small sites, since they are not showing viability against residential uses, but that the rates for sites in value points 4 and 5 could be increased to £200 per square metre.

**Recommendation**

We would recommend that the Council considers the following amendments to the CIL rates:

- A new rate for Alton of £140 per square metre.
- A new rate of £200 for sites of 10 units and less, being below 1,000 sqm, in the Remaining Areas, as in the table of rates below.
- Moving Headley into VP4, ie to £180 per square metre.

**Summary of Proposed Revised CIL rates**

See the table below:
### Table of Proposed CIL rates January 2015

<table>
<thead>
<tr>
<th>Use Class</th>
<th>Proposed CIL rate January 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing 11 units and above</td>
<td></td>
</tr>
<tr>
<td>Whitehill Bordon:</td>
<td></td>
</tr>
<tr>
<td>Outside regeneration area:</td>
<td>£60</td>
</tr>
<tr>
<td>Inside regeneration area:</td>
<td>£0</td>
</tr>
<tr>
<td>Clanfield, Horndean,</td>
<td></td>
</tr>
<tr>
<td>Rowlands Castle:</td>
<td>£100</td>
</tr>
<tr>
<td>Alton:</td>
<td>£140</td>
</tr>
<tr>
<td>Remaining Areas:</td>
<td>£180</td>
</tr>
<tr>
<td>Housing 10 units and below</td>
<td></td>
</tr>
<tr>
<td>Whitehill Bordon</td>
<td></td>
</tr>
<tr>
<td>Outside regeneration area:</td>
<td>£60</td>
</tr>
<tr>
<td>Inside regeneration area:</td>
<td>£0</td>
</tr>
<tr>
<td>Clanfield, Horndean,</td>
<td></td>
</tr>
<tr>
<td>Rowlands Castle:</td>
<td>£100</td>
</tr>
<tr>
<td>Alton:</td>
<td>£140</td>
</tr>
<tr>
<td>Remaining Areas:</td>
<td>£200</td>
</tr>
<tr>
<td>C3A sheltered housing in self-contained houses and flats with communal facilities and an age restriction</td>
<td>£40</td>
</tr>
<tr>
<td>Offices</td>
<td>Zero</td>
</tr>
<tr>
<td>Hotels</td>
<td>£70</td>
</tr>
<tr>
<td>High St/Centre retail</td>
<td>£100</td>
</tr>
<tr>
<td>Out of centre retail</td>
<td></td>
</tr>
<tr>
<td>Industrial and warehousing</td>
<td>Zero</td>
</tr>
<tr>
<td>Student Accommodation</td>
<td>Zero</td>
</tr>
<tr>
<td>All class C2, C2A, C3B, C3C uses including extra care housing</td>
<td>Zero</td>
</tr>
<tr>
<td>Any other uses</td>
<td>Zero</td>
</tr>
</tbody>
</table>
Appendix 1

Alton sales evidence
Values assume a discount of 5% from asking prices

Values from January 2015.

<table>
<thead>
<tr>
<th>Location</th>
<th>New / second hand</th>
<th>Type</th>
<th>Area sqm</th>
<th>Value of comparable</th>
<th>Area of proposed</th>
<th>Value of proposed</th>
<th>Value</th>
<th>Point</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barley Fields</td>
<td>New</td>
<td>Maple 3 bed semi</td>
<td>83</td>
<td>£285,000</td>
<td>90</td>
<td>£292,000</td>
<td>VP3</td>
<td></td>
</tr>
<tr>
<td>Holybourne</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hunters Mews</td>
<td>2nd hand</td>
<td>3 bed detached</td>
<td>90.5</td>
<td>£394,250</td>
<td>90</td>
<td>£394,000</td>
<td>VP5</td>
<td></td>
</tr>
<tr>
<td>Normandy St</td>
<td>2nd hand</td>
<td>3 bed terrace</td>
<td>89</td>
<td>£313,500</td>
<td>90</td>
<td>£313,500</td>
<td>VP3/4</td>
<td></td>
</tr>
<tr>
<td>Mount Pleasant Road</td>
<td>2nd hand</td>
<td>3 bed detached</td>
<td>unknown</td>
<td>£332,450</td>
<td>90</td>
<td>£332,000</td>
<td>VP4</td>
<td></td>
</tr>
<tr>
<td>Anstey Road</td>
<td>2nd hand</td>
<td>2 bed 2 storey terrace</td>
<td>84</td>
<td>£265,950</td>
<td>76</td>
<td>£250,000</td>
<td>VP3/4</td>
<td></td>
</tr>
<tr>
<td>Ackender Road</td>
<td>2nd hand</td>
<td>3 bed 3 storey terrace</td>
<td>93.4</td>
<td>£309,000</td>
<td>90</td>
<td>£305,000</td>
<td>VP3/4</td>
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</tr>
<tr>
<td>Florence Way</td>
<td>2nd hand</td>
<td>2 bed end terrace</td>
<td>64.4</td>
<td>£249,800</td>
<td>76</td>
<td>£265,000</td>
<td>VP4</td>
<td></td>
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</table>

Sold prices from Rightmove January 2015
All are sales within the last 12 months

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<tr>
<th>Location</th>
<th>Type</th>
<th>Area sqm</th>
<th>Sold Price</th>
<th>Area of proposed</th>
<th>Value of proposed</th>
<th>Value</th>
<th>Point</th>
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<tr>
<td>20 Ascot Close</td>
<td>1 bed flat</td>
<td></td>
<td>£125,000</td>
<td>46</td>
<td>£125,000</td>
<td>VP1</td>
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<tr>
<td>4 Ascot Close</td>
<td>3 bed detached</td>
<td></td>
<td>£325,000</td>
<td>90</td>
<td>£325,000</td>
<td>VP4</td>
<td></td>
</tr>
<tr>
<td>Orchard Lane</td>
<td>1 bed flat</td>
<td></td>
<td>£131,000</td>
<td>46</td>
<td>£131,000</td>
<td>VP2</td>
<td></td>
</tr>
<tr>
<td>5 Plumpton Way</td>
<td>2 bed end terr + garage</td>
<td>58</td>
<td>£272,500</td>
<td>76</td>
<td>£300,000</td>
<td>VP5</td>
<td></td>
</tr>
<tr>
<td>10 Plumpton Way</td>
<td>2 bed mid terrace</td>
<td>60*</td>
<td>£235,000</td>
<td>76</td>
<td>£260,000</td>
<td>VP4</td>
<td></td>
</tr>
<tr>
<td>15 Kings View</td>
<td>1 bed flat</td>
<td>46</td>
<td>£156,500</td>
<td>46</td>
<td>£156,500</td>
<td>VP3</td>
<td></td>
</tr>
<tr>
<td>Kings View</td>
<td>2 bed flat</td>
<td>70</td>
<td>£250,000</td>
<td>65</td>
<td>£235,000</td>
<td>VP5</td>
<td></td>
</tr>
<tr>
<td>22 Kings View</td>
<td>4 bed semi</td>
<td>140*</td>
<td>£460,000</td>
<td>121</td>
<td>£410,000</td>
<td>VP3</td>
<td></td>
</tr>
<tr>
<td>24 Huntsmead</td>
<td>4 bed detached</td>
<td>152</td>
<td>£462,000</td>
<td>121</td>
<td>£400,000</td>
<td>VP3</td>
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</tr>
<tr>
<td>Gilbert White Way</td>
<td>3 bed link detached</td>
<td>84</td>
<td>£310,000</td>
<td>90</td>
<td>£320,000</td>
<td>VP4</td>
<td></td>
</tr>
<tr>
<td>8 William Way</td>
<td>2 bed terrace</td>
<td>56.8</td>
<td>£220,000</td>
<td>76</td>
<td>£250,000</td>
<td>VP3/4</td>
<td></td>
</tr>
<tr>
<td>7 Goodwood Close</td>
<td>4 bed detached</td>
<td>93</td>
<td>£353,000</td>
<td>121</td>
<td>£400,000</td>
<td>VP3</td>
<td></td>
</tr>
<tr>
<td>3 Marshall Close</td>
<td>4 bed detached</td>
<td>125</td>
<td>£490,000</td>
<td>121</td>
<td>£485,000</td>
<td>VP5</td>
<td></td>
</tr>
<tr>
<td>21 Fontwell Drive</td>
<td>4 bed detached</td>
<td>105</td>
<td>£375,000</td>
<td>121</td>
<td>£400,000</td>
<td>VP3</td>
<td></td>
</tr>
<tr>
<td>16 Fontwell Drive</td>
<td>4 bed detached</td>
<td>107</td>
<td>£435,000</td>
<td>121</td>
<td>£450,000</td>
<td>VP4</td>
<td></td>
</tr>
<tr>
<td>1 Shipley Close</td>
<td>4 bed detached</td>
<td>125</td>
<td>£400,000</td>
<td>121</td>
<td>£395,000</td>
<td>VP3</td>
<td></td>
</tr>
</tbody>
</table>

*estimated
Appendix 2

Land value outcomes for 75 unit sites with gross area 20% and 30% larger than net area. 40% affordable, code 4, s106 at £2,000 per unit. Higher build costs. Includes £100,000 per site for POS.

Values are land value per hectare on the gross land area.
CIL levels as shown

### Gross = net plus 20%

<table>
<thead>
<tr>
<th>No. units</th>
<th>Density</th>
<th>Net dev area ha</th>
<th>VP2</th>
<th>VP3</th>
<th>VP4</th>
<th>VP5</th>
</tr>
</thead>
<tbody>
<tr>
<td>75</td>
<td>30</td>
<td>2.5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>3</td>
<td>£610,629</td>
<td>£1,155,343</td>
<td>£1,595,088</td>
<td>£2,221,396</td>
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<tr>
<td>75</td>
<td>40</td>
<td>1.88</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>2.3</td>
<td>£745,059</td>
<td>£1,165,721</td>
<td>£1,601,979</td>
<td>£2,315,835</td>
</tr>
</tbody>
</table>

Average land value per ha
- £677,844
- £1,160,532
- £1,598,534
- £2,268,616

Buffer less 20%
- £542,275
- £928,426
- £1,278,827
- £1,814,892

### Gross = net plus 30%

<table>
<thead>
<tr>
<th>No. units</th>
<th>Density</th>
<th>Net dev area ha</th>
<th>VP2</th>
<th>VP3</th>
<th>VP4</th>
<th>VP5</th>
</tr>
</thead>
<tbody>
<tr>
<td>75</td>
<td>30</td>
<td>2.5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>3.25</td>
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<td>40</td>
<td>1.88</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>2.4</td>
<td>£714,005</td>
<td>£1,117,149</td>
<td>£1,535,230</td>
<td>£2,219,341</td>
</tr>
</tbody>
</table>

Average land value per ha
- £638,831
- £1,091,810
- £1,503,810
- £2,134,931

Buffer less 20%
- £511,065
- £873,448
- £1,203,048
- £1,707,944

### Land values against EUVs

<table>
<thead>
<tr>
<th>EUVs</th>
<th>Greenfield</th>
<th>Employment</th>
<th>Employment</th>
<th>Residential</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greenfield</td>
<td>£450,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employment</td>
<td>£945,000</td>
<td>£1,386,000</td>
<td>£2,016,000</td>
<td>£2,772,000</td>
</tr>
<tr>
<td>Residential</td>
<td>£2,772,000</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**Appendix 3**

**From addendum report November 2014**

Cumulative impact of increased build costs, 10% net/gross for 75 unit sites, s106 at £3,000 per unit.

Build costs increased to £1,231 per sqm for houses and £1,471 per sqm for flats (see Turley response to consultation).

Build costs assume code 4.

<table>
<thead>
<tr>
<th>Unit number</th>
<th>Density</th>
<th>VP2</th>
<th>VP3</th>
<th>VP4</th>
<th>VP5</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>dph</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CIL</td>
<td></td>
<td>£60</td>
<td>£100</td>
<td>£180</td>
<td>£180</td>
</tr>
<tr>
<td>10</td>
<td>25</td>
<td>£298,693</td>
<td>£629,680</td>
<td>£854,645</td>
<td>£1,157,501</td>
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<tr>
<td></td>
<td></td>
<td>£746,732</td>
<td>£1,574,201</td>
<td>£2,136,612</td>
<td>£2,893,752</td>
</tr>
<tr>
<td>35</td>
<td></td>
<td>£357,664</td>
<td>£523,751</td>
<td>£666,367</td>
<td>£936,752</td>
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<tr>
<td></td>
<td></td>
<td>£1,251,824</td>
<td>£1,833,128</td>
<td>£2,332,286</td>
<td>£3,278,632</td>
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<tr>
<td>50</td>
<td></td>
<td>£200,959</td>
<td>£296,536</td>
<td>£441,275</td>
<td>£592,694</td>
</tr>
<tr>
<td></td>
<td></td>
<td>£1,004,796</td>
<td>£1,482,678</td>
<td>£2,206,374</td>
<td>£2,963,470</td>
</tr>
<tr>
<td>25</td>
<td>30</td>
<td>£838,926</td>
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<td>£2,588,072</td>
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<td>£1,006,711</td>
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<td>40</td>
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<tr>
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<td></td>
<td>£1,134,596</td>
<td>£1,634,683</td>
<td>£2,226,024</td>
<td>£3,200,994</td>
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<td>60</td>
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<td>£0</td>
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<td>30</td>
<td>£1,850,927</td>
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<td>£4,808,304</td>
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<td>£0</td>
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<td>£1,377,960</td>
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</tbody>
</table>

**Av land value per ha excluding £0**

£951,260  £1,350,034  £1,715,878  £2,622,746

**Land values EUVs against EUVs**

<table>
<thead>
<tr>
<th>Greenfield</th>
<th>Employment</th>
<th>Employment</th>
<th>Employment</th>
<th>Employment</th>
<th>Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>£450,000</td>
<td>£945,000</td>
<td>£1,386,000</td>
<td>£2,016,000</td>
<td>£2,772,000</td>
<td></td>
</tr>
</tbody>
</table>

**Av land value per ha excluding high density**

£942,337  £1,549,761  £2,089,340  £2,917,369

**Land values EUVs against EUVs**

<table>
<thead>
<tr>
<th>Greenfield</th>
<th>Employment</th>
<th>Employment</th>
<th>Employment</th>
<th>Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>£450,000</td>
<td>£945,000</td>
<td>£1,386,000</td>
<td>£2,016,000</td>
<td>£2,772,000</td>
</tr>
</tbody>
</table>
Appendix 4

Land value outcomes for small sites following planning guidance of 28th November 2014.

Testing sites up to 10 units, maximum 1,000 sqm, with no affordable housing or section 106 contributions.
CIL levels as shown

<table>
<thead>
<tr>
<th>No. units</th>
<th>Density</th>
<th>VP2</th>
<th>VP3</th>
<th>VP4</th>
<th>VP5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>25</td>
<td>£60</td>
<td>£100</td>
<td>£200</td>
<td>£200</td>
</tr>
<tr>
<td></td>
<td></td>
<td>CIL per sqm</td>
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</tr>
<tr>
<td></td>
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<td>25</td>
<td>£137,785</td>
<td>£259,299</td>
<td>£348,437</td>
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<tr>
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<td>CIL per ha</td>
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</tr>
<tr>
<td></td>
<td></td>
<td>£1,148,209</td>
<td>£2,160,829</td>
<td>£2,903,646</td>
<td>£3,743,130</td>
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<td>CIL per ha</td>
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<td></td>
</tr>
<tr>
<td></td>
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<td>£2,365,824</td>
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<td>35</td>
<td>£501,251</td>
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<td>£1,090,047</td>
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<tr>
<td></td>
<td></td>
<td>CIL per ha</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
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<td>£2,294,619</td>
<td>£2,761,494</td>
<td>£3,815,163</td>
</tr>
</tbody>
</table>

Average land value per ha

<table>
<thead>
<tr>
<th>No. units</th>
<th>Density</th>
<th>VP2</th>
<th>VP3</th>
<th>VP4</th>
<th>VP5</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>£1,345,892</td>
<td>£2,270,658</td>
<td>£2,984,937</td>
<td>£3,922,249</td>
</tr>
<tr>
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<td></td>
<td>£1,076,713</td>
<td>£1,816,526</td>
<td>£2,387,950</td>
<td>£3,137,799</td>
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</tbody>
</table>

Land values EUVs against EUVs

<table>
<thead>
<tr>
<th>Land values</th>
<th>EUVs per ha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greenfield</td>
<td>£450,000</td>
</tr>
<tr>
<td>Employment</td>
<td>£945,000</td>
</tr>
<tr>
<td>Employment</td>
<td>£1,386,000</td>
</tr>
<tr>
<td>Residential</td>
<td>£2,016,000</td>
</tr>
<tr>
<td>Residential</td>
<td>£2,772,000</td>
</tr>
</tbody>
</table>

NB: For these small sites, we are assuming a greater likelihood that they will be developed on existing residential sites, particularly in more expensive locations. There is, therefore, greater weight given to outcomes against residential existing use values, compared to larger sites.
This page is intentionally left blank
<table>
<thead>
<tr>
<th>Application No:</th>
<th>Site Address:</th>
<th>Date of Agreement/ Undertaking:</th>
<th>Scheme details</th>
<th>S106</th>
<th>Total S106 contribution</th>
<th>CIL</th>
</tr>
</thead>
<tbody>
<tr>
<td>21915/015</td>
<td>Sand Pit South of Moorlands, Hogmoor Road, Whitehill, Bordon</td>
<td>UU dated 12/01/2015</td>
<td>12 homes, 8 market</td>
<td>AH £341,376, transport £55,212, EI £6,696, POS £16,200, admin/mon fee £10,000</td>
<td>88,000</td>
<td>90,000</td>
</tr>
<tr>
<td>27202/029</td>
<td>Applegarth Farm, Headley Road, Grayshott</td>
<td>With legal</td>
<td>Transport £217,531, Education £374,218, POS £38,566, CF £111,360, Comm Project Worker £20,000, mon. fee £10,000</td>
<td>771,360</td>
<td>864,000</td>
<td></td>
</tr>
<tr>
<td>28463/002</td>
<td>Down Farm, Chalton Lane, Clanfield</td>
<td>With legal</td>
<td>Transport £847,297, Education £935,545, NHS contribution £38,400, Comm Project Worker £51,750, admin/mon fee £tbc</td>
<td>1,872,992</td>
<td>1,359,700</td>
<td></td>
</tr>
<tr>
<td>30016/018</td>
<td>Oaklands Phase 2, Redhill Road, Rowlands Castle</td>
<td>With legal</td>
<td>Transport £??, education primary £419,731, CF £??, POS £??, ED construction jobs £76,671???, AH off-site £12,420, admin fee £10,000?</td>
<td>518,000 plus education and POS</td>
<td>640,000</td>
<td></td>
</tr>
<tr>
<td>54599/001</td>
<td>Land at Penally Farm and Bramshott Place, Liphook</td>
<td>Being Appealed</td>
<td>40 cottages</td>
<td>Transport £149,800, POS £43,200, EI £22,320, AH off-site £472,240, mon fee £10,000</td>
<td>224,300</td>
<td>540000</td>
</tr>
<tr>
<td>20753/002</td>
<td>Former Travis Perkins, Littlefield Road, Alton</td>
<td>S.106 agreement dated 03/01/2014</td>
<td>10 houses</td>
<td>Transport £37,450 POS £13,500, EI £5,580, fee £56,530.00 + indexation to RPI (CHAW)</td>
<td>62,000</td>
<td>112,000</td>
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<tr>
<td>55155/001</td>
<td>Land North of Little Oaks, Sarileigh, Bodmin, Cottage and Herries, The Shrave, Four Marks</td>
<td>UU dated 07/01/2014</td>
<td>8</td>
<td>Transport £33,384 POS £10,800, EI £4,464, fee £4,864.80</td>
<td>53,300</td>
<td>144,000</td>
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<tr>
<td>55118</td>
<td>The Boynes, Station Road, Medstead</td>
<td>UU dated 10/01/2014</td>
<td>1</td>
<td>Transport £5,457 POS £1,350, EI £558, fee £736.50</td>
<td>7,800</td>
<td>25,200</td>
</tr>
<tr>
<td>25030/003 and /004</td>
<td>Land south of Headley Fields, Headley</td>
<td>UU dated 22/01/2014</td>
<td>7</td>
<td>Outline, so Transport at TCP rates, POS at £9,450 EI at £3,906, admin fees to be calculated at 5% of total</td>
<td>78500</td>
<td>90,000</td>
</tr>
<tr>
<td>23856/009</td>
<td>Keyline Builders Merchants, Redhill Road, Rowlands Castle</td>
<td>S.106 dated 18/07/2014</td>
<td>43 of which 1</td>
<td>HCC Transport £119,942, HCC Education £217,451, Environment Improvement £23,944, admin fees £5,000. Contributions all indexed</td>
<td>364000</td>
<td>310,000</td>
</tr>
<tr>
<td>54596/001</td>
<td>Rear of 185-189a Lovedean Lane, Horndean</td>
<td>S.106 dated 22/07/2014</td>
<td></td>
<td>Transport £148,479, POS £39,600, EI £22,320, admin fee £10,000. Contributions RPI indexed</td>
<td>221,000</td>
<td>288,000</td>
</tr>
</tbody>
</table>
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