Summary of Representations to draft CIL Charging Schedule (Regulation 16)

ID Number	Name	Response	Comment
REP-001	Richard Carr on behalf of Transport for London	No comment	Noted
REP-002 REP-002A REP-002B	Mr R Clarke – R Clarke Planning Ltd	CIL consultation period should be extended as large number of people having to self-isolate due to coronavirus and may not have access to internet and will not be able to visit libraries. CIL consultation period should be extended to a date when self-isolation for the over 70's ends. All the libraries have closed, meaning that CIL documents are now only available on line. Would ask if the Council could take legal advice whether the closing of the libraries, means that the Consultation process needs to be "paused" until libraries can re-open. Concerned that the current situation is potentially excluding key members of the community from taking part in the CIL consultation exercise which has the potential to undermine the process. Local amenity groups cannot meet to discuss the CIL proposals, which is a further reasons for pausing the consultation exercise. Common that last 2 weeks of a consultation is often the time when most representations are formed. The fact that the last two weeks has seen the Country on "lock down" must be taken into consideration. In light of the above it is requested that the CIL consultation exercise be paused, until such time that the libraries are open. To proceed runs the risk of the consultation exercise being flawed. Please can you treat this email as a formal objection, in terms of the CIL process. <u>CIL Rate</u> Comments confined to Zone A residential rate. Previous Runnymede draft Charging Schedule set a residential rate of £125. The latest schedule increases rate to £380 which	Noted. Noted, the Council extended the CIL consultation period for a further 2 weeks from the original closing date and re-notified parties of this extension. The Council also offered to send paper copies of documents to anyone who requested them or if they knew anyone who wanted them. In this respect the Council considers it has made best endeavours to ensure that all parties have had sufficient opportunity to comment. Comments on viability are noted, however the previous draft charging schedule is 7 years old as is the evidence

		is 3 x the 2013 rate. At a rate of £380 CIL will act as a break on providing new homes, would add approximately 20% to the build cost of a normal family home – a significant cost which would make a number of schemes unviable. When the draft schedule was produced, no one could have predicted the seismic change to the Country's economy that the Coronavirus crisis would bring. Moving forward once the crisis is over, there will be a need to secure housing and encourage economic activity. The draft charging schedule needs re assessing in light of the major changes that are taking place in the economy.	on which this was based. The Council's viability evidence for this charging schedule shows that development at the CIL rates proposed is viable having taken account of achieving a policy compliant development with the 2030 Local Plan including the need for affordable housing, sustainable design and on-site infrastructure costs which would continue to come forward through S106. Further, the CIL rates include a 50% buffer over the theoretical charge that could be levied to allow for flexibility and changes in economic circumstances. This is a higher buffer than government research suggests is normally employed by charging authorities (30%) and as such the Council consider that sufficient flexibility has been included in the CIL rates. However, the point regarding Covid-19 is noted and the Council has undertaken a review of its viability in this respect. Any proposed changes to rates as a result of the review will be subject to further consultation.
		Other Council's such as South Bucks District Council and Chiltern District Council, have just introduced a residential CIL rate of £150 a square meter. This level appears to offer a balance between allowing for the provision of funding for the community, whilst still allowing development to proceed. My objection is not against CIL it is in relation to setting a rate of £380 a square meter.	Other authority CIL rates are noted, however, their CIL rates will reflect their viability evidence. It is however noted that a number of charging authorities in the south east have set CIL rates considerably higher than those quoted for Chiltern & South Bucks i.e. Waverley £372-£452 per sqm, Wokingham £300-£365 per sqm.
		<u>Affordable Housing.</u> CIL rate at £380 will also affect Council's ability to secure affordable housing. Because CIL is non-negotiable the high CIL rate will affect viability, meaning that in some instances the provision of affordable housing will not be possible. In effect the CIL cost impacts on the viability of a scheme, in terms of producing affordable housing.	Affordable housing requirements have been taken into account in the Council's viability evidence (including its review) and therefore CIL rates are based on policy compliant development and suitable benchmark land values. CIL rates have also taken into account the requirement for both developer and land owner to attain a competitive return. The 'negotiability' (Or otherwise) of a requirement does not impact on the figures. What is correct is that where there is a viability issue, the AH will be more flexible than the CIL. It should be noted that in the case of Runnymede, with the Affordable Housing

			requirement at 35%, this means that CIL is only applied to 65% of the scheme. The figures have been tested at 100% CIL assumption. In practice for a middle market location having a C Zone (CIL at £185 per square metre) the CIL viability analysis has an additional buffer of £155,400 per hectare, made up: £185 per sq m x 80 sq m per dwelling x 30 dph x 35% (Affordable Housing not required to pay CIL).
REP-003	Mr M Froggatt	Level suggested for CIL charge will discourage developers from creating the additional houses that are required for the borough. When the charge was initially proposed a few years ago it was substantially lower in the order of 1/3 of what is now proposed. Understand inflation must be added but at this level it will have a negative effect on housing and the local construction industry. New house prices will also be pushed up even higher as developers will be unable to absorb the increased costs due to CIL, which on a standard build may add up to 25% of the construction cost.	Previous draft charging schedule and its viability evidence is 7 years old. The Council's viability evidence for this charging schedule shows that development at the CIL rates proposed is viable taking account of achieving policy compliant development with the 2030 Local Plan including need for affordable housing, sustainable design and on-site infrastructure costs. CIL rates also include a 50% buffer over the theoretical charge that could be levied to allow for flexibility and changes in economic circumstances. New houses compete in the market with existing, so the idea that builders can pass the costs on to new build buyers is incorrect, particularly in this current market. In light of Covid-19 the Council has also undertaken a review of its viability and any proposed changes to rates in light of this will be subject to further consultation.
REP-004	Historic England	No comments to offer on the content of the CIL Charging Schedule.	Noted
REP-005	James Periton obo Wentworth Estate	For the last couple of weeks libraries have been closed preventing those who wish to visit via the means cannot. The whole issue with 'stay at home', 'self-isolation' etc. has taken the emphasis away from being able to review and comment on the CIL for example with children at home from school parents have to cater for them as opposed to spend time on the CIL. I gather all hearing and inquiries have been suspended by RBC so consultation deadline should be put back. Object to the Runnymede area Zone A amount of £380 per m². Appears to be little rationale as to how the amount was calculated and that it is the higher by over 60% than any other	The Council extended the CIL consultation period for a further 2 weeks from the original closing date and re-notified parties of this extension. The Council also offered to send paper copies of documents to anyone who requested them or if they knew anyone who wanted them. In this respect the Council considers it has made best endeavours to ensure that all parties have had sufficient opportunity to comment. CIL charging rates are based on evidence of viability and include a buffer of 50% to the theoretical maximum that could be charged. Further, other authorities have

		local authority. Question whether the amount has been set based on the values of the properties – which in unjust. Doubt the consequence of this CIL has been fully considered to both the construction industries and the property market, which in-turn affects other economies.	set similar or higher rates than proposed in Runnymede, nevertheless Runnymede rates are based on Runnymede evidence. It should also be noted that in the case of Runnymede, with the Affordable Housing requirement at 35%, this means that CIL is only applied to 65% of the scheme. The figures have been tested at 100% CIL assumption. In practice for a middle market location having a C Zone (CIL at £185 per square metre) the CIL viability analysis has an additional buffer of £155,400 per hectare, made up: £185 per sq m x 80 sq m per d welling x 30 dph x 35% (Affordable Housing nor required to pay CIL). In light of Covid-19 the Council has also undertaken a review of its viability and any proposed changes to rates in light of this will be subject to further consultation.
		A developer will now have to build this high amount into their residual value and review the profit – the result will be a reduction in land values and a stagnation in the development market. Potential sites for multiple units with an affordable housing element will not be taken up as it is not viable. Developers will be priced out in competition with a self-builder (ie. end user).	CIL rates proposed have taken account of other development costs including requirement for affordable housing, sustainable design and on-site infrastructure as well as appropriate benchmarks for land value. As such, developers will be expected to build these costs into their developments when negotiating land value, which is an expectation of the governments Planning Practice Guidance (PPG) note on viability. Such an assertion can only be valid if there is information as to 'trigger point' as which developments become viable; for example, land value benchmarks. The point overlooks the guidance in NPPG which is about decisions on viability being based on the incentive of land owners to bring sites forward if a planning permission improves their financial situation. The planning process cannot be bound by a process which fails to recognise the mitigation needed for new development impacts which is what this representation implies.
		Object to the introduction of including 1-for-1 development within CIL whereas the previous taxing structure was for additional units only. This is unjust.	1 for 1 developments will only be subject to CIL where they are 100sqm or more greater than the original dwelling. However, vast majority of 1 for 1 developments will be self-build and therefore exempt from CIL.

REP-006	Carter Planning obo The Gribble Family	CIL Viability evidence has not taken account of the requirements of Policy SL6 in the submitted Local Plan or Main Modifications (in particular MM26).	Table after para 4.65 in viability evidence specifically takes account of £2.2m of on-site infrastructure requirements to be secured through S106/S278.
		Report work is dated April 2019 which has implications for the figures generated in the report. Report based on 2017 values are unlikely to be reached following COVID-19.	The approach is to derive indicative new build house prices from huge data sets available from the Land Registry. The approach used for the Local Plan viability work was based on three consecutive years of transactions (in the second hand market) with an adjustment for new build. The CIL study approach is consistent with the Local Plan viability work in that it indexes forward from the all-inclusive data set to September 2019. It does so adopting the HM Land Registry House Price Index. This approach is valid in that the initial approach was approved via Developer Workshop. The prices adopted in the CIL 2019 study were cross checked wherever possible against current new build schemes. The impact of the Coronavirus crisis are addressed in the Representations Response Paper.
		Local Plan's Main Modifications accepts the site will have a different boundary to the one in the viability report. The viability report also assumes a comprehensive scheme but the Local Plan accepts this may be in phases and assumes a scheme commencing in 2022 which is recommended to change to 2023 in the Local Plan Main Modifications.	Site plan in the viability report is incorrect, however, the site size on which viability is based (6.8ha) is in accordance with Policy SL6. Whilst Policy SL6 accepts site may come forward in phases, preference is for a comprehensive development and this has been tested. In any event the parcel of land which may come forward first forms the bulk of the development and is predominantly on greenfield land which will attract a lower EUV. New development will depend on the market cycle and the current (Covid-19) situation as much as it will with infrastructure improvements. Sites in Runnymede have huge residential value and are expected over the Plan period to deliver housing in the face of these challenges.
		Landowners have always accepted a need for off-site local highway improvements directly related to the development. Assume this is the S278 figure referred to in para 4.65.	The S278 figure is to account for on-site physical improvements not off-site which would be dealt with by CIL, except for A320 (see below).

		Council's Main Modifications state the site is dependent on the A320 improvements which it is not. If it is, this is not taken into account in the viability report. Local Plan Examination document RBCLP_63 notes delivery of the site is dependent on A320 improvements but only states that A320 Corridor Study should identify suitable improvements but is there uncertainty as to whether the study will identify improvements. The Corridor Study is aspirational but RBC appear to have placed considerable weight on it and Local Plan allocation Policy SL6 is treated differently with no mention of A320 improvements.	The 2030 Local Plan identifies the site as contingent on the A320 and this is confirmed in the Inspector's Report. The A320 improvements have been forward funded through HIF which is a grant that requires repayment through developer contributions and therefore this will be requested from the site as well as other scheme requirements. Whilst the Council will be targeting 100% clawback of HIF funding, this will be subject to viability on a site by site basis and after having achieved policy compliant development.
		HIF funding appears to have been secured for the full amount bid, but HIF funding does not appear to have been factored into the viability report or CIL calculations.	The Council will be targeting 100% clawback of HIF on a site by site basis after sites contingent on A320 mitigation have achieved policy compliant development including the imposition of any CIL charges. As this will be based on individual scheme viability the HIF repayable for each site will be dependent on that site's viability at the end of the process to achieve policy compliant development, hence costs have not been taken into account as they will vary from site to site.
		Viability Report also cites figures towards off-site green space and SANG, where the site can provide its own on-site green space. The report also does not factor in costs of other policy requirements such as noise mitigation, scheme of drainage, flooding works etc…	The green infrastructure costs assumed in the viability report are an estimate of on-site policy requirements to be delivered through S106 not off-site contributions, apart from SANG which will be delivered off-site. Commentary on abnormal costs and the surpluses for the Borough are provided below in this response to representations.
		Viability Report downplays existing land value and value of existing property does not appear to have been taken into account which is fundamental to the valuation.	This is incorrect. For example in the case of Brox End, benchmark land value has been considered flexibly, and to the benefit of the applicant.
		Concerns regarding estimated values derived from development given the constraints on site. Revenue and costs included in the viability report are totally unrealistic which	Noted, however the revenue and costs set out in the viability assessment are considered to be reasonable.

		makes the level of CIL in Area 3 unrealistic and the Council should exercise caution as sites will not proceed if costs exceed revenue. Disaggregation into different charging areas appears sensible as would the application of a 50% buffer but is unlikely to be adequate in current circumstances. The sketchy and flawed nature of the viability report undermines the Council's Technical Background Document (TBD) especially sections 5 & 6. Given the likely long-lasting impacts of COVID-19 the Council should revert to using the 'worst case' set out in Table 5.2 & 5.3 in the TBD.	Noted. The impacts of Covid-19 are considered in the Representations Response Paper. Any proposed changes to rates in light of this will be subject to further consultation. The worst-case scenarios in the TBD assume 'worst case' land values i.e. land values in an existing residential use, which could be seen as 'hope value'. The majority of the sites allocated in the 2030 Local Plan and sites identified in the Council's SLAA are however in an existing commercial use or greenfield and therefore basing CIL rates on residential benchmarks, especially sites predominantly greenfield in nature will not reflect a suitable benchmark land value. The PPG note on viability is also very clear that benchmark land value should not be based on hope value. In this respect any economic impacts should be dealt with by way of buffers in the CIL rate (the Council has used 50%) rather than by over inflating land value. The TBD conclusions will be reviewed in the light of the Representations Response Paper. There is much evidence there to suggest that the impacts of Covid-19 will not be 'long lasting'. The comment provides no evidence why the report is 'sketchy and flawed'.
REP-007	Environment Agency	We have no comments to make with regards to the Charging Schedule.	Noted.
REP-008	Stride Treglown obo RHUL	LPA's have taken a varied approach in the way they treat student accommodation in relation to CIL, both in interpretation of charitable relief and approach to charging CIL on directly funded student accommodation. Many LPAs accept a lower rate or indeed a CIL exemption for student accommodation development funded by universities. RHUL has previously advised RBC of its charitable status and exemption from CIL. A previous query in 2014 about whether the university's own student accommodation development would be subject to CIL,	Noted, however if student accommodation is viable then it should be subject to a CIL rate and if it is accepted as charitable development then an application for relief can be made. Further assessment of Student Accommodation and CIL are set out in the Council's Representations Response Paper.

		the Council responded stating: 'Although the university is an institution that exists for a charitable purpose and is for the public benefit, the university would have to satisfy CIL Regulation 43 for mandatory exemption from paying CIL and would need to demonstrate this to the council. ...Any decision on exemption from paying CIL could only be made once the Council has received a planning application, detailing what the use of the proposal will be.' CIL not in force at time of submission of the current planning application for Rusham Park (ref: RU.20/0098), and no need to present a CIL exemption case. RHUL is working on the assumption that the Rusham Park application will be determined in advance of the introduction of CIL (targeted for 1st November 2020). RHUL seek confirmation that any student accommodation brought forward under a reserved matters scheme linked to permission RU.14/0099 will be exempt from CIL. Once CIL is introduced, any new or alternative proposals not captured by the 2015 planning permission will be subject to CIL. In this context the university is investigating the issue of CIL exemption under it's charitable status, and will issue any relevant documentation at the appropriate time. This lies at the heart of the need for the university to submit this representation. This representation is submitted on the grounds that if purpose built student accommodation were not CIL exempt (under a s43 charitable definition), the draft charging schedule would apply and that, as drafted, the rate for student accommodation is based upon inaccurate and/or inappropriate evidence and would result in such development being unviable, thereby contrary to the objectives and delivery of the Local Plan. **Has the charging authority has complied with the legislative requirements set out in the Planning Act 2008 and the Community Infrastructure Levy Regulations (As amended);**	 Council's previous comments are noted and have not changed. If a planning application at Rusham Park is determined prior to CIL then it would not attract a CIL charge. If determination is after CIL implementation the development would be subject to a CIL charge, however, provided an application for charitable relief is made prior to commencement of development then it will be considered by RBC irrespective of the determination date. Similarly, any application for RM to RU.14/0099 would not attract a CIL charge as development was first permitted by the outline/masterplan prior to CIL (see para 112 of the CIL PPG note). Any new application not linked to an outline would attract a CIL charge if CIL is implemented at that time. Noted.

		This will be an ongoing matter until such time as; the Draft CIL Charging Schedule has been examined; the Council considered the Examiners recommendations, and; the decision, or not, to adopt the examiners recommendations prior to the CIL rates coming into force. **The draft charging schedule is supported by background documents containing appropriate available evidence?** Council justifies CIL charging schedule for student accommodation with reference to the Emerging Local Plan, the CIL Viability Report and its Technical Background Document dated December 2019. How costs should be defined is set out in NPPG Paragraph: 012. Accepted that BCIS data can be used but should only be used as benchmark in the absence of relevant and up to date empirical data from across the area and/or development sector. Reference to this being an example rather than an exhaustive list of relevant data is material in this instance. This covers, in turn, issues pertinent to assumptions relating to revenue and development costs (informing the residual value) and issues relating to a worked example based upon a 1ha (theoretical) redevelopment site in the area.	Noted. Noted. The BCIS data base is generally considered the industry 'gold standard' and it is almost a perfect source of information for this (Local Plan and CIL) type of forward planning viability exercise. Its scrutiny is most appropriate at site specific level and it has come under discussion in the 1-3 Ellen Street case (APP/Q1445/W/18/3192649) case (January 2019). In this it was stated that the database 'should not substitute specific site analysis undertaken from a qualified person'. This has been taken by many applicants to mean that BCIS should give way to a quantity surveyor (QS) estimate in every case. This is not a correct reading of the case. BCIS should sit alongside site specific cost assessments as a benchmark for the former and this will be particularly apposite when an inspector is trying to make sense of the scheme in terms of the quality being projected against the costs claimed. It is accepted that the BCIS approach can be 'caught out' by individual schemes. Where traditional Section 106 items are at stake, then sometimes these must give way where councils decide that higher costs than normal are warranted. In that case Section 106 'gives'. It is further accepted that with CIL, there is no possibility of

		NPPG Viability para 004 accepts in relation to use of typologies to inform CIL rates, “plan makers can first group sites by shared characteristics such as location, whether brownfield or greenfield, size of site and current and proposed use or type of development. The characteristics used to group sites should reflect the nature of typical sites that may be developed within the plan area and the type of development proposed for allocation in the plan.” RHUL does not consider the Council has adequately considered the typical nature of available sites in the area or capacity of such sites suitable to accommodate purpose built student accommodation.	that ‘give’. To deal with that potential danger, the Council has allowed a significant buffer between viability and the CIL rate itself. Further, there is an ideal ‘half way house’ between BCIS and QS estimates. This would be where the local development industry, or indeed the local authority, keeps a systematic record of costs submitted on schemes and maintains this in such a way as to be presentable at EiPs and/or appeals. Seeing as the information submitted by developers is often subject to confidentiality clauses, the ability of local authorities to collate this information systematically is limited. The onus therefore lies with the development industry. There is nothing in the representations suggesting any evidence of this. The Council therefore maintains that BCIS is the appropriate benchmark. The vast bulk of housing supply in the Runnymede area will be greenfield or previously developed commercial land. The analysis both at Local Plan level and for the CIL takes this as a key assumption. Therefore the assertion that the evidence base does not reflect the profile of supply coming forward is rejected. It is understood that smaller sites may have higher costs (indeed BCIS allows for diseconomies of scale to be accounted for). However, smaller sites are, by definition, more exclusive, and hence are likely to achieve higher values. There is therefore inherent balancing within the process. It should further be noted that smaller sites in Runnymede do not have an Affordable Housing requirement. After location, this is a key viability driver which means that smaller brownfield sites in the district are at a significant advantage relative to larger sites. The evidence base for CIL provided for a compensating

		Appropriateness of Viability Evidence (Revenue and Development Costs) Council has relied on CIL Viability Report of November 2019. Figures used in this are limited and purely speculative. Council's worked example based on a 1ha redevelopment site with a Land Value Benchmark (LVB) for commercial development and assumption that build cost is only £1,500m2. Also assumes only 20m2 per bed space, which is unrealistically small. George Eliot Halls are based on a model c25m2: bedroom sizes across a range of larger student accommodation schemes cited as being 30m2. Stride Treglown currently commissioned to progress schemes at the University of Exeter, Keele University, University of the West of England and recently completed scheme for the University of Northampton. Bedroom sizes relating to these schemes are a min of 25m2 (gross), with recent and active schemes working on 30m2. Supporting evidence gathered by consultants refers to average bedroom sizes in excess of 30m2, reflecting need for ancillary accommodation. With increasing push towards low	(higher) CIL levy for these smaller sites. The Council decided however to apply a single levy notwithstanding scale of development. This provides an in-built buffer to the smaller sites. It should be noted that in the case of Runnymede, with the Affordable Housing requirement at 35%, this means that CIL is only applied to 65% of the scheme. The figures have been tested at 100% CIL assumption. In practice for a middle market location having a C Zone (CIL at £185 per square metre) the CIL viability analysis has an additional buffer of £155,400 per hectare, made up: £185 per sq m x 80 sq m per d welling x 30 dph x 35% (Affordable Housing nor required to pay CIL). The viability of student housing is considered in the Representations Response Paper and any proposed changes to rates in light of this will be subject to further consultation. It is incorrect to state that the 'figures used are limited and purely speculative'. They are not. They are extensive and based on fully evidenced information and best available industry sources. However the Council has set out further analysis of the student sector in its viability review.

		or zero carbon, as supported by Local Planning Policy, construction costs of student accommodation schemes is now incurring a premium. In relation to the examples above, higher environmental performance are anticipating construction values of circa £2,800m2. Low or Zero Carbon solutions are anticipated to cost considerably more. This will not necessarily be reflected in higher rents, but would reduce the operational (running) cost of the scheme over the life of the development. Given the shift towards better environmental performance standards consider that an average construction cost of £2,400m2 would be a conservative assumption. Application of a "Surrey Factor" gives a more accurate total construction cost of £2,760.00 reflecting need for demolition and site clearance. Using a conservative gross floor area assumption of 30m2 per student study bedroom, the figure above would equate to a cost per bedroom of £82,800.00.	
		Fundamental omission within the Council's Viability Report across a range of worked examples. Worked examples relating to allocated sites, include site specific assumptions. The Student Accommodation example appears to assume that construction costs based on a cleared site with no localised contamination, drainage or other constraints. In short, the example makes no allowance for exceptional or related costs.	The Council has produced a separate paper reviewing viability, showing worked examples for all the major sites in the CIL viability report. The viability of student housing is considered as part of this.
		Underlying assumption appears to be that sample site has a Land Value Baseline (LVB) for commercial use, which significantly underestimates headline construction cost of student accommodation. Reasonable to expect costs to be incurred in demolition, localised remediation, surface water drainage solutions, off-site highway (sustainable travel measures) and other associated enabling or abnormal costs. In addition also entirely reasonable to assume student accommodation schemes will generate impacts which may require site specific mitigation measures to be implemented. Off-site measures such as the promotion of sustainable travel measures, for example,	Point regarding off-site highways is noted, however this would be covered by the CIL charge and not be on top of it otherwise this is double counting costs. Student Accommodation and CIL are considered in the viability review.
		Special characteristics of surrounding area should be	Again, sustainable travel measures would be covered by

		considered, including extent of Area of Landscape Importance, and the need for amenity space, servicing and cycle parking, ecology, trees, drainage and sustainable travel measures, including a dedicated bus service.	the CIL charge not on top of it, unless this is privately run by the University.
		Resultant findings of the Viability Appraisal, and any revision using the same metrics should therefore be considered as a minimum development cost. When replacing updated empirical evidence on development costs, including contingency / exceptional costs, this significantly reduces surplus and therefore ability to meet CIL requirements	Student Accommodation and CIL are considered in the viability review.
		Appropriateness of the Viability Assessment (Worked Example)	
		Question appropriateness of worked example. Viability Report provides no methodology to underpin/legitimise an approach which considers a theoretical 1ha site to help inform viability assumptions. Use of a 1ha theoretical site raises a number of key issues. Implying the site has commercial Land Value Benchmark (LVB) assumes site is previously developed. In the context of the university's landholdings, the Campus and land to the south is located within the Green Belt where major redevelopment would normally be considered inappropriate. Land to the north of the Campus would fall within Englefield Green and beyond, which the Viability Report states being the third highest residual land values. If land north of the Campus assumed to represent 1ha worked example and in current or last commercial use (if vacant), it would also be reasonable to assume redevelopment of the site would be appropriate for residential development, not student accommodation. As such, the LBV of £3,000,000 per hectare would be applied. If worked example is to the north of the Campus, no other development has come forward outside the Campus involving 5 storey student accommodation, and not at the density captured within the example. In short, there are no available commercial sites of 1ha located outside the Green Belt capable of accommodating a 5 storey student accommodation redevelopment which would not otherwise be suitable for	The Council has produced a viability review with worked examples for all the major sites in the CIL viability report. There are two issues here. The justification for adopting a one hectare site, and secondly the issue of benchmark. The viability report needs no specific justification for the use of the one hectare site. This has been an approach adopted since time immemorial in the development of policy and CIL evidence bases. The approach covers in principle, all eventualities. The NPPF has largely followed what has been done in past and now validates it. Such it is not possible using a site specific approach. It is impractical to infer general lessons from individual sites unless the sample is perfect. It is also important to examine the use of the word 'theoretical'. The one hectare site approach is no less practical or any more 'theoretical' than an approach which uses individual sites. Both are exercises in attempting to model as accurately as possible the actual economics of development. The 'practical is reflected only in viability outturns, not in the modelling exercises. In these respects, even viability assessments relating to

		residential use/redevelopment. Worked example does not reflect recent student accommodation within the university which demonstrates that a 1ha sub-area of the scheme, accessed from Harvest Road, achieved a gross floor area of c10,400m2 (over 3 storeys): at 80% this would be presented as a lettable floor area of 8,320m2. Student accommodation scheme known as The Pad (Phases 1 and 2) on Egham Hill delivered gross floor area based on scaling the development up to a 1 ha site, of circa 10,244m2. This is within a 0.5% variance of the George Eliot Hall and presents clear evidence of the relative capacity of sites which have secured planning permission in the area. Recent schemes delivered in Englefield Green, have average gross student accommodation floor area of c10,272m2 per hectare achieved within a 1ha sample area of the site. The university considers that this is a more robust assessment to inform a viability appraisal to underpin a CIL draft charging charge. No coincidence that the characteristics of the worked example within the Viability Report are very similar to the Rusham Park site. While it is the contention of the university that exceptional circumstances exist to warrant planning permission being forthcoming, it is not appropriate for the Viability Report to assume that any commercial redevelopment site in the area is capable of accommodating 5 storeys when there are no similar examples of this type or scale in the immediate area. Assuming previously developed land within the Green Belt is capable of accommodating such development, such a scheme would be assumed to be contrary to the Local Plan and should not be used as the basis of calculating site capacity and any viability surplus the result of an appraisal. In order to undertake sensitivity analysis of the assumptions used in the Viability Report, Stride Treglown has defined a 1ha site as a sub-set of the emerging Estate Plan prepared to support the outline planning application for the Rusham Park site. The 1ha sample area, accessible from an adopted highway, has been tested and found to have a capacity of 11,825m2 over 5 floors: significantly below the	site specific schemes are ‘theoretical’ in nature. Student Accommodation and CIL are considered in the viability Review

		15,000m2 assumed in the worked example. On a without prejudice basis the university is prepared to accept an average of 10,790m2 per hectare as reasonable. **Appropriateness of the application of CIL to student accommodation** RHUL does not consider the Borough Council has struck an appropriate balance between: a) desirability of funding infrastructure from CIL (in whole or in part) reflecting actual and expected total cost of infrastructure required to support development of its area, taking into account other and expected sources of funding; and b) the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area. One of the key metrics used to estimate the degree to which a surplus value can be secured is the cost, size and rental levels associated with student accommodation. Empirical evidence gained in the area, conclude that average gross floor space for new build student bed spaces is currently circa 30m2. An average gross floor area of 30m2 per bedroom is considered appropriate. On the basis of 30m2 per student bed space, the average CIL cost per student bed space would be £14,850 per student bedroom. RHUL anticipates the gross cost per bed space for new accommodation at current prices, and reflecting a move towards low or zero carbon will be around £82,800.00 (30m2). Notwithstanding enabling works, abnormal site costs and s106 obligations, with CIL levied at £495m2, this would add an extra 18% to such headline development costs. Viability Report shows rental figures for various student residences at RHUL demonstrates that the rates are comparable to affordable rents. Effectively the accommodation provided by the university should be treated as affordable housing, because of the impact that student lets in the community has on the lower end of the housing market. No CIL is levied on affordable housing.	Student Accommodation and CIL are considered in the viability review. Student accommodation does not fall into the definition of social housing set out in the CIL Regulations or definition in the NPPF.

		Noted from the table provided in the Viability Study that the lowest rents for university accommodation are in the older accommodation. University accommodation will be competing with rental costs in the private market and needs to keep rents down to make them affordable. The imposition of CIL would therefore otherwise force rents to such unacceptable levels that the scheme would no longer be attractive to many students and therefore unviable. In addition, living communally in halls of residence is a key part of the student experience and pastoral care and guidance can better be provided to students living in such accommodation. The Council has previously published a stated aim of supporting development associated with the university on campus while discouraging off campus development. If the university is unable to deliver the amount of student accommodation that it is proposing, this will have a significant impact on the future recruitment of students, upon which much of the university's income is derived. The availability of good accommodation at affordable rents is a key issue in terms of the student experience. In terms of recruitment, it will also affect the ability of the university to attract the best students. The Council has consistently acknowledged in its Local Plan policy documents the important role that the university plays in the economy of the borough and its desire to support the growth of the university. **Social Infrastructure and contributions already made by the university** Acknowledged that CIL Regulations are not based on the same requirements as the case of financial contributions captured by planning obligations. The Runnymede Infrastructure Schedules 2015-2030 lists 4 types of infrastructure that CIL will be funding: Education, Healthcare, Community Space and Green Infrastructure. The university considers that it's on-site provision of social and green infrastructure is a material issue given the importance of	Student Accommodation and CIL are considered in the viability review. Point is noted, however as stated CIL does not work in the same way as S106 as it is not based on the three tests set out in CIL Regulation 122. The Council needs to demonstrate that there is an infrastructure funding gap and it is considered this is demonstrated and therefore CIL can be applied. CIL rates are then based on whether it is viable to charge development (types/scale/location) irrespective of the impact on

		the principle set out in Para 4.5 of the Technical Background Document. The university already makes a significant contribution to local infrastructure needs and accepts the need for site specific, reasonable and proportionate use of s106 to mitigate the impact of development, where relevant. We deal with each Type and detailed category in turn. Education - Student accommodation will have no impact on the need for school places. Healthcare – Acknowledged that resident students are able to access both primary and secondary healthcare needs. However, university facilitates existing primary healthcare (GP) surgeries and a wide range of student well-being and pastoral support services which extend to managing instances of student crisis. Out of hours pastoral support is also provided by the Campus Security and Watch teams who are on duty overnight. As such, university makes a notable contribution to both primary and secondary (mental) healthcare sufficient to reduce the pressure on public services and associated reduction in the demand for public services is greater, contributing a higher percentage of the CIL Funding Gap in this area. Green Infrastructure - University operates extensive indoor and outdoor sporting facilities for students and staff, but also a proportion of wider community sports needs and the public (through membership and association with formal clubs). Play space is aimed at Children and would not be appropriate to apply to purpose built student accommodation. University operates an extensive Green Infrastructure network accessible to not only staff and students, but also the general public. Further Green Infrastructure investment is scheduled in connection to the improvement of accessible routes through the Woodland areas, and as part of a campus wide management regime and Framework. This includes significant areas of Amenity Greenspace. A very small part of the university's campus is within a 5km radius of the Thames Basin Heaths SPA. The likelihood of students visiting the SPA, in particular on a regular basis, is considered to be low and therefore any impacts on these sites which could occur are	various infrastructure types or whether there is a link between the development and the infrastructure needed or to be provided through the Levy. Whilst the costs of potentially improving the university's shuttle bus service and improvements to the level crossing are noted, these will not have been taken into account in the Council's viability as they are scheme specific items for a non-allocated site and CIL viability is a high level test of student accommodation in the round as required by the PPG note on viability. If site specific viability were to be entertained, then this would need to reflect a suitable benchmark land value for the Rusham Park site which is in an existing commercial use, the benchmark the Council has used to date. Further, there is no indication in the Transport Assessment for the Rusham Park planning application whether funding for the extended shuttle bus service is reliant on the viability of the site or will be funded through the University's revenue. It is also noted that discussions regarding a footbridge over the rail line at the Prune Hill crossing between RHUL and Network Rail are ongoing and therefore this cost is not confirmed (and no estimate of cost is given in RHUL's evidence).

		considered to be insignificant. Finally, encouraging student accommodation on campus will be most sustainable from a travel point of view. Transportation - Para 1.12 of the Technical Background Document states critical road infrastructure (and SANGS) are to be funded through s106 obligations not CIL. The university accepts the need to, fund localised sustainable travel measures and has previously agreed to make a financial contribution of £100,000 towards off-site highway measures to mitigate impact of the Estate Plan. In addition the university currently runs a free to use Bus Shuttle Service between the Main Campus and Egham Railway Station. Subject to planning permissions of the Rusham Park site and new internal road connection through the Campus the university will be revising the route of the Shuttle Bus Service. Redevelopment of this site is also expected to make a contribution towards replacing the existing Level Crossing (as committed by Network Rail) and fund the erection of a pedestrian bridge over the railway. The latter is a significant planned expenditure item which has an impact on the wider viability of the scheme. Incurring such costs is evidence to demonstrate the wider community benefits generated by its operations which draw upon its finances. Total Funding Gap contribution - Appendix A of the Infrastructure Schedule states total Plan Period cost (2015-2030) is £71.48m. In the period 2020/21 to 2024/25 during which Phase 1 of the Rusham Park student accommodation scheme is scheduled to be delivered, the CIL Funding Gap is estimated to be £31.263m. In context, Phase 1 of the scheme would be required to make a CIL contribution of c£13.479m (at 2020). This assumes that all existing buildings are removed in the first phase. We have applied an “off-set” assumption in accordance with the Councils draft formula, though have not been able to estimate the effect of any indexation at this time The working estimate is that Phase 1 CIL liability of the scheme would equate to 43.1 % of the Total Borough Wide Funding Gap in that Local Plan phase. Assuming that the 600	Point is noted, however as set out above this is how CIL operates and rates are based on viability not infrastructure impacts of individual developments.

		unit Phase 2 of the Rusham Park scheme would come forward in the period 2025/26 to 2029/30, this would incur a CIL charge of c£5.777m (at 2020) which would equate to 27% of the Total Borough wide Funding Gap in that Local Plan phase (£21.371m). This assumes that Phase comprises only student accommodation and is based on a cleared site. In reality, if CIL were to come in force before the Rusham Park scheme were to be granted planning permission, the Council would be unlikely to receive any CIL income, as the Rusham Park scheme would not considered to be viable. In this scenario, the university may be forced to revert to delivering its original Estate Plan intentions. In summary, Table at Appendix 3 indicates that 38.5% of the total Borough-wide Total Plan period Infrastructure requirement is not relevant to purpose built student accommodation. The university already provides supporting facilities, services and green infrastructure in areas aligned with 18.5% of the Borough-wide need. The residual percentage contribution towards infrastructure needs which is considered appropriate to purpose built student accommodation is 43%. This does not mean that 43% of the total borough-wide funding gap is to be funded by purpose built student accommodation, but all eligible developments. The residual 43% figure takes no account of the value of secondary (mental) healthcare provision and support facilitated by the university for the benefit of its students and staff. It is fundamentally wrong that one student residential development scheme would be required to contribute over 43% of the Borough's entire CIL funding gap between 2020/21 and 2024/25 by application of a CIL rate which is higher than any residential development CIL rate across the Borough. This, despite residential land values in the immediate vicinity of the university being some of the highest in the United Kingdom. In summary, the university considers that the evidence used to support a CIL rate of £495m2, is unrealistic and not appropriate. It significantly underestimates development cost, overestimates densities and, therefore, rents will need to be much higher than assumed in the model. This would significantly reduce the attractiveness, and general affordability of any scheme. This is in the wider context of the university	

		operating in an increasingly competitive and global marketplace where students are now discerning customers. **The charging authority has undertaken an appropriate level of consultation;**	
		Council is required to have regard to "matters specified by CIL regulations relating to the economic viability of development and other actual and expected sources of funding for infrastructure. NPPG Para 006 is also relevant in this case. RHUL is the largest Higher Education Institution within the Borough, and therefore has an influential role in attracting and retaining students within the area. The university is also the largest provider of student accommodation within the Borough and benefits from an outline planning permission (RU.14/0099) relating to new academic and student accommodation floor space. RHUL confirms it has not been approached to discuss or provide evidence relating to the provision of student accommodation. This would include information relevant to recent, ongoing proposals or those planned during the Local Plan period. University does not consider the Council has undertaken an appropriate level of consultation with key stakeholders. This representation refers to evidence which the university could have provided the Council to more accurately prepare a CIL rate for Student Accommodation. **The proposed rate or rates are informed by, and consistent with, the evidence on viability across the charging authority's area;**	Noted. Student Accommodation and CIL are considered in the viability review as a response to this representation.
		University accepts the Council has demonstrated a sufficient infrastructure funding gap but no clear justification to warrant the introduction of the proposed CIL rates for student accommodation, or that one rate is applied to the whole of the Borough. Para 3.4 of the Viability Report states "It is important to have a robust and practical approach to dealing with the challenge of modelling location impacts". In a similar vein, Para 1.6 of the Technical Background Document reports also acknowledges that rates can be different in defined areas	The viability evidence uses a benchmark land value for student accommodation which is consistent across the Borough and therefore no locational difference in CIL rates. Potential to zero rate the RHUL campus for purpose built student accommodation to incentivise on-site accommodation is noted, however CIL rates should be based on viability evidence. If development is viable then zero rating could constitute State Aid.

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<td>taking account of viability evidence. No evidence presented to justify why a flat rate CIL charge of £495m2 is applicable to all 9 sub-market areas across the Borough. Students are now looking to reside on, or very close to, the main campus and it would follow that purpose built student accommodation in other borough locations would not be an attractive. A uniformly high CIL charge for all forms of student accommodation could have the perverse effect of incentivising off campus development increasing the propensity to reside in HMOs. This would work against stated policies of the Council. A selective CIL exemption for residences on campus (defined as the full extent of RHUL current landholdings and any acquisitions contiguous with RHUL's current property) could produce the right conditions to realise the Council's Local Plan policies. The university requests that development directly funded by the university on its campus should be CIL exempt. Differential rates for different areas are permissible under the CIL Regulations. If it is concluded that a CIL rate should be applied to purpose built student accommodation, the university considers a justifiable rate would be circa £24m2 in accordance with the reworking of the Viability Appraisal as set out in Appendix 2. Concluding comments of Chapter 6 of the Council's Viability Assessment should be read in conjunction with two related paragraphs 7.7 and 7.13. There is no published evidence within the Technical Background Document to justify the Draft CIL Charging Schedule with reference to the approach adopted by neighbouring Local Planning Authorities as highlighted:

<table>
<tr><td>Local Planning Authority</td><td>Community Infrastructure Levy for Student Accommodation schemes (m2)</td></tr>
<tr><td>Windsor and Maidenhead</td><td>£nil</td></tr>
<tr><td>Spelthorne</td><td>£120</td></tr>
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</td>
<td>Concluding comments of Chapter 6 with respect to balancing revenue for infrastructure and viability and paras 7.7 & 7.13 with respect to syncing rates with neighbouring authorities is noted. Whilst comparison with Windsor & Maidenhead, Elmbridge, Woking and Surrey Heath shows nil rates in these areas, they do not have large student populations hence the nil rate. In any event, CIL rates for student accommodation are based on Runnymede viability evidence not other authority viability evidence. Nevertheless the Council has undertaken a review of its viability and any proposed changes to rates in light of this will be subject to further consultation.</td>
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		<table><tr><td>Elmbridge</td><td>£nil</td></tr><tr><td>Woking</td><td>£nil</td></tr><tr><td>Surrey Heath</td><td>£nil</td></tr></table> Council's Draft Charging Schedule for Student Accommodation is presented at £495.00 or 25% of the stated surplus. The university considers that a student accommodation scheme would generate a surplus of £98m2. Applying the same AGA Ltd discount gives a revised CIL Charging Rate of £24m2. **Evidence has been provided that shows the proposed rates would not undermine the deliverability of the Plan (as referenced in National Planning Policy Framework para 34).** Principle outlined in NPPF para 34 is appropriately referenced in Para 1.7 of the Technical Background Document issued by the Council in December 2019. Policy SL23, Para 1.7 of the CIL Technical Background Document states that the Council "must show and explain how any proposed rates will contribute towards the implementation of the Local Plan and support development across the Borough by striking an appropriate balance between additional investment and the potential effect on development viability". The CIL Charging Schedule is also assumed to come into force only once the "Emerging" Local Plan 2030 has been adopted. Emerging Local Plan Policy SL23 supports provision of purpose built student accommodation and Para 6.61 refers to the fact that Para 50 of the NPPF in force at that time did not list students as a group with specialist housing needs. This has been rectified in the updated Para 61 of the current NPPF. Emerging Local Plan accepts that student accommodation forms part of the overall housing strategy for the Borough. Para 6.59 of the Local Plan acknowledges that windfall sites in sustainable locations may be acceptable for purpose built student accommodation and para 6.60 acknowledges the Council's housing target includes some provision for future Runnymede-based students opting to live in market housing. Delivery alongside windfall sites is considered by the Council to enable Royal Holloway,	 Noted.

		University of London "to grow at a sustainable rate whilst limiting the impact on the local housing market". A wider policy objective of Local Plan Policy SL23 is to limit the impact generated by student accommodation on the local housing market. In this context, Table 1 in Local Plan Policy SD2 identifies an "Expected Minimum Growth Delivery" for a range of uses. Reference is made to a minimum expected number of student accommodation bed spaces of 3,389 beds, comprised of 171 beds in Egham and 3,211 in Englefield Green. Appendix A of the Local Plan (July 2018) sets out the "Monitoring Framework" and clearly states that there is "No target for students – contextual". The wording of Emerging Local Plan Appendix A is at odds with Table 2-1 as set out in the CIL Technical Background Document. The Council in relation to Student Accommodation, Table 2-1 includes reference to a "Local Plan Requirement" of 3,513 bed spaces. This is identical to the number of bedrooms which the Council states as being completed or with planning permission. The residual Local Plan requirement is therefore stated as zero. Whilst there is no clear evidence to support why the number of student accommodation bed spaces completed or with planning permission should represent the "Local Plan Requirement", Para 2.17 of the Technical Background Document does acknowledge that "this does not discount further development of this type coming forward". If this is reflective of the Local Plan position, it is reasonable to assume that further student accommodation over and above the 3,513 stated as having permission will make a contribution towards managing specialist housing demand and limiting the impact on the local housing market. Table 2-1 of the Technical Background Document is not consistent with Emerging Local Policy SL23 (July 2018) and Appendix A of the Local Plan. Effect of CIL will be to slow down the increase in the number of university controlled residences on campus, with two potential, but important consequences: 1. Private developers could look to increase the provision of purpose built student accommodation close to the University Campus, but would need to charge premium rents to offset	

		CIL. The level of rent required to be imposed by private development would need to be significant, and above that which would potentially be politically unacceptable for the University to charge, therefore would be unlikely to be affordable to many students. 2. A delay in the provision of a net increase in purpose built student accommodation could increase the demand within Englefield Green for students to seek alternative accommodation. As such, the imposition of an excessively high CIL charging rate for new purpose built student accommodation will seek to undermine the Local Plan policy framework, increase the risk that the university will not be able to provide on-site specialist housing needs and increase the impact of students living in established residential areas. In this regard, a key issue in Egham and Englefield Green has been the loss of family housing to student HMOs. By imposing additional pressures on purpose built student accommodation through CIL, the risk is that the percentage of students residing in university controlled accommodation will decrease, placing greater pressure on the existing housing stock to meet demand.	
REP-009	Boyer Planning obo A2 Dominion	Brox End Nursery site within the emerging Local Plan and allocated for at least 40 net additional C3 dwellings. Draft policy refers to the need to provide financial contributions via either CIL or S106. Note the Brox End Nursery site is included in the CIL Viability Report under the heading of Ottershaw East. The viability testing for which has been based on an overall site area of 14.1 hectares (6.6 ha for residential), a 400 sqm health hub and the development of 200 dwellings and two gypsy/traveller pitches. Selection of input pages from the HCA DAT model relating to the Ottershaw sub-market does not include a detailed breakdown of all cost assumptions and timescales adopted. It would therefore be helpful if copies of the full model could be supplied as is the expectation in national planning policy. The NPPG is clear that landowners should be involved when establishing a CIL. The appraisals relied upon to set the	Whilst the plan in the viability assessment for Ottershaw East shows the Brox End Nursery site included, the site was not included in the assessment of viability. The developable area for Ottershaw East in the Local Plan Main Modifications is 6.6ha, which does not include Brox End Nurseries. The full appraisal for the Brox End Nurseries site is provided in in the viability review. Developers and land owners were consulted as part of the Local Plan evidence collation exercise. No systematic evidence was offered in relation to land value benchmarks.

		proposed CIL rate should be made available in order that the detail of those appraisals can be properly considered. Not aware of any collaboration or engagement undertaken by the Council or their viability consultant in preparing the 2019 viability appraisals for the CIL evidence base. Assumed unit floor areas sit within nationally described space standards although testing does not necessarily allow for construction of larger units that may be expected in Ottershaw to attract buyers for certain units offering more spacious homes to justify the assumed price points and values. Construction costs for apartments proportionally greater than for houses which is attributed to having to accommodate similar fittings in a proportionally smaller area as well as having to accommodate communal areas for stairways, lifts, corridors etc. Proportion of apartments within the CIL Viability Study is broadly 23% of all unit types. To comply with 35% affordable housing provision majority of affordable homes will be provided as apartments as these will ultimately be more affordable in terms of rents payable and initial equity payments on shared ownership units. Therefore proportion of 1 and 2 bedroom apartments could be greater than the proportions tested in the 2019 Viability Study.	Size of units tested are based on a policy compliant development. There are no 2030 Local Plan policies which require larger units on site. Proportion of apartments reflects policy requirement in 2030 Local Plan Policy SL19. The BCIS shows the costs of flats is higher than houses. The CIL is based around developments which have developments which are low rise and which will have a very close net and gross arrangement (as for houses). For this type of development, around 10% (net to gross) is realistic. This applies to around 20% of units meaning a potential 2% (net to gross) adjustment. This would easily be offset by the generally applied external works allowance (at 15%) where houses with individual drives, gardens and borders will be much more costly than the works for flats. Proportion of apartments in the viability assessment reflect 35% affordable housing and with a size mix set out in 2030 Local Plan Policy SL19. The viability of delivering CIL will be a function of the negotiation between the local authority and the developer/promoter of the site. The agreed mix will be highly reflective of the needs as assessed by the Housing department and local housing associations for the site in particular. Indeed, the proportion of flats could be higher for any individual development. But so could the prices, the costs or the benchmark for the site. This is a matter for the individual site and those involved in delivering it. The question is whether the Council should have followed this

			eventuality through to its logical conclusions which is that it would then set a CIL which is sensitive not only to location but also the development mix. This would be highly impractical.
		Supporting viability study should have undertaken sensitivity testing to assess schemes with a higher proportion of apartments and larger homes necessary to achieve the suggested values. Would welcome some sensitivity test from the Council to address this point.	In light of Covid-19 the Council has undertaken a review of its viability (including sensitivity testing) and any proposed changes to rates in light of this will be subject to further consultation.
		<u>Gross to Net Ratios</u> Dwelling mix applied to 30 and 40 dph schemes include apartments but not clear from the CIL Viability Study what gross to net ratio has been applied to the blocks of apartments. Typical for a gross to net ratio between 80% and 85% to account for shared spaces. Using a rate that fails to account for the sufficient shared space can have a significant impact on overall scheme GDV and or build costs, plus the total cost of CIL to be applied to the GIA.	Noted, however the property at 183 Brox Road is not included in the site allocation red line and neither has it been included in previous planning applications permitted for the Brox End Nursery site.
		Based on current NPPF/NPPG guidance the benchmark land value (BLV) should be based on existing use value plus a premium (EUV+). There remains no strict guidance on how the premium element of the EUV+ should be assessed. It is therefore down to professional judgement. Greenfield and agricultural land can often present a more complex issue than previously developed brownfield sites as EUV is typically low to start with and no necessity for the current owner to sell the land. CIL Viability states a number of allocated sites are greenfield and agricultural in nature, which applies to the land at Ottershaw East and Brox End Nursery. Initial commentary in paragraph 4.18 of the CIL Viability study makes reference to an overall site value of £282,000 which equates to £20,000 per ha for the gross 14.1 ha site. It does also reference a figure of £700,000 to acquire the existing dwelling on the south east corner of the site, which is based on indicative new house values within the Ottershaw area. In addition, 183 Brox Road would need to be acquired by our client to create a suitable	Point regarding benchmark land values is noted, however so is the point regarding alterations to the NPPF/PPG. In this respect benchmark values should not reflect hope value and if significant premiums on low EUVs are expected, an uplift from £25,000 per ha to £2,000,000 per ha is more than significant. This is a land value uplift almost 100 fold and there are no other investments available at this time that would yield a similar return to an investor. The Local Plan Viability Assessment and the CIL Viability Assessment reflect two different 'regimes'. The former was still to some extent influenced by the guidance produced by the RICS (2012) which rejected the use of the EUV Plus' approach subsequently set out in NPPF/NPPG 2019. RICS promoted 'market value', the circularity of which within appraisals was correctly diagnosed as a problem by the Inspector in the

		access road to the wider Brox Nursery site. As well as the cost of acquisition the current owners of this house would be aware of the possible 'ransom' value of this house and could therefore seek a substantial premium to enable the delivery of the new homes on this site. Responding specifically to agricultural land values, we would draw attention to the latest publications of RICS/RAU 'Farmland Market Directory of Land' indicate the price of farmland / agricultural land is over £10,000 per acre (circa £25,000 per hectare). CIL Viability Study gives further explanation to the selection of a suitable BLV and makes reference to various sources including a DCLG study, The Cumulative Impact of Policy Requirements (2011), which suggested that "a figure of £100,000 to £150,000 per gross acre (£247,000 to £370,500 per gross hectare) is a reasonable benchmark for greenfield land. Assuming a net to gross factor of around 70%, this would mean a land value benchmark on a net basis in the region of £400,000 per hectare". We note that the Local Plan Viability report (2017), assessed the BLV for Ottershaw to be in the order of £3,264,151 per ha although this was based on a policy requirement for 50% affordable housing. Sensitivity testing in the same report indicated land values in Ottershaw with 35% affordable housing to be c.£5.81m (Table 6.2, pg 79). Paragraph's 6.10 and 6.11 of the CIL Viability Study however, determine a universal BLV of £2,000,000 per ha is adopted. Based on an assumed density of 30 dph a land value of £2,000,000 would reflect only £66,666 per plot. With average house prices for three bedroom terraced houses reported in the CIL Viability Study to be £558,000, we would argue this is insufficient to incentivise a land owner to release the site for development. Despite alterations to planning policy via the NPPF and NPPG to ensure land prices reflect planning obligations and policy, landowners remain reluctant to release sites where prices do not reflect a significant proportion of the projected GDV. In view of this, we would argue that a significant premium to EUV would therefore be necessary to secure land for development. The fact that greenfield sites at Ottershaw East have been	Parkhurst (LB Islington) decision. NPPF/G largely picks up on the problems and levels the playing field with other leading guidance, particularly the London Borough Viability Protocol (November 2016). The Council's CIL Viability Assessment could have taken the position of running an argument in line with the NPPF/G which would have gone – identify the uplift from agricultural land to residential (policy compliant) and then ask the question 'does this represent a realistic 'Plus' element with which viability matters are concerned? Or does it not? So, following the current national policy guidance we should be asking whether the existing use value (from agricultural) to policy compliant residual is sufficient as a land owner return? Given that the bulk of supply is from agricultural land, the potential scope for setting CIL is somewhere between £20,000 per hectare and some £4 million (Ottershaw for example as a mid market location) residual value for a policy compliant development. This means a 200 fold increase in value. What the Council have done in setting a LVB at £2 million a hectare is to recognise potential competition for development land (in the form of commercial) and hence have set up a built-in buffer or cushion even before asking the question 'what buffer should be set (between the 'cushion in place' of commercial AUV and residential at a policy compliant level? In Ottershaw then for a greenfield site there is already a built-in cushion of some £2 million per hectare or 100 fold <u>before the Council has then applied yet another buffer or cushion to the surplus between the LVB for commercial and the residual value for housing at a</u>

		allocated in the Local Plan for a combined total of over 270 dwellings would also add weight to the argument that land values would be significantly in excess of agricultural values. In such circumstances, landowners would be holding out for prices that would more accurately reflect the residual land values for the proposed developments, i.e. closer to the figure of £5.81m than the £2,000,000 now adopted in the CIL Viability Study. The viability testing has not robustly reflected the 'real world' by adopting an artificially low benchmark land value which is set at such a low value that landowners would simply not be sufficiently incentivised to release their land for development.	<u>policy compliant level.</u> <u>There are very few investments where a 200 fold return is available at the stroke of a planning consent, so the assertion that this would not incentive sites to come forward is unreasonable.</u>
		<u>Private Sales Values</u> Range of new-build homes indicates unit pricing adopted within the CIL Viability Study towards the very top end of price range. At date of preparing this submission UK and wider global economy has stalled while governments aim to restrict the spread of Covid-19 pandemic. Short to medium-term impacts of this action are unknown and not possible to judge how this could impact on achievable sales values. At present, demand has been reported to have collapsed while mortgage lenders have locked-down and temporarily ceased lending on all but most secure of transactions with loan to value ratios no more than 60%. While many would anticipate a return to normal lending once the pandemic is under control, a resurgence in buyer demand is less certain as short to medium-term impacts on buyer's personal finances will need to be considered. In view of this we would like to see additional sensitivity testing to ascertain the impact of falling house prices and to understand whether this would enable a reasonable buffer to be maintained once the proposed CIL rates are charged on developments going forward.	The prices adopted are indicative new build and based on three complete years' worth of data from HMLR. They have been cross checked against current developments in the Borough. It is asserted that pricing adopted is 'towards the very top end of the price range'. There is no evidence provided here to demonstrate why this is the case. The impacts of Covid-19 on the housing market are considered in the viability review and any proposed changes to rates in light of this will be subject to further consultation.
		<u>Affordable Housing Values</u> Based on Ottershaw sub-market DAT attached to Appendix 2 of the CIL Viability Study, note that affordable housing tenure mix of 27% Social Rented and 73% Shared Ownership. Policy	The viability appraisal Toolkit presents the data in a consolidated way. In this scenario, there are 11 Affordable Housing units, 8 of which are Social

		SL20: Affordable Housing in the emerging Local Plan sets out a tenure split of 80% Social/Affordable Rent and 20% Intermediate/Discounted Market housing. Question whether a policy compliant tenure has been tested fully. In regard to our client's proposed development there are no one bedroom homes. All affordable homes will comprise either two-bedroom apartments and houses or three bedroom houses. In view of this it is possible that the values attribute to the affordable housing could be overstated, with values proportionally decreasing for larger occupancy units. <u>Construction Costs</u> Assume baseline and location adjustments are extracted from BCIS as at September 2019. Allowance for external works reflects an additional 15% on the baseline rate. Aware that high level development appraisals often adopt allowances for external works in the range 15% - 20% of baseline costs. Depending on the specific site, this can result in wide inaccuracies in build cost assessment. We have reviewed BCIS build costs at the date of this submission and concur that baseline and location factor adjustments are reasonable in terms of Median BCIS ranges. Question whether build costs would be closer to upper quartile rates to ensure the proposed homes are finished to a high standard capable of achieving average sales values set out in the CIL Viability Study. Location adjusted upper quartile BCIS rates are presently; £1,450 per sqm for two storey estate houses and £1,704 per sqm for low rise apartments. In addition, question whether 15% for external works is satisfactory. External works typically include utilities/services, estate roads, hard/soft landscaping, lighting, drainage (including SUDS), etc. The actual cost will depend on scheme layout and the underlying site conditions. Based on schemes that Boyer has been involved with recently external costs have ranged from 11% to 29% of baseline costs. As such, an average allowance for the purpose of a viability assessment would be more appropriate in the order of 20% of baseline costs.	Rent:Affordable Rent and 3 of which are Intermediate, so the testing process is policy compliant. It is possible that the AH values are overstated in relation to any individual scheme or site. But that is a matter for the site specific appraisal. The question here is whether the assumptions on Affordable Housing mix, density and tenure are apposite in terms of setting a robust CIL rate. The Council maintains that they are being based on a policy compliant housing mix. This is a correct assumption (September 2019). 15% is the standard industry assumption for external works. If the figure is 20%, representors should provide evidence for this and the circumstances in which this (20%) would apply. Local authorities cannot be placed in a situation where they set policy, or CIL rates based on a) average sales values and b) upper quartile construction costs. If these were to be accepted then vast swathes of local authority plans (particularly in the Midlands and the North) would show no Section 106 requirements or CIL whatsoever. Admittedly, there would be scope to do something along these lines for a Surrey authority. However,the justification for doing so could only be based on the assumption that there are developers operating in Surrey who would be prepared to build dwellings at higher costs than they need to; in doing so they would be throwing money down the drain (by building at high quality only to see average sales values) - this is not a reasonable business model.

		Note additional allowance of £10,000 per dwelling related to sustainable design (electric vehicle charging points, water efficiency, M4 Building Regs, 10% renewable energy and SANG/SAMM. We are unable to comment specifically on these allowances at the present time, but consider the costs that have been adopted for 10% renewable energy and impact of designing homes to be compliant with M4 building regulations are low relative to the costs we have experienced on other projects. We would like to see a more detailed explanation of these cost and comparable evidence to support them.	Costs of sustainable design have been obtained from a number of sources as referenced in the viability review which can be found at https://www.runnymede.gov.uk/article/15518/Community-Infrastructure-Levy-CIL- In fact the costs of off-site SANG/SAMM have been double counted for allocation sites as they appear in the table of infrastructure requirements for each site in the CIL viability assessment as well as in the general £10,000 per dwelling. Also, the costs of sustainable design, based on the sources as set out in the viability review are just under £8,000 per dwelling, but are rounded up to £10,000 to add a degree of flexibility. Therefore £10,000 per dwelling is an overestimation of costs and therefore could cover other cost impacts such as sustainable drainage, net gains in biodiversity etc.
		Contingency Costs The CIL Viability Study does not include any contingency costs. A 5% contingency added to BCIS costs should be applied to take account of unforeseen increases in building costs. Given the modelling to support CIL is high level a contingency is considered even more necessary given the lower level of accuracy compared to viability testing for specific planning applications.	Contingency is a contested area. Its purpose is never clear. Sometimes it's justified on the basis that costs 'might increase'. Other time it's justified on the basis that there is 'design risk' (which usually means the scheme may be changed). In the former, cost increases should be measured alongside changes in selling prices. In the case of the latter, the allowance for professional fees should be sufficient. The NPPG (2019) states that 'explicit reference to project contingency costs should be included in circumstances where scheme specific assessment is deemed necessary, with a justification for contingency relative to project risk and developer return'. This means that the appropriate place to apply contingency is at scheme specific level, not at the forward planning level (which is concerned with normal, not abnormal, circumstances. Furthermore NPPG is clear that the requirement to consider contingency should be considered alongside the margin allowed. The CIL Viability Study has adopted a margin of 20% on GDV, which is at the top end of the recommended range (15% to 20%). The Council therefore has no need at

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<u>Infrastructure Delivery Plan</u>
Brox End Nursery identified separately from Ottershaw East in the emerging Plan Policy and Infrastructure Delivery Plan whereas the CIL Viability Study has combined the two.
<table>
<tr><th>Infrastructure</th><th>IDP</th><th>CIL Viability</th><th>Notes</th></tr>
<tr><td>Education – Early Years</td><td>£220,500</td><td>Assume £1,500 per dwelling for s106 planning obligations</td><td>Brox Nursery costs in IDP for this are £32.5k</td></tr>
<tr><td>Education - Primary</td><td>£513,500</td><td>Assume £1,500 per dwelling for s106 planning obligations</td><td>Brox Nursery costs in IDP for this are £78.5k</td></tr>
<tr><td>Education Secondary</td><td>£514,00 combined</td><td>Assume £1,500 per dwelling for s106 planning obligations</td><td>Brox Nursery costs in IDP for this are £101</td></tr>
<tr><td>SL2 any other infrastructure identified at application stage</td><td>Health (GP & Dentists)</td><td>Assume £1,500 per dwelling for s106 planning obligations</td><td>Brox Nursery costs in IDP for this are £23.7k</td></tr>
<tr><td>SL2 any</td><td>Recreation £1.82m</td><td>Assume</td><td>Brox</td></tr>
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<td>
this level to adopt a contingency for the CIL setting process.

Viability assessment has not combined Ottershaw East and Brox End Nursery. Therefore infrastructure costs in CIL viability are for Ottershaw East only. Where the CIL viability assessment has not identified an infrastructure cost for each allocation site it is because these costs are to be covered by CIL and including them in the assessment would be double counting infrastructure costs. A separate appraisal for Brox End Nurseries including S106 costs are set out in the viability review.
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		other infrastructure identified at application stage		£1,500 per dwelling for s106 planning obligations Green Infrastructure £817,759 SANG £1.16m SAMM £146,160 Totals £2.12m	Nursery costs in IDP for this are £138.6k excluding SANG which is costed separately at £105.2k Combined cost £243.8k	
		SL2 any other infrastructure identified at application stage	Not identified/costed in IDP	S278 Costs £363k		

Total	**£4.398m**	**£3.747m [comprised of £300k (200 estimated no of dwellings multiplied by £1,500) plus £817,759 plus £146,160 plus £2.12m plus £363k]**	**CIL Viability testing approximately £0.65m lower than Infrastructure Delivery Plan**

Based on the above there are inconsistencies between Policy, CIL Viability Study and the Infrastructure Plan. Policy requirements regarded as critical and essential infrastructure in the Infrastructure Delivery Plan, are either absent or included at different value levels. Most significant conclusion from the analysis in the table above is that development costs in the CIL Viability Study are £0.65m lower than those identified in the Infrastructure Delivery Plan. This cost difference is small relative to the potential CIL that will be collected based upon the rate currently proposed for the Ottershaw Area.

Ottershaw East site in the CIL viability assessment does not include Brox End Nursery and therefore the figures in the IDP for Brox End Nursery are not comparable to the figures used in the CIL viability assessment. The costs for Ottershaw East are based on cost assumptions and standards set out in the IDP. A separate appraisal for Brox End Nurseries including S106 costs are set out in the viability review.

<u>On-site infrastructure costs</u>
CIL Viability Study states the Council has calculated cost of on-site infrastructure for major and strategic sites. With regard to Ottershaw East, this totals £2,486,919 and stated to comprise:
S278 Highways: £363,000
Green Infrastructure: £817,759
SANG: £1,160,000
SAMM: £146,160
Total on-site infrastructure cost equates to £12,014 per dwelling based on 200 dwellings and two gypsy/traveller pitches. However, not certain how these figures have been

Noted, however the costs of education are to be covered by CIL and inclusion in the assessment would therefore double count costs. There are no requirements for contributions to libraries whether through CIL or S106 and SANG/SAMM will continue through S106, the cost of which is included against each allocation site as appropriate or within the £10,000 per dwelling for sustainable design. These costs have therefore been accounted for.

		calculated and there are differences compared to the IDP. Would ask the Council to explain how these costs have been calculated/derived for the Ottershaw East sites. <u>S106 and S278 Costs</u> CIL Viability Study includes an allowance of £1,500 per dwelling for s106 planning obligations. We have reviewed requirements for potential s106 contributions in regard to early years, primary and secondary education, Library services, SUDS and Thames Basin Heath SPA. While some of these are case specific, it is possible to formulate a high-level view Based on our clients estimated scheme for Brox Nursery, it is estimated that the following approximate s106 contributions would be sought: Early years childcare: c.£30,000 Primary school contribution: c.£150,000 Secondary school contribution: c.£160,000 Thames Basin Heaths SPA: c.£90,000 This would equate to approximately £9,350 per dwelling excluding any contributions for library services, SUDS etc. We understand that s278 costs have been included in the appraisals as set out in the section above. However, we would reiterate that at this moment in time it is not clear how these costs have been estimated by the Council. <u>Build Programme</u> Unclear what timescales are attributed to the development of each site in terms of pre-construction phases, construction phasing and sales rates. This data would be helpful to understand how part of the finance costs are calculated. Should it transpire that unrealistic timescales are applied to the build-out period and sale of completed units this would artificially reduce finance costs and show an improved viability position than was achievable in reality. <u>Sensitivity testing</u> It is not clear what level of sensitivity testing has been	S278 costs are a generic £1,500 per dwelling which is considered reasonable for a high level assessment of viability. The issue of phasing and cash flow is considered in the viability review. Sensitivity testing and Covid-19 are considered in the

		undertaken. While there is evidence of different approaches to determine the BLV, we have not seen any evidence of the sensitivity of other key inputs such as residential sale values and selected build costs and whether negative events that could reduce sales values and/or increase build costs could significantly erode any buffer and endanger overall viability. Given current uncertainty around potential for a no-deal Brexit, coupled with Covid-19 pandemic and virtual lockdown of the UK / global economy there is concern that house prices will be adversely affected and could take a pro-longed period of time to recover. As such, negative impacts to growth should be fully tested as well as the potential for any upside improvements in viability to test the impact on development and the ability for schemes to absorb a CIL contribution.	viability review and any proposed changes to rates in light of this will be subject to further consultation.
REP-010	Mr J Tenconi obo Virginia Water Neighbourhood Forum & Wentworth Residents Association	Representations concern the unacceptable stress on resources and infrastructure of Virginia Water with no provision for effective improvement of that infrastructure nor amelioration of the inevitable effects on the same. It seems apparent from the 2 provisions within the IPD in respect of Virginia Water that no solutions have been investigated or found. In that regard, we believe that the CIL and IDP are further evidence that the undoubted and acknowledged extra strain to be put on the existing infrastructure resources of Virginia Water by the Local Plan as a result of the proposals for development in Virginia Water and at Longcross are not provided for. Based upon the recent public survey carried out by the Neighbourhood forum we have identified a series of challenges with both the present IDP and CIL: - 1) Shadow of Longcross looms large across the village and neighbourhood plan, most significantly from the obfuscation of infrastructure expected, or not, to be present within the 'Garden Village'. We have heard multiple 'plans' for what is and is not to be contained within the proposed Garden Village at Longcross, and how the potential s106 contributions will materialise. Whilst plans were meant to include both schooling and medical facilities we understand these have now	Noted. The Virginia Water area and the proposed allocations in the 2030 Local Plan for that area were considered in the IDP and a number of infrastructure projects identified. In terms of Longcross, development is to be mitigated through Section 106 not CIL. Noted, however the Section 106 agreement will be a negotiated approach to delivery of infrastructure at Longcross and these negotiations are ongoing. Not wishing to place the delivery of the site at risk, the Council consider that the site cannot viably deliver infrastructure through both Section 106 and a CIL and Section 106 is the preferred route for physical delivery of infrastructure on-site and contributions towards off-site

		been scaled back. With no CIL to be charged at Longcross, should these investments not be made there will be significant pressure placed upon Virginia Water with minimal revenue coming in. Based upon the CIL levied at Virginia Water there would be a c. £100m contribution from the 1500 homes. Clarity regarding the exact nature, conditions and amount of the S106 are required urgently so that residents of Virginia Water can understand the impact upon our village. 2) The CIL is presently set at a level which fails to deliver the type of development favoured by residents within Virginia Water and leaves a significant shortfall on RBC's infrastructure programme. Within our initial consultation there are two themes which stand out in terms of future development within Virginia Water – need to retain the open feel of the village and balance against traffic and infrastructure issues. These were common across both employed and retired residents alike. Our interpretation – based upon verbatim comments made by respondents – is that development within the village would benefit from a lower density redevelopment of existing plots and pseudo-brownfield sites, thus retaining the present open spaces and character of the village. Such housing also needs to be priced at a level which would allow a younger working population to join the village community as the aging population means an increased catchment for schools, placing additional pressures upon the road networks at key times. There are a number of emerging sites which are suitable on this basis, but which would struggle to be economically viable under the present level proposed. One of our principle concerns is that there exist no clear plans for re-investment of any CIL raised from Virginia Water – rather emerging evidence (in terms of selling key assets such as the Bourne Road car park, school closures and a loosening of the Longcross S106) that monies would instead flow out of the Virginia Water area. Based upon the present targets for housing within the local plan we envisage the Virginia Water area to contribute in excess of £25m through the CIL with no visibility of how this will facilitate the development of the village. The above demonstrates that Virginia Water requires	provision where necessary. Policy SD10 of the 2030 Local Plan sets out the type of infrastructure required to be delivered on site and includes primary education, green infrastructure and community facilities. Noted, however the level of CIL proposed in the Virginia Water area reflects the viability of sites in the 2030 Local Plan as well as generic 1ha and small sites. No details have been submitted of the pseudo brownfield sites referred to in the representation so the Council cannot comment on the viability of these sites, however the viability evidence underpinning the CIL rates found Virginia Water to be one of the highest value areas in the Borough and therefore capable of supporting a higher rate of CIL whether on an existing greenfield or brownfield site and with a policy compliant mix of housing including small and affordable units. Further, the Council have also applied a 50% buffer to proposed CIL rates to add flexibility should circumstances change over the lifetime of the Charging Schedule. In terms of infrastructure funding, CIL is not supposed to cover the entire infrastructure funding gap but is part of a range of funding sources. The point about CIL revenue raised from sites in Virginia Water not being spent on infrastructure within the Virginia Water area is noted, however, this is how CIL works and it will be for the Borough Council to determine the projects on which CIL funds should be spent including projects within the Virginia Water area, although if a Neighbourhood Plan is in place 25% of these CIL receipts must be spent in the local area.

		improvements within Facilities for Younger people, Leisure and Parking – the latter which the council have actively made worse through prior IDPs. As such whilst we acknowledge that sources of funding are required to invest within the Virginia Water environment, greater clarity on the IDP and how it has been created to meet resident needs is required. This leads to point (3)	
		3) We are lacking clarity as to what the 'art of the possible' is for Virginia Water Infrastructure as RBC have yet to share a detailed, coherent plan. Given the de-scoping of facilities within the Garden Village and knock on effect on Virginia Water that a detailed plan has not been forthcoming is of grave concern. Within our initial consultations 80% of the 386 people answering thought travel could be improved with congestion being the most stated theme. Many people stated facilities at the station were in need of being improved and that there were challenges within the local environment due to a lack of sufficiently frequent bus services and poor cycle access. There are clearly a number of solutions to these issues which depend in part upon the scale, and nature, of any emerging development plans. These range from lower capital cost measures such as traffic calming, residents only parking (needed to cover overflow from the loss of the station car park) to improving the routes around the village allowing traffic to divert at peak times. We propose to engage with Surrey County Council to understand its position with regard to a road assessment to include the village roads and not just the strategic roads given that we do not have funds to do this ourselves. As such, across these three areas it is apparent that RBC have no coherent plan on either the level of the CIL or where prioritisation could be used to better refine spending estimates – largely due to shortfalls within their previously rejected Local Plans. To the extent that funds towards the infrastructure cost shortfall are to come from the CIL, we believe that it is set at a rate that cannot meaningfully impact on those requirements, yet simultaneously endanger the type of development required within Virginia Water.	The IDP was considered at the 2030 Local Plan examination and contains a number of infrastructure projects including projects for Virginia Water along with the requirements for infrastructure delivery from the sites allocated in the Virginia Water area. In terms of the level of CIL, this must be based on what it is viable to charge and not simply what the infrastructure gap for the Borough is, as CIL is not supposed to make up the entire funding shortfall but is a balance between viability and infrastructure requirements. Again, the Council consider that the CIL rates proposed for the Virginia Water area are viable, however, in light of Covid-19 the Council has undertaken a review of its viability and any proposed changes to rates in light of this will be subject to further consultation.

		With regards to the IDP, we wish to highlight that further representations will be forthcoming with regard to: • restricted access for lorries over a certain weight on some roads and possible diversion signage to create a "ring route" around the village for through traffic; • residents only parking and possible number plate recognition enforcement; • frequent free bus services around the ward (wave down pick up and stops at shops and station etc); • improvements to pavements; • traffic calming and proper cycle lanes on roads not on pavements; • and any further issues mandated by our constituents. We understand from you that in due course there will be assessments, once planning applications within the Plan (if adopted) come forward, which will be a deep dive into infrastructure. At this time there should be complete clarity regarding Longcross including • the NHS position on promised medical facilities • the Department of Education's position on school facilities • RBC's position on office use and station parking around the infrastructure at Longcross. These should reveal whether Longcross is a sustainable development in its own right or simply an unsustainable attempt to add the Garden Village to Virginia Water (described in the Green and Blue Infrastructure Review as "a local centre"). This would require Longcross to parasitically exist on what small infrastructure Virginia Water has, without any regard to the adequacy of such infrastructure. Finally and importantly, we would like to be assured by the Council officers that there will be sufficient opportunity for us to make further representations and would be grateful for your confirmation of such opportunity.	Infrastructure projects highlighted are noted. Any projects identified by Neighbourhood Plans could be included within any update to the IDP and could be funded through the Borough's CIL revenue and/or a combination of the Borough's revenue and neighbourhood funding element. The Borough Council will need to put in place governance arrangements to cover this issue in the future. Noted, planning applications for all allocation sites including Longcross will be expected to set out how they meet the requirements of Local Plan policies and approach to on and off-site infrastructure delivery. The CIL regulations do not require any further stages of representation However, in light of Covid-19 the Council has undertaken a review of its viability and any proposed changes to rates in light of this will be subject to further consultation.

REP-011	Natural England	Natural England does not consider that this Community Infrastructure Levy poses any likely risk or opportunity in relation to our statutory purpose, and so does not wish to comment on this consultation.	Noted.
REP-012	DPDS obo SMECH Management Company	Object to the allocation of LGV as a strategic housing site and consider the site selection process to be fundamentally flawed. LGV should be removed as an allocation and any works started on LGV should be postponed until A320 mitigation works have been completed, and impacts to the A320 road network mitigated.	This matter was considered at the Local Plan EiP and is not relevant to the CIL consultation.
		Draft CIL Charging Schedule identifies the LGV allocation as exempt from CIL (i.e a rate of £0 per sqm of new floorspace) which means any contributions towards infrastructure would be secured through 106 (S.106) legal agreement. This aligns with RBC's preferred route for securing contributions towards site specific 'critical infrastructure'.	Noted.
		There remains an element of disagreement between the developer and Council about the level of contribution from the LGV scheme. Table 3-2 of the TBD shows of the £60m assumed to be provided through S.106 for LGV, the transport elements total £30.63m. These are quite specific sums considering that Transport Assessments have not yet been completed, and no firm idea of what off-site works will be required. Notwithstanding, £250,000 seems a slight contribution for all walk, cycle and 'soft' measures for a development of 1,700 dwellings plus commercial uses.	Transport impacts of development were considered in the Transport Assessments carried out for the 2030 Local Plan in the form of the SHAR and the A320 Corridor Study. This translated into projects in the IDP with an estimate of costs attached or costs based on existing S106 commitments for LGV north. Costs were also considered as part of the infrastructure evidence in the Runnymede Infrastructure Needs Assessment and Infrastructure Delivery Plan (IDP) which also supported the 2030 Local Plan. In any event this does not preclude a project level Transport Assessment from refining the list of projects and/or costs in the IDP if these are shown to be necessary to make development acceptable in planning terms.
		Initial highways funding gap is £88.5m, with critical A320 & M25 Junction 11 mitigation scheme costed at £44m with identified clawback of £6.6m - £11m from developer contributions. Based on Table 3-2, none of this clawback is to be from Longcross Garden Village, even though this is quoted in Policy SD10: Longcross Garden Village within the emerging	Clawback calculation does include LGV as Appendix D of the TBD clearly shows. However, HIF preconditions require Council to target 100% clawback of HIF after policy compliant development is achieved and this will be subject to viability and negotiation on a site by site basis including LGV.

		Runnymede 2030 Local Plan. Paragraphs 3.36 to 3.37 of the TBD explain that the initial funding gap for active transport projects is £10.25m, with actual contributions of £0.28m and no further funds identified, leaving a funding gap of £9.97m. The figure of £0.25m from LGV set out in Table 3-2 appears particularly inadequate in this context, given that LGV represents over 21% of the Boroughs proposed residential development. Paragraph 3.38 of TBD sets out a bus and rail funding gap of £16.1m with no other funding sources identified; the total highways and transport infrastructure funding gap is given as £69.8m. If no CIL is to be collected from LGV to cover off-site improvements, the conclusion might be that developments elsewhere in Runnymede Borough are in effect subsidising the LGV developer. Section 5 of the TBD discusses setting CIL rates. Table 5-6 gives a figure of £297 for LGV. The pessimistic scenario set out in paragraph 5.51 gives a 50% viability buffer of £32–£109 per sqm for LGV, excluding any infrastructure costs towards the A320 mitigation scheme. As previously mentioned, paragraph 5.52 then goes on to conclude that LGV should have a CIL rate of £0 so as to not 'place the delivery of this site at risk'. Again, the implication is that development in the rest of the Borough is subsidising the infrastructure required to enable LGV, including the critical A320 improvements. Table 6-1 of the TBD confirms that LGV will contribute nothing towards the £19.5m to be derived from development sites across the Borough. Para 6.8 concludes that the size of the final infrastructure funding gap (estimated £75.5m) means that the Council will need to find other sources of funding throughout the Local Plan period. The significance of this gap and uncertainty of funding sources brings into question	The £0.28m referred to in para 3.36 are not estimates but are contributions already made via Section 106. In terms of £0.25m for active travel from LGV this is based on the IDP projects identified for the site but does not include the costs of internal cycle/footways or schemes already secured by S106 through the north site. Setting a zero rate for LGV does not preclude off-site improvements coming forward from the LGV site through S106 and the IDP schedules do include off-site projects attributed to LGV, including improvements already secured through S106 for the north site. As set out above, in any event this does not preclude LGV from delivering further off-site improvements if a project level Transport Assessment shows this is necessary to make development acceptable in planning terms. CIL rates are based on evidence of viability which shows that in a pessimistic scenario and with infrastructure delivered through S106 there is the possibility of LGV returning negative residual values i.e. no scope to pay CIL. Given the strategic importance of the LGV, the Council would not wish to place this site at risk and therefore a precautionary approach has been taken. In light of Covid-19 the Council has undertaken a review of its viability and any proposed changes to rates in light of this will be subject to further consultation. The comment regarding A320 improvements is incorrect. Noted, however, the infrastructure costs associated with LGV do not form part of the infrastructure funding gap figure quoted in para 6.8. Table 3-3 clearly states funding gap excludes LGV as the £60m infrastructure cost for LGV is assumed to come from S106 and therefore no funding gap for the site. The viability evidence demonstrates that there is limited scope to

		whether a CIL rate of £0 for LGV is indeed a sensible option. Appendix C of the TBD sets out the S.106 contributions secured from 2015 – 2019. For LGV the transport related contributions are £2,649,641. As set out in Table 3-2, LGV is to contribute a total of £30,630,000 in S.106 funding for transport measures, leaving £27,980,359 still to be secured by future S.106 agreements for LGV South. If the viability of LGV is as marginal as the TBD suggests in deciding not to seek CIL contributions, then this level of S.106 funding may well be in doubt. RBC's ambition to achieve delivery of key strategic sites should not supersede the fundamental considerations of plan-making and future decision-taking as set out in the National Planning Policy Framework (NPPF). This includes ensuring that potential impacts of development on transport networks can be addressed, avoiding unacceptable impact on highways and avoiding residual cumulative impacts which are severe. With regards to LGV, these provisions of the NPPF can only be guaranteed upon delivery of the critical A320 improvement works. However, there still remains lack of clarity and detail regarding the viability of LGV and the contribution it will make to critical infrastructure, and lack of certainty as to alternate sources of funding which will fully bridge the infrastructure funding gap.	charge CIL on top of the £60m and not wishing to place the site at risk a zero charge is proposed. Noted, however the Council considers the LGV site is viable for £60m of infrastructure improvements plus a contribution toward HIF, however placing CIL on top of this could place the site at risk. Noted. The HIF bid for the A320 north of Woking was successful and each site contingent on the A320 will be expected to contribute towards repayment of the HIF grant including LGV.
REP-013	Danehurst	Danehurst Developments are a little surprised at not having been invited to offer evidence to the Council in respect of setting a CIL rate applicable to PBSA. With a track record of assembling sites in locations close to the university, acutely aware of the economics of providing student accommodation in an area of very high residential land values. The 1st phase of The Pad in 2012/13 occurred because property owners have approached us with opportunities to acquire their properties for this purpose. These properties were all located in close proximity with the university campus, but in	Noted. Noted. Student Accommodation and CIL are considered in the viability review.

		areas of high residential values. This has necessitated Danehurst having to pay over and above existing residential use value to acquire sites for student accommodation; there are no greenfield sites identified for student accommodation.	
		As the university expanded proportion of students living in university accommodation dropped with more students turning to the private rented market for accommodation creating large concentrations of family housing converted into student lets in an area where there was no history of significant private renting. It has artificially lifted residential property prices as a large number of private property investors acquire properties which were originally built as family dwellings being let to students. The rental income from a student household is higher than what can be earned from a letting to a family.	Noted. The Council's analysis has assumed lower rents than for example is set out in the Danehurst submission. The effects here are largely substitutional and very specific. It is unlikely than in the short to medium term prices in the general market will be affected particularly in relation to CIL which is based on very wide geographical areas.
		As early as December 2018, 453 dwellings were on the market for student lets in Englefield Green alone for the 2019/20 academic year. Additional properties were offered as the year progressed. By 2014/15, RHUL, with a student population of almost 8,900 could only accommodate 2,904 of its students (32.5%) in its own accommodation which puts particular stress on the areas of suburban family accommodation around the campus, where large numbers of houses have been converted into HMOs.	Noted.
		In January 2015, outline permission (RU.14/0099) was obtained by RHUL for its future development needs up to 2031 including the Master Plan and 55,000m2 new academic/ academic related buildings and c.71,000m2 student accommodation (c.2,650 bed spaces) were to allow for the expansion of the university from 8,600 students in 2012 to 12,000 in 2031. Of the additional 2,650 student bed spaces proposed, 1,500 of these were stated to be provided in a first phase by 2021.	Noted.
		Following the masterplan, in September 2017, 621 new student bed spaces were opened on the university's land at Harvest Road. The growth of the university is moving forward	Noted.

		apace. George Eliot Hall on Harvest Road provided the first increase in student accommodation owned by RHUL since 2006. During this period Danehurst were the only private provider of PBSA for private let at The Pad, Egham Hill, a second phase of which opened in 2015, providing 220 bed spaces overall.	
		In September 2017, Danehurst opened its third development, Podium, adjacent to the university on Egham Hill providing a further 178 bed spaces. This was at the same time as the university opened their George Eliot Hall. Despite 800 new student bed spaces coming forward at the same time, the rooms at Podium were taken up quickly. In September 2018 a further 499 private student bed spaces opened at Hox Park on what is referred to as the former Brunel university site and despite it being less convenient for the campus, we understand that this has also let well. Danehurst obtained planning permission on appeal in August 2019 for a further 166 student bed spaces next to George Eliot Hall. Demand for private built purpose-built student accommodation was a significant factor in support of our application. Construction has commenced for opening in September 2021.	Noted.
		Charging authority presumes that student accommodation will not generate any CIL during the plan period because sufficient provision is made with the 'local plan requirement' made up of existing planning permissions or completions. Even if they were implemented there is a strong need for further PBSA. Given current circumstances relating to the RHUL proposals, however, we think it unlikely that the extant permissions will be implemented in full. Therefore, any further student accommodation will be subject to the new CIL charging schedule.	Noted, whilst the TBD considers forecast student needs to be addressed by existing completions/permissions, it does state that this does not preclude future student accommodation from coming forward over the lifetime of the Plan.
		By 2021 outline planning application RU.14/0099 showed that the student population would have grown from 8,600 to 10,500. To accommodate this growth an additional 1,500 bed spaces were to be provided. The university has recently submitted an application (RU.20/0098) to develop an alternative, previously	Noted.

		developed site in the Green Belt at Rusham Park, which the university has purchased. The application seeks a maximum of 2,000 bedspaces, with 1,400 in a first phase. It is evident that RHUL will not achieve 1,500 additional bed spaces by 2021 that were suggested in the outline planning permission.	
		A key component of the Rusham Park application is that the university would not bring forward the purpose-built student accommodation for which it has outline planning permission within the campus and to the north, within Englefield Green due to pressure from residents of Englefield Green and their perception of the impact of additional students living in family dwellings in the village.	Noted.
		All these points demonstrate need for the private sector to make a bigger contribution to purpose-built accommodation instead of HMOs. Appeal decision letter for The Garage, Harvest Road (APP/Q3630/W/18/3219397) stated that 'irrespective of any differences in rent levels, the proposal would meet a market need for student housing in the area and would increase choice and quality in the market for student accommodation. The need for student housing has placed pressure on the local housing market. The proposal would also support the University's growth and development with convenient access to the RHUL campus. This weighs heavily in support of granting planning permission'. If planning permission is not approved at Rusham Park before the introduction of CIL, the university's residential strategy may need to be reviewed and further delay will ensue. The university itself will then have to consider the implications of the CIL levy.	Noted, the Council's response to RHUL's representation is set out earlier in this table.
		<u>Appropriate Level of Consultation</u>	
		As one of only two developers who have experience of the difficulties of delivering student accommodation schemes in the area, the charging authority should have sought information from us to assist in setting an appropriate CIL levy on student accommodation. We shall demonstrate that the CIL Viability	Noted. The representation from Danehurst has been taken into account and addressed in the Council's viability review.

		‘fair assessment’ at para 6.46 bears no relationship to the cost of developing and delivering student accommodation where it needs to be - close to the university. <u>Inappropriateness of the Evidence</u>	
		CIL rate put forward based on evidence that bears no relation to fact. Evidence uses a hypothetical 1ha site. The assessment assumes 30% site coverage and a 5-storey development. This fails entirely to acknowledge the planning issues of developing at high density in the vicinity of the university, with its low-rise buildings, low density, extensive tree cover, ecological and local amenity considerations. In order to be appropriately located for pedestrian and cycle access student accommodation needs to be close to the university. From the table at 6.46 of the CIL report, the net lettable floorspace assumption is 12,000m2. If the average size for each unit is 20m2, this implies 600 student bed spaces per hectare. Actual densities from Danehurst’ developments range from 5,189 to 7,109sqm net lettable floorspace per ha. Our Table 2 calculations of surplus are based on actual information for The Garage and Podium developments. We make some brief comments below the table to explain and justify our figures. <u>Revenue</u> *Rent per week*	Student Accommodation and CIL are considered in the viability review.
		Schemes that we have developed have higher rents, which we have set out as an average. The higher level is partly due to the high standard of the accommodation provided and smaller scale of each development. It also reflects the scarcity of PBSA accommodation. However, as more university and private purpose-built student accommodation becomes available, growth in rents will stagnate, as long as additional PBSA is possible. Although our calculations in table 2 relate to actual developments, the likelihood is that for future PBSA schemes average rents will be closer to those charged by RHUL. This in turn will reduce the ability of PBSA	Student Accommodation and CIL are considered in the viability review.

		developments to afford the £55 CIL rate that table 2 suggests would be reasonable. *Management & Maintenance* Our developments incur a higher sum of c £2,500 per bed provided (23%) for M&M to ensure that the quality of the buildings and environment is maintained and to provide security. Of this amount, typically some £450 is payable for utilities (energy and water). We do not consider 15% to be an adequate amount for a scheme of 600 beds, which equates in this instance to £960 per bed (based on 600 bed spaces) even allowing for economies of scale.	 Student Accommodation and CIL are considered in the viability review. The paper increases the management and maintenance to 20% in line with the sector.
		Yield Knight Frank market commentary issued January 2020 - prime regional direct let yields has stabilised at 5.50% and may strengthen further. Egham is not considered a Prime Regional Area as there is only one university locally but given lack of supply of PBSA and expected growth in student numbers, 5.5% is considered achievable for direct let PBSA located close to campus. Reference to 4.5% is achievable in prime central locations, such as London. It is not achievable in Egham for PBSA's and the value assumption in the CIL viability is disputed.	 Student Accommodation and CIL are considered in the viability review. 5.5% is adopted in the updated analysis.
		Capital Value m2 Our calculations demonstrate a higher capital value than the CIL viability assessment, largely due to the difference in tenancy durations offered by PBSA compared with university accommodation.	 Student Accommodation and CIL are considered in the viability review.
		<u>Development Costs</u> *Construction Cost*	Student Accommodation and CIL are considered in the viability review.

		Construction cost in CIL viability significantly less than actual costs that developers pay on private sites where planning and site-specific issues affect costs. Our figures are based on actual costs, where the works are undertaken by a main contractor on our behalf and Podium cost is adjusted for inflation. *Professional Fees, Marketing, Development Margin & Finance*	
		With the exception of finance costs, we accept the percentage applied for professional fees. Our finance costs are slightly higher at 6.75% compared with those assumed at 6%, and we understand our costs accord with standard valuation assumptions. The residual value per m2 in the CIL viability 'typical' scheme is considerably higher than it would be in real conditions due to the very low construction costs assumed. The residual value of our developments is similar or slightly higher than assumed in CIL Viability, but again, due to the tenancy period differential. This is however more than offset by the bizarre assumption that 'commercial' land value should be used as base land value. *Base Land Value*	Student Accommodation and CIL are considered in the viability review.
		House prices in the Englefield Green are the second highest in Runnymede behind Virginia Water, whilst even in Egham average house price is £494,000. Danehurst typically acquire sites with an option, which enables us to pay a little more in return for the seller waiting for us to obtain planning consent. Given the high property values, we have to pay very high existing use value together with a premium to enable the owner to sell. We have typically paid between £40,000 - £45,000 per student bed in land value. This compares with CIL viability figure of £3,333. The end value of the council example will be c £72.5m (Capital Value/ Sqm @ £6,044 x 12,000 sqm). A rule of thumb, is that a reasonable purchase price is about 30% of the anticipated end value. In more central locations, this can nudge up to 40%. On this basis, CIL viability's typical site was acquired on that basis, the site purchase value would	The economics of student housing provision are reviewed in the viability review. As a more general point, it is important to point out that what the planning process focuses on is the premium, and the extent of it, over and above EUV. With example figures, it is difficult to assess whether the CIL being set is reasonable or not.

		be c £22m; £ 36,000 land value per bed. Whilst site specific matters and planning policies and issues will influence the price paid in the end, the example employed in the CIL viability demonstrates that a developer who could acquire a site for £2m to deliver an end value of £72.5m with a total development cost of £27,884,000 would experience a most extraordinary profit of £44,628,000 – or equivalent to a Developer's Margin of 160% on costs. If one assumes that a developer's margin should be 20%, the residual site value would be, leaving all other assumptions unchanged, in the region of £34.5m. This is too high, as the constructions costs are understated in the CIL viability worked example and the yield applied to the value too high. What it demonstrates, however, is that the AGA typical site and associated values and costs, with land purchase at £2m belongs in fiction and should not be applied as a sound basis on which to make public policy decisions. A final point is that the Podium development provided more studios (70% studios/ 30% cluster). Our table demonstrates that more studios provided, the higher the value and, therefore, an ability to pay a slightly higher CIL rate. However, developing mainly studios is counterproductive in terms of attracting students out of HMOs, as rents for a studio are typically 20% higher per week compared with ensuite cluster bedrooms. Our submission also demonstrates that cluster-based accommodation, which is lower rent PBSA, cannot support the same level of CIL as a studio only/ primarily studio-based scheme. For a studio based scheme, a CIL rate of £125 could possibly be viable in the Englefield Green area, whereas for a cluster based scheme, it should not exceed £50 psqm. However, if RHUL is able to deliver the number of bedspaces that it proposes, this would not be viable if RHUL had to pay a £495 CIL rate. Rental levels of future PBSA developments will come down, so that even the £50 CIL rate would jeopardise future private student accommodation developments other than for high rental studio accommodation. CIL viability assessment considers one hypothetical site for	 Student Accommodation and CIL are considered in the viability review. Student Accommodation and CIL are considered in the

		student accommodation which bears no relation to the area being assessed. The overriding issue is its simple assumption that a site suitable for student accommodation, can be found locally that will enable the construction of 600 new bed units and that the acquisition of such a site can be achieved at £2,000,000. This is not at all evidence-based decision making.	viability review.
REP-014	Theatres Trust	We are supportive of the nil rate for 'All other development'. This would include community and cultural facilities including arts centres, community halls and theatres. These facilities provide immense benefits to their local communities and contribute to the social and cultural well-being of local people. Paragraph 92 of the NPPF supports the delivery of local strategies to improve health, social and cultural facilities. Many of these facilities are unable to operate on a full commercial basis and/or are run by charitable or voluntary organisations thus additional obligations from development can undermine the viability and delivery of new or expanded facilities. Most non-residential town centre development would also fit into this nil category thus encouraging the future health and vitality of the borough's high streets and centres.	Noted.
REP-015	Quod obo St Edwards	Welcome the Council's approach of developing its CIL Charging Schedule and Planning Obligations policies in parallel with Local Plan based on evidence from its Infrastructure Delivery Plan. This follows good practice and, in principle, allows the deliverability of sites to be properly considered. CIL Viability Study which is not transparent in its assumptions and does not make clear its inputs, particularly for larger sites. Would be helpful if the Council could publish these inputs and allow respondees to comment on them. Our experience in responding to Charging Schedules across the country is that for strategic sites they will provide much more granular information on the cost and value assumptions, and their source/basis, including: Detailed builds costs and their basis; Abnormal costs, including for complex sites, and in the case of	Noted. The full appraisal sheets are published in the viability review. The principle of site specific assessment is accepted likely to yield more detailed information. This was included in the detailed assessment for Longcross Garden Village. In the situation of strategic sites, it may be the case that there are potential costs which are unforeseen at this stage. The planning application will potentially include items which cannot yet be discovered.

		large strategic sites specifically identifying 'opening up costs'; Site specific infrastructure requirements; Costs of all relevant policy requirements; Finance costs; Professional, project management, sales, marketing and legal costs incorporating organisational overheads associated with the site; Developer and contractor returns.	It is also the case that costs could be lower, as a result of a number of factors including market hot spots, alternative densities, development mixes and or unit sizes. There are many unknowns at this stage. NPPG states that 'abnormal costs, including those associated with treatment for contaminated sites or listed buildings, or costs associated with brownfield, phased or complex sites. These costs should be taken into account when defining benchmark land value'. The Council have taken into account the potential for abnormal costs when setting the CIL rates. The CIL rate at the higher end of the market is £380 per square metre and at the lower end, it is £90 per square metre. Table 6.3 of the CIL report sets out clearly the surpluses for CIL – which are £5,908 per square metre at the top end and £208 per square metre at the bottom end. However, in light of Covid-19 the Council has undertaken a review of its viability and any proposed changes to rates in light of this will be subject to further consultation. Site specific infrastructure requirements are set out against each of the allocations sites considered in the CIL viability assessment with a generic £1,500 per unit for 1ha sites. Policy costs of sustainable design have also been included at £10,000 per dwelling as set out on p81.
		For larger sites we would expect to see a cashflow, including duration and costs for planning, site preparation and phases of development, with costs (including financing) attributed to each phase. This would be aligned with income based on market absorption and sales rate and timing of any other income (eg. from Registered Providers for affordable homes). The approach taken in this study is to present some detail of planning obligations for each site together with screenshots which show total costs but no detailed breakdown and no assessment of timings or phasing of delivery. Appendix 2 gives one worked example with, on page 86, a table of details for	The issue of cash flow is dealt with in the viability review.

		inputs to the 30 dph scenario but it is not stated whether this is what has been applied to the large sites, and doesn't give information on Phasing.	
		The Viability Study analysis of large sites does not include a site or typology the size of North East Ottershaw (ie 650 to 850 homes), with a gap between 275 homes scheme at Chilsey Green Farm and 1,500 homes at Longcross Garden Village. Sites above 500 homes typically have greater on-site infrastructure requirements – which the Draft SPD says will continue to be secured through S106 obligations – and also have greater opening up costs and take longer to develop. Charging full CIL rates in addition to Section 106 requirements for such sites renders them unviable;	North East Ottershaw is not allocated in the 2030 Local Plan and therefore has not been tested. Sites tested in the CIL Viability Assessment reflect the sites anticipated to come forward over the 2030 Plan period. In terms of CIL & S106 the CIL Viability Assessment demonstrates that both are viable from allocation sites.
		Assessment of Longcross Garden Village is not included in the summary table at page 45. Again information on this site is provided in a screenshot at page 44, but there is limited background detail. The site has significant planning obligations but these are not broken down by type. There is no information on cashflow, discounted returns or timing of infrastructure requirements. The report states (para 4.80): "There has been considerable discussion with developer, Crest Nicholson and their advisers, Turner Morum. All parties are agreed that the scheme is viable, although the Council believes that the scheme is more viable than the applicants' figures suggest." It is not possible to comment on these conclusions, or for any sites with capacity over 275 homes because of the lack of information available. We would request that the Council publishes this information and allows respondees to make further comment if necessary as it is material to whether the proposed CIL rates strike the right balance on large sites.	The LGV site was considered in more detail in the Council's A320 Viability Assessment as supporting evidence for the Local Plan. The CIL viability evidence summarises the A320 viability results. The A320 viability assessment is available to view on the Council's web-site and was available for comment in the run up to the Stage 3 Local Plan hearings in November 2019 to which St Edwards submitted representations to the Inspector's Matter & Issues referencing the A320 viability work in their response.
		It would be necessary, should the Local Plan Inspector require additional sites, or an early review to undertake some intermediate typologies (eg. 500, 750 and/or 1,000 homes) based on transparent assumptions and including an understanding of the timing and phasing of infrastructure.	Local Plan Inspector has not indicated a need for additional sites in her report to the Council. Any early review of the Local Plan could also include a review of the CIL charging schedule at the same time.

		Charging Zone boundaries do not follow the sub-market boundaries shown in the Map at paragraph 3.7 of the Viability Report, but appear to have been drawn to also take into account some housing sites. This includes the Chertsey Bittams and St Peter's Hospital sites, which are immediately adjacent to St Edward's North East Ottershaw site. They therefore have similar value characteristics but potentially less on-site infrastructure. However, the proposed CIL rates for these sites are £185/sqm compared to £380/sqm for North East Ottershaw; West of the Borough is largely a single charging zone (Zone A) and doesn't reflect higher values within some parts of the area. Secondly the south of the Borough around Woodham is a reasonably high value area but is a separate zone with a lower charge rate than most of the rest of the Borough including some lower value areas around Addlestone and Chertsey. Boundary of Zone C, rightly in our view, extends to encompass all of Chertsey Bittams (with exception of Zone F) and the St Peters Hospital site (not included in the CIL Viability Study). Assume this reflects that these locations have values similar to the sites immediately around them and not the west of the Borough and the fact they are large sites with additional obligations, including A320/M25. As a result they have a proposed CIL rate of £185 per square metre compared to £380 per square metre in the remainder of Zone A, based on smaller sites in higher value areas. Regard this as a sensible approach but suggest it should also apply to the North East Ottershaw site. The Chertsey Bittams and St Peter's Hospital sites are immediately to the north. There is no reason to assume that sales values would differ at this location, and assuming a larger development infrastructure costs would be higher. We would therefore suggest that the boundary of Zone C should be moved south to include this area. This suggestion is further	Noted, however North East Ottershaw is not allocated and therefore has not been tested. Therefore the Council do not expect the area of land referred to, to come forward over the life of the 2030 plan and therefore zone boundaries are considered to be reasonable in this area of the Borough. Noted, however the Technical Background Document (TBD) makes clear that areas contiguous with one another could be part of the same charging zone to reduce the complexity of the charging schedule and this has been done in Zone A. This has also been done for Woodham as it is an area of the Borough where the Strategic Land Availability Assessment (SLAA) does not show any significant residential growth and therefore is aligned with Addlestone to reduce complexity. Noted, however North East Ottershaw is not allocated for development in the 2030 Local Plan. Whilst the site's proximity to Chertsey Bittams and St Peter's Hospital is noted, the site is contiguous with Ottershaw (and would form an extension to this settlement if allocated) which is a higher value area and therefore inclusion in Zone A is justified as property values are more likely to be aligned with Ottershaw than Chertsey Bittams. Further, the area of the site proposed for residential development during the Local Plan process falls within the Ottershaw area on the plan on p12 of the viability report.

		supported by the map on page 12 of the CIL Viability report which highlights the site is evenly split between the Chertsey, Addlestone and Ottershaw Sub-market Areas. With the site aligning more closely with Chertsey and Addlestone Sub-markets which have seen significantly more new build properties sold in the last two full calendar years and which form the majority of the North East Ottershaw site. PPG on CIL suggests that boundaries for differential rates should be based on fine grained sampling. On this basis the evidence suggests that the North East Ottershaw site should be in Zone C or D.	
		Elmbridge, Spelthorne, Surrey Heath and Woking the highest residential chargeable rate is £220/sqm, £160/sqm less. This difference is even more significant when considering Runnymede's Average Sales Value in January 2020 (£412,742), which is only slightly higher than Surrey Heath (£387,654) and Spelthorne (£368,126), is less than Woking (£424,388) and is significantly less than Elmbridge (£588,488). Proposed rates are in general excessive when compared with comparable boroughs in the wider area and the proposed rates will have a significant detrimental impact upon viability.	Noted, however Runnymede rates are based on Runnymede evidence of viability. Also, quoting average sales values masks the difference in property values across the Borough. It should also be noted that the CIL rates quoted as operational in adjoining areas are based on viability which was undertaken some 5 or more years ago.
		CIL charging schedule consultation is running ahead of the Local Plan adoption due to the consultation on Main Modifications and the awaited response from the Inspector. This combined with the current unprecedented situation with COVID-19 and effective shutdown of the housing market allows time for the Council to publish further information and consider options for addressing the points raised above.	Noted, however the Inspector's report has been published and the 2030 Local Plan found sound which does not include allocation of North East Ottershaw and for the reasons set out above the charging zones and rates are considered to be viable. The impacts of Covid-19 on the housing market are considered in the viability review and any proposed changes to rates in light of this will be subject to further consultation.
		Should the Local Plan Inspector suggest extension of the plan period and need for additional sites, it would be necessary to undertake a large site assessment for North East Ottershaw and consider the potential for a zero CIL rating for large sites with significant on site infrastructure requirements. Alternatively the Council could amend the boundary between Charging Zones A and C to incorporate the North East Ottershaw Site so that it would have the same CIL rates as similar adjacent sites.	Inspector's Report does not allocate the North East Ottershaw site and for the reasons set out above the proposed zones and rates are considered reasonable for the type of development likely to come forward over the 2030 Plan period, subject to the viability review.

		For larger sites which provide infrastructure on-site there is potential for 'double dipping' in that they will provide such things on site but also pay CIL. This could have major impacts on viability. In these circumstances we would suggest the Council should allow for 'Payments in Kind' (Land Payments) and 'Infrastructure Payments' to be counted towards CIL payments. The regulations require a number of tests to be met, one of which is that the Council must adopt a policy allowing for them. Off-site infrastructure which is directly related to the development could also be funded through a Section 106 agreement, or treated as a payment in kind. We would also suggest, given the intention set out in the draft SPD that on site infrastructure would continue to be secured through Section 106 obligations, even for those types of infrastructure where it is assumed that for the bulk of sites it will be funded through CIL, that the Council allow for on site provision or land to be provided as payment in kind towards CIL.	Reference to 'double dipping' has been removed from the PPG note on CIL and therefore the same infrastructure can be funded through CIL and Section 106 and from the same site. However, the CIL viability assessment includes the costs of physically delivering certain types of infrastructure through S106 with the residual revenue after costs remaining as potential for CIL. As such using a combination of both CIL and S106 is viable. The Council recognises that physical infrastructure can be provided on site through provisions in the CIL Regulations, either by way of a land payment or infrastructure payment. However, the Council does not consider that land payments under CIL Regulation 74 are an appropriate mechanism to secure the physical provision of infrastructure on site, rather it only provides for the provision of land and leaves the delivery of the infrastructure itself to the person(s) who have acquired the land who may or may not have the funding to physically provide the infrastructure. As such RBC is unlikely to accept CIL payments through land payments. In terms of infrastructure payments, CIL Regulations 73-73(b), are only applicable if a charging authority makes CIL payments by way of the provision of infrastructure available in its area. In this scenario the amount of CIL paid is equal to the cost of the infrastructure provided and can only be accepted if it is not necessary to make the development acceptable in planning terms. Given the impact of development on local infrastructure, the requirement in 2030 Local Plan policies for physical delivery of infrastructure is considered necessary to make development acceptable in planning terms and therefore cannot be provided by way of a CIL infrastructure payment. As such any on-site physical infrastructure provision will need to be secured through S106 agreement. Further, there is no guarantee that total CIL receipts for a site would be sufficient to cover the cost of physical infrastructure delivery and therefore

			the Council would have to apply S106 to enable delivery in any event. Therefore, the Council does not intend to make CIL payments through provision of infrastructure available in its area, but will continue to apply S106 for physical delivery.
REP-016	Turley obo Taylor Wimpey	TW is promoting land at Chertsey Bittams A as an allocation for residential development within the emerging draft Runnymede 2030 Local Plan. The site is located within 'Charging Zone C' within the CIL DCS and would be liable for CIL on residential (Use Class C3) development at a rate of £185/m2, if the CIL DCS was to be adopted in its current form. In the intervening period since preparation and publication of the CILVR and TBD, the Novel Coronavirus ('COVID-19') has been declared by the World Health Organisation ('WHO') as a "Global Pandemic" impacting severely on financial markets, UK economic activity and employment, and driving stagnation in the UK housing market, followed by enforced paralysis. Market activity is being impacted in many sectors. As at the date of this letter, we consider that we can attach less weight to previous market evidence for comparison purposes to inform viability appraisal inputs previously adopted within evidence base documents. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement. There is 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Construction work and sales activity has been halted by all volume housebuilders, leaving sites mothballed indefinitely until restrictions are lifted. Stock remains part-constructed and supply chains interrupted. Reputable industry commentators project a short-medium period of sales price suppression as movement restrictions are eased, property chains require re-establishment and housebuilders heavily incentivise in order to seek to build sales momentum and replenish cashflow. This represents a best-case scenario, whereby a protracted period of recession would lead to far deeper and further embedded	Noted. The impacts of Covid-19 on the housing market are considered in the viability review and any proposed changes to rates in light of this will be subject to further consultation. The impacts of Covid-19 on the housing market are considered in the viability review and any proposed changes to rates in light of this will be subject to further consultation.

		falls in property prices. This is a live issue, which is constantly evolving. Consequently, a higher degree of caution should be applied in viability assessment, and a greater level of pragmatism than would normally be the case is appropriate. In the context of the above it is strongly recommended that the Council reconsiders the following: (a) the validity of the viability evidence in light of material alteration in economic and property market circumstances; and (b) the programme for submission, Examination and adoption of the CIL DCS. This now appears irrationally and impractically timed. We are aware that other Local Authorities, for example Brighton and Hove City Council, have opted to postpone taking CIL adoption forward until Autumn 2020 at the earliest. <u>Technical Inputs and Matters</u> *Up-to-date Market Evidence* CILVR, and consequently the TBD, are lacking in appropriate and up-to-date evidence to underpin current market assumptions for use in viability testing. For example, para 3.4 of the CILVR confirms that evidence of house prices utilised to inform viability testing was drawn from second hand property transactions occurring between 2015 and mid-2017, which was cross-checked against new build sales at the time. The report then loosely proceeds to state that, "the data used here indexes that data set forwards to September 2019". The setting of development value is a critical component of viability testing. The CILVR should not be based upon outdated and loosely indexed evidence. It should be updated to reflect transaction evidence over (at least) 12 months prior to publication. This evidence should be strongly weighted towards new build transactional activity, given that re-sale evidence can be misleading where units transacted differ from the types and sizes of dwellings required for delivery via the emerging Local Plan. Given the current disruption caused by COVID-19, recommended that evidence is 're-based' using two quarters	Noted. It is the nature of these types of studies that by the time they come to examination, circumstances have changed. Indicative new build prices for sub market areas are normally driven from the second hand market, because systematic evidence and transactions in the new build market are too atomistic. They represent very specific locations and do not necessarily reflect the tone of the local sub market or settlement. They reflect a whole range of developers - some building standard products, others cheaper, and others higher quality. To build a dataset of indicative house building prices on this basis would be excessively precarious. In most cases (some inner city urban regeneration schemes aside) new build prices are built on the existing local market (and hence prices) with a new build premium to reflect in essence, the 'newness' of the product.

		(ideally four quarters) of transactional evidence once the property market 'reopens' to ensure the impact of COVID-19 is reflected in the viability evidence. Similarly, it appears that construction costs are base dated at September 2019. This means that the inputs are actually already in excess of six months old prior to the evidence even being consulted upon, which is objectionable. *Analysis of Key Housing Sites* Results of CIL viability appraisal indicate a residual land value ('RLV') of £17.4m. The CILVR proceeds to set out the RLV representing £3.78/ha on 4.6ha within Table 6.4 on p.72. The CILVR compares the RLV to an existing use value ('EUV') of £625,000, albeit this EUV is not substantiated further. We have specifically reviewed the appraisal results for Chertsey Bittams A, which are set out on p.23 of the CILVR and have the following concerns: On-site infrastructure costs – it is not stated as to how these costs are calculated. Moreover, it is unclear as to whether the cost allowances (for external works and on-site infrastructure costs) are sufficient to meet all roads, sewers, POS and utility services costs. It would be proper practice to engage with promoters to determine this. Whether input has been sought is unclear. • Marketing – it is unclear what allowance is made, if any. • Sales costs – it is unclear what allowance is made, if any. • Sales legal fees - it is unclear what allowance is made, if any. • Finance – it is unclear how and what finance costs have been applied within testing and whether the debit rate applied has been set against both land and development costs, as is appropriate. It is requested that clarification is provided by the Council. *Benchmark Land Values (BLVs) & Buffer* PPG Viability ('PPGV') states explicitly that BLVs should, "…be informed by market evidence including current uses, costs and values wherever possible. PPG CIL also requires that Charging Authorities ensure an appropriate 'buffer' is	The impacts of Covid-19 on the housing market are considered in the viability review and any proposed changes to rates in light of this will be subject to further consultation. The viability assessment process considers residual value versus land value benchmark. Residual land value is not considered. Table 6.4 shows RV at £17.4 million with a benchmark for the site at £9.2 million. Before then considering what CIL should be set for this greenfield site there is automatically a buffer or cushion of 100 fold which is the uplift between agricultural use and the buffer at £2 million per hectare. On site infrastructure costs are calculated using values set out in Appendix B of the Council's Infrastructure Delivery Plan (IDP) with compound inflation added since the time of IDP publication. These are also set out in the Council's draft Infrastructure Delivery & Prioritisation SPD. The Council engaged with developers in the preparation of the Local Plan Viability Report. Noted.

		introduced so that CIL rates are not set at the 'margin' of viability. It is noted that the Council proposes to introduce a buffer of 50% back from the maximum CIL rates demonstrable via viability testing. This is supported as pragmatic. PPGV subsequently requires plan makers to: "…establish a reasonable premium to the landowner for the purpose of assessing the viability of their plan. This will be an iterative process informed by professional judgement and must be based upon the best available evidence informed by cross sector collaboration. For any viability assessment data sources to inform the establishment the landowner premium should include market evidence…" Crucially, PPGV confirms that BLVs must reflect the "…reasonable expectations of local landowners". There is no evidence within the CILVR of local market analysis to inform the BLVs applied within viability testing. Instead, Chapter 6 of the CILVR makes reference to BLVs ranging from £2.6m/ha to £8.1m/ha as being utilised within the viability evidence base to inform the emerging Local Plan and the setting of relevant policies (see Table 6.2 on p.69). However, rather than adopting these BLVs consistently with the emerging Local Plan, the CILVR proceeds to shift to adopt a BLV recommended by the Council at £2m per ha. This approach has no basis in appropriately analysed evidence. There is no further analysis of "premium deemed to be required". This is inconsistent with the judgement handed down by Holgate J in Parkhurst Road Ltd v Secretary of State for Communities and Local Government and Anor (2018) which confirms that application of an arbitrary premium in excess of the EUV is unsatisfactory in reflecting the workings of the market. Confusingly, the Council's TBD proceeds subsequently to develop the BLV further beyond the CILVR by making reference to an 'RLV' (being the £2m/ha used in the CILVR) and a 'Worst Case BLV', which represents the BLVs utilised within the evidence for setting policies within the emerging Local Plan (i.e. in Plan-making). Comparison of appraisal results with the BLVs used in Plan-making is set out in Table 5-2 (p.23) of the TBD and shows a far lower set of maximum CIL rates when adopting the rational buffer of 50%.	It should be noted that the CIL Viability Study sets CIL residually from a policy compliant Affordable Housing target. The purpose of the Local Plan viability work was in large measure to see if the AH target needed to vary. The report suggested it should, although the Council have run with a single (35%) target which has been found sound. The CIL rates are set residually from this (having taken other requirements into account) and explicitly test both the capacity of the AH policy to deliver at 35% as well as the potential for developers to be able to deliver the CIL set out in the Draft schedule. This means that any attempt to drive a wedge between the two evidence bases fails, since the CIL Viability Study is in large measure an updated test of viability for the Local Plan. As Turley are well aware, the Local Plan Viability Assessment and the CIL Viability Assessment reflect two different 'regimes'. The former was still to some extent influenced by the guidance produced by the RICS (2012) which rejected the use of the EUV Plus' approach subsequently set out in NPPF/NPPG 2019. RICS promoted 'market value', the circularity of which within appraisals was correctly diagnosed as a problem by the Inspector in the Parkhurst (LB Islington) decision. NPPF/G largely picks up on the problems and levels the playing field with other leading guidance, particularly the London Borough Viability Protocol (November 2016). The NPPF/G provides therefore an opportunity to look afresh at benchmark. That states, it's important to be clear about the approaches used in the evidence bases. In the Local Plan work, the benchmarks adopted were

		Paragraph 5.10 of the TBD suggests that the 'Worst Case BLVs' are likely to "reflect brownfield land in an existing residential use", and would therefore be of limited relevance; however the rationale for this is not explained or qualified at all. Paragraph 5.14 of the TBD subsequently proceeds to state that the following: "The PPG note on Viability states that BLV should be based on EUV plus an uplift to incentivise the land owner to sell or 'EUV+'. It should be noted that the Borough Council does not consider an uplift of 100 fold to be a reasonable figure for 'EUV+' and therefore in reality some sites will have more scope to pay CIL than is indicated in Table 5-3. These sites are indicated with a (G) in Table 5.3 to indicate their predominantly greenfield status." PPG CIL requires that, "charging schedules should be consistent with, and support the implementation of, up-to-date relevant Plans. PPG CIL requires that development costs, including "any policies on planning obligations in the relevant Plan, such as policies on affordable housing and identified site-specific requirements for strategic sites", should be taken into account when setting CIL rates – particularly those on strategic sites or brownfield land. It is the responsibility of authorities to create realistic and viable charging schedules. PPG CIL also confirms that CIL evidence should be prepared in accordance with PPG on viability, and specifically that the policy requirements for developer contributions are deliverable. PPG for Viability ('PPGV') requires that viability assessment at the plan making stage should ensure policies are realistic and the total cumulative cost will not undermine deliverability of the relevant Plan. Policy requirements (including CIL) should be clear for the industry so that they can be accurately accounted for in the price paid for land. Appears that CIL viability and the Council is now adjusting downwards (significantly) the BLVs set within the Plan-making process in order to generate elevated 'surplus' RLV for setting elevated CIL rates. Unless AGA and the Council produce local evidence of land transaction prices (re-weighted as necessary) in accordance with PPGV to demonstrate minimum reasonable landowner expectations are	representative of schemes that were already assumed to have obtain permission. They were 'going rate' residuals which effectively morphed into LVBs. By reference to the NPPF/G of 2019 this approach is now defunct, ignoring the need for local authorities to take on board purchase prices or hope value for land. In pressing for the Local Plan LVBs, guidance has moved on. In all events, the Council was clear in its LP work that a benchmark of some £400,000 would have been sufficient in the light of other guidance at the time, to bring sites forward. **If following NPPF/G is there then enough 'Plus' to encourage sites to come forward?** The Council's CIL Viability Assessment could have taken the position of running an argument in line with the NPPF/G which would have gone – identify the uplift from agricultural land to residential (policy compliant) and then ask the question 'does this represent a realistic 'Plus' element with which viability matters are concerned? Or does it not? So, following the current national policy guidance we should be asking whether the existing use value (from agricultural) to policy compliant residual is sufficient as a land owner return? Given that the bulk of supply is from agricultural land, the potential scope for setting CIL is somewhere between £20,000 per hectare and some £4 million (Ottershaw for example as a mid market location) residual value for a policy compliant development. This means a 200 fold increase in value. What the Council have done in setting a LVB at £2 million a hectare is to recognise potential competition for development land (in the form of commercial) and hence have set up a built-in buffer or cushion even before

met at the BLVs proposed, then it is our strong opinion that BLVs for development sites must be increased within the CILVR to be consistent with those used in Plan-making (in Table 6.2 on p.69 of the CILVR and deemed wrongly as ‘worst case by the TBD’) in order to avoid landowners from being dis-incentivised to dispose of land for development and posing a risk to Plan delivery. Therefore the CILVR and TBD are flawed and fail to provide a sound evidence base for determining available maximum surplus for CIL rate setting. It is unclear from the LPCVR whether the process of setting the premium in excess of the EUV has reflected the iterative process required within PPGV. No market evidence is presented within the LPCVR in order to demonstrate that the BLVs are reasonable and realistic.

asking the question ‘what buffer should be set (between the ‘cushion in place’ of commercial AUV and residential at a policy compliant level?

In Ottershaw for example, then for a greenfield site there is already a built-in cushion of some £2 million per hectare or 100 fold <u>before the Council has then applied yet another buffer or cushion to the surplus between the LVB for commercial and the residential value for housing at a policy compliant level.</u>

Turley assert that land owner returns are not sufficient and thus the CIL should be reduced because the benchmarks are too low. Sticking strictly with NPPF’G which is focused on the Plus element of EUV, and looking at the return to land owner, the following table is presented to show context:

	CIL Draft Charge	At 80 Sq M - per dw CIL	RV (35% AH) Per Ha	RV per Dw (at 35% AH)	Agricultural Value Per Dw (EUV)	Uplift Per Dw	% CIL Take Of Uplift	Premium to Land Owner (% of Uplift)
Zone A	£380	£30,400	£16,180,000	£539,333.33	£666	£538,667	6	94
Zone C	£185	£14,800	£4,270,000	£142,333	£666	£141,667	10	90
Zone E	£90	£7,200	£2,630,000	£87,667	£666	£87,001	8	92

This shows that across the sub markets the land owners will take between 90% and 94% of the uplift on green field sites with CIL only taking 6% and 10% of the uplift towards local infrastructure.

Construction Costs

CILVR briefly summarises construction cost inputs applied to site typologies. Whilst a base date of September 2019 is referenced, there are shortfalls in transparency. No source is stated and there is no copy of the underpinning data (even in

The BCIS adopted is Estate Housing and Low Rise flats. This is most appropriate for the study. The baseline costs (the mean rather than the median) were adjusted by 15% for external works and then a further 15% as a

		summary) to provide proof of the accuracy of the figures reported. This should be rectified. *Garages* No specific allowance appears to be made in the CILVR for the costs of constructing garages, which appears to represent an oversight. Equally, the GIA of garages (including external) will form part of the CIL liable floorspace, which must be accounted for within viability testing. *Contingency* Does not appear that any contingency allowance has been incorporated within the CILVR viability testing. Due to the risk of unknowns and abnormal escalation upon greenfield sites it is deemed reasonable to increase the contingency allowance to 3% of construction costs. A 5% allowance should be introduced for site typologies upon previously developed land.	Surrey authority (location factor) There is no policy requirement for garages in the 2030 Local Plan and therefore is not a cost which is required by a developer. Contingency is a contested area. Its purpose is never clear. Sometimes it's justified on the basis that costs 'might increase'. Other time it's justified on the basis that there is 'design risk' (which usually means the scheme may be changed). In the former, cost increases should be measured alongside changes in selling prices. In the case of the latter, the allowance for professional fees should be sufficient. The NPPG (2019) states that 'explicit reference to project contingency costs should be included in circumstances where scheme specific assessment is deemed necessary, with a justification for contingency relative to project risk and developer return'. This means that the appropriate place to apply contingency is at scheme specific level, not at the forward planning level (which is concerned with normal, not abnormal, circumstances. Furthermore NPPG is clear that the requirement to consider contingency should be considered alongside the margin allowed. The CIL Viability Study has adopted a margin of 20% on GDV, which is at the top end of the recommended range (15% to 20%). The Council therefore no need at this level to adopt a contingency for the CIL setting process.

		Sustainability related construction and development costs CILVR refers to such costs being calculated at a (rounded) £10,000 per unit. Several clarifications are requested: How have the SANG/SAMM costs been calculated? Does this allow for any land requirements and associated costs / compensation? How are the accessibility and renewables costs rates calculated? What sources of evidence are being used to underpin these costs, and what is the base date for this? *Abnormal/Exceptional Costs* CILVR has not allowed for abnormal costs. Essential that: (a) The viability testing (and application of policy costs thereafter) includes a sufficient buffer back from the margins (i.e. maximum limits) of viability. This will ensure that viability testing results and conclusions/recommendations are not presented at levels that risk rendering development sites unviable when subject to the introduction of abnormal works costs. (b) The BLVs are increased to represent the serviced land values (i.e. assuming that abnormal costs have already been	Cost of SANG/SAMM is based on the Council's current charge of £2,000 per dwelling for SANG and £630 per dwelling for SAMM. This is based on site set up costs including site acquisition and management in perpetuity. For sites required to provide on-site SANG by the 2030 Local Plan, costs are calculated from Appendix B of the IDP with a land cost of £20,000 per ha added. Costs of sustainable design have been obtained from a number of sources as referenced in the viability review which can be found at https://www.runnymede.gov.uk/article/15518/Community-Infrastructure-Levy-CIL- In fact the costs of SANG/SAMM have been double counted for allocation sites as they appear in the table of infrastructure requirements for each site in the CIL viability assessment as well as in the general £10,000 per dwelling. Also, the costs of sustainable design, based on the sources as set out in the viability response to Reg 19 representations are just under £8,000 per dwelling, but are rounded up to £10,000 to add a degree of flexibility. Therefore £10,000 per dwelling is an overestimation of costs and could therefore extend to cover aspects such as sustainable drainage and net gains in biodiversity. NPPF/G, in so far as viability is concerned, is focused not on 'buffer' but on the 'Plus' element over and above EUV. It is accepted by the Council that for the purposes of setting CIL, there should be a cushion, or 'buffer' between maximum potential CIL and the final levy. This has been done by the Council. This deals with the point (a). Re point (b), NPPF does not focus on serviced land value. This is not recognised. The process of planning consent raises site value from its existing use to a residual value for residential or other alternative use that

		met through works undertaken by the landowner prior to disposal for development). Such costs cannot be accommodated by the landowner if adopting BLVs that reflect a “raw material view” operating on a ‘EUV plus’ basis as doing so would risk reducing land values to remove a suitable incentive for disposal. The exclusion of abnormal costs from the viability appraisals will markedly overstate the appraisal results – given that abnormal works can be costly and will frequently be incurred early in a sites development (hence having a more pronounced cashflow impact). *Development Programme & Cashflow* Paragraph 57 of the NPPF confirms that transparency in the preparation of all viability assessments is essential. PPGV elaborates on the NPPF by confirming the importance of transparency for improving data availability and accountability. The CILVR is inconsistent with both the NPPF and PPGV in this respect for it does not provide any details regarding the development and sales programmes applied to site typologies, nor does it provide any cashflows. It is a ‘black box’ and opaque approach which makes it challenging for stakeholders to fully analyse the data and for any reliance to be placed upon the results. This must be resolved. *A320 Mitigation Scheme* TBD simply subtracts a £/m2 rate for contributions of relevant sites to the A320 mitigation scheme, from the deemed available £/m2 sum for CIL as determined within Table 5-3. This is a highly imprecise exercise, as the costs of A320 mitigation should be accounted for as a distinct cost within viability appraisals. This is due to the timing of the mitigation being likely to have a cashflow impact which is not accounted for in the approach used in the TBD. Simultaneously, given the substantive concerns set out regarding various points of methodological approach and appraisal input, it is questionable whether there is the necessary ‘headroom’ to apply A320 mitigation costs alongside CIL liability – given significant doubts remain regarding the validity and robustness of the CIL	is acceptable in planning terms. Either the developer pays the costs of the servicing in which case a lower site value is agreed, or the land owner does the servicing, in which case a higher charge is set for the price of land (because it is serviced). Either way the planning process is only concerned with the extent of land owner premium once it has been established that the developer has a competitive return in developing the scheme. The full appraisals are set out in the viability review. These relate to the major sites and show all the working assumptions. In that same paper, the issue of cash-flow for the appraisals is also dealt with. It is noted that the representation does not explain the necessity for cash flow or the nature of the model/software that would appear for such an exercise. Noted, however the cost of A320 contributions through S106 are taken from the total surplus available from development for CIL/S106 with the 50% buffer applied and is considered a reasonable approach. In any event, HIF preconditions now require the Council to target 100% repayment of the HIF loan through developer contributions. This will be negotiated on a site by site basis having regard to site viability and after having achieved policy compliant development including meeting CIL costs.

		viability testing results.	
REP-017	Turley obo Richborough Estates	Richborough is promoting land at Ottershaw East. The site is located within 'Charging Zone A' within the CIL DCS and would be liable for CIL on residential (Use Class C3) development at a rate of £380/m2, if the CIL DCS was to be adopted in its current form. We would note that, in the intervening period since preparation and publication of the CILVR and TBD, the Novel Coronavirus ('COVID-19') has been declared by the World Health Organisation ('WHO') as a "Global Pandemic" impacting severely on financial markets, UK economic activity and employment, and first driving stagnation in the UK housing market, followed by enforced paralysis. Market activity is being impacted in many sectors. As at the date of this letter, we consider that we can attach less weight to previous market evidence for comparison purposes to inform viability appraisal inputs previously adopted within evidence base documents. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement. There is 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Construction work and sales activity has been halted by all volume housebuilders, leaving sites mothballed indefinitely until restrictions on movement are lifted. Stock remains part-constructed and supply chains (for labour and materials) interrupted. Reputable industry commentators project a short-medium period of sales price suppression as movement restrictions are eased (on a phased basis), property chains require re-establishment and housebuilders heavily incentivise in order to seek to build sales momentum and replenish cashflow. This represents a best-case scenario, whereby a protracted period of recession would lead to far deeper and further embedded falls in property prices. This is a live issue, which is constantly evolving. Consequently, a higher degree of caution should be applied in viability assessment, and a greater level of pragmatism than would normally be the case is	Noted. The impacts of Covid-19 on the housing market are considered in the viability review and any proposed changes to rates in light of this will be subject to further consultation. The impacts of Covid-19 on the housing market are considered in the viability review and any proposed changes to rates in light of this will be subject to further consultation.

		appropriate. In the context of the above it is strongly recommended that the Council reconsiders the following: (a) the validity of the viability evidence in light of material alteration in economic and property market circumstances; and (b) the programme for submission, Examination and adoption of the CIL DCS. This now appears irrationally and impractically timed. We are aware that other Local Authorities, for example Brighton and Hove City Council, have opted to postpone taking CIL adoption forward until Autumn 2020 at the earliest. <u>Technical Inputs and Matters</u> *Up-to-date Market Evidence* CILVR, and consequently the TBD, are lacking in appropriate and up-to-date evidence to underpin current market assumptions for use in viability testing. For example, paragraph 3.4 of the CILVR confirms that evidence of house prices utilised to inform viability testing was drawn from second hand property transactions occurring between 2015 and mid-2017, which was cross-checked against new build sales at the time. The report then loosely proceeds to state that, "the data used here indexes that data set forwards to September 2019". The setting of development value is a critical component of viability testing. The CILVR should not be based upon outdated and loosely indexed evidence. It should be updated to reflect transaction evidence over (at least) 12 months prior to publication. This evidence should be strongly weighted towards new build transactional activity, given that re-sale evidence can be misleading where units transacted differ from the types and sizes of dwellings required for delivery via the emerging Local Plan. Given the current disruption caused by COVID-19, it is recommended that evidence is 're-based' using two quarters (ideally four quarters) of transactional evidence once the property market 'reopens' to ensure the impact of COVID-19 is reflected in the viability evidence. Similarly, it appears that construction costs are base dated at September This means that the inputs are actually already in excess of six months old prior to the evidence even being consulted upon, which is	 Noted. The baseline data set is consistently between the Local Plan testing and the CIL testing. The CIL testing cross checked against current developments. The data was indexed forward in line with HM Land Registry. This was not done 'loosely'. Indicative new build prices for sub market areas are normally driven from the second hand market, because systematic evidence and transactions in the new build market are too atomistic. They represent very specific locations and do not necessarily reflect the tone of the local sub market or settlement. They reflect a whole range of developers - some building standard products, others cheaper, and others higher quality. To build a dataset of indicative house building prices on this basis would be excessively precarious and this point should have been recognised by the representative. In most cases (some inner city urban regeneration scheme aside) new build prices are built on the existing local market (and hence prices) with a new build premium to reflect in essence, the 'newness' of the product. The Tender Price Index suggests that tender prices have increased by a marginal 1% between Q3 of 2019

		objectionable.	and Q2 of 2020: https://costmodelling.com/construction-indices The Council accept the need for review, and the potential impacts of Covid-19.The impacts of Covid-19 on the housing market are considered in the Representations Response Paper.
		Analysis of Key Housing Sites We have specifically reviewed the appraisal results for Ottershaw East, which are set out on p.19 of the CILVR and have the following concerns: • Density – the summary excerpt on p.19 suggests a density of 33.5 dph, which is inconsistent with the developable area identified in the 'on-site infrastructure' costs table above. • On-site infrastructure costs – it is not stated as to how these costs are calculated. Unclear whether the cost allowances (for external works and on-site infrastructure costs) are sufficient to meet all roads, sewers, POS and utility services costs. It would be proper practice to engage with promoters to determine this. Whether input has been sought is unclear. • Marketing – it is unclear what allowance is made, if any. • Sales costs – it is unclear what allowance is made, if any. • Sales legal fees - it is unclear what allowance is made, if any. • Finance – it is unclear how and what finance costs have been applied within testing and whether the debit rate applied has been set against both land and development costs, as is appropriate. It is requested that clarification is provided by AGA and the Council.	On site infrastructure costs are calculated using values set out in Appendix B of the Council's Infrastructure Delivery Plan (IDP) with compound inflation added since the time of IDP publication. These are also set out in the Council's draft Infrastructure Delivery & Prioritisation SPD. The Council engaged with developers in the preparation of the Local Plan Viability Report.
		The results of the CIL viability appraisal indicate a residual land value ('RLV') of £25.7m. Assuming this is predicated on the gross land area of 14.1ha, this equates to £1.82m per gross ha. However, the CILVR proceeds to set out the RLV per ha for Ottershaw East at £4.14m/ha within Table 6.4 on p.72,	Assuming (as Turley do here) that EUV should be based on 14.1 hectares then that equates to £282,000 (agricultural). The LVB applied is £2 million per hectare; that amounts to £13,200,000, a increase of some 50

		utilising the area described as the developable area for residential development', which is also utilised to calculate the density (i.e. 30dph). The latter density is usually calculated on the net developable area. This suggests that the full 14.1ha should represent the gross land area against which a BLV is determined (on a rate per ha basis). As a result, the RLV per ha for Ottershaw East would be expected to reduce commensurately. The CILVR proceeds to compare the RLV to an existing use value ('EUV') of £982,000, albeit this EUV is not substantiated further. *Benchmark Land Values (BLVs) & Buffer* PPG Viability ('PPGV') states explicitly that BLVs should, "…be informed by market evidence including current uses, costs and values wherever possible" PPG CIL also requires that Charging Authorities ensure an appropriate 'buffer' is introduced so that CIL rates are not set at the 'margin' of viability. It is noted that the Council proposes to introduce a buffer of 50% back from the maximum CIL rates demonstrable via viability testing. This is supported as pragmatic. PPGV subsequently requires plan makers to: "…establish a reasonable premium to the landowner for the purpose of assessing the viability of their plan. This will be an iterative process informed by professional judgement and must be based upon the best available evidence informed by cross sector collaboration. For any viability assessment data sources to inform the establishment the landowner premium should include market evidence…" Crucially, PPGV confirms that the BLVs set must reflect the "…reasonable expectations of local landowners". There is no evidence within the CILVR of local market analysis to inform the BLVs applied within viability testing. Instead, Chapter 6 of the CILVR firstly makes reference to BLVs ranging from £2.6m/ha to £8.1m/ha (by location) as being utilised within the viability evidence base to inform the emerging Local Plan and the setting of relevant policies (see Table 6.2 on p.69). However, rather than adopting these BLVs consistently with the emerging Local Plan, the	fold. The updated RV (see viability review) calculates a residual value of £24,646,000 at 35% Affordable Housing. This is an increase of 87 fold and would qualify for the 'Plus' definition within NPPG. The CIL take here is proposed at around £3.9 million to meet local infrastructure costs. This amounts to some 16% of the uplift from EUV. Further 35% of the uplift from the LVB to the RV achieved at 35% Affordable Housing. As the example above (Ottershaw East) demonstrates, the Council has allowed a generous buffer. First here it should be noted that the CIL Viability Study <u>sets CIL residually from a policy compliant Affordable Housing target</u>. The purpose of the Local Plan viability work was in large measure to see if the AH target needed to vary. The report suggested it should, although the Council have run with a single (35%) target. The CIL rates are set residually from this (having taken other requirements into account) and explicitly test both the capacity of the AH policy to deliver at 35% as well as the potential for developers to be able to deliver the CIL set out in the Draft schedule. This means that any attempt to drive a wedge between the two evidence bases fails, since the CIL Viability Study is in large measure an updated test of viability for the Local Plan. As Turley are well aware, the Local Plan Viability

		CILVR proceeds to shift to adopt a BLV recommended by the Council at £2m per ha. This approach has no basis in appropriately analysed evidence. There is no further analysis of “premium deemed to be required”. This is inconsistent with the judgement handed down by Holgate J in Parkhurst Road Ltd v Secretary of State for Communities and Local Government and Anor (2018) in which arbitrary premium in excess of the EUV is unsatisfactory in reflecting the workings of the market, and which has been subsequently reflected in PPGV. Confusingly, the Council’s TBD proceeds to subsequently develop the BLV setting further beyond the CILVR by making reference to an ‘RLV’ (being the £2m/ha used in the CILVR) and a ‘Worst Case BLV’, which represents the BLVs utilised within the evidence for setting policies within the emerging Local Plan (i.e. in Plan-making). Comparison of appraisal results with the BLVs used in Plan-making is set out in Table 5-2 (p.23) of the TBD and shows a far lower set of maximum CIL rates when adopting the rational buffer of 50%. Paragraph 5.10 of the TBD suggests that the ‘Worst Case BLVs’ are likely to “reflect brownfield land in an existing residential use”, and would therefore be of limited relevance; however the rationale for this is not explained or qualified at all. Paragraph 5.14 of the TBD subsequently proceeds to state that the following: “The PPG note on Viability states that BLV should be based on EUV plus an uplift to incentivise the land owner to sell or ‘EUV+’. It should be noted that the Borough Council does not consider an uplift of 100 fold to be a reasonable figure for ‘EUV+’ and therefore in reality some sites will have more scope to pay CIL than is indicated in Table 5-3. These sites are indicated with a (G) in Table 5.3 to indicate their predominantly greenfield status.” PPG CIL requires that, “charging schedules should be consistent with, and support the implementation of, up-to-date relevant Plans”. PPG CIL requires that development costs, including “any policies on planning obligations in the relevant Plan, such as policies on affordable housing and identified site-specific requirements for strategic sites”, should be taken into account when setting CIL rates – particularly	Assessment and the CIL Viability Assessment reflect two different ‘regimes’. The former was still to some extent influenced by the guidance produced by the RICS (2012) which rejected the use of the EUV Plus’ approach subsequently set out in NPPF/NPPG 2019. RICS promoted ‘market value’, the circularity of which within appraisals was correctly diagnosed as a problem by the Inspector in the Parkhurst (LB Islington) decision. NPPF/G largely picks up on the problems and levels the playing field with other leading guidance, particularly the London Borough Viability Protocol (November 2016). The NPPF/G provides therefore an opportunity to look afresh at benchmark. That being states, it’s important to be clear about the approaches used in the evidence bases. In the Local Plan work, the benchmarks adopted were representative of schemes that were already assumed to have obtain permission. They were ‘going rate’ residuals which effectively morphed into LVBs. By reference to the NPPF/G of 2019 this approach is now defunct, ignoring the need for local authorities to take on board purchase prices or hope value for land. In pressing for the Local Plan LVBs Turley are to some extent living in the past in so far as guidance has moved on. In all events, the Council was clear in its LP work that a benchmark of some £400,000 would have been sufficient in the light of other guidance at the time, to bring sites forward. **If following NPPF/G is there then enough ‘Plus’ to encourage sites to come forward?** The Council’s CIL Viability Assessment could have taken the position of running an argument in line with the NPPF/G which would have gone – identify the uplift from agricultural land to residential (policy compliant) and then ask the question ‘does this represent a realistic ‘Plus’ element with which viability matters are concerned? Or does it not?

		those on strategic sites or brownfield land. It is the responsibility of authorities to create realistic and viable charging schedules. PPG CIL also confirms that CIL evidence should be prepared in accordance with PPG on viability, and specifically that the policy requirements for developer contributions are deliverable. PPG for Viability ('PPGV') requires that viability assessment at the plan making stage should ensure policies are realistic and the total cumulative cost will not undermine deliverability of the relevant Plan. Moreover, policy requirements (including CIL) should be clear for the industry so that they can be accurately accounted for in the price paid for land. It appears that AGA and the Council is now adjusting downwards (significantly) the BLVs set within the Plan-making process in order to generate elevated 'surplus' RLV for setting elevated CIL rates. Unless AGA and the Council produce local evidence of land transaction prices (re-weighted as necessary) in accordance with PPGV to demonstrate minimum reasonable landowner expectations are met at the BLVs proposed, then it is our strong opinion that BLVs for development sites must be increased within the CILVR to be consistent with those used in Plan-making (in Table 6.2 on p.69 of the CILVR and deemed wrongly as 'worst case by the TBD') in order to avoid landowners from being dis-incentivised to dispose of land for development and posing a risk to Plan delivery. On the above basis, the CILVR and TBD are flawed and fail to provide a sound evidence base for determining available maximum surplus for CIL rate setting. It is unclear from the LPCVR whether the process of setting the premium in excess of the EUV has reflected the iterative process required within PPGV. No market evidence is presented within the LPCVR in order to demonstrate that the BLVs are reasonable and realistic. It is requested that such evidence is provided in order to demonstrate that the methodology for setting the BLVs within the LPCVR is sound and based upon appropriate available evidence for stakeholder review.	So, following the current national policy guidance we should be asking whether the existing use value (from agricultural) to policy compliant residual is sufficient as a land owner return? Given that the bulk of supply is from agricultural land, the potential scope for setting CIL is somewhere between £20,000 per hectare and some £4 million (Ottershaw for example as a mid market location) residual value for a policy compliant development. This means a 200 fold increase in value. What the Council have done in setting a LVB at £2 million a hectare is to recognise potential competition for development land (in the form of commercial) and hence have set up a built-in buffer or cushion even before asking the question 'what buffer should be set (between the 'cushion in place' of commercial AUV and residential at a policy compliant level? In Ottershaw for example, then for a green field site there is already a built-in cushion of some £2 million per hectare or 100 fold <u>before the Council has then applied yet another buffer or cushion to the surplus between the LVB for commercial and the residual value for housing at a policy compliant level.</u> Turley assert that land owner returns are not sufficient and thus the CIL should be reduced because the benchmarks are too low. Sticking strictly with NPPF'G which is focused on the Plus element of EUV, and looking at the return to land owner, the following table is presented to show context:

	CIL Draft Charge	At 80 Sq M - per dw CIL	RV (35% AH) Per Ha	RV per Dw (at 35% AH)	Agricultural Value Per Dw (EUV)	Uplift Per Dw	% CIL Take Of Uplift	Premium to Land Owner (% of Uplift)
Zone A	£380	£30,400	£16,180,000	£539,333.33	£666	£538,667	6	94
Zone C	£185	£14,800	£4,270,000	£142,333	£666	£141,667	10	90
Zone E	£90	£7,200	£2,630,000	£87,667	£666	£87,001	8	92

This shows that across the sub markets the land owners will take between 90% and 94% of the uplift on green field sites with CIL only taking 6% and 10% of the uplift towards local infrastructure.

It should be noted that in the case of Runnymede, with the Affordable Housing requirement at 35%, this means that CIL is only applied to 65% of the scheme. The figures have been tested at 100% CIL assumption. In practice for a middle market location having a C Zone (CIL at £185 per square metre) the CIL viability analysis has an additional buffer of £155,400 per hectare, made up: £185 per sq m x 80 sq m per d welling x 30 dph x 35% (Affordable Housing nor required to pay CIL).

Construction Costs
CILVR briefly summarises construction cost inputs applied to site typologies within appraisals. Whilst a base date of September 2019 is referenced, there are shortfalls in transparency. No source is stated and there is no copy of the underpinning data (even in summary) to provide proof of the accuracy of the figures reported. This should be rectified.

The BCIS adopted is estate Housing and Low Rise flats. This is most appropriate for the study. The baseline costs (the mean rather than the median) were adjusted by 15% for external works and then a further 15% as a Surrey authority (location factor)

Garages
No specific allowance appears to be made in the CILVR for the costs of constructing garages, which appears to represent an oversight. Equally, the GIA of garages (including external) will form part of the CIL liable floorspace, which must be accounted

There is no policy requirement for garages in the 2030 Local Plan and therefore is not a cost which is required by a developer.

		for within viability testing. *Contingency* It does not appear that any contingency allowance has been incorporated within the CILVR viability testing. Due to the risk of unknowns and abnormal escalation upon greenfield sites it is deemed reasonable to increase the contingency allowance to 3% of construction costs. A 5% allowance should be introduced for site typologies upon previously developed land.	 Contingency is a contested area. Its purpose is never clear. Sometimes it's justified on the basis that costs 'might increase'. Other time it's justified on the basis that there is 'design risk' (which usually means the scheme may be changed). In the former, cost increases should be measured alongside changes in selling prices. In the case of the latter, the allowance for professional fees should be sufficient. The NPPG (2019) states that 'explicit reference to project contingency costs should be included in circumstances where scheme specific assessment is deemed necessary, with a justification for contingency relative to project risk and developer return'. This means that the appropriate place to apply contingency is at scheme specific level, not at the forward planning level (which is concerned with normal, not abnormal, circumstances. Furthermore NPPG is clear that the requirement to consider contingency should be considered alongside the margin allowed. The CIL Viability Study has adopted a margin of 20% on GDV, which is at the top end of the recommended range (15% to 20%). The Council therefore no need at this level to adopt a contingency for the CIL setting process.
		Sustainability related construction and development costs CILVR refers to such costs being calculated at a (rounded) £10,000 per unit. Several clarifications are requested: • How have the SANG/SAMM costs been calculated? Does this allow for any land requirements and associated costs / compensation? • How are the accessibility and renewables costs rates calculated? What sources of evidence are being used to underpin these costs, and what is the base date for this?	Cost of SANG/SAMM is based on the Council's current charge of £2,000 per dwelling for SANG and £630 per dwelling for SAMM. This is based on site set up costs including site acquisition and management in perpetuity. Check this. For sites required to provide on-site SANG (such as Ottershaw East) by the 2030 Local Plan, costs are calculated from Appendix B of the IDP with a land cost of £20,000 per ha added. This has been retested in the Representations Response paper. Costs of

			sustainable design have been obtained from a number of sources as referenced in the viability review which can be found at https://www.runnymede.gov.uk/article/15518/Community-Infrastructure-Levy-CIL- In fact the costs of SANG/SAMM have been double counted for allocation sites as they appear in the table of infrastructure requirements for each site in the CIL viability assessment as well as in the general £10,000 per dwelling. Also, the costs of sustainable design, based on the sources as set out in the viability response to Reg 19 representations are just under £8,000 per dwelling, but are rounded up to £10,000 to add a degree of flexibility. Therefore £10,000 per dwelling is an overestimation of costs and could allow for other costs such as sustainable drainage and net biodiversity gains. NPPF/G, in so far as viability is concerned, is focused not on 'buffer' but on the 'Plus' element over and above EUV.
		Abnormal/Exceptional Costs The CILVR has not allowed for abnormal costs within viability testing of residential site typologies. It is essential that: (a) The viability testing (and application of policy costs thereafter) includes a sufficient buffer back from the margins (i.e. maximum limits) of viability. This will ensure that viability testing results and conclusions/recommendations are not presented at levels that risk rendering development sites unviable when subject to the introduction of abnormal works costs. (b) The BLVs are increased to represent the serviced land values (i.e. assuming that abnormal costs have already been met through works undertaken by the landowner prior to disposal for development). Such costs cannot be accommodated by the landowner if adopting BLVs that reflect a "raw material view" operating on a 'EUV plus' basis as doing so would risk reducing land values to remove a suitable incentive for disposal. The exclusion of	It is accepted by the Council that for the purposes of setting CIL, there should be a cushion, or 'buffer' between maximum potential CIL and the final levy. This has been done by the Council. This deals with the point (a). Re point (b), NPPF does not focus on serviced land value. This is not recognised. The process of planning consent raises site value from its existing use to a residual value for residential or other alternative use that is acceptable in planning terms. Either the developer pays the costs of the servicing in which case a lower site value is agreed, or the land owner does the servicing, in which case a higher charge is set for the price of land (because it is serviced). Either way the planning process is only concerned with the extent of land owner premium once it has been established that the developer

		abnormal costs from the viability appraisals will markedly overstate the appraisal results – given that abnormal works can be costly and will frequently be incurred early in a sites development (hence having a more pronounced cashflow impact). *Development Programme & Cashflow* Paragraph 57 of the NPPF confirms that transparency in the preparation of all viability assessments is essential. PPGV elaborates on the NPPF by confirming the importance of transparency for improving data availability and accountability. The CILVR is inconsistent with both the NPPF and PPGV in this respect for it does not provide any details regarding the development and sales programmes applied to site typologies, nor does it provide any cashflows. It is a 'black box' and opaque approach which makes it challenging for stakeholders to fully analyse the data and for any reliance to be placed upon the results. This must be resolved. *A320 Mitigation Scheme* The TBD simply subtracts a £/m2 rate for contributions of relevant sites to the A320 mitigation scheme, from the deemed available £/m2 sum for CIL as determined within Table 5-3. This is a highly imprecise exercise, as the costs of A320 mitigation should be accounted for as a distinct cost within viability appraisals. This is due to the timing of the mitigation (presumably secured via S106 Agreement) being likely to have a cashflow impact (for example in rolling up additional debt finance costs), which is not accounted for in the approach used in the TBD. Simultaneously, given the substantive concerns set out regarding various points of methodological approach and appraisal input, it is questionable whether there is the necessary 'headroom' to apply A320 mitigation costs alongside CIL liability – given significant doubts remain regarding the validity and robustness of the CIL viability testing results.	has a competitive return in developing the scheme. The full appraisals are set out in the viability review. These relate to the major sites and show all the working assumptions. In that same paper, the issue of cash-flow for the appraisals is also dealt with. It is noted that the representation does not explain the necessity for cash flow or the nature of the model/software that would appear for such an exercise. Noted, however the cost of A320 contributions through S106 are taken from the total surplus available from development for CIL/S106 with the 50% buffer applied and is considered a reasonable approach. In any event, HIF preconditions now require the Council to target 100% repayment of the HIF loan through developer contributions. This will be negotiated on a site by site basis having regard to site viability and after having achieved policy compliant development including meeting CIL costs.
REP-018 Egham Residents'		CIL consultation document tells us that in parts of the borough with neighbourhood plans in place 25pc of the revenue generated by the levy in the area will be secured for	Point is noted, however, this is a requirement given by government and is therefore not a local requirement imposed by Runnymede.

Association		infrastructure in that area, but that the percentage drops to 15pc in other areas without neighbourhood plans in place. We gather that this was a decision by the Government and not by Runnymede Council, but we would grateful if you could make this fully clear. Either way, could you cast some light on the rationale behind the decision? Why should parts of the borough without a neighbourhood plan - such as Egham - be disadvantaged in this way? Secondly, why is it proposed that much of the Egham Town ward be put in CIL residential charging zone B - where the second highest charges in the borough would be levied for most classes of residential accommodation? And why is it proposed that for student accommodation the same (£ per sqm) CIL charge be levied in Egham, where a big expansion of student accommodation has caused much controversy in recent years, as in other parts of the borough where there is no university?	 The proposed rate for Zone B reflects the viability of development in that area based on Egham being a higher value area in terms of property prices. In terms of student accommodation, the viability results are not location specific and as such a rate for Egham is just as applicable in viability terms to other areas of the Borough.