



Community Infrastructure Levy Draft Charging Schedule

Statement of Representations Received

Regulation 19(1)(b)

Bracknell Forest Council has submitted for Examination the Community Infrastructure Levy (CIL) Amended Draft Charging Schedule. This Statement of the Representations Received forms part of the documentation submitted as part of the Examination.

In accordance with Regulation 19(1)(b) of the Community Infrastructure Levy Regulations 2010 (as amended) this Statement sets out the number of representations made during the public consultations on the Draft Charging Schedule (DCS) and Amended Draft Charging Schedule (ADCS) and a summary of the main issues raised by the representations received.

Draft Charging Schedule

Bracknell Forest Council consulted on the Community Infrastructure Levy Draft Charging Schedule for a period of 6 weeks, from 10th June to the 23rd July 2013.

21 representations were made, 2 of which were received after the end of the consultation period. Refer to Appendix 1 for a full list of those who responded to the public consultation.

Table 1 summarises the main issues raised by the representations received on the Draft Charging Schedule (May 2013)

Table 1: Summary of Representations on the Draft Charging Schedule (May 2013)

Summary of main issues	Rep. Ref.
<p>Viability Buffer</p> <ul style="list-style-type: none"> • Blue Mountain: the RLV is only £92,795 above the BLV of £400k. £220 per m² is therefore too close to the margin of viability. A new CIL rate of £150 per m² is proposed. • Warfield: £400,000 per hectare BLV is considered reasonable, however applying a rate of £200psm results in a RLV of £405,297 per ha, right up to the limit of viability before considering s106 costs, extra ordinary costs or market fluctuations. • Varies from only 1% at SA9 (Warfield) to 46% at SA4 (Broadmoor). No reason given as to why a CIL rate of only £150psm to SA4 and SA5 when residential land values exceed the benchmark by £300k and £59k per Ha respectively. • TRL: insufficient viability buffer has been assumed. • A 33% buffer should be factored in. 	<p>DCS/02</p> <p>DCS/12</p> <p>DCS/18</p> <p>DCS/20</p> <p>DCS/23</p>
<p>Benchmark Land Value</p> <ul style="list-style-type: none"> • Amen Corner South: is largely brown field, therefore it should be considered 	<p>DCS/17</p>

Summary of main issues	Rep. Ref.
<p>against a viability benchmark of £650,000 per hectare net residential value.</p> <ul style="list-style-type: none"> • Warfield: the £400,000 per hectare assumption does not account for the existence of high value residential properties and established businesses operating in premises with significant existing use values. 20 ha+ (15% of total) of the SPD area has a BLV significantly higher than that assumed. • Applying the revised site area of 134.48 Ha with the amended inputs produces an RLV of £156,556 per Ha. Even then build costs remain below all-inclusive housing association build costs which range from £1,200 to £1,442psm. • Consider the £650k per Ha former industrial land value, based on a EUV of £450k per Ha, to be an under-estimate. • BLV assumed is too low. Regional minimum purchase prices range between £494,200 and £741,300 per hectare. 	<p>DCS/18</p> <p>DCS/18</p> <p>DCS/23</p> <p>DCS/23</p>
<p>Affordable Housing</p> <ul style="list-style-type: none"> • The Viability Study refers to £90,000 per unit of grant funding for affordable housing in 4.32. However grant funding has not been available for Registered Providers since 2011 and will not be available until 2015. 	<p>DCS/21</p>
<p>Profit</p> <ul style="list-style-type: none"> • A blended profit margin of 20% for both private and affordable units should be assumed. 	<p>DCS/23</p>
<p>Build Costs</p> <ul style="list-style-type: none"> • Warfield: £892psm from BCIS (2012) does not reflect current cost. Assumes economies of scale that are unlikely to be achieved on this fragmented site under multiple ownerships. It also assumes favourable ground conditions and continuous working. Should be £922psm (BCIS, 2013). This increase equates to an extra £6,319,500. All factors add some £30m to construction costs, reducing land values by approximately £237k per Ha. • TRL: build cost assumptions have not been increased despite increasing private sales revenue assumptions from £2,691psm to £2,964. 	<p>DCS/18</p> <p>DCS/20</p>
<p>Professional Fees</p> <ul style="list-style-type: none"> • TRL: allowance has been reduced from 12% in the initial appraisal (May 2012) to 10% of build costs despite strategic sites being more complex, requiring a larger professional team. 	<p>DCS/20</p>

Summary of main issues	Rep. Ref.
<p>Stamp Duty</p> <ul style="list-style-type: none"> No allowance has been given for enhanced SDLT on high-value properties. 	DCS/18
<p>Site infrastructure</p> <ul style="list-style-type: none"> Warfield: cost of £10,000 per dwelling is unrealistic. Experience shows this should be £20,000, doubling the infrastructure cost to £44m. 	DCS/18
<p>S106 contributions</p> <ul style="list-style-type: none"> Blue Mountain: the £1,134,000 s106 assumption is too low considering the Site Allocation (SALP) infrastructure policy requirements. There is insufficient information on what infrastructure has been factored into the strategic site testing. A source and the constituent parts should be given. Clear differentiation of infrastructure proposed to be CIL funded and through site-specific s106 is needed. Amen Corner South: s106 assumption does not include the cost of the Spine Road (£3,905,000). This would reduce the residential land value with CIL to £355,146. TRL: s106 costs are insufficient, and do not accord with the IDP. Appraisal assumes £9,114 per unit however IDP requirements are in excess of £21,000 per unit. Commercial: insufficient allowance has been given for the impact of s106 and/or s278 costs on development. 	<p>DCS/02</p> <p>DCS/12</p> <p>DCS/12</p> <p>DCS/17</p> <p>DCS/20</p> <p>DCS/25</p>
<p>Contingency</p> <ul style="list-style-type: none"> Contingency allowance should be applied to all construction cost elements, e.g. infrastructure works, lifetime homes and Code for Sustainable Homes 4, not just build costs. 	DCS/18
<p>Instalments Policy</p> <ul style="list-style-type: none"> The Instalments Policy is too onerous and does not represent the realities of the development industry and the importance of maintaining cash flow. Strategic site phasing is likely to fall within the <£1m bands which require full payment by 240 days. Sales on large sites don't tend to start until approximately 10 months after commencement, which could require developers to pay the full CIL amount before having received any money from sales. 	<p>DCS/02</p> <p>DCS/02</p>
<p>Sales Values</p>	

Summary of main issues	Rep. Ref.
<ul style="list-style-type: none"> Sales values on major urban extensions in Binfield and Warfield are too high. They are more likely to be aligned with Bracknell values than Binfield. 	DCS/23
<p>Regulation 123 list</p> <ul style="list-style-type: none"> The relationship between s106 and CIL secured infrastructure needs to be made clear, in particular to ensure that CIL does not lead to double-charging. It is unclear what the residual s106 requirements would be. The Reg 123 list excludes on-site provision of SANG but includes “provision and on-going maintenance in perpetuity of SANG”. This approach will conflict with double-charging. Instead the list should simply confirm that CIL will be used rather than s106 to provide SANG to satisfy the Habitat Regulations. SANG: despite the inclusion of SANG provision and ongoing management, no further reference is made to the need to ensure adequate SANG provision in perpetuity for residential development within 5km of the SPA. Evidence is required that the Council will still be able to collect the relevant amount of funding to maintain SANGs at the required size and quality in perpetuity. 	<p>DCS/02, DCS/20, DCS/23, DCS/28</p> <p>DCS/02</p> <p>DCS/15</p>
<p>CIL rates</p> <ul style="list-style-type: none"> Hotels: whilst the report recommends a £25 per m² rate, the evidence in App. 3 suggests that a 100 bed hotel would provide a c. £230k deficit; therefore a hotel development would not be able to support a CIL rate of £25 per m² as proposed. Caravans & park homes: legal advice submitted with representation states that caravans & park homes are not liable to pay CIL. This should be clarified in the ‘Exemptions’ sections. There is no distinction between different types of retail development. Retail operations selling bulky/household goods are less likely to be able to afford the £95/sqm charge. Warfield: the high CIL rate will hamper smaller land parcels on this large site from being developed. Warfield: the proposed CIL rate should be land/parcel selective whereby there is scope for those sites which do not require large amounts of new infrastructure to be developed without being classified under the single rate for the whole strategic area. Warfield: the rate is too high, and will result in less affordable housing to facilitate development. Amen Corner South: should be within a separate ‘Western Bracknell’ charging 	<p>DCS/07</p> <p>DCS/10</p> <p>DCS/13</p> <p>DCS/14</p> <p>DCS/14</p> <p>DCS/14</p> <p>DCS/17</p>

Summary of main issues	Rep. Ref.
<p>zone with a rate of £100 per sqm. BNP study accepts that Jennett's Park is the nearest development to Amen Corner South, indicating that Amen Corner South should be included in outer Bracknell (£25 per sqm) or as hybrid with Crowthorne/Sandhurst (i.e. an average rate of £87.5 per sqm).</p> <ul style="list-style-type: none"> • Warfield: the viability study (May 2012) suggests CIL should be set around 2-6% of development costs, implying a CIL range between £65 and £194psm. The rate should be set at substantially below the top of this range. • Rates for Amen Corner sites and Warfield are too high – based on value evidence from Jennett's Park and threshold land value. • Based on an alternative BLV of £617,750, the following maximum rates are suggested: <ul style="list-style-type: none"> ○ £22.10 for SA6 (Amen Corner North) - £15.47 with 30% buffer ○ £55.96 for SA7 (Blue Mountain) - £39.17 with 30% buffer ○ £129.07 for SA8 (Amen Corner South) - £90.35 with 30% buffer ○ £11.45 for SA9 (Warfield) - £8.01 with 30% buffer • Applying retail rate differentials falls beyond the scope of the permitted by CIL regs. No evidence is given to justify differential rates for retail development. • Warfield: rate is too high and will threaten delivery of the site. 	<p>DCS/18</p> <p>DCS/23</p> <p>DCS/23</p> <p>DCS/25</p> <p>DCS/28</p>
<p>Land Area</p> <ul style="list-style-type: none"> • Warfield: the 125.2 Ha area used should be 134.5Ha. This would reduce the RLV to £377,329, £22,671 below the BLV. 	<p>DCS/18</p>

Amended Draft Charging Schedule Consultation

Bracknell Forest Council consulted on the Amended Draft Charging Schedule for a period of 6 weeks, from 4th July to the 15th August 2014.

13 representations were made, 2 of which were received after the end of the consultation period. Refer to Appendix 1 for a full list of those who responded to the public consultation.

Table 2 summarises the main issues raised by the representations received on the Amended Draft Charging Schedule (June 2014).

Table 2: Summary of Representations on the Amended Draft Charging Schedule (June 2014)

Summary of main issues	Rep. Ref.
<p>Care Homes</p> <ul style="list-style-type: none"> Care homes are included within the 'Residential Care Accommodation' in the charging schedule, however have not been specifically viability tested as a separate use. 	ADCS/04
<p>Viability Buffer</p> <ul style="list-style-type: none"> 25% represents an insufficient viability cushion, and could threaten the delivery of s106 contributions or the Council's Affordable Housing aspirations. The buffer should be 33%. 	ADCS/09, ADCS/19 ADCS/23
<p>Density</p> <ul style="list-style-type: none"> The net development density assumed in site types 6, 7 and 8 is too high and does not reflect the market. 	ADCS/09
<p>Benchmark Land Value</p> <ul style="list-style-type: none"> Benchmark Land Values used are too low. Values should be based on up-to-date market evidence. Warfield: the £400,000 per hectare assumption does not account for the existence of high value residential properties and established businesses operating in premises with significant existing use values. Minimum land values in the Borough tend to be within a range of £494,200 to £741,300 per hectare. SPA land value: the £22,000 per hectare assumed agricultural land value within 	ADCS/09, ADCS/23 ADCS/18 ADCS/23 ADCS/23

Summary of main issues	Rep. Ref.
<p>the 400m Buffer Zone at TRL and Broadmoor is too low, as the land could be used as SANG and would therefore attract a higher land value.</p>	
<p>Affordable Housing</p> <ul style="list-style-type: none"> Housing Associations have found it difficult to fund shared ownership properties, driving down the value they can afford to pay for all tenure types. The percentage open market value achievable assumed should therefore be: 50% to 60% for shared ownership and 35% to 40% for social rented units in current market conditions. 	ADCS/09
<p>Marketing and Disposal costs</p> <ul style="list-style-type: none"> Assumptions of 3% of value, with £650 per unit for legal costs is too low. The minimum budget should be 4% of GDV, including 1.5% agent's fees, 2% marketing and 0.5% legal fees. 	ADCS/09
<p>Profit</p> <ul style="list-style-type: none"> Appendix 1 – 250 homes: net profit of 17.25% on GDV after finance costs are taken into account is too low to secure development funding in current market conditions. Higher profit margins are required on larger sites, with a minimum blended profit margin for both private and affordable units as 20% on GDV. 	ADCS/09 ADCS/23
<p>Build Costs</p> <ul style="list-style-type: none"> BCIS underestimate current costs. It is based on historic build cost data and does not take account of changes to building regulations. Build costs from the last 5 years only would more accurately reflect current costs. BCIS costs for 'estate housing generally' used by BNP Paribas is £1,043 per m². The value for the 5 year data sample is £1,079 per m². £10,000 per unit for site preparation and site-wide infrastructure is an underestimate. The Harman Report (2012) suggests strategic infrastructure and utility costs are typically £17,000 to £23,000 per plot for large scale schemes. Superstores: insufficient allowance has been assumed for the costs involved in obtaining planning permission. 	ADCS/09 ADCS/23 ADCS/25
<p>Code for Sustainable Homes</p> <p>A 6% allowance for achieving Code for Sustainable Homes Level 4 is too low. The estimated costs of achieving Code Level 6 (over and above Level 4) based on the Sweett research is approximately 26%. Soon after CIL adoption, Developers will be faced with increased policy costs, impacting viability.</p>	ADCS/09

Summary of main issues	Rep. Ref.
<p>S106 contributions</p> <ul style="list-style-type: none"> S106 costs assumed are inadequate. The Planning Obligations SPD states that Education alone could amount to c. £30,000 for a 4-bed house. Generic infrastructure items, such as Education, should be added to the Regulation 123 List, otherwise S106 assumptions should be regarded as inadequate. Table 7.27.2 (p. 49) states S106 for Warfield at £23,422,000, however this amount is absent from the Table in the 2014 Appraisal. It is unclear whether S106 contribution has been included. Warfield: the first phase of development would require c. £18,000 per dwelling - significantly higher than £10,646 assumed. The S106 and CIL infrastructure split should be clarified. Superstores: the £50 per m² allowance for residual s106 and s278 agreements is too low. 	<p>ADCS/09, ADCS/19, ADCS/23</p> <p>ADCS/19</p> <p>ADCS/18</p> <p>ADCS/23</p> <p>ADCS/23</p> <p>ADCS/25</p>
<p>Contingency</p> <ul style="list-style-type: none"> A contingency of 5% should be applied to total development costs, as opposed to only standard costs assumed in the appraisals. 7.5% to 10% should be applied to brownfield sites. 	<p>ADCS/09</p>
<p>Finance Costs</p> <ul style="list-style-type: none"> The finance cost assumption is too low, failing to reflect the cost of financing development. Other fees which should be added include: arrangement fees (1%), monthly management and monitoring fees (£1,000), and exit fees (1% of GDV). The same debit rate was assumed in BNPP's 2013 appraisal as for the 2014 appraisal, but as the land and construction costs are higher in the 2014 Appraisal, finance costs should be higher rather than lower than those adopted in 2013. 	<p>ADCS/09</p> <p>ADCS/18</p>
<p>Instalments Policy</p> <ul style="list-style-type: none"> For CIL liability up to £1,000,000, payments will fall well in advance of the majority of the development being built and sold. The policy should better reflect the development period, which for large developments can take many years. An instalment policy should be in place for payments below £50,000 to manage cashflow further. 	<p>ADCS/09</p> <p>ADCS/25</p>

Summary of main issues	Rep. Ref.
<p>Sales Values</p> <ul style="list-style-type: none"> Paragraph 7.8 of the Viability Assessment suggests an appropriate sales value of £2,987 per m²; however a sales rate of £3,337 per m² has been adopted. 	ADCS/18
<p>CIL as a % of development costs</p> <ul style="list-style-type: none"> BNP note that CIL rates should be limited to around 3-5% of development costs, however in table 7.28.1, Warfield exceeds this at 5.77% if a CIL rate of £220 per m² is adopted. Strategic site appraisals: the combined burden of planning obligations (excluding affordable housing) and CIL equates to about 8% of development costs. This exceeds the 'reasonable' 5% of development costs. 	ADCS/18 ADCS/19
<p>Regulation 123 list</p> <ul style="list-style-type: none"> Generic headings such as 'Health' and 'Education' should be added to the Regulation 123 list with exclusions detailed; otherwise the open-ended nature of the Planning Obligations SPD renders the scaled-back s106 assumptions unsafe. Producing a Reg 123 list with a narrower breadth would ensure that the scope of S106 Agreements is not restricted more than is necessary, so that scheme mitigation infrastructure can be brought forward by developers at the required times. 	ADCS/19 ADCS/23
<p>CIL rates</p> <ul style="list-style-type: none"> Warfield: a rate of £150 per m² instead of £220 per m² would allow some headroom for residual S106 and S278 costs, however this would be insufficient for strategic site mitigation sought by BFC. The combined CIL rates proposed and s106 will mean reduced ability to deliver Affordable Housing on large greenfield sites. Suggest a maximum CIL rate of: <ul style="list-style-type: none"> Typology 7 (100 dwellings) = £0 per m² Typology 9 (500 dwellings) = £40 per m² Applying differing CIL rates to 'comparison' and 'convenience' retail falls beyond scope of the rate differentials permitted by CIL regs. A flat levy rate for comparable sectors of the economy/use classes should be adopted, otherwise this could constitute State Aid. 	ADCS/23 ADCS/23 ADCS/23 ADCS/25

Appendix 1

Table of respondents to the Draft and Amended Draft Charging Schedule Consultations (DCS and ADCS)

Respondent	On behalf of	DCS	ADCS	DCS Reqs	ADCS Reqs
Binfield Parish Council	-		✓	N/A	ADCS/01
Boyer Planning	Luff Developments	✓	✓	DCS/02	ADCS/02
Bracknell Town Council	-	✓		DCS/03	N/A
Castle Oak	-		✓	N/A	ADCS/04
Country Land and Business Association	-	✓		DCS/05	N/A
Crowthorne Parish Council	-	✓		DCS/06	ADCS/06
Deloitte	Bracknell Regeneration Partnership	✓		DCS/07	N/A
Environment Agency	-		✓	N/A	ADCS/08
GL Hearn	Gladman Developments		✓	N/A	ADCS/09
GVA	Warfield Park Homes	✓		DCS/10	N/A
Highways Agency	-	✓		DCS/11	N/A
Kemp & Kemp	Berkeley Strategic	✓		DCS/12	N/A
Land Securities	-	✓		DCS/13	N/A
Millgate Homes	-	✓		DCS/14	N/A
Natural England	-	✓	✓	DCS/15	ADCS/15
Network Rail	-	✓		DCS/16	N/A
Nike Design	Nike Group of Companies	✓		DCS/17	N/A
Pennicott Chartered Surveyors	The Warfield Consortium	✓	✓	DCS/18	ADCS/18
Quod	ADCS: Berkeley Strategic		✓		ADCS/19
Quod	DCS: Legal and General Property Partners (Life Fund Ltd)	✓		DCS/20	
Radian	-	✓		DCS/21	N/A
Royal Borough of Windsor and Maidenhead	-		✓	N/A	ADCS/22
Savills	Bloor Homes Limited - Croudace Strategic Ltd - David Wilson Homes Southern - Serviced Land No 2 JV	✓	✓	DCS/23	ADCS/23

	LP - Willson Developments Limited - Taylor Wimpey West London (the 'Consortium')				
Theatres Trust	-	✓		DCS/24	N/A
Thomas Eggar	ASDA Stores	✓	✓	DCS/25	ADCS/25
Warfield Parish Council	-	✓	✓	DCS/26	ADCS/26
Winkfield Parish Council	-		✓	N/A	ADCS/27
Woolf Bond	Harcourt Developments	✓		DCS/28	N/A