

FHDC EB 03.71

**COMMUNITY INFRASTRUCTURE LEVY
CHARGING SCHEDULE REVIEW
VIABILITY REPORT**

Prepared on behalf of Folkestone & Hythe District Council

June 2019

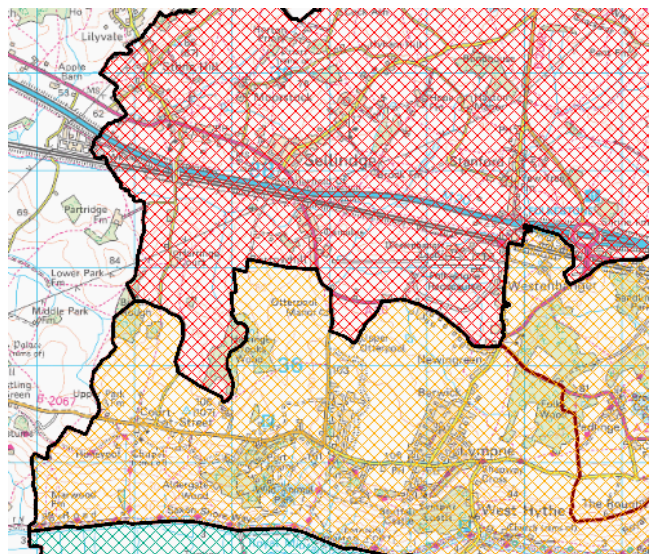
1.0 INTRODUCTION

- 1.1 BPS Chartered Surveyors have been instructed by the Local Planning Authority of Folkestone & Hythe District Council to consider proposed amendments to their CIL Draft Charging Schedule to take account of and be 'in step' with strategic site allocations proposed within the emerging Core Strategy Review, which has been the subject of recent consultation on the Regulation 19 submission version. According to the Council's programme it is proposed the Core Strategy Review will be submitted to the Planning Inspectorate in July 2019.
- 1.2 The Core Strategy Review seeks to allocate land for a Garden Settlement at Otterpool Park under Policies SS6-SS9. The Core Strategy Review also proposes the expansion of Sellindge in accordance with Policy CSD9 (Phase 2 housing) and, in total, Policy CSD9 will allocate for up to 600 residential dwellings in Sellindge. It is important to note that planning consent on two (of three) strategic sites in Sellindge has already been granted to provide for up to 250 units (planning reference Y14/0873/SH) and up to 162 units (under reference Y16/1122/SH) respectively, and so the residual amount of residential on the third site is for circa 188 dwellings.
- 1.3 Strategic & Key Development Sites typically have high levels of infrastructure costs, and in order to maximise the funding that can be secured through S106 and S278 Agreements to ensure early delivery of key infrastructure items (for example the extensive speed limit reduction scheme to the A20, Sellindge, completed in conjunction with the site allocated under policy CSD9), the Council removed the Strategic & Key Development Sites from CIL as reflected in the adopted CIL Charging Schedule. In addition, a number of the Strategic & Key Development Sites that were allocated in the Core Strategy (2013) already benefitted from the grant of planning consent at the time the Charging Schedule came into effect in August 2016.
- 1.4 The question is, therefore, whether development proposed to come forward at the North Downs Garden Settlement and areas of future expansion at Sellindge could reasonably support the payment of CIL in light of the infrastructure demand and the associated capital cost of infrastructure provision. In addition to this key question, it is also considered whether CIL would be the most appropriate mechanism for delivery of the required infrastructure.
- 1.5 As per the Government's *Planning Practice Guidance* (para 009), it is necessary to test the level of CIL that can be delivered:

'As set out in the National Planning Policy Framework in England (paragraphs 34), the sites and the scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened. The same principle applies in Wales.'
- 1.6 A new Infrastructure Delivery Plan (IDP) has been prepared that forms part of the evidence base to the Core Strategy Review to define the infrastructure requirements to support growth proposed within the Core Strategy Review. This IDP is directly related to the Garden Settlement and the Sellindge sites that have been the subject of viability testing.
- 1.7 As can be deduced through reference to Figure 1.1, Otterpool Park Garden Settlement straddles two CIL zones (as currently drawn), namely areas C (£111.15 per sqm) and D (£138.94 per sqm) respectively. The two sites in Sellindge that form

part of the Sellindge Phase 2 expansion fall exclusively within CIL zone D (£138.94 per sqm).

Figure 1.1. CIL Charging Zone areas centred on Otterpool Park Garden Settlement



- 1.8 The original 2016 CIL Charging Schedule was supported by a CIL & Whole Plan Economic Viability Assessment by Dixon Searle Partnership, which dates from 2014, and thus is of limited applicability to the current market. This appraisal of the North Downs Garden Settlement, therefore, focusses on more recent market evidence, together with the Arcadis viability assessment that has been undertaken by the Site Promoter, which is more detailed than Dixon Searle's work and has the benefit of being specific to Otterpool Park.

2.0 OTTERPOOL PARK – VIABILITY ASSESSMENT

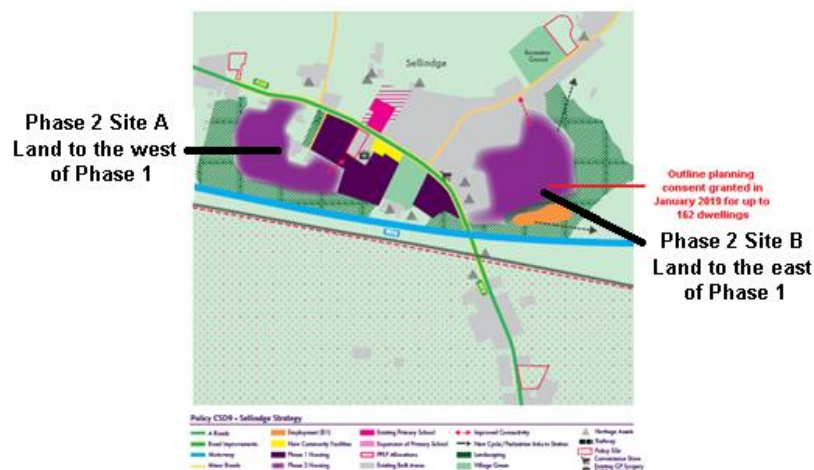
- 2.1 Details of the Otterpool Park Viability Assessment are commensurate with the 8,500-dwelling scheme which, at the timing of writing, June 2019, is the subject of a 'live' planning application. The Otterpool Park Viability Assessment appraisal is split between a master-developer appraisal and a plot-developer appraisal approach. The master-developer appraisal assumes the sale of each individual parcel to a house-builder/plot-developer. The plot-developer appraisal is assumed to deliver the policy compliant level of affordable housing. This makes a suitable allowance of GDV profit for the plot developer. The infrastructure costs are assumed to be borne by the master developer who will then sell the plots on as fully serviced land.
- 2.2 The Arcadis plot-developer appraisal does not include any CIL payments and, based on the Arcadis conclusions and our detailed review of these conclusions (including our cost consultant's review of the build costs and infrastructure costs), we conclude that the Otterpool development would not be able to sustain CIL payments on top the current infrastructure spending via S278/s106 obligations without this having consequences for the delivery of other planning objectives such as the level of affordable housing delivery. This is demonstrated by the infrastructure costs that have been itemised and estimated by Arcadis in their October 2018 Strategic Infrastructure Cost Estimate.

3.0 SELLINDGE SITES – VIABILITY ASSESSMENT

Introduction

- 3.1 Sellindge is located close to (north-west of) the North Downs Garden Settlement area on the northern side of the M20. Broadly similar sales values and build costs in Sellindge as for Otterpool Park are expected, albeit Sellindge may not benefit as much from a 'place-making' premium to the same extent as Otterpool Park. In reality, residents of an extended Sellindge and newly constructed Otterpool Park (which will build out over a 30 year period) will share much of the new infrastructure planned, and both will benefit from new amenities that will be delivered (mainly at Otterpool Park) thus these are closely interlinked developments.
- 3.2 The Sellindge allocation site under policy CSD9 of the Core Strategy (2013) is located on the land in between the A20 and the M20. Policy CSD9 in the emerging Core Strategy, which sets out the infrastructure requirements for each phase of development, is separated out into Phases 1 and 2 respectively. A number of infrastructure items listed under policy CSD9 align with the items contained within the signed S106 relating to development on 'land to the rear of Rhodes House' (planning reference Y16/1122/SH).

Figure 3.1. The Sellindge Strategy (Core Strategy Review Policy CSD9)



- 3.3 For all infrastructure items the subject of a criteria listing in Policy CSD9 that are not currently the subject of costed information to inform a S106 agreement (i.e. those items to be delivered in accordance with the third Sellindge site), in collaboration with our Cost Consultant, Neil Powling FRICS, a summary, 'high-level' estimate of the cost of undertaking the infrastructure works for the Sellindge sites has been completed.
- 3.4 Given the size of the site allocations proposed for Sellindge, it would be typical for the appraisal to be based on a one-stage delivery process, i.e. where the scheme is delivered by a plot-developer, including the infrastructure works, with no master-developer being involved in the early stages. This has the benefit of reducing the level of developer return overall, as no master-developer profit needs to be allowed for.

3.5 Additional information on the two additional sites proposed to be allocated under an expanded Policy CSD9 of the Core Strategy Review is set out below:

- **Site for circa 190 units (Site A)** – this site does not have any planning application history at the current time. It has an allocation for 188 units, and the estimate made by Planning Officers is that the S106 contributions will be influenced by the total cost of constructing the replacement village hall and nursery facility. Not accounting for the costs associated with the delivery of the replacement village hall and nursery facilities, the assumed S106 costs are £907,806.
- **Land to the rear of Rhodes House (Site B)**. This site benefits from an Outline planning consent for up to 162 dwellings. Total S106 contributions amount to £782,000, although this does not reflect the cost of land acquisition to allow for expansion of the Primary School

Development values – Sellindge

3.6 Table 3.1 details recent sales in the Sellindge area (within ½ mile of the subject site) which are all re-sales. None of the sales at the current Taylor Wimpey development are included with the Land Registry sales records, and so reference is based on listed values.

Table 3.1. Recent sales values in the Sellindge area

Address	Last sale price	Last sale date	Property type	Year built	Bedrooms
3 Somerfield Barn Court Main Road TN25 6JD	£250,000	02-Jul-18	Terrace	1986	2
14 Somerfield Barn Court Main Road TN25 6JD	£193,000	02-Mar-18	Flat	1814	2
33 Greenfields TN25 6HE	£189,000	24 Aug 2018	Terrace		2
9 Leafield TN25 6ER	£340,000	19 Jun 2018	Detached		3
18 Downs Way TN25 6EZ	£327,000	10 Aug 2018	Semi-detached	1970	3
13 Swan Lane TN25 6EP	£310,000	10 Aug 2018	Detached		3
86 Swan Lane TN25 6HB	£300,000	06-Jul-18	Detached	1930	3
Little Rhodes Main Road TN25 6JA	£531,000	09-Mar-18	Detached	1750	4
Buccleuch Main Road TN25 6JE	£395,000	23 Nov 2018	Detached		4
23 Downs Way TN25 6EZ	£375,000	24 Jul 2018	Detached		4
River View Barrow Hill TN25 6JT	£340,000	13 Jun 2018	Detached	1930	4
74 Swan Lane TN25 6HB	£475,000	18 Sep 2018	Detached		4
3 Woodlees Close TN25 6GD	£530,000	12 Dec 2018	Detached	2008	5

3.7 The table above considers total prices, but does not include prices per sq ft as these are not available for all units. Appendix 1 provides further comparable evidence and further analysis which includes prices on a per sq ft basis.

3.8 Taking a specific example, 18 Downs Way is a semi-detached bungalow available for purchase at £327,000, which equates to £263 per sq ft. We would expect a higher sales value rate for new-build housing. ‘Little Rhodes’ is a high quality detached house sold for £531,000 which is £297 per sqft. We would not expect as high pricing for similar-sized units in the proposed development. This is due to this being a large unit, thus for the scheme as a whole a higher value per sq ft expected. The large size of this Little Rhodes house explains why its price per sq ft is lower than can be expected. And the 74 Swan Lane house sold for £475,000 which is £275 per sq ft and is a detached 4-bed bungalow; higher pricing can be expected for the Sellindge scheme overall, in view of the lower average unit size – together with the associated new-build premium.

- 3.9 The appraisal for Otterpool Park includes a place-making premium of 15% on housing sale values (although the place-making premium will require the emergence of local services and facilities, and evidence of a certain level/quality of design and public realm for the premium to be achieved in practice), which could result in values of up to £345 per sq ft being realised. Similar sales values might be optimistic for Sellindge, as the Sellindge sites are some distance from the centre of the Otterpool park development, thus will have less benefit from its amenities, and in any case the Sellindge development may be built out before these amenities have been developed at Otterpool Park.
- 3.10 The Taylor Wimpey development that is currently being built out (which forms part of the Phase 1 Sellindge expansion) where a 4-bed detached house is available at £404,995. This has a floor area of 1,507 sq ft, which generates an asking price of £268 per sq ft. This is a large unit, and higher prices per sq ft could be expected to be achieved for smaller units on the site. Further comparable evidence is discussed in **Appendix 1**.

Affordable housing provision

- 3.11 In terms of affordable housing requirement, Policy CSD1 states:

'Development proposing (or land of 0.5ha or more in size) 15 or more dwellings (net gain) at any location within the district should provide 22 per cent affordable dwellings on-site, subject to viability.....approximately 30 per cent of the affordable housing provision shall be shared equity and 70 per cent affordable rent/social rent'

- 3.12 Thus, the level of affordable housing provision (22%) has been included in the appraisals.

Benchmark Land Value - Sellindge

- 3.13 In accordance with the latest Guidance including the Government's planning practice guidance, we consider it suitable to assess land value on an existing use value basis, while also allowing for a sufficient level of landowner premium incentivize the landowner to sell. This could be based on a typical existing use value of £24,000 per Hectare for agricultural land. We have had reference to the HCA publication in *'Transparent Assumptions: Guidance for the Area Wide Viability Model'* which states that for greenfield land, benchmarks tend to be in a range of 10 to 20 times agricultural value. Given these Sellindge site's substantial infrastructure (£11,000) which is to be expected give the latter's considerably higher infrastructure costs, enabling costs and site assembly costs.
- 3.14 Both the Otterpool site (Policy SS6-SS9) and Sellindge sites to be allocated as Phase 2 housing as part of the Sellindge Strategy under Policy CSD9 are new strategic sites that were not included within the 2013 Core Strategy. Policy CSD9 sets out the cumulative allocation for up to 600 dwellings (to include the Phase 1 housing), and sets out the infrastructure and other requirements for each phase.

Development Costs

- 3.15 The BCIS rates for Estate Housing have been applied with an allowance made for abnormals/externals (30%). For the commercial units, we have applied costs based on our Cost Consultant's advice, which take into account abnormals/externals.
- 3.16 The infrastructure requirements and the capital costs (where known) have been drawn through reference to the relevant S106 documents.

Infrastructure costs

- 3.17 The stated infrastructure costs are based on our Cost Consultant's estimate, and have added in a basic estimate of finance costs in respect of infrastructure costs, build costs, and land purchase. The infrastructure requirements detailed in Policy SSD9 are as follows:

- Provision of land and funding to upgrade Sellindge Primary school to 2 forms of entry (2FE);
- Provision of new or upgraded sports grounds, open and play space or upgraded facilities in the village;
- Provision of new nursery facilities

Cost of constructing a nursery building of 400 sq m to final finish 400 sqm @ £3,150 per sqm, so £1.26m (once 20% for abnormals etc added)

- Provision of a replacement village hall, to a specification to meet local need;

Cost of constructing a replacement village hall of 450 sq m to final finish 450 sqm @ £2,231 per sqm, so £1.21m total build cost (once 20% for abnormals etc added)

- Provision of new allotment facilities; and
- Contributions to the upgrading of local medical facilities to meet the needs of the development;
- Approximately 1,000sqm of business (B1 Class) floorspace shall be provided, achieving BREEAM

- 3.18 The B1 space, as specified as a criterion in Policy CSD9 of the emerging Core Strategy Review, is to be provided as part of the approved scheme on land to the rear of Rhodes House, and thus the requirement to provide a nursery building has been attributed to the 188-unit scheme, as well a replacement village hall. It has been assumed that the village hall shall be 'gifted' by the development to the Local Authority, which will then operate the hall itself or will lease it to a local community organisation.

Sellindge appraisal results

- 3.19 The Sellindge appraisal for the Rhodes House site and residual growth in accordance with the phase 2 housing under policy CSD9 are summarised in Table 3.2 (neither of which include any CIL contributions).

- 3.20 The original appraisals applied a sales value of £325 per sq ft for private residential values. In forming a professional view on the associated viability case as to whether CIL ought to be sought in addition to S106 contributions, the exercise was carried out applying lower sales values of £300 per sq ft for private residential sales. Data presented under Table 3.2 applies sales values of £300 sq ft. The output evidences that applying a lower sales value of £300 sq ft would likely push the appraisal for Site A 'land to the east of Phase close to a deficit position. As a result, it is probable that the site promoter of Site A 'land to the east of Phase 1' would seek to provide for a lower percentage of affordable housing than is specified in policy CSD9.

Table 3.2. Sellindge viability appraisal results

<i>188-unit site</i> <i>Site A – land to the west of Phase 1</i>	<i>Rhodes House site</i> <i>Site B – land to the east of Phase 1</i>																																																				
<table border="1"> <tr><td>GDV - private housing</td><td style="text-align: right;">43,068,168</td></tr> <tr><td>GDV - affordable housing</td><td style="text-align: right;">9,110,574</td></tr> <tr><td>GDV - commercial (B1)</td><td style="text-align: right;">922,629</td></tr> <tr><td>TOTAL GDV</td><td style="text-align: right;">53,101,371</td></tr> <tr><td>Base build costs</td><td style="text-align: right;">27,818,850</td></tr> <tr><td>Professional fees, finance & other fees</td><td style="text-align: right;">5,724,318</td></tr> <tr><td>Infrastructure costs</td><td style="text-align: right;">4,357,400</td></tr> <tr><td>S106 Contributions</td><td style="text-align: right;">907,807</td></tr> <tr><td>Developer's Profit</td><td style="text-align: right;">8,221,958</td></tr> <tr><td>TOTAL DEVELOPMENT COSTS</td><td style="text-align: right;">47,030,333</td></tr> <tr><td>NET RESIDUAL LAND VALUE</td><td style="text-align: right;">6,071,037</td></tr> <tr><td>BENCHMARK LAND VALUE</td><td style="text-align: right;">5,291,852</td></tr> <tr><td>SURPLUS/DEFICIT</td><td style="text-align: right;">779,185</td></tr> </table>	GDV - private housing	43,068,168	GDV - affordable housing	9,110,574	GDV - commercial (B1)	922,629	TOTAL GDV	53,101,371	Base build costs	27,818,850	Professional fees, finance & other fees	5,724,318	Infrastructure costs	4,357,400	S106 Contributions	907,807	Developer's Profit	8,221,958	TOTAL DEVELOPMENT COSTS	47,030,333	NET RESIDUAL LAND VALUE	6,071,037	BENCHMARK LAND VALUE	5,291,852	SURPLUS/DEFICIT	779,185	<table border="1"> <tr><td>GDV - private housing</td><td style="text-align: right;">37,006,200</td></tr> <tr><td>GDV - affordable housing</td><td style="text-align: right;">7,929,900</td></tr> <tr><td>GDV - commercial (B1)</td><td style="text-align: right;">3,075,429</td></tr> <tr><td>TOTAL GDV</td><td style="text-align: right;">48,011,529</td></tr> <tr><td>Base build costs</td><td style="text-align: right;">24,405,516</td></tr> <tr><td>Professional fees, finance & other fees</td><td style="text-align: right;">4,984,179</td></tr> <tr><td>Infrastructure costs</td><td style="text-align: right;">4,098,600</td></tr> <tr><td>S106 Contributions</td><td style="text-align: right;">782,259</td></tr> <tr><td>Developer's Profit</td><td style="text-align: right;">7,413,193</td></tr> <tr><td>TOTAL DEVELOPMENT COSTS</td><td style="text-align: right;">41,683,747</td></tr> <tr><td>NET RESIDUAL LAND VALUE</td><td style="text-align: right;">5,927,664</td></tr> <tr><td>BENCHMARK LAND VALUE</td><td style="text-align: right;">4,560,000</td></tr> <tr><td>SURPLUS/DEFICIT</td><td style="text-align: right;">1,767,781</td></tr> </table>	GDV - private housing	37,006,200	GDV - affordable housing	7,929,900	GDV - commercial (B1)	3,075,429	TOTAL GDV	48,011,529	Base build costs	24,405,516	Professional fees, finance & other fees	4,984,179	Infrastructure costs	4,098,600	S106 Contributions	782,259	Developer's Profit	7,413,193	TOTAL DEVELOPMENT COSTS	41,683,747	NET RESIDUAL LAND VALUE	5,927,664	BENCHMARK LAND VALUE	4,560,000	SURPLUS/DEFICIT	1,767,781
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Further commentary - the implications if Site B is sold

- 3.21 In the case of the site to the rear of Rhodes House (referred to as Site B – land to the east of Phase 1), it is noteworthy to explain that the site has recently been marketed for sale via RPC Land and New Homes¹. At the time of writing it is not known if a sale has been agreed, subject to contract, or whether a sale will be completed in future. However, if there is a successful sale this would influence the end position with respect to viability on the basis that Quinn Estates would receive a proportion of the achieved sale value as part of the terms of the Promotion Agreement that would have been entered into with the site owner. Whilst the specific details of the Promotion Agreement (or similar) are not before us for review/comment, the typical percentage rate entered into a Promotion Agreement for obtaining planning consent is 15% of the uplift in land value.
- 3.22 A Promotion Agreement is different to a master-developer model, as in the case of the latter the master-developer is involved in order to facilitate the complex early stages of site assembly and development and then sell on the serviced land to plot-developers. Under a Promotion Agreement the land is sold without site assembly and/or the upfront investment in serviced plots.

¹ <https://www.rpclandandnewhomes.co.uk/land-for-sale/rhodes-park->

4.0 CONCLUSIONS & RECOMMENDATIONS

- 4.1 The costs associated with mitigation and ensuring sustainable development of the Garden Settlement development will be dealt with via site specific S106 and S278 works. After allowing for a reasonable benchmark land value inclusive of a competitive return to the landowner and the site promoter, the viability of the Garden Settlement is marginal. The provision of the Council's target level of affordable housing will utilise any surplus available. Accordingly, given the large extent of the infrastructure costs required in order to facilitate this large greenfield development, any imposition of CIL charging is likely to jeopardise the deliverability of affordable housing and other vital public benefits, and possibly to jeopardise the deliverability of the scheme itself.
- 4.2 In appraising Otterpool Park, reference has been made to the viability assessment undertaken by the Site Promoter in respect of the 8,500-dwelling scheme that is, as of 21st March 2019, the subject of an outline planning application. The site viability assessment was undertaken by Arcadis on behalf of the Promoter, and it demonstrates that the North Downs Garden Settlement cannot viably deliver CIL contributions. This finding is consistent with the proposed amendment to the Draft Charging Schedule, which proposes an exemption from CIL (nil tariff) for the North Downs Garden Settlement. Given the need for a substantial uplift in land values (in order to generate a sufficient return for the Promoter), the imposition of CIL would have the potential to make the Otterpool Park scheme undeliverable.
- 4.3 In the case of schemes where major upfront infrastructure spending is required – such as is the case with Otterpool Park – CIL is not usually an appropriate delivery mechanism for infrastructure spending. It would not be practical for these major infrastructure works to be funded via CIL funds, especially as any CIL contributions from the Otterpool developments itself would not become payable in time to cover these major expenditures.
- 4.4 In general, the issue with CIL is the 'catch-22' situation that development cannot commence until certain infrastructure works are delivered, whilst CIL is not actually collected until much later in the development process, being aligned to the occupation of dwellings. Larger sites can take advantage of phased payments to smooth out their cash flow demands, which means CIL receipts flow in a very different manner to S106 requirements, be it payment or the delivery of physical infrastructure. This is why many large, 'strategic' sites, with high up-front infrastructure requirements, are often exempted from CIL.
- 4.5 To clarify, the policy compliant affordable housing provision was included as part of the appraisal, and on this basis the scheme is marginally viable at best (at £300 per sq ft private values). The marginal viability position gives insufficient assurance over the deliverability of CIL, and based on established policy guidance it is therefore not suitable to charge CIL in this type of marginal situation.
- 4.6 With respect to the two Sellindge sites to be allocated as Phase 2 housing under Policy CSD9, our viability testing indicates that the two sites in question will not be in a position to make CIL contributions alongside the implementation of policy compliant schemes that will ensure delivery of the critical infrastructure specified within policy CSD9 through the S106 legal mechanism. Our assessment includes a bespoke estimate of infrastructure costs, based on the infrastructure requirements set out in the 'Sellindge Strategy' (policy CSD9).

- 4.7 Sellindge will benefit from the infrastructure improvements and amenities that will be delivered as part of the Otterpool development. This relationship could result in associated requirements being specified within the Council's Infrastructure Development Plan which, as a 'living document', will be the subject of ongoing revisions.
- 4.8 Some of the requirements in policy CSD9 involved the provision of land by the developer for community uses. It is assumed that developers will provide land at nil consideration (i.e. for free) to the local authority to facilitate the extension of Sellindge Primary School and the provision of allotments. This land delivery is effectively a 'payment-in-kind' thus could be used to offset other obligations (such as any cash payments required towards education). The benchmark land value of £240,000 per hectare could be used to determine the level of off-set, and this value has been used in the appraisal as the price assumed to be paid by the developer for the land which would have to be reflected as a Payment In Kind.
- 4.9 As details of the total area of land to be gifted to expand the Primary School and to provide for community allotments is not precisely known at this time, it is not possible to create an overall estimate of what a Payment in Kind off-set could amount to. However, if the respective developer(s) are required to spend considerable sums to service this land (with infrastructure) prior to commuting the land to the County Council (or parish council in the case of allotments), it may be legitimate to factor this in when calculating the off-set.
- 4.10 The Government's *Planning Practice Guidance* (PPG) states that in order to set/amend a CIL charging schedule, one must have a suitable evidence base, which should include:
- **Details of the infrastructure needs of the development.** This is set out in the Local Plan (Policy CSD9). We have, in collaboration with our Cost Consultant, Neil Powling FRICS, undertaken a summary, 'high-level' estimate of the cost of undertaking the infrastructure works for the Sellindge sites. For the Otterpool site we have based the infrastructure costs on the detailed cost estimate undertaken by Arcadis (which has already been reviewed by Neil Powling)
 - **An overall assessment of the economic viability of the new development.** The approach adopted for Otterpool Park is a two-stage appraisal comprising a plot-developer appraisal and a master-developer appraisal. The appraisal for the two strategic site allocations in Sellindge is based on a one-stage delivery process in respect of the site referred to as '*Site A land to the west of phase 1*'. A two-stage process (Promotion Agreement and plot-developer) has been considered in respect of the second site referred to as '*Site B land east of phase 1*' on the basis that the site has recently been the subject of marketing for sale following the grant of outline planning consent in January 2019
- 4.11 The Council have considered that given the scale of the Otterpool development and the early stage they are at in the planning process, it is more appropriate to address/secure infrastructure required via S106/S278 Agreements than via CIL. This is not purely a viability matter, as it is principally concerned with choosing the most suitable and effective delivery mechanism for these infrastructural and community

benefits. This is essentially a planning judgement to be made in respect of the suitability of CIL payments.

- 4.12 The proposed amendments to the Charging Schedule are represented in Table 4.1, and comprise the inclusion of the North Downs Garden Settlement as a Strategic site that is to be made exempt from CIL. Likewise, the exemption that applies to the strategic allocation at Sellindge in accordance with Policy CSD9 shall relate to both Phases 1 and 2 housing land.

Table 4.1. Proposed amendment to the Charging Schedule

Table 3: Strategic & Key Development Sites		
Core Strategy Local Plan Review policies	Development (A, B, C and D uses)	CIL rate / £ per sq m
Policies SS6 to SS9	North Downs garden settlement	£0
SS10	Spatial Strategy for Folkestone Seafront	£0
SS11	Spatial Strategy for Shorncliffe Garrison, Folkestone	£0
CSD8	New Romney Strategy	£0
CSD9 Phases 1 and 2	Sellindge Strategy	£0

- 4.13 The use of the Payment in Kind mechanism is that it would count towards the fulfilment of the infrastructure and planning obligations requirements of the scheme.

BPS Chartered Surveyors

APPENDIX ONE

BPS COMPARABLE RESIDENTIAL EVIDENCE

We have undertaken research into the local market, including recent sales/availability of new-build units. The sites listed in the table below are all new builds, currently on the market, that are within 5 miles of the subject site.

Conningbrook Lakes

This development is in an excellent setting with surrounding woodland and lakes. It is, however, a fairly substantial distance (1.5 miles) from Ashford Station which will limit its appeal to commuters. But Ashford Station does at present have better connections to London (faster, more frequent trains). The local amenities are somewhat limited, thus the Otterpool scheme may be able to exceed value at this location (at least for those dwellings that are near the high street and close to the train station). However, the good setting of Conningbrook development needs to be taken into account.

The availabilities include a 3-bed at £319,000. This is semi-detached. The Effective Floor Area is 632 sq ft, and we have scaled the NSA from the plans at 927 sq ft. This gives £344 per sq ft. Other units include a £299,999 two-bed which is 767 sq ft and therefore £391 per sq ft. Another is a 3-bed at £360,000 asking price which is 990 sq ft thus £363 per sq ft. It is typical for some discount to be incurred from asking prices to achieved prices, which would push these prices down (by 5-10%).

Finberry Village, Ashford, TN25 7FR, Finberry Village

This is in a reasonably attractive setting but arguably less desirable than Conningbrook. It is 2 miles from the Ashford Station which limits its appeal to commuters. It has poor access to local amenities and is somewhat cut off from nearby areas.

- *Plot 361 The Elmstead, semi-detached, 3-bed, £335,000, five other semis are available at £330,000-£335,000. Higher pricing is available at Conningbrook. We would expect Otterpool to exceed, overall, the pricing at Finberry Village. We do not have the floor areas available for Finberry.*

Martello lakes, Y06/1079/SH

Located on the outskirts of Palmarsh, approximately 2.5 miles south of the subject and 2 miles South West of Hythe, where the nearest shops and train station are. Not within walking distance of any amenities other than a primary school and opposite a military range. Approximately a 10-minute drive from the M20 motorway. A station will supposedly be added on the historical RHD railway to provide access to Dungeness and New Romney, however the railway is seasonal and more of a tourist attraction.

The development offers lakeside and sea views and will provide 1,050 new home, consisting of 2 bed flats and 3 or 4 bed houses. Construction for the first 190 is nearly completed.

Address	Description (and Floor Area)	Date	Sale Price	Price psf / psm
4 Admiral Drive, Hythe, Kent CT21 4AX	1,206 sq ft / 112 sq m. 4/5 bedroom detached property with off street parking for 2 cars. Very modern interior, small garden with patio.	25/11/2016	£367,000	£304 / £3,277
10 Quarry Way, Hythe, Kent CT21 4AW	1,154 sq ft / 107 sq m. 4 bedroom semi detached house over 3 floors. Modern interior, no off street parking advertised.	16/12/2016	£315,000	£273 / £2,944
14 Quarry Way, Hythe, Kent CT21 4AW	1141 sq ft / 106 sq m. 4 bedroom end of terrace house, modern interior with small garden.	28/04/2017	£280,000	£245 / £2,642
Martello House at Martello Lakes, Dymchurch Road,	Unspecified GIA. 2 bed second floor apartment. Very stylish interior, select apartments in block may have lakeside views, 2 bathrooms.	On the market	£216,000	-
Morpeth I at Martello Lakes, Dymchurch Road, CT21	Unspecified GIA. 3 bed end of terrace house over 2 floors. Very stylish interior, 3 bathrooms.	On the Market	£280,000	-

Shorncliffe Garrison

The former military site lies on the Western outskirts of Folkestone, close to the M20 and approximately a mile (dependant on location in the development) from Folkestone West train station, on the same line as Westenhanger station for the subject site. Approximately 4 miles east of the Sellindge/Otterpool, it involves the demolition of military buildings and the relocation of military units.

The development surrounds an existing primary school, sports field and includes plans to build a new school, nursery, doctors' surgery and community hub. The plans include 1,200 dwellings in a range of sizes.

No detailed recent sales or market information is available for this development.

New Romney, Mulberry place

The town is approximately 11 miles South of Otterpool/Sellindge and is one mile from the sea. It has worse transport links, with no mainline train station (although a stop on the historic RHD railway) and the nearest motorway junction approximately a 25 minute drive from the town.

Mulberry Place in New Romney is a development of 52 brand new 2, 3 & 4 bed properties. The properties released appear to have sold well. The development is on the Northern edge of the town, within walking distance of schools and shops. All units appear to include private gardens and off-street parking provision. Several are still listed on the market, and two previously sold 2 bed properties in the development are noted.

Address	Description (and Floor Area)	Date	Sale Price	Price psf / psm
11 Pippin Close, New Romney, Kent TN28 8FH	Unspecified GIA. 2 bedroom semidetached bungalow with a medium sized garden. Modern interior.	29/09/2017	£580,000	-
17 Pippin Close, New Romney, Kent TN28 8FH	775 sq ft / 72 sq m. 2 bedroom detached bungalow. Modern interior, shed included.	31/01/2018	£675,000	£871 / £9375
Plot 3	1,302 sq ft / 121 sq m. 3 bedroom detached house. 2 bathroom (master with en-suite), garage included, very stylish interior.	On the market	£425,000 (asking)	£326 / £3,512
Plot 36	1,776 sq ft / 165 sq m. 4 bedroom "town house" over 3 floors. 3 bathrooms, garage included, very stylish interior.	On the market	£457,000 (asking)	£257 / £2,770
The Woburn	2,196 sq ft / 204 sq m. 4 bedroom detached house. 3 bathrooms, garage, very stylish interior.	On the market	£616,000	£281 / £3020