

**CASTLE POINT BOROUGH COUNCIL
COMMUNITY INFRASTRUCTURE LEVY
DRAFT CHARGING SCHEDULE
EXAMINATION**

DRAFT HEARING PROGRAMME

Examiner – Mike Hayden BSc (Hons) DipTP MRTPI

Hearing (to be held virtually) on:

Tuesday 28 June 2022

This programme should be read in conjunction with
the Examiner's Briefing Note

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**Castle Point Borough Council
Community Infrastructure Levy
Draft Charging Schedule
Examination**

**Draft Programme for Examination Hearing
on Tuesday 28 June 2022**

Please note:

- *The hearing will be held virtually, on Microsoft Teams.*
- *This is an initial draft programme. An updated version will be issued prior to the Hearing once participants have been confirmed.*

Morning Session (starting at 09.30 hours)

Examiner's Opening Announcements

Council's Opening Statement

Issue 1 – Residential Development (MIQs - Questions 1-6)

Afternoon Session (starting at 14.00 hours)

Issue 2 – General Issues (MIQs - Questions 10-12)

Issue 3 – Retail Development (MIQs – Questions 7-9)

Examiner's closing remarks

CASTLE POINT BOROUGH COUNCIL COMMUNITY INFRASTRUCTURE LEVY DRAFT CHARGING SCHEDULE EXAMINATION

Main Issues and Questions

Main Issues for consideration by the Examiner

- A. *Has the Charging Authority complied with the procedural requirements in the 2008 Act (Part 11 and section 221) and the 2010 Community Infrastructure Regulations (as amended)?*
- B. *Is the CIL charging schedule supported by appropriate available evidence on infrastructure planning and economic viability?*
- C. *Are the proposed CIL charging rates informed by and consistent with the evidence?*
- D. *Does the evidence show that the proposed CIL charging rates would not put at risk the delivery of the relevant development plan as a whole? Has an appropriate balance been struck between helping to fund the new infrastructure required and the potential effects of the levy on the economic viability of development across the district?*

Questions for Examination

RESIDENTIAL DEVELOPMENT

Viability Evidence

1. Is the Castle Point CIL Viability Study (VS)¹ submitted in support of the Draft Charging Schedule appropriate for the appraisal of residential development in the Borough, with particular regard to the following inputs and assumptions:
 - a) Typologies of residential development tested

Does the range of typologies tested reflect the type of residential development expected to come forward in the Borough and on which the relevant plan depends, in particular the strategic sites? Have small sites of 9 or less dwellings been adequately tested?
 - b) Dwelling types and sizes
 - (i). Does the VS test a sufficient range and mix of dwelling types and unit sizes as part of the development typologies assessed?
 - (ii). Are unit sizes based on Nationally Described Space Standards (NDSS) an appropriate basis for viability testing?
 - c) Sales Values
 - (i). Based on the sales transactions evidence available, do the zonal boundaries adequately reflect the range of residential values across the Borough for the purposes of viability testing?

¹ Document SUB/01

- (ii). Is the assumed sales value of £4,150 per square metre (psm) for new houses and flats on the Mainland appropriate, taking into account the evidence of values from residential sales transactions across the Mainland areas?
 - (iii). Are the assumed sales values of £3,500psm for houses and £3,700psm for flats on Canvey Island appropriate, taking into account the evidence of values from residential sales transactions across Canvey Island?
- d) Affordable Housing Values
- (i). Are the assumed affordable housing transfer values of 50% of open market value (OMV) for affordable rented units and 67.5% of OMV for intermediate/shared ownership units justified by the evidence, taking account of the Council's answer to question 9 of the Examiner's initial questions²?
 - (ii). What would be the effect on the appraisal outputs of applying transfer values at the average rates of 48% and 65% respectively drawn from the stakeholder questionnaire responses?
- e) Build Costs
- (i). Should the build costs assumed for larger scale residential development be in line with median or lower quartile BCIS figures?
 - (ii). In the light of the Council's answer to question 10 of the Examiner's initial questions, what effect will the changes to Building Regulations in respect of the conservation of fuel and power, ventilation and the installation of electric vehicle charging points, to come into effect in 2022, have on the construction costs assumed in the VS for residential development and on the resultant headroom for CIL?
- f) External Works
- Is an allowance for the cost of external works equal to 10% of build costs justified by the evidence, taking account of the Council's answer to question 11 of the Examiner's initial questions?
- g) Professional Fees
- Is an allowance for professional fees equal to 8% of build costs justified by the evidence, taking account of the Council's response to question 12 of the Examiner's initial questions?
- h) Site costs
- Do the site opening up costs for the strategic sites tested in the VS reflect the site specific costs identified by site promoters and developers?
- i) S106 costs
- Are the allowances for S106 costs assumed in the residential appraisals justified by the evidence in Tables 4.16 and 4.17 of the VS and in comparison to the evidence of historic S106 costs in the Council's response to question 13 of the Examiner's initial questions?

² Document CPBC-1-H

j) Benchmark Land Values (BLVs)

Are the BLVs assumed in the VS for residential development on greenfield and brownfield sites justified by the available evidence and in comparison to the BLVs established in CIL examinations in surrounding or nearby areas?

k) Sensitivity Testing

Has the effect of an increase in development costs and/or reduction in sales values for residential development been adequately and appropriately tested in the VS?

2. What evidence is available to support alternative assumptions for these inputs and what difference would they make to the headroom for residential development to support the proposed CIL charges in the Mainland and Canvey Island zones?

Residential Rates

3. In the light of the answers to questions 1 and 2 above, does the available evidence show whether or not residential development could viably support the proposed CIL charges for houses and flats of £250psqm and £90psqm respectively on the Mainland, and £120psqm and £30psqm respectively on Canvey Island? In particular:
- (i). Do the results of the appraisals for flats and houses on brownfield sites on Canvey Island show sufficient headroom to support the proposed CIL rates? If not what should the rates be set at?
 - (ii). Does the site specific appraisal for Site HO23 demonstrate sufficient headroom to support the proposed CIL rate of £120psm?
4. Do the results of the residential site typologies demonstrate sufficient buffers to absorb unforeseen variations in development costs and sales values?
5. The IDP Addendum³ suggests the delivery of housing growth through the adopted 1998 Local Plan will rely on Brownfield Land Review (BLR), SHLAA and Windfall sites. In the light of this and the answer to question 3(i) above, should differential rates be set for residential development on greenfield and brownfield sites on Canvey Island? If so what should the rate for brownfield sites be?
6. Overall, would the proposed rates for residential development in the Mainland and Canvey Island zones put the delivery of planned housing development in the Borough at risk?

³ Document CPBC-1-N

RETAIL DEVELOPMENT

Viability Evidence

7. Is the CIL Viability Study appropriate for the appraisal of retail development in the Borough, with particular regard to the following inputs and assumptions:

a) Rents and yields

Does the transactional evidence at Appendix C support the rents and yields assumed in the appraisals for small local convenience stores, supermarkets and retail warehouses?

b) Benchmark land values

What is the appropriate available evidence of existing use values and landowner premiums to support the BLVs used for the appraisal of non-residential development typologies in Table 4.24 of the Viability Study?

Retail Rates

8. In the light of the Council's answer to question 15 of the Examiner's initial questions⁴, does the evidence of viability for a small local convenience store development of 280sqm to support a CIL payment of £200psqm justify this level CIL charge for convenience retail floorspace development of up to 800sqm?

9. Do the proposed retail development charges allow sufficient buffers to absorb variations in rents, yields and development costs? If so, what is the available evidence to support this conclusion?

GENERAL ISSUES

Infrastructure Planning Evidence

10. In the light of the Council's response to question 5 of the Examiner's initial questions⁵, is the infrastructure planning evidence set out in the Infrastructure Delivery Plan (IDP)⁶ and the Addendum to the IDP⁷ appropriate, and is it sufficient to confirm an aggregate funding gap that demonstrates the need for a CIL charge in Castle Point? If not, why not?

Instalments Policy

11. Does the evidence demonstrate whether the Proposed Instalments Policy would assist or threaten development viability and hence the delivery of development across the Borough?

Discretionary Relief

12. Does the evidence support the need for a 'discretionary relief' policy from the commencement of a CIL in Castle Point Borough? Would the absence of such a policy put at risk the overall development of the district?

⁴ Document CPBC-1-H

⁵ Document CPBC-1-M

⁶ Document SUB/02

⁷ Document CPBC-1-N

CASTLE POINT BOROUGH COUNCIL COMMUNITY INFRASTRUCTURE LEVY DRAFT CHARGING SCHEDULE EXAMINATION

BRIEFING NOTE FROM THE EXAMINER May 2022

EXAMINER

1. The Examiner is **Mike Hayden** BSc (Hons) DipTP MRTPI

PROGRAMME OFFICER

2. The Programme Officer (PO) for the Examination is **Andrea Copsey**. She is independent of the Council and acts under the direction of the Examiner for the purposes of the Examination.

Andrea can be contacted at:

Email: copseyandrea@gmail.com
Mobile: 07842 643988
Address: Examination Office,
PO Box 12607,
Clacton-on-Sea
CO15 9GN

3. Andrea's principal functions are:
 - to liaise with all parties to ensure the smooth running of the Examination;
 - to ensure that all the documents received before the Examination hearing are recorded and distributed;
 - to maintain the examination library, including the Examination Documents list; and
 - to assist the Examiner with all procedural and administrative matters.
4. Andrea will advise on any programming queries and all practical and procedural points should be addressed to her. She will pass them on to the Examiner for a reply if necessary.

HEARING DATE

5. The hearing will be held virtually, via Microsoft Teams, commencing:
at 09:30 hours on Tuesday 28 June 2022
6. Guidance for participating in the virtual Hearing sessions and also how interested parties can view the proceedings online is provided below (see paragraphs 21-24).

SCOPE OF THE EXAMINATION AND THE EXAMINER'S ROLE

7. As the Examiner, my role is to consider whether the Community Infrastructure Levy (CIL) Draft Charging Schedule meets the requirements of the Planning Act 2008 and associated Regulations in respect of legal compliance and viability.
8. The Examination will focus on viability. The Council should rely on evidence collected whilst preparing the Schedule to demonstrate that it is viable. Those seeking changes should demonstrate why that is not the case, providing appropriate evidence in support of their case.
9. The focus will be on the Schedule rather than individual objections. I will consider the viability of the Schedule, having regard to the evidence available and representations submitted. The Examination Hearing will be in the form of a 'round table', structured discussion, which I will lead, rather than a public inquiry-style event. There will be no cross-examination of witnesses.
10. Following the closure of the Hearing, I will prepare a Report to the Council with conclusions and recommendations. My recommendations will fall into one of the following categories:
 - Approval of the Schedule without modification
 - Approval of the Schedule subject to modification
 - Approval of the Schedule together with non-binding recommendations
 - Rejection of the Schedule, where it does not comply with drafting requirements and it cannot be modified to comply.
11. The CIL 2010 Regulations (as amended) and the online Planning Practice Guidance (PPG) should help interested parties with further understanding the examination process. These can be accessed online at:
<https://www.gov.uk/guidance/community-infrastructure-levy>
12. Interested parties should seek advice from the Council or the PO if still not clear.

PROGRESSING YOUR REPRESENTATIONS

13. Those who have made representations on the Schedule within the relevant time period ["representors"] should have already indicated whether their views have been adequately expressed in written form or whether they wish to also present them orally at a Hearing session. Both methods will carry the same weight and I will have equal regard to views put orally or in writing.
14. Accompanying this note is a list of **Main Issues and Questions (MIQs)** for the Examination which will form the basis of discussion at the Hearing sessions. I have also provided a **draft Hearing Programme** with starting times for the morning and afternoon sessions and the order in which topics will be discussed. These documents can be accessed on the CIL Examination website at:
<https://www.castlepoint.gov.uk/community-infrastructure-levy-cil->
15. Participation in a Hearing session will only be useful and helpful to me if participants can engage in the discussion. Representors must confirm their wish to take part in the virtual Hearing to the PO by **Tuesday 7 June 2022**, stating which issues and questions in the *MIQs* they wish to discuss, so that the programme and arrangements for the Hearing can be finalised. Those who wish to rely on their previous written submissions need take no further action. There is little to be gained by merely repeating or paraphrasing in a new written statement comments previously made.
16. However, if a representor wants to make a further **written statement** supporting their position, it must be focussed on answering **only** those specific questions set out in the *MIQs* document, which are of relevance to the representations they have previously made. However, the submission of a written statement must not be taken as an opportunity to submit new responses or fresh evidence.
17. An electronic copy of all written statements must be submitted to the PO **by 12.00 noon on Thursday 16 June 2022**. All statements will then be placed in the CIL Examination Library, which can be accessed on the examination website (see link at paragraph 25 below).
18. **Written statements** should:
 - be as succinct as possible, limited to a **strict maximum of 2,000 words** (this limit does not apply to the Council because they must answer each question);
 - clearly identify the number(s) of the question(s) being answered (the Council, in its own written statement, should respond to the procedural questions listed at paragraph 20 below and all the questions in the *MIQs* document);
 - cross reference the original representation, using the Representation number attached to the Representation in the CIL Examination Library;

- have regard to the evidence submitted by the Council on the Examination website, including the Council's response to my Initial Questions (see the CIL Examination Library);
 - bear the name of the Representor and the Hearing session to which it relates;
 - not contain extracts of any evidence or publications already before the Examination, but simply refer to the document name and reference number (see the CIL Examination Library) and a page and/or paragraph reference.
19. Other than in exceptional circumstances, late submissions will not be accepted and no further written evidence or documents will be accepted at the Hearing, or thereafter, unless I specifically request it.

PROCEDURAL QUESTIONS FOR THE COUNCIL

20. At the start of the Hearing I will formally ask the Council to confirm that the Schedule has been prepared in accordance with:
- the statutory procedures;
 - the Council's Local Plan and Infrastructure Delivery Plan;
 - the consultation requirements set out in the Community Infrastructure Levy Regulations April 2010 (as amended);
- and that:
- it is supported by a viability appraisal; and
 - there are no fundamental procedural shortcomings.

THE HEARING

Joining the Virtual Hearing as a Participant

21. In advance of the Hearing, the PO will email participants with an invitation containing an electronic link in order to join the Hearing via **Microsoft (MS) Teams**. In order to join the virtual Hearing using a PC, Apple Mac, iPhone or Android, you should download and install the MS Teams application. If this is not possible, you can join using a Chrome browser on your desk top or lap top computer (but not on your mobile phone). Some older devices or corporate devices may prevent downloads being installed. In this case, either use an alternative or contact your corporate systems administrator.
22. Please familiarise yourself with MS Teams before joining the Hearing. You will be responsible for making sure your IT equipment and internet connection are functional and that you have everything working to enable you to join the Hearing via MS Teams.

Watching the Virtual Hearing

23. The Hearing sessions will be live streamed and recordings published on the Council's website, in order that non-participants and members of the public can watch proceedings. Links to the live stream and the recorded sessions will be made available on the Examination website. Details of the links will be notified on the website in advance of the Hearing.

Participating in Virtual Hearing

24. Further detailed guidance for joining and participating in the virtual Hearing sessions and on how they will be conducted, will be issued to participants in advance of the Hearing.

CIL EXAMINATION LIBRARY

25. The Council has prepared an online CIL Examination Library which can be found on the Examination website at:

<https://www.castlepoint.gov.uk/community-infrastructure-levy-cil-examination-library>

26. This contains the Council's evidence and other documents which have been produced during the Examination, including my questions and guidance. If you have difficulties accessing the Library please contact the PO.

SITE VISITS

27. I will visit relevant parts of the area, unaccompanied, if necessary.

CLOSE OF THE EXAMINATION

28. Once I have gathered all the information necessary to come to reasoned conclusions and decisions on the issues I will write the Report. The Examination itself remains open until my Report is submitted to the Council. However, once the Hearing part of the Examination is completed, I can receive no further information from any party, unless it is a matter on which I specifically request it. Any unsolicited items will be returned.

Mike Hayden

EXAMINER

May 2022

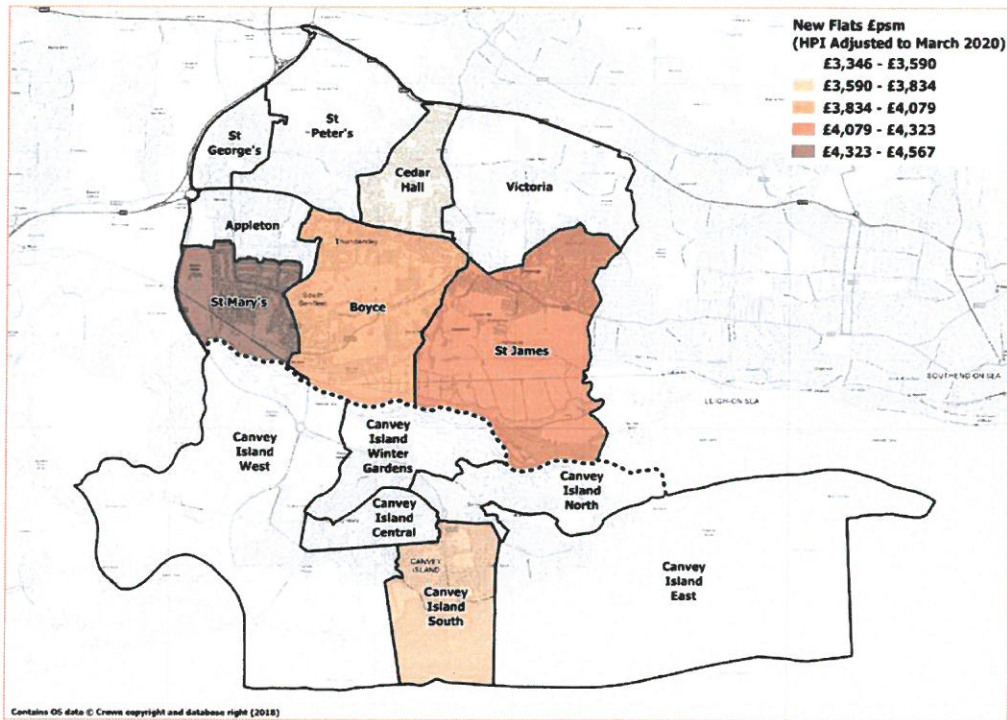
Technical Note

Job No.: 1/94 Castle Point CIL Support
Note Title: Erratum to Sub-01 Figure 3.4 to Figure 3.7
Approved by: Russ Porter, Director, 26/05/22
On behalf of: Porter Planning Economics Ltd
t: +44(0)1626 249043
e: enquiries@porterpe.com
w: www.porterpe.com

Errata to Examination Document Sub-01: Castle Point CIL Viability Study August 2021

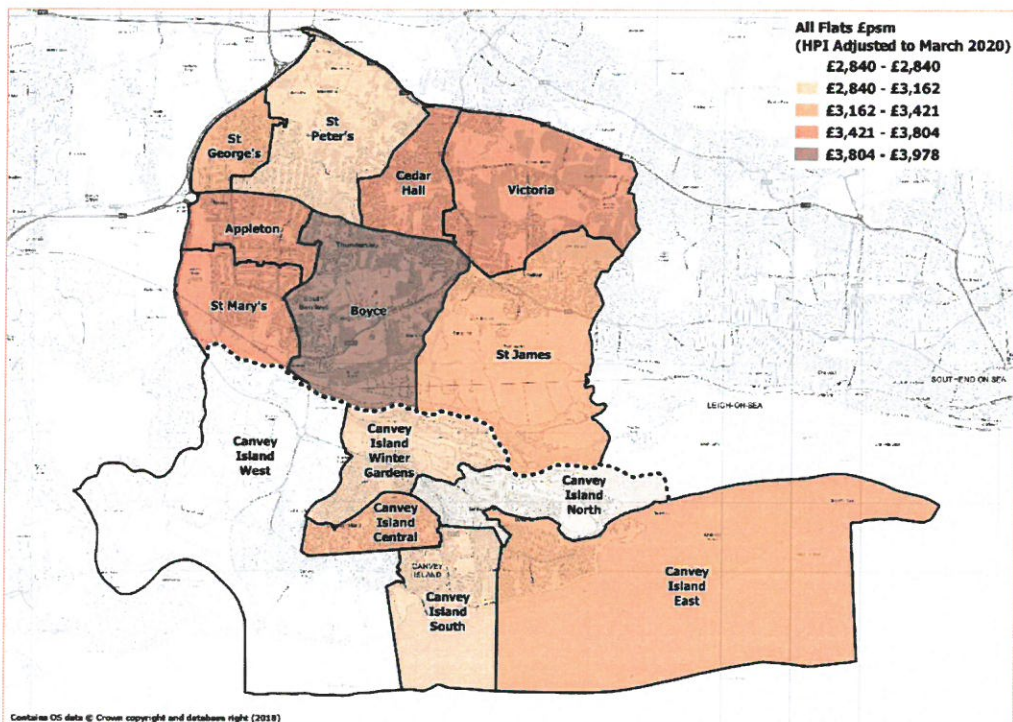
1. Sub/01 page 19 figure title “Figure 3.4 Average sales values for flats sold within between Jan’16 to Mar’20, at March 2020 prices” has the following corrections in the title:
“Figure 3.4 Average sales values for new flats sold ~~within~~ between Jan’16 to Mar’20, at March 2020 prices”.
2. Sub/01 page 19 figure title “Figure 3.5 Average sales values for new flats sold between Jan’16 to Mar’20, at March 2020 prices” has the following corrections in the title:
“Figure 3.5 Average sales values for new flats houses sold between Jan’16 to Mar’20, at March 2020 prices”.
3. Sub/01 page 20 figure title “Figure 3.6 Average sales values for houses sold between Jan’16 to Mar’20, at March 2020 prices” has the following correction in the title:
“Figure 3.6 Average sales values for all houses sold between Jan’16 to Mar’20, at March 2020 prices”.
4. Sub/01 page 20 figure title “Figure 3.7 Average sales values for new houses sold within between Jan’16 to Mar’20, at March 2020 prices” and figure map:

Technical Note



have the following corrections:

“Figure 3.7 Average sales values for new houses all flats sold between Jan’16 to Mar’20, at March 2020 prices”



Source: Derived from Land Registry and EPC data

The End