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# Local Plan Viability Update and CIL Viability Assessment

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Republished January 2019

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# 1. Background

- 1.1 In early 2016 HDH Planning and Development Ltd was commissioned to undertake the *HBC Whole Plan Viability Assessment*. The report was finalised in September 2016. The initial instructions were to consider the ‘cumulative impact’ of the policies in the emerging Local Plan in line with paragraphs 173 and 174 of the NPPF and to consider the scope for CIL in line with CIL Regulation 14.
- 1.2 The 2016 Viability Assessment recommended various policy changes, including adjustments to the affordable housing policy. The assessment found, amongst other things, that the requirement for 40% affordable housing was likely to be achievable in much of the Borough, however suggested a lower target on brownfield sites.
- 1.3 The scope for CIL was not considered in the 2016 Viability Assessment as decisions needed to be made as to the levels of affordable housing to be taken forward into the Plan. In addition there was uncertainty around the future of CIL due to the Government’s CIL Review.
- 1.4 The Council undertook the ‘Regulation 19’ consultation of the *Harrogate District Local Plan: Publication Draft 2018* in early 2018. A range of comments were received that relate to viability.
- 1.5 This brief note has been produced to consider the comments received and also to consider the scope for CIL in light of the policy changes.
- 1.6 This report is written as an annex to the *HBC Whole Plan Viability Assessment (September 2016)*. The general methodology and assumptions are not changed, unless it is explicitly said they have been.



## 2. Policy Changes

- 2.1 There have been changes to the emerging Local Plan and, at the time of this report

### **HBC Policy Changes**

- 2.2 The *Harrogate District Local Plan: Publication Draft 2018* included several policy changes that impact on viability.
- 2.3 Policy HS2 Affordable Housing was altered to reflect the recommendations in the 2016 Viability Assessment and now has the following wording in the 2018 Publication Draft (Regulation 19):

#### *HS2 Affordable Housing*

*The council will require 40% affordable housing on all qualifying greenfield developments including mixed use schemes and 30% on all qualifying brownfield developments including mixed use schemes and conversions, subject to viability and the demonstration of the need for affordable housing.*

*On all developments comprising 11 or more dwellings, or where the combined residential gross floorspace exceeds 1000sq m, on site provision will be expected. In exceptional circumstances, off-site provision or a commuted sum in lieu of on-site provision may be acceptable.*

*On developments comprising six to 10 dwellings, or where the residential gross floorspace exceeds 1000sq m, in areas designated as rural areas under Section 157(1) of the Housing Act 1985 (as shown on the Policies Map), a financial contribution for the provision of affordable dwellings as a commuted sum will be sought unless the developer makes on site provision.*

- 2.4 In addition to the above change, which was informed by the 2016 Viability Assessment, the Council has introduced, through Policy HS1: Housing Mix and Density the following requirement:

*On developments of 10 or more dwellings 25% of the market units should be built to be accessible and adaptable homes subject to site suitability and where viable.*

- 2.5 In addition, HS2 Affordable Housing now requires:

*Subject to site suitability affordable dwellings should be built to be accessible and adaptable homes, and within this 10% should be built as wheelchair user homes.*

- 2.6 The 2016 Viability Assessment did consider 10% (rather than 25%) of market units being accessible and adaptable, but did not consider 10% of affordable homes being to wheelchair standard.

### **National Consultation on changes to the NPPF, PPG and CIL Regulations**

- 2.7 In March 2018 the Government launched a consultation into a redrafted NPPF and revisions to the PPG. These changes include alterations to the viability sections of the PPG and to the implementation of CIL and future workings of the s106 regime.

- 2.8 The changes do not materially alter the approach taken in the 2016 Viability Assessment, but can be summed up (for the purposes of this exercise only) as follows:

- i. Where CIL is in place the restrictions on pooling s106 contributions will be relaxed. It will be necessary for HBC to consider the implementation of CIL.
- ii. The ability to set a rate of CIL that relates to the existing land use. This will be particularly relevant to HBC bearing in mind the advice of the 2016 Viability Assessment.
- iii. It is suggested that developers' return is calculated as 20% of market value and 6% of the value of affordable housing. This is different to the approach taken in the 2016 Viability Assessment, where developers' return was calculated as 20% of developers' costs. Whilst these changes are likely to be within the transitional period for implementation, it would be appropriate to consider this if there is a delay in setting CIL.
- iv. There will be reduced scope to consider viability at the development management stage. It is therefore necessary to consider the Strategic Sites (i.e. those large sites that are critical to the delivery of the new Local Plan) in more detail. Having discussed this with the Council it has been agreed to consider those sites of over 500 units individually.
- v. Greater regard is to be had to market transactions in establishing the viability threshold. This has been done in the 2016 Viability Assessment.



## 3. Consultation Responses

- 3.1 The Council undertook the ‘Regulation 19’ consultation of the *Harrogate District Local Plan: Publication Draft 2018* in early 2018. A range of comments were received that relate to viability. 23 of the responses related to viability. Several agents submitted multiple representations for several clients.
- 3.2 On the whole, the points raised were in connection with the use of the evidence, rather than the evidence itself. The main responses are summarised below:

<b>Table 3.1 Summary of Main Viability Consultation Responses</b>	
Has 25% Accessible and Adaptable been tested?	No - 10% tested
Is 30% affordable justified on Brownfield.	Yes - based on Chapter 10 of 2016 Viability Assessment.
Object to self-build.	Noted – but no viability points raised.
Object to space standards.	Tested – as per Chapter 8 of 2016 Viability assessment.
Why brownfield 30% - perhaps area-based targets.	No evidence to support area-based targets. Targets in Plan based on Chapter 10 of 2016 Viability Assessment.
That at 40% affordable housing 1/3 of development not viable.	Clarity was sought from the objector on this point as it was not clear how this point was come to (no supporting information was provided). No response was received. Based on the findings of the 2016 Viability assessment, most sites are viable when subject to 40%/30% affordable housing policies and the other policies in the Plan.
Affordable Housing should not be required from Older People’s housing.	Considered in 2016 Viability Assessment. No alternative evidence provided.
Space Standards, mix and density will impact on densities	Agreed, but modelling in 2016 Viability Assessment based on space standards.
Object to 40% / 30% target. No evidence provided.	Covered in full in the 2016 Viability Assessment.
Affordable Housing targets should be set in line with evidence.	Plan now in line with recommendations of 2016 Viability Assessment.
Revisit affordable target when more evidence of Infrastructure	This update reflects the most recent IDP information.
The 2016 viability study needs to be updated.	NPPF refers to appropriate available evidence. No reason given for updating.
Suggest office rents too high and yields a little low	Offices not subject to policy requirements over and above the normal. No impact on overall findings.
Suggest industrial rents too high and yields a little low	Offices not subject to policy requirements over and above the normal. No impact on overall findings.

Source: April 2018

- 3.3 For this update, the main points were as to as to whether the ‘accessible and adaptable’ requirements and 10% ‘wheelchair access’ have been tested. It is confirmed that the

‘accessible and adaptable’ requirements were not fully tested in the 2016 Viability Assessment. The 2016 Viability Assessment did not consider the 10% ‘wheelchair access’. These are addressed in this update and are considered below.

## 4. Market Changes

- 4.1 It is about two years since the 2016 Viability Assessment was undertaken. Since then the residential market has moved on somewhat and there has been inflation in the construction sector.

### Residential Values

- 4.2 The market survey and data gathering behind the 2016 Viability Assessment was carried out in April 2016. Since then property prices have increased, but so have build costs. It is necessary to consider whether or not these impact on viability to the extent that the findings of the 2016 Viability Assessment can no longer be relied on.
- 4.3 The Land Registry publishes data on average house prices.

<b>Table 4.1 Change in Average Residential Property Prices by Type</b>					
	Detached	Semi-detached	Terraced	Flats	All types
<b>England and Wales</b>					
Apr-16	£325,175	£202,873	£177,223	£207,514	£218,968
Jan-18	£356,000	£220,874	£188,975	£224,962	£237,026
Change	£30,825	£18,001	£11,752	£17,448	£18,058
	9.48%	8.87%	6.63%	8.41%	8.25%
<b>Harrogate</b>					
Apr-16	£433,368	£260,707	£216,779	£170,095	£269,213
Jan-18	£455,221	£275,830	£226,344	£179,505	£283,108
Change	£21,853	£15,123	£9,565	£9,410	£13,895
	5.04%	5.80%	4.41%	5.53%	5.16%
<b>London</b>					
Apr-16	£859,832	£551,600	£477,313	£407,094	£461,068
Jan-18	£887,700	£578,716	£499,645	£431,756	£485,830
Change	£27,868	£27,116	£22,332	£24,662	£24,762
	3.24%	4.92%	4.68%	6.06%	5.37%

Source: Land Registry (April 2018)

- 4.4 Across the different house types these show a 5.16% increase in the HBC area since the 2016 Viability Assessment, which is a little less than that seen across England and Wales as a whole. The 2016 Viability Assessment and this update are only concerned with new development. The Land Registry has recently started disaggregating the newbuild properties from the wider market.

<b>Table 4.2 Change in Average Residential Property Prices by Status</b>			
	Newbuild	Existing	All types
<b>England and Wales</b>			
Apr-16	£270,469	£215,531	£218,968
Dec-17	£314,982	£232,573	£237,026
Change	£44,513	£17,042	£18,058
	16.46%	7.91%	8.25%
<b>Harrogate</b>			
Apr-16	£310,686	£268,452	£269,213
Dec-17	£362,221	£288,051	£283,108
Change	£51,535	£19,599	£13,895
	16.59%	7.30%	5.16%
<b>London</b>			
Apr-16	£473,740	£460,001	£461,068
Dec-17	£523,481	£474,681	£485,830
Change	£49,741	£14,680	£24,762
	10.50%	3.19%	5.37%

Source: Land Registry (April 2018)

- 4.5 This data shows that the average values of newbuild properties have risen very much more than the wider market. The increase is higher in Harrogate (at 16.59%) than in England and Wales (16.46%) or London (10.5%).

### **Build Costs**

- 4.6 The cost side of the viability assessments are based on the BCIS costs. 2016 Viability Assessment was based on costs as at 2<sup>nd</sup> April 2016. Costs have increased since then.

<b>Table 4.3 Change in Construction Costs (£/m<sup>2</sup>)</b>	
02/04/2018	974
14/04/2018	1,107
Change	£133
	13.66%

Source: BCIS (April 2018)

- 4.7 The BCIS record a 13.66% increase in construction costs.
- 4.8 Since the 2016 Viability Assessment both residential values and build costs have increased. The increase in values has been more than the increase in costs. The consequence of this change will be an improvement in viability. As such, the above evidence demonstrates that the findings of the 2016 VA still remain valid within the context of the policy recommendations made. It would not be proportionate to undertake a full update now.

## 5. Infrastructure costs

- 5.1 At the time of the 2016 Viability Assessment the Infrastructure Delivery Plan (IDP) was still being developed. The Council has now developed the IDP further and has a better understanding of the relevant costs.
- 5.2 As set out in Chapter 2 above, it has been decided to consider the strategic allocations of over 500 units individually.

<b>Table 5.1 Strategic Sites - Strategic Infrastructure and Mitigation Costs</b>						
		Area		Dwellings	Strategic Infrastructure and Mitigation	
		Gross ha	Net ha		Site	/unit
A	Green Hammerton/ Cattal	80.78	44.43	3,000	£36,316,000	£12,105
B	West Harrogate	176.01	95.91	3,008	£24,906,168	£8,280
C	Manse Farm	65.92	34.12	1,002	£2,730,647	£2,725
D	Ripon	64.00	26.65	799	£5,592,543	£6,999
E	Boroughbridge	44.30	24.90	746	£4,331,463	£5,806

Source: HBC (April 2018) Note: Where a range is provided the midpoint is taken

- 5.3 The Green Hammerton / Cattal site is a large broad area for development (rather than a specific site). In due course the Council will produce a site-specific DPD with more precise boundaries and areas. Rather than model on the whole area set out in the above table (being the information provided by the Council) it has been assumed that the scheme will come forward on part of the broad area, at a density of 32 units/ha and net developable area of 60% will apply (giving a net area of 94ha and a gross area of 156ha).
- 5.4 The above table presents the best available information as at April 2018 that is derived from the Council's IDP. The following table summarises the data supplied by the promoter of the Green Hammerton broad allocation.

<b>Table 5.2 New Settlement - Strategic Infrastructure and Mitigation Costs</b>		
	CEG (GH11)	██████████
Education - primary	£9,630,000	██████████
Education - Secondary	£6,200,000	██████████
Retail	£2,400,000	██████████
Highways Infrastructure	£35,000,000	██████████
Ped/Cycle - Infrastructure	£2,000,000	██████████
Railway improvements	██████████	██████████
SUDs/Drainage - Infrastructure	£3,500,000	██████████
Utilities - Infrastructure	£12,900,000	██████████
Community Facilities - medical	£834,000	██████████
Public open space & sports pitches	██████████	██████████
Landscaping	██████████	██████████
Off site provision for cemeteries etc	£799,000	██████████
Section 106/CIL contributions	██████████	██████████
<b>Total delivery cost indicated by promoter</b>	<b>£73,263,000</b>	██████████

Source: HBC (April 2018) Note: Where a range is provided the midpoint is taken

5.5 Not all these figures are s106 type costs, for example the provision of utilities or landscaping are 'normal' site costs. In discussion with the Council, a figure of £15,000/unit (£45,000,000) has been assumed in this update. This is at the upper end of the expected range of costs that will be required and can be requested bearing in mind CIL Regulations 122 and 123.

## 6. Updated Analysis

### Capacity for CIL

- 6.1 To assess whether or not a contribution to CIL can be made, a calculation needs to be undertaken to establish the 'additional profit'. This analysis was undertaken in the appraisals in the 2016 Viability assessment but was not presented (as CIL was not being pursued at that time).
- 6.2 *Additional Profit*<sup>1</sup> is the amount of profit over and above the normal profit (or competitive return) having purchased the land (at Existing Use Value (EUV) plus uplift), developed the site, and sold the units (including providing any affordable housing that is required and meeting all other policy requirements). Additional profit is calculated using the same base cost and price figures and other financial assumptions as used to establish the Residual Value, but instead of calculating the Residual Value, the cost of the land (as EUV plus uplift) is incorporated into the appraisal to show the resulting profit (or loss).
- 6.3 The amount by which the additional profit provides a measure of the scope for contributing to CIL without impairing development viability. CIL contributions can be paid out of this additional profit. The following formula was used:

$$\begin{array}{r} \textbf{Gross Development Value} \\ \text{(The combined value of the complete development} \\ \text{including x\% affordable housing)} \\ \\ \text{LESS} \\ \\ \textbf{Cost of creating the asset, including a profit margin} \\ \text{(land* + construction + fees + finance charges + developers' profit)} \\ \text{including mitigation measures, and affordable housing commuted sums} \\ \\ = \\ \\ \textbf{Additional Profit} \end{array}$$

\* Where 'land' is the Alternative Use Value and uplift.

- 6.4 This is now considered.

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<sup>1</sup> Other consultancies refer to headroom or super profit – all are different names for the same assessment.

### **‘Updated’ Analysis**

6.5 The 2016 Viability Assessment was carried out before the affordable housing requirements were altered. In this note, and to inform the setting of CIL, the appraisals have been re-run on the following basis:

- a. The appropriate 30% and 40% affordable housing requirements have been applied as per HS2: Affordable Housing.
- b. The values and costs have been carried forward as per the 2016 Viability Study. Whilst both of these have altered, this is considered an appropriate approach bearing in mind the requirements of the PPG and CIL Regulations.
- c. The Strategic Sites have been modelled separately.
- d. The £2,000 per unit (market and affordable housing) has been carried forward.
- e. Developer’s return has been calculated as 20% of market value and 6% Affordable Value.
- f. The appraisals are based on the increased density scenario used in the 2016 Viability Assessment (that had informed the current iterations of the Plan).
- g. Costs have been incorporated into the appraisals to reflect the costs of providing 25% of market housing to be ‘accessible and adaptable (as per HS1), and 10% of the affordable housing to wheelchair standards (as per HS2).

The additional costs of the space standards (as set out in the draft Approved Document M amendments included at Appendix B4) are set out in the table below. The key features of the 3 level standard (as summarised in the DCLG publication *Housing Standards Review – Cost Impacts* (EC Harris, September 2014)), reflect accessibility as follows:

- Category 1 – Dwellings which provide reasonable accessibility
- Category 2 – Dwellings which provide enhanced accessibility and adaptability
- Category 3 – Dwellings which are accessible and adaptable for occupants who use a wheelchair.



**Table 6.1 Additional Costs of Building to the draft Approved Document M amendments included at Appendix B4.**

*Table 45 – Access costs summary*

	1B Apartment	2B Apartment	2B Terrace	3B Semi-detached	4B Detached
<b>Cost all dwellings (extra over current industry practice)</b>					
Category 1	-	-	-	-	-
Category 2	£940	£907	£523	£521	£520
Category 3 Adaptable	£7,607	£7,891	£9,754	£10,307	£10,568
Category 3 Accessible	£7,764	£8,048	£22,238	£22,791	£23,052

*Table 45a – Access related space cost summary*

	1B Apartment		2B Apartment		2B Terrace		3B Semi-detached		4B Detached	
<b>Cost increase for additional m2</b>										
Category 2	+ 1 sq.m	£722	+ 1 sq.m	£722	+ 2 sq.m	£1,444	+ 3 sq.m	£2,166	+ 3 sq.m	£2,166
Category 3	+ 8 sq.m	£5,776	+ 14 sq.m	£10,108	+ 21 sq.m	£15,162	+ 24 sq.m	£17,328	+ 24 sq.m	£17,328

*Table 45b – Access related space cost after Space cost recovery*

	1B Apartment		2B Apartment		2B Terrace		3B Semi-detached		4B Detached	
Category 2	+ 1 sq.m	£289	+ 1 sq.m	£289	+ 2 sq.m	£578	+ 3 sq.m	£866	+ 3 sq.m	£866
Category 3	+ 8 sq.m	£2,310	+ 14 sq.m	£4,043	+ 21 sq.m	£6,065	+ 24 sq.m	£6,931	+ 24 sq.m	£6,931

Source: Page 38, DCLG publication Housing Standards Review – Cost Impacts (EC Harris, September 2014)

An additional cost of £10/m<sup>2</sup> is assumed to apply to 25% of market housing and an additional cost of £60/m<sup>2</sup> is assumed to apply to affordable housing.

6.6 Having made these changes a range of rates of CIL have been tested.

#### *Base Appraisals*

6.7 The following tables are directly comparable to 10.1 and 10.2 of the 2016 Viability Assessment.

**Table 6.2a Residential Development – Residual Values - HBC EXCLUDING RIPON  
Affordable at 40% Greenfield & 30% Brownfield**

						Area (ha)			Units	Residual Value (£)		
						Gross	Net			Gross ha	Net ha	Site
Site 1	Green Hammerton 3,000	A1 Corridor	Green			156.25	93.75	3000	29,610	49,350	4,626,546	
Site 2	West Harrogate 3,008	Harrogate	Green			176	95.91	3008	101,902	186,996	17,934,772	
Site 3	Manse Farm 1,002	Harrogate	Green			65.92	34.12	1002	196,026	378,722	12,922,005	
Site 4	Boroughbridge 746	Boroughbridge	Green			44.3	24.9	746	185,582	330,171	8,221,263	
Site 5	Large Greenfield 500	Generally	Green			25.97	14.29	500	319,456	580,565	8,296,272	
Site 6	Large Greenfield 225	Generally	Green			9.89	6.43	225	408,527	628,357	4,040,335	
Site 7	Medium Greenfield 130	Generally	Green			4.95	3.7	130	570,205	762,842	2,822,516	
Site 8	Medium Greenfield 75	Generally	Green			2.86	2.14	75	577,519	771,825	1,651,705	
Site 9	Medium Greenfield 30	Generally	Green			0.95	0.86	30	654,608	723,113	621,878	
Site 10	Medium Greenfield 15	Generally	Green			0.48	0.43	15	706,044	788,142	338,901	
Site 11	Small Greenfield 10	Generally	Green			0.29	0.29	10	749,826	749,826	217,450	
Site 12	Small Greenfield 6	Generally	Green			0.17	0.17	6	902,167	902,167	153,368	
Site 13	Small Greenfield 4	Generally	Green			0.11	0.11	4	2,962,422	2,962,422	325,866	
Site 14	Small Greenfield 2	Generally	Green			0.06	0.06	2	2,994,886	2,994,886	179,693	
Site 15	Single Plot	Generally	Green			0.03	0.03	1	3,009,343	3,009,343	90,280	
Site 16	Large Brownfield 100	Generally	Brown			3.33	2.5	100	597,763	796,221	1,990,551	
Site 17	Medium Brownfield 50	Generally	Brown			1.39	1.25	50	697,004	775,068	968,835	
Site 18	Medium Brownfield 20	Generally	Brown			0.56	0.5	20	641,354	718,316	359,158	
Site 19	Small Brownfield 10	Generally	Brown			0.22	0.22	10	660,055	660,055	145,212	
Site 20	Small Brownfield 6	Generally	Brown			0.15	0.15	6	811,613	811,613	121,742	
Site 21	Small Brownfield 4	Generally	Brown			0.1	0.1	4	1,800,464	1,800,464	180,046	
Site 22	Small Brownfield 2	Generally	Brown			0.05	0.05	2	2,237,957	2,237,957	111,898	
Site 23	Single Brown	Generally	Brown			0.02	0.02	1	3,763,013	3,763,013	75,260	
Site 24	Urban Flats	Generally	Brown			0.33	0.33	20	1,140,417	1,140,417	376,338	

Source: April 2018

**Table 6.2b Residential Development – Residual Values - RIPON AREA**  
**Affordable at 40% Greenfield & 30% Brownfield**

							Area (ha)			Units	Residual Value (£)		
							Gross	Net			Gross ha	Net ha	Site
Site 1	Ripon 799		Ripon	Green			64	26.65		799	124,510	299,012	7,968,665
Site 5	Large Greenfield 500		Generally	Green			25.97	14.29		500	319,456	580,565	8,296,272
Site 6	Large Greenfield 225		Generally	Green			9.89	6.43		225	408,527	628,357	4,040,335
Site 7	Medium Greenfield 130		Generally	Green			4.95	3.7		130	162,139	216,915	802,587
Site 8	Medium Greenfield 75		Generally	Green			2.86	2.14		75	165,575	221,282	473,544
Site 9	Medium Greenfield 30		Generally	Green			0.95	0.86		30	146,250	161,555	138,937
Site 10	Medium Greenfield 15		Generally	Green			0.48	0.43		15	131,482	146,771	63,111
Site 11	Small Greenfield 10		Generally	Green			0.29	0.29		10	373,757	373,757	108,390
Site 12	Small Greenfield 6		Generally	Green			0.17	0.17		6	515,500	515,500	87,635
Site 13	Small Greenfield 4		Generally	Green			0.11	0.11		4	2,145,355	2,145,355	235,989
Site 14	Small Greenfield 2		Generally	Green			0.06	0.06		2	2,158,558	2,158,558	129,513
Site 15	Single Plot		Generally	Green			0.03	0.03		1	2,170,238	2,170,238	65,107
Site 16	Large Brownfield 100		Generally	Brown			3.33	2.5		100	134,154	178,693	446,733
Site 17	Medium Brownfield 50		Generally	Brown			1.39	1.25		50	133,829	148,818	186,022
Site 18	Medium Brownfield 20		Generally	Brown			0.56	0.5		20	63,110	70,683	35,341
Site 19	Small Brownfield 10		Generally	Brown			0.22	0.22		10	-14,414	-14,414	-3,171
Site 20	Small Brownfield 6		Generally	Brown			0.15	0.15		6	212,169	212,169	31,825
Site 21	Small Brownfield 4		Generally	Brown			0.1	0.1		4	988,683	988,683	98,868
Site 22	Small Brownfield 2		Generally	Brown			0.05	0.05		2	1,213,922	1,213,922	60,696
Site 23	Single Brown		Generally	Brown			0.02	0.02		1	2,286,368	2,286,368	45,727
Site 24	Urban Flats		Generally	Brown			0.33	0.33		20	1,140,417	1,140,417	376,338

Source: April 2018

6.8 The increased costs associated with the requirements for increased accessibility standards results in slightly lower Residual Values, although this is countered by the different approach taken to developers' return (now using 20% of market value and 6% of affordable value). The lower affordable targets on brownfield sites result in higher Residual Values on those sites.



- 6.9 In the following tables we have compared the Residual Value with the Viability Threshold, being an amount over and above the Existing Use Value that is sufficient to provide the willing landowner with a competitive return and induce them to sell the land for development. This is as set out in Chapter 6 of the 2016 Viability Assessment.
- 6.10 It is important to consider the relevant typologies in the relevant areas. The allocations in and around Ripon are represented by the following:
- Large Greenfield 225 (Site 6).
  - Medium Greenfield 75 (Site 8).
  - Medium Greenfield 15 (Site 10).
  - Large Brownfield 100 (Site 16).
  - Medium Brownfield 50 (Site 17).
  - Small Brownfield 10 (Site 19).
- 6.11 Only the results for these typologies are presented. All the typologies relate to the remaining areas of the Borough.
- 6.12 These tables are directly comparable with Tables 10.2a and 10.2b of the 2016 Viability Assessment.

**Table 6.3a Residual Value compared to Viability Threshold - HBC EXCLUDING RIPON**

**Affordable at 40% Greenfield & 30% Brownfield**

							Alternative Use Value £/ha	Viability Threshold £/ha	Residual Value £/ha
Site 1	Green Hammerton 3,000	A1 Corridor	Green			Agricultural	20,000	374,000	29,610
Site 2	West Harrogate 3,008	Harrogate	Green			Agricultural	20,000	374,000	101,902
Site 3	Manse Farm 1,002	Harrogate	Green			Agricultural	20,000	374,000	196,026
Site 4	Boroughbridge 746	Boroughbridge	Green			Agricultural	20,000	374,000	185,582
Site 5	Large Greenfield 500	Generally	Green			Agricultural	20,000	374,000	319,456
Site 6	Large Greenfield 225	Generally	Green			Agricultural	20,000	374,000	408,527
Site 7	Medium Greenfield 130	Generally	Green			Agricultural	20,000	374,000	570,205
Site 8	Medium Greenfield 75	Generally	Green			Agricultural	20,000	374,000	577,519
Site 9	Medium Greenfield 30	Generally	Green			Agricultural	20,000	374,000	654,608
Site 10	Medium Greenfield 15	Generally	Green			Agricultural	20,000	374,000	706,044
Site 11	Small Greenfield 10	Generally	Green			Paddock	50,000	410,000	749,826
Site 12	Small Greenfield 6	Generally	Green			Paddock	50,000	410,000	902,167
Site 13	Small Greenfield 4	Generally	Green			Paddock	50,000	410,000	2,962,422
Site 14	Small Greenfield 2	Generally	Green			Paddock	50,000	410,000	2,994,886
Site 15	Single Plot	Generally	Green			Paddock	50,000	410,000	3,009,343
Site 16	Large Brownfield 100	Generally	Brown			Industrial	600,000	720,000	597,763
Site 17	Medium Brownfield 50	Generally	Brown			Industrial	600,000	720,000	697,004
Site 18	Medium Brownfield 20	Generally	Brown			Industrial	600,000	720,000	641,354
Site 19	Small Brownfield 10	Generally	Brown			Industrial	600,000	720,000	660,055
Site 20	Small Brownfield 6	Generally	Brown			Industrial	600,000	720,000	811,613
Site 21	Small Brownfield 4	Generally	Brown			Industrial	600,000	720,000	1,800,464
Site 22	Small Brownfield 2	Generally	Brown			Industrial	600,000	720,000	2,237,957
Site 23	Single Brown	Generally	Brown			Industrial	600,000	720,000	3,763,013
Site 24	Urban Flats	Generally	Brown			Industrial	600,000	720,000	1,140,417

Source: April 2018

**Table 6.3b Residual Value compared to Viability Threshold - RIPON**  
**Affordable at 40% Greenfield & 30% Greenfield**

							Alternative Use Value £/ha	Viability Threshold £/ha	Residual Value £/ha
Site 1	Ripon 799	Ripon	Green				20,000	374,000	124,510
Site 6	Large Greenfield 225	Generally	Green				20,000	374,000	408,527
Site 8	Medium Greenfield 75	Generally	Green				20,000	374,000	165,575
Site 10	Medium Greenfield 15	Generally	Green				20,000	374,000	131,482
Site 11	Small Greenfield 10	Generally	Green				50,000	410,000	373,757
Site 12	Small Greenfield 6	Generally	Green				50,000	410,000	515,500
Site 13	Small Greenfield 4	Generally	Green				50,000	410,000	2,145,355
Site 14	Small Greenfield 2	Generally	Green				50,000	410,000	2,158,558
Site 15	Single Plot	Generally	Green				50,000	410,000	2,170,238
Site 16	Large Brownfield 100	Generally	Brown				600,000	720,000	134,154
Site 17	Medium Brownfield 50	Generally	Brown				600,000	720,000	133,829
Site 19	Small Brownfield 10	Generally	Brown				600,000	720,000	-14,414
Site 20	Small Brownfield 6	Generally	Brown				600,000	720,000	212,169
Site 21	Small Brownfield 4	Generally	Brown				600,000	720,000	988,683
Site 22	Small Brownfield 2	Generally	Brown				600,000	720,000	1,213,922
Site 23	Single Brown	Generally	Brown				600,000	720,000	2,286,368

Source: April 2018

- 6.13 The general pattern of the results is as in the 2016 Viability Assessment.
- 6.14 This update considers the larger strategic sites separately. The strategic sites are shown as being in the 'marginal' category, however this is, to a large extent, to be expected. It is well recognised that the delivery of any very large site is challenging, in part the sheer scale adds complexities, but there is also a requirement to deliver the infrastructure and mitigation

measures to make a scheme acceptable. In line with the advice set out in the 2016 Viability Assessment, it is recommended that that the Council continues to engage with the owners in line with the advice set out in the Harman Guidance (page 23):

*Landowners and site promoters should be prepared to provide sufficient and good quality information at an early stage, rather than waiting until the development management stage. This will allow an informed judgement by the planning authority regarding the inclusion or otherwise of sites based on their potential viability.*

- 6.15 Having said this, most of these strategic sites do generate a very significant land value.
- 6.16 The greenfield sites do remain viable when subject to the additional costs associated with the new Local Plan. In line with the findings of the 2016 Viability Assessment, at 40% there is some scope to introduce CIL except on the smaller sites, this is explored further below.
- 6.17 The brownfield typologies are not generally shown to be viable at 30%. Having said this most sites that come forward on the ground are now delivering at least 30% affordable housing.

*Additional Profit*

- 6.18 The following tables show the additional profit. This is the amount over and above the viability threshold, having provided the full policy requirements set out in the emerging Plan. The appraisals include the allowances for strategic infrastructure and mitigation as in the base appraisals above.

**Table 6.4a Additional Profit - HBC EXCLUDING RIPON**  
**Affordable at 40% Greenfield & 30% Brownfield**

					Additional Profit	
					£ site	£/m2
Site 1	Green Hammerton 3,000	A1 Corridor	Green	Agricultural	-75,713,299	-451
Site 2	West Harrogate 3,008	Harrogate	Green	Agricultural	-70,396,130	-418
Site 3	Manse Farm 1,002	Harrogate	Green	Agricultural	-15,415,449	-275
Site 4	Boroughbridge 746	Boroughbridge	Green	Agricultural	-10,809,763	-259
Site 5	Large Greenfield 500	Generally	Green	Agricultural	-1,138,147	-41
Site 6	Large Greenfield 225	Generally	Green	Agricultural	626,653	50
Site 7	Medium Greenfield 130	Generally	Green	Agricultural	1,265,300	174
Site 8	Medium Greenfield 75	Generally	Green	Agricultural	751,430	179
Site 9	Medium Greenfield 30	Generally	Green	Agricultural	331,549	198
Site 10	Medium Greenfield 15	Generally	Green	Agricultural	195,185	231
Site 11	Small Greenfield 10	Generally	Green	Paddock	117,265	213
Site 12	Small Greenfield 6	Generally	Green	Paddock	95,397	292
Site 13	Small Greenfield 4	Generally	Green	Paddock	350,281	826
Site 14	Small Greenfield 2	Generally	Green	Paddock	190,532	828
Site 15	Single Plot	Generally	Green	Paddock	95,053	827
Site 16	Large Brownfield 100	Generally	Brown	Industrial	-154,287	-23
Site 17	Medium Brownfield 50	Generally	Brown	Industrial	109,841	34
Site 18	Medium Brownfield 20	Generally	Brown	Industrial	12,996	10
Site 19	Small Brownfield 10	Generally	Brown	Industrial	15,082	24
Site 20	Small Brownfield 6	Generally	Brown	Industrial	32,292	85
Site 21	Small Brownfield 4	Generally	Brown	Industrial	148,810	469
Site 22	Small Brownfield 2	Generally	Brown	Industrial	100,735	519
Site 23	Single Brown	Generally	Brown	Industrial	76,422	665
Site 24	Urban Flats	Generally	Brown	Industrial	204,688	173

Source: April 2018



**Table 6.4b Additional Profit - RIPON  
Affordable at 40% Greenfield & 30% Brownfield**

					Additional Profit	
					£ site	£/m2
Site 1	Ripon 799	Ripon	Green	Agricultural	-20,674,475	-462
Site 6	Large Greenfield 225	Generally	Green	Agricultural	626,653	50
Site 8	Medium Greenfield 75	Generally	Green	Agricultural	-661,551	-157
Site 10	Medium Greenfield 15	Generally	Green	Agricultural	-120,357	-142
Site 11	Small Greenfield 10	Generally	Green	Paddock	-6,182	-11
Site 12	Small Greenfield 6	Generally	Green	Paddock	22,769	70
Site 13	Small Greenfield 4	Generally	Green	Paddock	245,975	580
Site 14	Small Greenfield 2	Generally	Green	Paddock	134,133	583
Site 15	Single Plot	Generally	Green	Paddock	67,256	585
Site 16	Large Brownfield 100	Generally	Brown	Industrial	-2,004,327	-304
Site 17	Medium Brownfield 50	Generally	Brown	Industrial	-806,680	-246
Site 19	Small Brownfield 10	Generally	Brown	Industrial	-150,895	-237
Site 20	Small Brownfield 6	Generally	Brown	Industrial	-66,934	-176
Site 21	Small Brownfield 4	Generally	Brown	Industrial	57,962	183
Site 22	Small Brownfield 2	Generally	Brown	Industrial	44,292	228
Site 23	Single Brown	Generally	Brown	Industrial	43,821	381

Source: April 2018

6.19 The additional profit varies considerably. This analysis shows:

- a. The small sites below the affordable housing threshold have a capacity to bear CIL on both greenfield and brownfield sites.
- b. The brownfield sites that are subject to the affordable housing requirements do not have capacity to bear CIL.
- c. The greenfield sites within the Ripon area (modelled as adjacent to Ripon) do not have capacity to bear CIL when subject to a 40% affordable housing target.
- d. The Strategic Sites, when it is assumed that they will be subject to both a 40% affordable housing target and their expected strategic infrastructure and mitigation costs, do not have a capacity to bear CIL.
- e. The greenfield sites that are not adjacent to Ripon and that are subject to the 40% affordable housing requirement do have a significant capacity to bear CIL.

## The Effect of CIL

6.20 CIL Regulation 14 (as amended) sets out the core principle for setting CIL:

### *Setting rates*

- (1) *In setting rates (including differential rates) in a charging schedule, a charging authority must strike an appropriate balance between—*
  - (a) *the desirability of funding from CIL (in whole or in part) the actual and expected estimated total cost of infrastructure required to support the development of its area, taking into account other actual 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.*
- (2) *In setting rates ...*

6.21 Viability testing in the context of CIL is to assess the ‘effects’ on development. Ultimately the test that will be applied to CIL is as set out the examination section of the PPG:

*documents containing appropriate available evidence ... evidence has been provided that shows the proposed rate or rates would not threaten delivery of the relevant Plan as a whole (for England, see National Planning Policy Framework paragraph 173)*

*Reference ID: 25-038-20140612*

6.22 The following appraisals incorporate CIL at a range of levels.



**Table 6.5b Residual Value compared with Viability Thresholds- range of CIL Contributions - RIPON**

**Affordable at 40%Greenfield & 30% Brownfield**

		Alternative Use Value	Viability Threshold	Residual Value	£10	£20	£30	£40	£50	£60	£70	£80	£90	£100	£120	£140	£160	£180	£200
Site 1	Ripon 799	20,000	374,000	124,510	118,872	113,234	107,595	101,957	96,319	90,680	85,042	79,404	73,765	68,127	58,850	45,973	34,212	22,550	10,888
Site 6	Large Greenfield 225	20,000	374,000	408,527	397,352	386,177	375,002	363,827	352,652	341,477	330,302	319,127	307,952	296,777	274,427	252,077	229,727	207,377	185,026
Site 6	Medium Greenfield 75	20,000	374,000	165,575	151,952	138,329	124,706	111,083	97,460	83,837	69,935	55,950	41,757	27,495	-1,029	-28,553	-56,077	-83,601	-111,124
Site 10	Medium Greenfield 15	20,000	374,000	131,482	113,744	96,005	78,287	60,528	42,790	25,051	-7,313	-40,428	-78,164	-115,903	-146,380	-176,857	-207,334	-237,811	-268,288
Site 11	Small Greenfield 10	50,000	410,000	373,757	354,641	335,525	316,409	297,292	278,176	259,060	239,943	220,827	201,711	182,594	144,382	106,170	67,958	29,644	-8,569
Site 11	Small Greenfield 6	50,000	410,000	515,800	485,897	476,294	466,691	457,087	447,484	437,881	428,278	418,675	409,072	399,469	380,262	241,056	201,850	162,644	123,438
Site 13	Small Greenfield 4	50,000	410,000	2,145,355	2,107,033	2,068,711	2,030,389	1,992,067	1,953,745	1,915,423	1,877,101	1,838,779	1,800,457	1,762,135	1,685,491	1,608,846	1,532,202	1,455,558	1,378,914
Site 14	Small Greenfield 2	50,000	410,000	2,198,359	2,119,433	2,080,507	2,041,581	2,002,655	1,963,729	1,924,803	1,885,877	1,846,951	1,808,025	1,769,099	1,692,455	1,615,811	1,539,167	1,462,523	1,385,879
Site 15	Single Plot	50,000	410,000	2,170,238	2,130,593	2,090,948	2,051,273	2,011,618	1,971,963	1,932,308	1,892,653	1,852,998	1,813,343	1,773,688	1,697,044	1,620,400	1,543,756	1,467,112	1,390,468
Site 16	Large Brownfield 100	600,000	720,000	134,154	115,830	97,506	79,182	60,858	42,534	24,210	3,086	-16,158	-35,396	-54,634	-93,870	-133,106	-172,342	-211,578	-250,814
Site 17	Medium Brownfield 50	600,000	720,000	133,629	110,893	87,505	64,177	40,790	17,402	-5,985	-28,372	-57,760	-87,148	-116,536	-145,924	-185,312	-224,700	-264,088	-303,476
Site 19	Small Brownfield 10	600,000	720,000	-14,414	-43,572	-72,730	-101,888	-131,047	-160,205	-189,363	-218,521	-247,680	-276,838	-305,996	-335,154	-364,312	-393,470	-422,628	-451,786
Site 20	Small Brownfield 6	600,000	720,000	212,169	186,249	160,329	134,409	108,490	82,570	56,650	30,731	4,811	-21,109	-47,028	-92,947	-138,866	-184,785	-230,704	-276,623
Site 21	Small Brownfield 4	600,000	720,000	988,883	956,546	924,209	891,872	859,535	827,198	794,861	762,524	730,187	697,850	665,513	603,176	490,840	378,504	266,168	153,832
Site 22	Small Brownfield 2	600,000	720,000	1,213,923	1,174,054	1,134,186	1,094,318	1,054,451	1,014,583	974,715	934,848	894,981	855,113	815,246	736,511	615,776	474,041	342,306	210,571
Site 23	Single Brown	600,000	720,000	2,286,988	2,226,888	2,167,403	2,107,921	2,048,438	1,988,956	1,929,473	1,869,991	1,810,509	1,751,028	1,691,544	1,572,979	1,453,814	1,334,649	1,215,484	1,096,319

Source: April 2018

- 6.23 Based on the analysis set out above, the only sites to be considered further are those that are shown as viable. These are the greenfield sites that are not adjacent to Ripon and that are subject to the 40% affordable housing, and the small sites, below the affordable housing threshold. The CIL Guidance is clear that CIL should not be set at the limits of viability. In considering the rates of CIL, it has been assumed that the Residual Value should generally be 50% above the Viability Threshold.
- a. At £60/m<sup>2</sup> the greenfield sites that are subject to the affordable housing requirements would be viable, however the margin is quite tight on the larger sites. £50/m<sup>2</sup> would be a more cautious approach.
  - b. At £200/m<sup>2</sup> (being the maximum rate tested) all the small greenfield sites across the Borough and on brownfield sites not in the Ripon area remain viable, by a substantial cushion. In the Ripon area, on brownfield sites, a figure of £80/m<sup>2</sup> or so would be appropriate.

#### **CIL as a proportion of Land Value and Gross Development Value**

- 6.24 To further inform the CIL rate setting process, we have calculated CIL as a proportion of the Residual Value and the Gross Development Value.
- 6.25 CIL as the proportion of the Residual Value, in approximate terms, represents the percentage fall in land value that a landowner may receive. As set out in the 2016 Viability Assessment, it is inevitable that CIL will depress land prices. This is recognised in the RICS Guidance and was considered at the Greater Norwich CIL examination<sup>2</sup>. In Greater Norwich it was suggested that landowners may accept a 25% fall in land prices following the introduction of CIL saying:

*22. Thirdly the work done by the Councils to demonstrate what funds are likely to be available for CIL (Appendix 1 of the Note following Day 1) relies on the full 25% of the benchmark land value being available for the CIL “pot”. While this may sometimes be the case it is unlikely that it will always apply. Even if some landowners may be prepared to accept less than 75% of the benchmark value, the 25% figure should be treated as a maximum and not an average. Using 25% to try to establish what the theoretical maximum amount in a CIL “pot” may be is reasonable, but when thinking about setting a CIL charge in the real world it would be prudent to treat it as a maximum that will only apply on some occasions in some circumstances.*

2. It is important to note that a wide ranging debate took place at that CIL Examination and on the specific local circumstances. It would however be prudent to set CIL at a rate that does not result in a fall in land prices of greater than 25% or so. The following tables show CIL, at a range of rates, as a percentage of the Residual Value.

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<sup>2</sup> Greater Norwich Development Partnership – for Broadland District Council, Norwich City Council and South Norfolk Council. by Keith Holland BA (Hons) Dip TP, MRTPI ARICS Date: 4 December 2012

**Table 6.6a CIL as Percentage of Residual Value - HBC EXCLUDING RIPON**  
**Affordable at 40%Greenfield & 30% Brownfield**

				£0	£10	£20	£30	£40	£50	£60	£70	£80	£90	£100	£120	£140	£160	£180	£200
Site 1	Green	Hammerfont 3,000	A1 Corridor	Green	47.95%	141.48%	404.36%	652.89%	-748.46%	-429.65%	-326.42%	-280.37%	-251.27%	-232.01%	-207.32%	-191.78%	-181.57%	-174.11%	-167.87%
Site 2	West	Harrogate 3,008	Harrogate	Green	9.99%	21.38%	34.48%	49.70%	67.77%	89.47%	115.99%	149.17%	191.83%	248.76%	448.32%	1048.91%	76818.94%	-1218.24%	-681.61%
Site 3	Mense	Farm 1,002	Harrogate	Green	4.49%	9.32%	14.50%	20.09%	26.13%	32.68%	39.82%	47.62%	56.17%	66.06%	87.77%	115.99%	152.84%	203.01%	275.31%
Site 4	Boroughbridge	746	Boroughbridge	Green	0.00%	5.28%	17.36%	24.28%	31.92%	40.39%	49.83%	60.43%	72.41%	86.06%	119.99%	167.01%	238.12%	356.60%	592.40%
Site 5	Large	Greenfield 500	Generally	Green	0.00%	3.47%	11.05%	15.21%	19.64%	24.38%	29.45%	34.90%	40.75%	47.08%	61.36%	78.33%	98.84%	124.11%	156.02%
Site 6	Large	Greenfield 225	Generally	Green	0.00%	3.21%	6.60%	10.19%	14.00%	18.06%	22.38%	27.00%	31.83%	37.23%	42.92%	55.70%	70.75%	88.72%	110.67%
Site 7	Medium	Greenfield 130	Generally	Green	0.00%	2.64%	5.40%	8.31%	11.37%	14.59%	17.90%	21.35%	25.38%	29.41%	33.69%	43.08%	53.79%	66.12%	80.48%
Site 8	Medium	Greenfield 75	Generally	Green	0.00%	2.61%	5.35%	8.22%	11.25%	14.44%	17.80%	21.35%	25.11%	29.09%	33.31%	42.60%	53.39%	66.38%	81.46%
Site 9	Medium	Greenfield 30	Generally	Green	0.00%	2.76%	5.68%	8.76%	12.01%	15.46%	19.12%	23.01%	27.15%	31.58%	36.31%	46.84%	59.07%	73.45%	90.62%
Site 10	Medium	Greenfield 15	Generally	Green	0.00%	2.56%	5.24%	8.06%	11.04%	14.17%	17.48%	20.98%	24.69%	28.62%	32.80%	42.05%	52.71%	65.08%	79.61%
Site 11	Small	Greenfield 10	Generally	Green	0.00%	2.60%	5.33%	8.21%	11.25%	14.47%	17.87%	21.48%	25.32%	29.40%	33.76%	43.40%	54.60%	67.71%	83.27%
Site 12	Small	Greenfield 6	Generally	Green	0.00%	2.16%	4.45%	6.82%	9.35%	11.94%	14.68%	17.57%	20.60%	23.81%	27.19%	34.64%	42.81%	52.69%	64.26%
Site 13	Small	Greenfield 4	Generally	Green	0.00%	1.32%	2.67%	4.08%	5.48%	6.94%	8.44%	9.98%	11.57%	13.20%	14.88%	18.39%	22.11%	26.06%	30.27%
Site 14	Small	Greenfield 2	Generally	Green	0.00%	1.30%	2.63%	3.99%	5.49%	6.94%	8.42%	9.94%	11.47%	13.02%	14.68%	18.15%	21.84%	25.79%	29.99%
Site 15	Single	Plot	Generally	Green	0.00%	3.41%	7.05%	10.93%	15.08%	19.53%	24.32%	29.48%	35.06%	41.11%	47.69%	62.78%	81.11%	103.86%	132.62%
Site 16	Large	Brownfield 100	Generally	Brown	0.00%	3.49%	7.22%	11.22%	15.51%	20.12%	25.10%	30.49%	36.35%	42.72%	49.70%	65.63%	85.70%	110.77%	143.40%
Site 17	Medium	Brownfield 50	Generally	Brown	0.00%	3.79%	7.87%	12.28%	17.04%	22.22%	27.86%	34.03%	40.81%	48.32%	56.72%	76.71%	102.53%	137.14%	186.64%
Site 18	Small	Brownfield 20	Generally	Brown	0.00%	4.59%	9.62%	15.17%	21.31%	28.15%	35.61%	44.45%	54.27%	65.54%	78.58%	112.03%	160.96%	239.39%	385.47%
Site 19	Small	Brownfield 10	Generally	Brown	0.00%	4.59%	9.62%	15.17%	21.31%	28.15%	35.61%	44.45%	54.27%	65.54%	78.58%	112.03%	160.96%	239.39%	385.47%
Site 20	Small	Brownfield 6	Generally	Brown	0.00%	3.23%	6.69%	10.38%	14.35%	18.62%	23.22%	28.21%	33.62%	39.52%	45.97%	60.88%	79.32%	102.38%	132.48%
Site 21	Small	Brownfield 4	Generally	Brown	0.00%	1.79%	3.65%	5.57%	7.47%	9.65%	11.80%	13.87%	16.38%	18.51%	21.35%	26.77%	32.72%	39.25%	46.47%
Site 22	Small	Brownfield 2	Generally	Brown	0.00%	1.77%	3.60%	5.49%	7.47%	9.52%	11.65%	13.87%	16.17%	18.58%	21.10%	26.46%	32.44%	38.80%	45.94%
Site 23	Single	Brown	Generally	Brown	0.00%	1.55%	3.16%	4.81%	6.52%	8.30%	10.13%	12.03%	13.99%	16.03%	18.15%	22.63%	27.47%	32.73%	38.44%
Site 24	Urban	Flats	Generally	Brown	0.00%	6.72%	10.42%	14.38%	18.63%	23.21%	28.14%	33.48%	39.27%	45.58%	60.15%	78.07%	100.52%	129.47%	168.46%

Source: April 2010



**Table 6.6b CIL as Percentage of Residual Value - RIPON  
Affordable at 40%Greenfield & 30% Brownfield**

			£0	£10	£20	£30	£40	£50	£60	£70	£80	£90	£100	£120	£140	£160	£180	£200
Site 1   Ripon 799	Ripon	Green	0.00%	5.88%	12.34%	19.48%	27.41%	36.27%	46.23%	57.51%	70.39%	85.24%	102.55%	147.47%	214.62%	306.73%	557.68%	1283.39%
Site 6   Large Greenfield 225	Generally	Green	0.00%	3.21%	6.60%	10.19%	14.00%	18.06%	22.38%	27.00%	31.93%	37.23%	42.92%	55.70%	70.75%	88.72%	110.57%	137.69%
Site 8   Medium Greenfield 75	Generally	Green	0.00%	9.68%	21.26%	35.96%	52.92%	75.36%	105.18%	147.26%	210.35%	317.98%	535.07%	171.5617%	698.93%	405.78%	305.78%	255.58%
Site 10   Medium Greenfield 15	Generally	Green	0.00%	12.48%	26.70%	47.62%	75.41%	105.83%	141.89%	198.17%	275.59%	362.88%	462.88%	587.74%	741.03%	925.01%	1138.82%	1457.09%
Site 11   Small Greenfield 10	Generally	Green	0.00%	5.35%	11.32%	18.00%	25.54%	34.12%	43.97%	55.39%	68.77%	84.70%	103.96%	157.79%	250.41%	447.33%	751.67%	1130.65%
Site 12   Small Greenfield 6	Generally	Green	0.00%	3.87%	8.07%	12.62%	17.58%	23.00%	28.96%	35.54%	42.84%	50.89%	60.12%	82.24%	111.59%	152.25%	212.57%	311.20%
Site 13   Small Greenfield 4	Generally	Green	0.00%	1.83%	3.73%	5.70%	7.74%	9.86%	12.07%	14.37%	16.77%	19.27%	21.89%	27.44%	33.94%	40.25%	47.45%	55.71%
Site 14   Small Greenfield 2	Generally	Green	0.00%	1.81%	3.69%	5.63%	7.66%	9.76%	11.90%	14.18%	16.62%	19.10%	21.69%	27.23%	33.32%	40.02%	47.38%	55.67%
Site 15   Single Plot	Generally	Green	0.00%	1.80%	3.67%	5.61%	7.62%	9.72%	11.90%	14.18%	16.55%	19.03%	21.61%	27.15%	33.23%	39.94%	47.38%	55.67%
Site 16   Large Brownfield 100	Generally	Brown	0.00%	17.07%	40.55%	74.90%	130.83%	238.07%	392.06%	4510.62%	561.59%	697.80%	862.01%	1052.92%	1283.27%	1568.88%	1968.10%	2420.92%
Site 17   Medium Brownfield 50	Generally	Brown	0.00%	21.25%	53.82%	110.15%	231.08%	417.07%	677.06%	1010.62%	1410.62%	1883.31%	2438.75%	3083.27%	3833.27%	4703.27%	5703.27%	6833.27%
Site 19   Small Brownfield 10	Generally	Brown	0.00%	66.45%	79.62%	85.25%	88.38%	90.37%	91.74%	92.45%	93.11%	93.71%	94.26%	94.77%	95.24%	95.62%	95.90%	96.10%
Site 20   Small Brownfield 6	Generally	Brown	0.00%	13.64%	31.66%	56.68%	83.63%	113.78%	153.78%	208.98%	278.48%	353.22%	433.22%	518.22%	608.22%	703.22%	808.22%	913.22%
Site 21   Small Brownfield 4	Generally	Brown	0.00%	3.31%	6.86%	10.66%	14.74%	19.14%	23.90%	29.06%	34.66%	40.79%	47.50%	54.80%	62.70%	71.20%	80.40%	90.30%
Site 22   Small Brownfield 2	Generally	Brown	0.00%	3.30%	6.84%	10.64%	14.72%	19.12%	23.88%	29.05%	34.65%	40.78%	47.49%	54.79%	62.69%	71.19%	80.39%	90.29%
Site 23   Single Brown	Generally	Brown	0.00%	2.58%	5.31%	8.18%	11.23%	14.45%	17.88%	21.52%	25.41%	29.55%	33.99%	43.88%	55.38%	68.93%	85.14%	104.86%

Source: April 2010



- 6.26 This analysis supports the previous findings (of £50/m<sup>2</sup> for the greenfield sites not adjacent to Ripon) but suggests a maximum rate of £70/m<sup>2</sup> for the smaller sites.
- 6.27 Plan-wide viability testing is not an exact science. The process is based on high-level modelling and assumptions. The process adopted by many developers is similar, hence the use of contingency sums, the competitive return assumptions and the generally cautious approach. In the following tables we have set out CIL, at a range of rates, as a proportion of the Gross Development Value.



**Table 6.7a CIL as Percentage of GDV - HBC EXCLUDING RIPON**  
**Affordable at 40%Greenfield & 30% Brownfield**

				£0	£10	£20	£30	£40	£50	£60	£70	£80	£90	£100	£120	£140	£160	£180	£200	
Site 1	Green	Hammerfont 3,000	A1 Corridor	0.00%	0.31%	0.62%	0.92%	1.23%	1.54%	1.85%	2.15%	2.46%	2.77%	3.08%	3.69%	4.31%	4.92%	5.54%	6.15%	6.77%
Site 2	Green	West Harrogate 3,008	Harrogate	0.00%	0.31%	0.62%	0.92%	1.23%	1.54%	1.85%	2.15%	2.46%	2.77%	3.08%	3.69%	4.31%	4.92%	5.54%	6.15%	6.77%
Site 3	Green	Mense Farm 1,002	Harrogate	0.00%	0.31%	0.62%	0.92%	1.23%	1.54%	1.85%	2.15%	2.46%	2.77%	3.08%	3.69%	4.31%	4.92%	5.54%	6.15%	6.77%
Site 4	Green	Boroughbridge 746	Boroughbridge	0.00%	0.31%	0.62%	0.92%	1.23%	1.54%	1.85%	2.15%	2.46%	2.77%	3.08%	3.69%	4.31%	4.92%	5.54%	6.15%	6.77%
Site 5	Green	Large Greenfield 500	Generally	0.00%	0.31%	0.62%	0.92%	1.23%	1.54%	1.85%	2.15%	2.46%	2.77%	3.08%	3.69%	4.31%	4.92%	5.54%	6.15%	6.77%
Site 6	Green	Large Greenfield 225	Generally	0.00%	0.31%	0.62%	0.92%	1.23%	1.54%	1.85%	2.15%	2.46%	2.77%	3.08%	3.70%	4.31%	4.92%	5.54%	6.15%	6.77%
Site 7	Green	Medium Greenfield 130	Generally	0.00%	0.30%	0.60%	0.90%	1.19%	1.49%	1.79%	2.09%	2.39%	2.69%	2.99%	3.59%	4.18%	4.78%	5.38%	5.97%	6.57%
Site 8	Green	Medium Greenfield 75	Generally	0.00%	0.30%	0.60%	0.90%	1.20%	1.50%	1.80%	2.10%	2.40%	2.70%	3.00%	3.59%	4.19%	4.79%	5.39%	5.99%	6.59%
Site 9	Green	Medium Greenfield 30	Generally	0.00%	0.30%	0.60%	0.90%	1.20%	1.50%	1.80%	2.10%	2.40%	2.70%	3.00%	3.60%	4.20%	4.80%	5.40%	6.00%	6.60%
Site 10	Green	Medium Greenfield 15	Generally	0.00%	0.30%	0.59%	0.89%	1.18%	1.48%	1.78%	2.07%	2.37%	2.66%	2.96%	3.55%	4.14%	4.74%	5.33%	5.93%	6.52%
Site 11	Green	Small Greenfield 10	Generally	0.00%	0.29%	0.58%	0.88%	1.17%	1.47%	1.76%	2.05%	2.35%	2.65%	2.94%	3.53%	4.12%	4.71%	5.30%	5.89%	6.48%
Site 12	Green	Small Greenfield 6	Generally	0.00%	0.28%	0.56%	0.83%	1.10%	1.48%	1.77%	2.07%	2.37%	2.66%	2.95%	3.53%	4.11%	4.70%	5.28%	5.87%	6.45%
Site 13	Green	Small Greenfield 4	Generally	0.00%	0.28%	0.56%	0.83%	1.10%	1.47%	1.85%	2.27%	2.60%	2.92%	3.25%	3.90%	4.55%	5.19%	5.84%	6.49%	7.13%
Site 14	Green	Small Greenfield 2	Generally	0.00%	0.32%	0.65%	0.97%	1.30%	1.62%	1.95%	2.27%	2.60%	2.92%	3.25%	3.90%	4.55%	5.19%	5.84%	6.49%	7.13%
Site 15	Green	Single Plot	Generally	0.00%	0.32%	0.65%	0.97%	1.30%	1.62%	1.95%	2.27%	2.60%	2.92%	3.25%	3.90%	4.55%	5.19%	5.84%	6.49%	7.13%
Site 16	Brown	Large Brownfield 100	Generally	0.00%	0.33%	0.66%	0.99%	1.32%	1.65%	1.98%	2.31%	2.64%	2.97%	3.30%	3.97%	4.63%	5.29%	5.95%	6.61%	7.27%
Site 17	Brown	Medium Brownfield 50	Generally	0.00%	0.33%	0.66%	0.99%	1.32%	1.65%	1.97%	2.30%	2.63%	2.96%	3.29%	3.95%	4.61%	5.27%	5.92%	6.58%	7.24%
Site 18	Brown	Medium Brownfield 20	Generally	0.00%	0.33%	0.66%	0.99%	1.32%	1.65%	1.99%	2.32%	2.65%	2.98%	3.31%	3.97%	4.63%	5.29%	5.95%	6.62%	7.28%
Site 19	Brown	Small Brownfield 10	Generally	0.00%	0.33%	0.66%	0.99%	1.32%	1.65%	1.98%	2.32%	2.65%	2.98%	3.31%	3.97%	4.63%	5.29%	5.95%	6.62%	7.28%
Site 20	Brown	Small Brownfield 6	Generally	0.00%	0.33%	0.66%	0.99%	1.32%	1.65%	1.98%	2.31%	2.64%	2.97%	3.30%	3.97%	4.63%	5.29%	5.95%	6.61%	7.27%
Site 21	Brown	Small Brownfield 4	Generally	0.00%	0.34%	0.68%	1.03%	1.37%	1.72%	2.06%	2.40%	2.74%	3.09%	3.43%	4.12%	4.80%	5.49%	6.17%	6.86%	7.54%
Site 22	Brown	Small Brownfield 2	Generally	0.00%	0.34%	0.69%	1.03%	1.37%	1.72%	2.06%	2.40%	2.74%	3.09%	3.43%	4.12%	4.80%	5.49%	6.17%	6.86%	7.54%
Site 23	Brown	Single Brown	Generally	0.00%	0.34%	0.69%	1.03%	1.37%	1.72%	2.06%	2.40%	2.74%	3.09%	3.43%	4.12%	4.80%	5.49%	6.17%	6.86%	7.54%
Site 24	Brown	Urban Flats	Generally	0.00%	0.33%	0.66%	0.99%	1.31%	1.64%	1.97%	2.30%	2.63%	2.96%	3.29%	3.94%	4.60%	5.26%	5.91%	6.57%	7.23%

Source: April 2018



**Table 6.7b CIL as Percentage of GDV - RIPON  
Affordable at 40%Greenfield & 30% Brownfield**

			£0	£10	£20	£30	£40	£50	£60	£70	£80	£90	£100	£120	£140	£160	£180	£200
Site 1	Ripon 799	Ripon	0.00%	0.31%	0.62%	0.92%	1.23%	1.54%	1.85%	2.16%	2.46%	2.77%	3.08%	3.69%	4.31%	4.92%	5.54%	6.15%
Site 6	Large Greenfield 225	Generally	0.00%	0.31%	0.62%	0.92%	1.23%	1.54%	1.85%	2.16%	2.46%	2.77%	3.08%	3.70%	4.31%	4.93%	5.54%	6.16%
Site 8	Medium Greenfield 75	Generally	0.00%	0.35%	0.69%	1.04%	1.38%	1.73%	2.08%	2.42%	2.77%	3.12%	3.46%	4.15%	4.85%	5.54%	6.23%	6.92%
Site 10	Medium Greenfield 15	Generally	0.00%	0.35%	0.69%	1.04%	1.38%	1.74%	2.09%	2.43%	2.78%	3.13%	3.47%	4.17%	4.86%	5.56%	6.25%	6.95%
Site 11	Small Greenfield 10	Generally	0.00%	0.32%	0.64%	0.97%	1.29%	1.61%	1.93%	2.26%	2.58%	2.90%	3.22%	3.87%	4.51%	5.16%	5.80%	6.45%
Site 12	Small Greenfield 6	Generally	0.00%	0.32%	0.65%	0.97%	1.30%	1.62%	1.95%	2.27%	2.60%	2.92%	3.24%	3.89%	4.54%	5.19%	5.84%	6.49%
Site 13	Small Greenfield 4	Generally	0.00%	0.36%	0.73%	1.09%	1.45%	1.82%	2.18%	2.55%	2.91%	3.27%	3.64%	4.36%	5.09%	5.82%	6.55%	7.27%
Site 14	Small Greenfield 2	Generally	0.00%	0.36%	0.73%	1.09%	1.45%	1.82%	2.18%	2.55%	2.91%	3.27%	3.64%	4.36%	5.09%	5.82%	6.55%	7.27%
Site 15	Single Plot	Generally	0.00%	0.36%	0.73%	1.09%	1.45%	1.89%	2.26%	2.64%	3.02%	3.40%	3.77%	4.53%	5.28%	6.01%	6.79%	7.54%
Site 16	Large Brownfield 100	Generally	0.00%	0.38%	0.75%	1.13%	1.51%	1.88%	2.25%	2.63%	3.00%	3.38%	3.75%	4.51%	5.26%	6.01%	6.76%	7.51%
Site 17	Medium Brownfield 50	Generally	0.00%	0.38%	0.75%	1.13%	1.50%	1.87%	2.24%	2.62%	2.99%	3.37%	3.74%	4.49%	5.24%	5.99%	6.73%	7.48%
Site 19	Small Brownfield 10	Generally	0.00%	0.37%	0.75%	1.12%	1.50%	1.87%	2.24%	2.62%	2.99%	3.37%	3.74%	4.49%	5.24%	5.99%	6.73%	7.48%
Site 20	Small Brownfield 6	Generally	0.00%	0.40%	0.79%	1.19%	1.58%	1.98%	2.37%	2.77%	3.16%	3.55%	3.95%	4.74%	5.53%	6.32%	7.11%	7.91%
Site 21	Small Brownfield 4	Generally	0.00%	0.40%	0.79%	1.19%	1.58%	1.98%	2.37%	2.77%	3.16%	3.56%	3.95%	4.74%	5.53%	6.32%	7.11%	7.91%
Site 22	Small Brownfield 2	Generally	0.00%	0.40%	0.79%	1.19%	1.58%	1.98%	2.37%	2.77%	3.16%	3.56%	3.95%	4.74%	5.53%	6.32%	7.11%	7.91%
Site 23	Single Brown	Generally	0.00%	0.40%	0.79%	1.19%	1.58%	1.98%	2.37%	2.77%	3.16%	3.56%	3.95%	4.74%	5.53%	6.32%	7.11%	7.91%

Source: April 2018



- 6.28 This analysis shows that CIL would be less than 5% of the Gross Development Value on all sites. On this basis the Council can have further confidence that development would not be put at risk.

### **Older People's Housing**

- 6.29 As well as mainstream housing, we have considered the sheltered and extracare sectors separately. This builds on the analysis towards the end of Chapter 10 of the 2016 Viability Assessment.

**Table 6.8a Older People’s Housing – HBC EXCLUDING RIPON**  
**Affordable at 40%Greenfield & 30% Brownfield**

Greenfield	AFFORDABLE %	Sheltered																
		40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%						
CIL £/m2		0	10	20	30	40	50	60	70	80	90	100	120	140	160	180	200	
Residual Land Worth	£/ha	969,456	948,152	926,849	905,545	884,241	862,937	841,634	820,330	799,026	777,722	756,419	713,811	671,204	628,596	585,989	543,381	
Existing Use Value	£/ha	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	
Viability Threshold	£/ha	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	
Residual Value	£/ha	1,938,912	1,896,305	1,853,697	1,811,090	1,768,482	1,725,875	1,683,267	1,640,660	1,598,052	1,555,445	1,512,837	1,427,622	1,342,407	1,257,192	1,171,977	1,086,762	
Brownfield	AFFORDABLE %	Sheltered																
		30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	
CIL £/m2		0	10	20	30	40	50	60	70	80	90	100	120	140	160	180	200	
Residual Land Worth	£/ha	565,418	540,564	515,710	490,855	466,001	441,147	416,292	391,438	366,583	341,729	316,875	267,166	217,457	167,748	118,040	68,331	
Existing Use Value	£/ha	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	
Viability Threshold	£/ha	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	
Residual Value	£/ha	1,130,837	1,130,837	1,031,419	932,002	832,584	733,167	633,749	534,332	434,914	335,497	236,079	136,662					
Greenfield	AFFORDABLE %	Extracare																
		40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	
CIL £/m2		0	10	20	30	40	50	60	70	80	90	100	120	140	160	180	200	
Residual Land Worth	£/ha	-1,352,035	-1,352,035	-1,373,079	-1,394,124	-1,415,168	-1,436,213	-1,457,257	-1,478,301	-1,499,346	-1,520,390	-1,541,435	-1,562,479	-1,604,568	-1,646,657	-1,688,745	-1,730,834	-1,772,923
Existing Use Value	£/ha	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	
Viability Threshold	£/ha	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	
Residual Value	£/ha	-2,704,070	-2,704,070	-2,746,159	-2,788,248	-2,830,336	-2,872,425	-2,914,514	-2,956,603	-2,998,692	-3,040,780	-3,082,869	-3,124,958	-3,209,136	-3,293,313	-3,377,491	-3,461,668	-3,545,846
Brownfield	AFFORDABLE %	Extracare																
		30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	
CIL £/m2		0	10	20	30	40	50	60	70	80	90	100	120	140	160	180	200	
Residual Land Worth	£/ha	-1,559,566	-1,559,566	-1,584,118	-1,608,670	-1,633,221	-1,657,773	-1,706,877	-1,731,429	-1,755,980	-1,780,532	-1,805,084	-1,854,188	-1,903,291	-1,952,395	-2,001,498	-2,050,602	
Existing Use Value	£/ha	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	
Viability Threshold	£/ha	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	
Residual Value	£/ha	-3,119,132	-3,119,132	-3,166,236	-3,217,339	-3,268,443	-3,319,547	-3,364,650	-3,413,754	-3,462,857	-3,511,961	-3,561,065	-3,610,168	-3,708,375	-3,806,583	-3,904,790	-4,002,997	-4,101,204

Source: April 2018



**Table 6.8b Older People’s Housing - RIPON**  
**Affordable at 40%Greenfield & 30% Brownfield**

		<b>SHELTERED</b>															
AFFORDABLE %		40%			40%			40%			40%						
CIL £/m2		0	10	20	30	40	50	60	70	80	90	100	120	140	160	180	200
<b>Greenfield</b>	Residual Land Worth	969,456	948,152	926,849	905,545	884,241	862,937	841,634	820,330	799,026	777,722	756,419	713,811	671,204	628,596	585,989	543,381
	Existing Use Value	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
	Viability Threshold	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000
	Residual Value	1,938,912	1,896,305	1,853,697	1,811,090	1,768,482	1,725,875	1,683,267	1,640,660	1,598,052	1,555,445	1,512,837	1,427,622	1,342,407	1,257,192	1,171,977	1,086,762
<b>Brownfield</b>	Residual Value																
		30%			30%			30%			30%			30%			
AFFORDABLE %		0	10	20	30	40	50	60	70	80	90	100	120	140	160	180	200
<b>Greenfield</b>	Residual Land Worth	565,418	540,564	515,710	490,855	466,001	441,147	416,292	391,438	366,583	341,729	316,875	267,166	217,457	167,748	118,040	68,331
	Existing Use Value	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
	Viability Threshold	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000
	Residual Value	1,130,837	1,081,128	1,031,419	981,711	932,002	882,293	832,584	782,876	733,167	683,458	633,749	534,332	434,914	335,497	236,079	136,662
		40%			40%			40%			40%			40%			
AFFORDABLE %		0	10	20	30	40	50	60	70	80	90	100	120	140	160	180	200
<b>Greenfield</b>	Residual Land Worth	-1,352,035	-1,373,079	-1,394,124	-1,415,168	-1,436,213	-1,457,257	-1,478,301	-1,499,346	-1,520,390	-1,541,435	-1,562,479	-1,604,568	-1,646,657	-1,688,745	-1,730,834	-1,772,923
	Existing Use Value	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
	Viability Threshold	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000
	Residual Value	-2,704,070	-2,746,159	-2,788,248	-2,830,336	-2,872,425	-2,914,514	-2,956,603	-2,998,692	-3,040,780	-3,082,869	-3,124,958	-3,209,136	-3,293,313	-3,377,491	-3,461,668	-3,545,846
<b>Brownfield</b>	Residual Value																
		30%			30%			30%			30%			30%			
AFFORDABLE %		0	10	20	30	40	50	60	70	80	90	100	120	140	160	180	200
<b>Greenfield</b>	Residual Land Worth	-1,559,566	-1,584,118	-1,608,670	-1,633,221	-1,657,773	-1,682,325	-1,706,877	-1,731,429	-1,755,980	-1,780,532	-1,805,084	-1,854,188	-1,903,291	-1,952,395	-2,001,498	-2,050,602
	Existing Use Value	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
	Viability Threshold	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000
	Residual Value	-3,119,132	-3,119,132	-3,119,132	-3,119,132	-3,119,132	-3,119,132	-3,119,132	-3,119,132	-3,119,132	-3,119,132	-3,119,132	-3,119,132	-3,119,132	-3,119,132	-3,119,132	-3,119,132
<b>Brownfield</b>	Residual Value																
		40%			40%			40%			40%			40%			
AFFORDABLE %		0	10	20	30	40	50	60	70	80	90	100	120	140	160	180	200
<b>Greenfield</b>	Residual Land Worth	-1,559,566	-1,584,118	-1,608,670	-1,633,221	-1,657,773	-1,682,325	-1,706,877	-1,731,429	-1,755,980	-1,780,532	-1,805,084	-1,854,188	-1,903,291	-1,952,395	-2,001,498	-2,050,602
	Existing Use Value	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
	Viability Threshold	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000
	Residual Value	-3,119,132	-3,119,132	-3,119,132	-3,119,132	-3,119,132	-3,119,132	-3,119,132	-3,119,132	-3,119,132	-3,119,132	-3,119,132	-3,119,132	-3,119,132	-3,119,132	-3,119,132	-3,119,132
<b>Brownfield</b>	Residual Value																
		30%			30%			30%			30%			30%			
AFFORDABLE %		0	10	20	30	40	50	60	70	80	90	100	120	140	160	180	200
<b>Greenfield</b>	Residual Land Worth	-1,559,566	-1,584,118	-1,608,670	-1,633,221	-1,657,773	-1,682,325	-1,706,877	-1,731,429	-1,755,980	-1,780,532	-1,805,084	-1,854,188	-1,903,291	-1,952,395	-2,001,498	-2,050,602
	Existing Use Value	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
	Viability Threshold	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000
	Residual Value	-3,119,132	-3,119,132	-3,119,132	-3,119,132	-3,119,132	-3,119,132	-3,119,132	-3,119,132	-3,119,132	-3,119,132	-3,119,132	-3,119,132	-3,119,132	-3,119,132	-3,119,132	-3,119,132
<b>Brownfield</b>	Residual Value																

Source: April 2018



6.30 This analysis indicates that there is scope for CIL in the Sheltered sector, but not Extracare sector. Sheltered housing is considered further below.

**Table 6.9 Sheltered Housing  
Affordable at 40%Greenfield & 30% Brownfield**

Sheltered Green Harrogate												
AFFORDABLE %	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%
CIL	0	10	20	30	40	50	60	70	80	90	100	120
Residual Land Worth	969,456	969,456	948,152	926,849	884,241	862,937	841,634	820,330	799,026	777,722	756,419	713,811
Existing Use Value	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Viability Threshold	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000
Residual Value	1,938,912	1,938,912	1,896,305	1,853,697	1,811,090	1,725,875	1,663,267	1,640,660	1,598,052	1,555,445	1,512,837	1,427,622
Additional Profit	804,456	804,456	783,152	761,849	740,545	697,937	676,634	655,330	634,026	612,722	591,419	548,811
£/m2	466	466	454	442	429	405	392	380	368	355	343	318
CIL as % GDV	0.00%	0.00%	0.21%	0.42%	0.63%	0.83%	1.25%	1.46%	1.67%	1.87%	2.08%	2.50%
CIL as % Costs	1.68%	1.68%	1.67%	1.67%	1.66%	1.65%	1.65%	1.64%	1.64%	1.63%	1.63%	1.62%
CIL as % RV	0.00%	0.00%	1.82%	3.72%	5.71%	7.80%	9.99%	12.30%	14.72%	17.27%	19.96%	22.80%
Sheltered Green Ripon												
AFFORDABLE %	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%
CIL	0	10	20	30	40	50	60	70	80	90	100	120
Residual Land Worth	969,456	969,456	948,152	926,849	884,241	862,937	841,634	820,330	799,026	777,722	756,419	713,811
Existing Use Value	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Viability Threshold	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000
Residual Value	1,938,912	1,938,912	1,896,305	1,853,697	1,811,090	1,725,875	1,663,267	1,640,660	1,598,052	1,555,445	1,512,837	1,427,622
Additional Profit	804,456	804,456	783,152	761,849	740,545	697,937	676,634	655,330	634,026	612,722	591,419	548,811
£/m2	466	466	454	442	429	405	392	380	368	355	343	318
CIL as % GDV	0.00%	0.00%	0.21%	0.42%	0.63%	0.83%	1.25%	1.46%	1.67%	1.87%	2.08%	2.50%
CIL as % Costs	1.68%	1.68%	1.67%	1.67%	1.66%	1.65%	1.65%	1.64%	1.64%	1.63%	1.63%	1.62%
CIL as % RV	0.00%	0.00%	1.82%	3.72%	5.71%	7.80%	9.99%	12.30%	14.72%	17.27%	19.96%	22.80%
Sheltered Brown Harrogate												
AFFORDABLE %	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
CIL	0	10	20	30	40	50	60	70	80	90	100	140
Residual Land Worth	565,418	565,418	540,564	515,710	490,855	466,001	441,147	416,292	391,438	366,583	341,729	267,166
Existing Use Value	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
Viability Threshold	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000
Residual Value	1,130,837	1,130,837	1,081,128	1,031,419	981,711	932,002	882,293	832,584	782,876	733,167	683,458	534,914
Additional Profit	115,418	115,418	90,564	65,710	40,855	16,001	-8,853	-33,708	-58,562	-83,417	-108,271	-182,834
£/m2	57	57	45	33	20	8	-4	-17	-29	-41	-54	-91
CIL as % GDV	0.00%	0.00%	0.22%	0.44%	0.66%	0.88%	1.10%	1.32%	1.54%	1.76%	1.98%	2.20%
CIL as % Costs	3.11%	3.10%	3.08%	3.08%	3.08%	3.07%	3.06%	3.05%	3.04%	3.03%	3.02%	3.01%
CIL as % RV	0.00%	0.00%	3.72%	7.80%	12.30%	17.27%	22.81%	29.01%	35.99%	43.92%	53.00%	63.51%
Sheltered Brown Ripon												
AFFORDABLE %	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
CIL	0	10	20	30	40	50	60	70	80	90	100	140
Residual Land Worth	565,418	565,418	540,564	515,710	490,855	466,001	441,147	416,292	391,438	366,583	341,729	267,166
Existing Use Value	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
Viability Threshold	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000
Residual Value	1,130,837	1,130,837	1,081,128	1,031,419	981,711	932,002	882,293	832,584	782,876	733,167	683,458	534,914
Additional Profit	115,418	115,418	90,564	65,710	40,855	16,001	-8,853	-33,708	-58,562	-83,417	-108,271	-182,834
£/m2	57	57	45	33	20	8	-4	-17	-29	-41	-54	-91
CIL as % GDV	0.00%	0.00%	0.22%	0.44%	0.66%	0.88%	1.10%	1.32%	1.54%	1.76%	1.98%	2.20%
CIL as % Costs	3.11%	3.10%	3.08%	3.08%	3.08%	3.07%	3.06%	3.05%	3.04%	3.03%	3.02%	3.01%
CIL as % RV	0.00%	0.00%	3.72%	7.80%	12.30%	17.27%	22.81%	29.01%	35.99%	43.92%	53.00%	63.51%

Source: April 2018



- 6.31 This analysis supports a rate of CIL of £60/m<sup>2</sup> or so on greenfield sites and £40/m<sup>2</sup> on brownfield sites.

### **Non-residential Development**

- 6.32 The viability of non-residential development was considered in Chapter 11 of the 2016 Viability Assessment. The full appraisals were set out in Appendix 10 of that study. Those appraisals included the effect of CIL. Office, industrial and hotel development were found to be unviable so are not considered further.
- 6.33 Retail and distribution development were found to be viable so their scope to bear CIL is considered below.
- 6.34 The following tables include CIL as a proportion of the Residual Value and as a proportion of GDV which was not presented previously. No other changes have been made.

6.10a Non-residential Analysis

Distribution	Greenfield	20	40	60	80	100	120	Brownfield	20	40	60	80	100	120
<b>CIL</b>	£/m <sup>2</sup>	0	20	40	60	80	100	120	0	40	60	80	100	120
<b>RESIDUAL VALUE</b>	Site	488,487	413,967	339,447	264,927	190,407	115,887	41,367	287,184	212,664	63,624	-10,886	-85,416	-159,936
Existing Use Value	£/ha	25,000	25,000	25,000	25,000	25,000	25,000	25,000	750,000	750,000	750,000	750,000	750,000	750,000
Viability Threshold	£/ha	330,000	330,000	330,000	330,000	330,000	330,000	330,000	750,000	750,000	750,000	750,000	750,000	750,000
Residual Value	£/ha	651,316	551,956	452,596	353,236	253,876	154,516	55,156	382,912	283,552	84,832	-14,528	-113,888	-213,248
Additional Profit	Site	240,987	166,467	91,947	17,427	-57,093	-131,613	-206,133	-275,316	-349,836	-424,356	-498,876	-573,396	-647,916
	£/m <sup>2</sup>	80	55	31	6	-19	-44	-69	-92	-117	-141	-166	-191	-216
CIL as %	Residual Value	0.0%	14.5%	35.4%	67.9%	126.0%	258.9%	870.3%	0.0%	28.2%	282.9%	-2202.7%	-351.2%	-225.1%
	GDV	0.0%	1.7%	3.5%	5.2%	7.0%	8.7%	10.4%	0.0%	1.7%	3.5%	5.2%	7.0%	8.7%
<b>Shops - Central</b>	<b>Greenfield</b>	<b>0</b>	<b>20</b>	<b>40</b>	<b>60</b>	<b>80</b>	<b>100</b>	<b>120</b>	<b>0</b>	<b>20</b>	<b>40</b>	<b>60</b>	<b>80</b>	<b>100</b>
<b>RESIDUAL VALUE</b>	Site	323,534	319,808	316,082	312,356	308,630	304,904	301,178	304,643	300,917	297,191	293,465	289,739	286,013
Existing Use Value	£/ha	25,000	25,000	25,000	25,000	25,000	25,000	25,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Viability Threshold	£/ha	330,000	330,000	330,000	330,000	330,000	330,000	330,000	4,800,000	4,800,000	4,800,000	4,800,000	4,800,000	4,800,000
Residual Value	£/ha	17,255,161	17,056,441	16,857,721	16,659,001	16,460,281	16,261,561	16,062,841	16,247,616	16,048,896	15,850,176	15,651,456	15,452,736	15,254,016
Additional Profit	Site	317,347	313,621	309,895	306,169	302,443	298,717	294,991	214,643	210,917	207,191	203,465	199,739	196,013
	£/m <sup>2</sup>	2,116	2,091	2,066	2,041	2,016	1,991	1,967	1,431	1,406	1,381	1,356	1,332	1,307
CIL as %	Residual Value	0.0%	0.9%	1.9%	2.9%	3.9%	4.9%	6.0%	0.0%	1.0%	2.0%	3.1%	4.1%	5.2%
	GDV	0.0%	0.5%	1.0%	1.5%	2.0%	2.5%	3.0%	0.0%	0.5%	1.0%	1.5%	2.0%	2.5%
<b>Shops - Other</b>	<b>Greenfield</b>	<b>0</b>	<b>20</b>	<b>40</b>	<b>60</b>	<b>80</b>	<b>100</b>	<b>120</b>	<b>0</b>	<b>20</b>	<b>40</b>	<b>60</b>	<b>80</b>	<b>100</b>
<b>RESIDUAL VALUE</b>	Site	41,692	37,966	34,240	30,514	26,788	23,062	19,336	27,795	24,069	20,343	16,617	12,891	9,165
Existing Use Value	£/ha	25,000	25,000	25,000	25,000	25,000	25,000	25,000	750,000	750,000	750,000	750,000	750,000	750,000
Viability Threshold	£/ha	330,000	330,000	330,000	330,000	330,000	330,000	330,000	900,000	900,000	900,000	900,000	900,000	900,000
Residual Value	£/ha	2,223,561	2,024,841	1,826,121	1,627,401	1,428,681	1,229,961	1,031,241	1,482,425	1,283,705	1,084,985	886,265	687,545	488,825
Additional Profit	Site	35,504	31,778	28,052	24,326	20,600	16,874	13,148	10,920	7,194	3,468	-258	-3,984	-7,710
	£/m <sup>2</sup>	237	212	187	162	137	112	88	73	48	23	-2	-27	-51
CIL as %	Residual Value	0.0%	7.9%	17.5%	29.5%	44.8%	65.0%	93.1%	0.0%	12.5%	29.5%	54.2%	93.1%	163.7%
	GDV	0.0%	1.0%	2.0%	3.0%	4.0%	5.0%	6.0%	0.0%	1.0%	2.0%	3.0%	4.0%	5.0%

Source: April 2018





**6.10b Non-residential Analysis**

Supermarkets	CIL	Greenfield										Brownfield									
		£/m <sup>2</sup>	Site	20	40	60	80	100	120	0	20	40	60	80	100	120					
RESIDUAL VALUE		3,959,344	3,859,984	3,760,624	3,661,264	3,561,904	3,462,544	3,363,184	3,251,342	3,151,982	3,052,622	2,953,262	2,853,902	2,754,542							
Existing Use Value		25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000							
Viability Threshold		330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000							
Residual Value		2,474,590	2,412,490	2,350,390	2,288,290	2,226,190	2,164,090	2,101,990	2,039,889	1,977,789	1,915,689	1,853,589	1,791,489	1,729,389							
Additional Profit		3,431,344	3,331,984	3,232,624	3,133,264	3,033,904	2,934,544	2,835,184	2,735,824	2,636,464	2,537,104	2,437,744	2,338,384	2,239,024							
		858	833	808	783	758	734	709	684	659	634	609	584	559							
CIL as %		0.0%	2.1%	4.3%	6.6%	9.0%	11.6%	14.3%	2.5%	5.1%	7.9%	10.8%	14.0%	17.4%							
GDV		0.0%	0.6%	1.2%	1.8%	2.4%	3.1%	3.7%	0.6%	1.2%	1.8%	2.4%	3.1%	3.7%							
<b>Smaller Supermarkets</b>																					
CIL																					
RESIDUAL VALUE		346,757	316,949	287,141	257,333	227,525	197,717	167,909	137,471	107,663	77,855	48,047	18,239	-11,569							
Existing Use Value		25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000							
Viability Threshold		330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000							
Residual Value		866,892	792,372	717,852	643,332	568,812	494,292	419,772	345,252	270,732	196,212	121,692	47,172	-28,222							
Additional Profit		214,757	184,949	155,141	125,333	95,525	65,717	35,909	6,491	-23,319	-53,807	-84,295	-114,783	-145,271							
		179	154	129	104	80	55	30	-185	-210	-235	-260	-285	-310							
CIL as %		0.0%	7.6%	16.7%	28.0%	42.2%	60.7%	85.8%	0.0%	17.5%	44.6%	199.8%	657.9%	-1244.7%							
GDV		0.0%	0.7%	1.5%	2.2%	3.0%	3.7%	4.5%	0.0%	0.7%	1.5%	2.2%	3.0%	3.7%							
<b>Retail Warehouse</b>																					
CIL																					
RESIDUAL VALUE		3,578,041	3,478,681	3,379,321	3,279,961	3,180,601	3,081,241	2,981,881	3,251,259	3,151,899	3,052,539	2,953,179	2,853,819	2,754,459							
Existing Use Value		25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000							
Viability Threshold		330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000							
Residual Value		2,683,531	2,609,011	2,534,491	2,459,971	2,385,451	2,310,931	2,236,411	2,438,445	2,363,925	2,289,405	2,214,885	2,140,365	2,065,845							
Additional Profit		3,138,041	3,038,681	2,939,321	2,839,961	2,740,601	2,641,241	2,541,881	2,051,259	1,951,899	1,852,539	1,753,179	1,653,819	1,554,459							
		785	760	735	710	685	660	635	513	488	463	438	413	389							
CIL as %		0.0%	2.3%	4.7%	7.3%	10.1%	13.0%	16.1%	0.0%	2.5%	5.2%	8.1%	11.2%	14.5%							
GDV		0.0%	1.0%	1.9%	2.9%	3.8%	4.8%	5.7%	0.0%	1.0%	1.9%	2.9%	3.8%	4.8%							

Source: April 2018

6.35 As for residential development above, we have assumed a cushion/buffer of 50% over and above the viability threshold. We have also calculated CIL as a proportion of land value (less than 25%) and as a proportion of GDV (less than 5%).



### *Distribution*

- 6.36 Distribution uses are only likely to come forward along the A1 corridor. Relatively little such development is anticipated within the Borough in the foreseeable future, although where such development is more likely to come forward, it would be on greenfield sites.
- 6.37 CIL at up to £60/m<sup>2</sup> is shown as viable, however the margin is small. To achieve a cushion of 50% over the viability threshold, a rate of £20/m<sup>2</sup> CIL would be appropriate. This rate would be about 15% of land value and less than 2% of GDV.

### *Retail*

- 6.38 A range of retail development types were considered.

**Shops – Central** Central Harrogate is a thriving retail centre with a high-quality offer and range of specialist and national shops. Development in this area is only likely to be on brownfield land and be the redevelopment of existing sites. As CIL is only payable on net new development it will be necessary to consider whether a levy on this development type is actually going to raise money.

The results are presented on a £/ha basis, but are derived from a typical 150m<sup>2</sup> unit of the type that may come forward in the town centre.

At the maximum level tested of £120/m<sup>2</sup> such development remains viable and CIL would be less than 7% of the Residual Value and 3% of GDV. On this basis this rate would be appropriate.

**Shops – Other** These are shops outside central Harrogate and little such development is anticipated in Borough, however the notable exception will be the new settlement at Green Hammerton which will incorporate various neighbourhood centres that will include retail development.

On greenfield sites, at the maximum level tested of £120/m<sup>2</sup>, such development remains viable. On this basis CIL would be more than 25% of the Residual Value. Assuming CIL should be no more than 25% of Residual Value the maximum rate of CIL would be £40/m<sup>2</sup>. On this basis this rate would be 2% of GDV so be appropriate.

There is not scope for CIL on smaller brownfield retail development due to a low cushion between the Residual Value and Viability Threshold.

**Supermarket Development** The Borough is well served by larger format retail development and, whilst some has come forward over the last few years, little is now anticipated. That that may come forward is only likely to be on greenfield sites (due to the scale of land required for such development).

At the maximum level tested of £120/m<sup>2</sup> larger format supermarket development remains viable and CIL would be less than 15% of the Residual Value and 4% of GDV. On this basis this rate would be appropriate.

For smaller supermarkets the analysis indicates that a rate of £80/m<sup>2</sup> would be viable, with the Residual Value being at least 50% above the Viability Threshold. At this level CIL would be more than 25% of the Residual Value. At £40/m<sup>2</sup> CIL would be less than 25% of the Residual Value and about 1.5% of GDV. On this basis £40/m<sup>2</sup> would be appropriate.

**Retail Warehouse** There has been a significant amount of retail warehousing around Harrogate over the last few years.

At the maximum level tested of £120/m<sup>2</sup>, retail development remains viable, with the Residual Value being at least 50% above the Viability Threshold. At this level CIL would be less than 20% of Residual Value but more than 5% of GDV. At £100/m<sup>2</sup> CIL would be less than 15% of the Residual Value and less than 5% of the GDV. On this basis £100/m<sup>2</sup> would be appropriate.

6.39 The above results are considered in Chapter 8 below.



## 7. Delivery of the Harrogate District Local Plan: Publication Draft 2018

- 7.1 The *Harrogate District Local Plan: Publication Draft 2018* included several policy changes that impact on viability.
- a. The affordable housing policy was altered to reflect the recommendations in the 2016 Viability Assessment with a lower affordable housing target of 30% on brownfield sites (reduced from 40%).
  - b. The plan also now requires that, on developments of 10 or more dwellings, 25% of the market units should be built to the accessible and adaptable homes standards. In addition, the affordable dwellings should be built to the accessible and adaptable standard, and within this 10% should be built as wheelchair user homes.
- 7.2 In addition, the Council has gathered more information as to the strategic infrastructure and mitigation requirements that arise from the strategic sites.
- 7.3 The 2016 Viability Assessment was carried out before these changes and before the additional infrastructure information was available. The appraisals have been re-run on the following basis:
- a. The appropriate 30% and 40% affordable housing requirements have been applied as per HS2: Affordable Housing.
  - b. The values and costs have been carried forward as per the 2016 Viability Study. Whilst both of these have altered, this is considered an appropriate approach bearing in mind the requirements of the PPG and CIL Regulations.
  - c. The Strategic Sites have been modelled separately with the best available information in relation to strategic infrastructure and mitigation requirements.
  - d. The £2,000 per unit (market and affordable housing) has been carried forward.
  - e. Developer's return has been calculated as 20% of market value and 6% Affordable Value (in line with the Draft PPG consultation).
  - f. The appraisals are based on the increased density scenario used in the 2016 Viability Assessment (that had informed the current iterations of the Plan).
  - g. Costs have been incorporated into the appraisals to reflect the costs of providing 25% of market housing and all affordable homes to be 'accessible and adaptable (as per HS1), and 10% of the affordable housing to wheelchair standards (as per HS2).
- 7.4 Having made these changes, the appraisals have been rerun.
- 7.5 The increased costs associated with the requirements for increased accessibility standards result in slightly lower Residual Values, although this is countered by the different approach taken to developers' return (now using 20% of market value and 6% of affordable value). The

lower affordable targets on brownfield sites result in higher Residual Values on those sites. The general pattern of the results are as in the 2016 Viability Assessment.

- 7.6 The strategic sites are shown as being in the ‘marginal’ category, however this is, to a large extent, to be expected. It is well recognised that the delivery of any very large site is challenging, in part the sheer scale adds complexities, but there is also a requirement to deliver the infrastructure and mitigation measures to make a scheme acceptable. In line with the advice set out in the 2016 Viability Assessment, it is recommended that the Council continues to engage with the owners in line with the advice set out in the Harman Guidance (page 23):

*Landowners and site promoters should be prepared to provide sufficient and good quality information at an early stage, rather than waiting until the development management stage. This will allow an informed judgement by the planning authority regarding the inclusion or otherwise of sites based on their potential viability.*

- 7.7 Having said this, most of the strategic sites do generate a very significant land value.
- 7.8 The greenfield sites do remain viable when subject to the additional costs associated with the new Local Plan. In line with the findings of the 2016 Viability Assessment, at 40% there is some scope to introduce CIL except on the smaller sites. This is explored further below.
- 7.9 The brownfield typologies are not generally shown as viable at 30%. Having said this most sites that come forward on the ground are now delivering at least 30% affordable housing.
- 7.10 As in the 2016 Viability Assessment, the purpose of this analysis is to inform the plan-making process. As set out in Chapter 2 above, the NPPF introduced a requirement to assess the viability of the delivery of Local Plan and the impact on development of policies contained within it saying:

*173. Pursuing sustainable development requires careful attention to viability and costs in plan-making and decision-taking. Plans should be deliverable. Therefore, 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. To ensure viability, the costs of any requirements likely to be applied to development, such as requirements for affordable housing, standards, infrastructure contributions or other requirements should, when taking account of the normal cost of development and mitigation, provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable.*

- 7.11 This needs to be considered with the fourth bullet point of paragraph 182 of the NPPF that requires that the Plan is effective.
- 7.12 As stated in 2016, Harrogate Borough is situated in a high value and vibrant area with strong house prices that are able to support an active housing market. This remains the case and there has been a notable increase in values since 2016.
- 7.13 In the 2016 Viability Assessment we advised the Council to reduce the affordable housing target on brownfield sites. This advice has been taken and is reflected in the *Harrogate District Local Plan: Publication Draft 2018* where the housing target has been reduced to 30% (from 40%) for brownfield sites.

- 7.14 Whilst some non-residential uses are not viable, they are not rendered unviable by the cumulative impact of the Council's policies, rather by the general market conditions. The employment uses (office and industrial), town centre retail and hotel uses are unlikely to be able to bear additional developer contributions, however retail development is generally able to make significant contributions.
- 7.15 We can now conclude that the cumulative impact on the Council's policies (when considered with national standards and policies) does not put the *Harrogate District Local Plan: Publication Draft 2018* at serious risk, and that the development identified in it is unlikely to be prevented from coming forward.





## 8. Setting CIL

- 8.1 This document carries forward the analysis from the 2016 Viability Assessment to inform the setting of CIL. The 2016 Viability Assessment sets out the methodology used<sup>3</sup>, the key assumptions adopted<sup>4</sup>. This report develops that evidence as a first step towards assisting the Council with the development of CIL.
- 8.2 If, following the consideration of this report, the Council decides to pursue CIL, it will be necessary to prepare a Preliminary Draft Charging Schedule (PDCS) and consult on this with the development industry and other interested parties. This process will include publishing the proposed rates, as well as the supporting evidence and rationale for the charges.
- 8.3 Following the consultation on the PDCS, the evidence will be updated as required and Council will prepare a Draft Charging Schedule (DCS) and consult on this, again with the development industry and other interested parties. Finally, the Council will consider the consultation responses and then submit a Draft Charging Schedule for independent examination by the Planning Inspectorate (or other appropriate examiner).
- 8.4 The findings of this report do not determine the rates of CIL, but are one of a number of factors that the Council may consider when setting CIL. In setting CIL there are three main elements that need to be brought together:
- a. Evidence of the Infrastructure Requirements
  - b. Viability Evidence
  - c. Input of Stakeholders.
- 8.5 The recommendations made in this chapter are based on the policies set out in the *Harrogate District Local Plan: Publication Draft 2018* and the emerging changes in national policy and practice. If these were to change as a result of the examination of the Local Plan, it may be necessary to revisit the recommendations.
- 8.6 Outside this report, the Council has carried out a substantial amount of work looking at the infrastructure requirements of the area. The latest updated IDP information indicates the total costs of providing the infrastructure to support the future residential development. The Council has drawn on three principle sources of information to inform the decision making process:
- a. The viability evidence set out in this report (and the earlier viability studies).

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<sup>3</sup> Chapter 2 and Chapter 3 *HBC Whole Plan Viability Assessment (HDH, September 2016)*

<sup>4</sup> Residential values – Chapter 4, Non-residential values – Chapter 5 and Land values – Chapter 6 *HBC Whole Plan Viability Assessment (HDH, September 2016)*

- b. Information about the requirements for infrastructure and, in relation to the larger sites, what of that infrastructure can be funded under s106 bearing, in mind CIL Regulations 122 and 123.
- c. Projections of expected CIL receipts through consideration of the amount and types of development planned for and anticipated in different parts of the Borough.

8.7 In striking a balance between the different rates of CIL, the Council needs to consider a range of factors including those set out below.

### **Regulations and Guidance**

8.8 CIL Regulation 14 (as amended) sets out the core principle for setting CIL:

*In setting rates (including differential rates) in a charging schedule, a charging authority must strike an appropriate balance between— (a) the desirability of funding from CIL (in whole or in part) the actual and expected estimated total cost of infrastructure required to support the development of its area, taking into account other actual 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.....*

8.9 Viability testing in the context of CIL concerns the ‘effects’ on development viability of the imposition of CIL. The Council has taken into account the importance of the provision of infrastructure on the ability of the Council to meet its objectives through development and deliver its Development Plan.

8.10 The test that will be applied to the proposed rates of CIL is set out in the updated CIL Guidance, putting greater emphasis on demonstrating how CIL will be used to deliver the infrastructure required to support the Plan.

*The levy is expected to have a positive economic effect on development across a local plan area. When deciding the levy rates, an appropriate balance must be struck between additional investment to support development and the potential effect on the viability of developments.*

*This balance is at the centre of the charge-setting process. In meeting the regulatory requirements (see Regulation 14(1)), charging authorities should be able to show and explain how their proposed levy rate (or rates) will contribute towards the implementation of their relevant plan and support development across their area.*

*As set out in the National Planning Policy Framework in England (paragraphs 173 – 177), 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.*

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8.11 The test is whether the sites and the scale of development identified in the Plan are subject to such a scale of obligations and policy burdens (when considered together) that their ability to be developed viably is threatened by CIL. The viability evidence has considered the full range of the Council’s policy requirements, including the need for infrastructure funding. The test is whether CIL threatens the Development Plan as a whole – it is important to note that the CIL Regulation 14 is clear that the purpose of the viability testing is to establish ‘*the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area*’ rather than on specific sites.

*Differential Rates*

8.12 CIL Regulation 13 gives the flexibility to charge variable rates by zone and development type, however there has been some uncertainty around the charging of differential rates. We recommend that the Council adopts the following definitions<sup>5</sup>:

**Supermarkets** are shopping destinations in their own right where weekly food shopping needs are met and which can also include non-food floorspace as part of the overall mix. The majority of custom at supermarkets arrives by car, using the large adjacent car parks provided.

**Retail warehouses** – are large stores specialising in the sale of comparison goods (such as carpets, furniture, and electrical goods) DIY items and other ranges of goods catering mainly for car borne customers.

*New Regulations and Guidance*

8.13 This Viability Assessment has been prepared in line with the current CIL Guidance and the CIL Regulations, best practice, and the various other sources of relevant Guidance. At the time of this report the Government is undertaking various consultations on changes to the NPPF, PPG and to CIL. It will be necessary for the Council to keep these under review.

**CIL v s106**

8.14 In order to reflect that the Council is likely so seek some s106 contributions from development (subject to CIL Regulations 122 and 123) after the adoption of CIL we have assumed a s106 payment of £2,000 /unit across all sites other than the large strategic sites. On the large strategic sites the following assumptions are used:

<b>Table 8.1 Strategic Sites - Strategic Infrastructure and Mitigation Costs</b>						
		Area		Dwellings	Strategic Infrastructure and Mitigation	
		Gross ha	Net ha		Site	/unit
A	Green Hammerton/ Cattal	80.78	44.43	3,000	£45,000,000	£15,000
B	West Harrogate	176.01	95.91	3,008	£24,906,168	£8,280
C	Manse Farm	65.92	34.12	1,002	£2,730,647	£2,725
D	Ripon	64.00	26.65	799	£5,592,543	£6,999
E	Boroughbridge	44.30	24.90	746	£4,331,463	£5,806

Source: Table 5.1 above, (from HBC (April 2018) Note: Where a range is provided the midpoint is taken)

<sup>5</sup> As approved by Sarah Housden sitting as an Independent CIL Examiner, in her report following her examination of the South Lakeland District Council CIL Charging Schedule (20<sup>th</sup> March 2015).

### **Infrastructure Delivery**

- 8.15 Under the pre-April 2015 s106 regime, the delivery of site specific infrastructure largely fell to the developer of a site. If improvements to the infrastructure were required, then normally it was for the developer to procure and construct those items – albeit under the supervision of the relevant authority. The exception to this was in relation to education and public open space, where some councils had developed tariff systems for contributions to be made into a central ‘pot’ which was then spent across a general area. The use of s106 agreements to deliver infrastructure and mitigation measures is now limited through CIL Regulations 122 and 123.
- 8.16 The advantage of the earlier system was that, to a large extent, the developer had control of the process and could carry out (directly or indirectly) the works required to enable a scheme to come forward. By way of an example, these may be to provide a new roundabout and upgrade a stretch of road, or, on a very big scheme, provide community buildings such as a school. Under s106, the developer carries much of the financial and development risk associated with the process<sup>6</sup>.
- 8.17 If the Council moves to a system whereby CIL is set at the upper limit of viability, it is likely that the delivery of these infrastructure items will fall to the Council. The Council will need to consider the practicalities of this. Does it want to take responsibility for delivering infrastructure that is currently delivered by developers under the s106 regime, and if so, how it will manage and fund it? If the Council does not have a mechanism in place (that may involve borrowing monies), the Development Plan could be put at risk as consented schemes may not be able to proceed.
- 8.18 As part of the process of working towards getting CIL in place, HBC has made an assessment of the infrastructure required to support new development. An important part of striking the balance as to what level of CIL to charge, may be around the nature of infrastructure and how it is to be delivered.

### **Developers’ Comments**

- 8.19 An important part of the process of preparing this report has been engagement with the development industry. In due course the Council will consult further at both the PDCS and DCS stages. It will be necessary to take the views of the industry into account.

### **Uncertain Market**

- 8.20 Chapter 4 of the 2016 Viability Assessment includes a commentary on the property markets.

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<sup>6</sup> It should be noted that there is some uncertainty around how the provision of infrastructure sits within the EU Procurement Rules and whether the provision of such items should be subject to competitive tendering. We recommend that the Council takes independent legal advice in this regard.

- 8.21 The current direction and state of the housing market has improved markedly over the last few years. There is however a degree of uncertainty in the housing market. This is, at least in part, due to the uncertainties following the referendum to leave the European Union.
- 8.22 Whilst the housing market has seen a recovery and there is considerable optimism in the non-residential sectors, there remain a number of uncertainties around the UK's relationship with Europe and the wider world economies. It is therefore appropriate to take a cautious approach when setting CIL and ensure that the cumulative impact of policies does not result in a total policy burden that is close to the limits of viability.

### **Neighbouring Authorities**

- 8.23 The rates of CIL introduced by neighbouring local authorities are going to be a material factor when the Council comes to set its rates of CIL. A very high rate may be viable, however if a neighbouring authority has set a low rate, then the Development Plan could be put at risk as developers may prefer to develop in an area with a lower rate of CIL. Limited weight should be given to those not adopted.

#### *Craven*

- 8.24 Work is underway however no rates have been published<sup>7</sup>.

#### *Richmondshire*

- 8.25 Work is underway however no rates have been published<sup>8</sup>.

#### *Hambleton*

- 8.26 Adopted April 2015.

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<sup>7</sup> Telephone advice on 3<sup>rd</sup> May 2018.

<sup>8</sup> <http://www.richmondshire.gov.uk/planning/local-plan/1047-community-infrastructure-levy>

<b>Development Uses</b>	<b>Levy Rate (per sqm)</b>
Private Market Housing (excluding apartments)	£55
Retail Warehouses	£40
Supermarkets	£90
Public/Institutional Facilities as follows: education, health, community and emergency services	£0
Agricultural related developments*	£0
All Other Chargeable Development	£0

Source: www.hambleton.gov.uk

### Selby

8.27 Adopted from January 2016.

<b>Use</b>	<b>Proposed CIL Charge per sq. m.</b>
<p style="text-align: center;"><b>Private Market Houses (excl. apartments)</b></p> <p style="text-align: center;">Low value areas Moderate value areas High value areas</p>	<p>£10 £35 £50</p>
<p style="text-align: center;"><b>Supermarket</b></p> <p>Supermarkets are large convenience-led stores where the majority of custom is from people doing their main weekly food shop. As such, they provide a very wide range of convenience goods, often along with some element of comparison goods. In addition to this, the key characteristics of the way a supermarket is used include:</p> <ul style="list-style-type: none"> <li>- The area used for the sale of goods will generally be above 500 sq. m.</li> <li>- The majority of customers will use a trolley to gather a large number of products;</li> <li>- The majority of customers will access the store by car, using the large adjacent car parks provided;</li> <li>- Servicing is generally undertaken via a dedicated service area, rather than from the street.</li> </ul>	<p>£110</p>
<p style="text-align: center;"><b>Retail Warehouse</b></p> <p>Retail warehouses are usually large stores specialising in the sale of household goods (such as carpets, furniture and electrical goods), DIY items and other ranges of goods. They can be stand-alone units, but are also often developed as part of retail parks. In either case, they are usually located outside of existing town centres and cater mainly for car-borne customers. As such, they usually have large adjacent, dedicated surface parking.</p>	<p>£60</p>
<p style="text-align: center;"><b>Public/Institutional Facilities as follows: education, health, community and emergency services</b></p>	<p>£0</p>
<p style="text-align: center;"><b>All other chargeable development (incl. apartments)</b></p>	<p>£0</p>

Source: www.selby.gov.uk

*Leeds*

8.28 Adopted from March 2015.

Type of development in Leeds	CIL Charge per square metre
Residential* – Zone 1	£90
Residential* – Zone 2a	£23
Residential* – Zone 2b	£45
Residential* – Zone 3	£5
Residential* – Zone 4	£5
Supermarkets** ≥ 500 sqm in City Centre	£110
Supermarkets** ≥ 500 sqm outside of City Centre	£175
Comparison Retail ≥ 1,000 sqm in City Centre	£35
Comparison Retail ≥ 1,000 sqm outside of City Centre	£55
Offices in City Centre	£35
Development by a predominantly publicly funded or not for profit organisation, including sports and leisure centres, medical or health services, community facilities, and education	Zero
All other uses not cited above	£5

Source: [http://www.leeds.gov.uk/docs/CIL\\_Adt\\_01%20Adopted%20Charging%20Schedule%20April.pdf](http://www.leeds.gov.uk/docs/CIL_Adt_01%20Adopted%20Charging%20Schedule%20April.pdf)

*Bradford*

8.29 Submitted for Examination.

Type of Development	Preliminary Draft Charging Schedule Proposed CIL Charging Rates (per sq. m)
Residential- Zone 1 (C3)	£100
Residential - Zone 2 (C3)	£50
Residential - Zone 3 (C3)	£20
Residential - Zone 4 (C3)	£5
Retail warehousing (open A1 consent)	£100
Large Supermarket (>2000 sq m)	£50
All other uses not cited above	£0

8.30 The above tables provide useful contextual information.

**S106 History**

8.31 The Council has a mechanism for collecting contributions under the s106 system. This evidence is presented outside of this report.

### Costs of Infrastructure and Sources of Funding

- 8.32 The Council has established the requirement for infrastructure to support new development and the costs of providing this. The Council will consider the amounts of funding that may or may not be available from other sources. The Council has a funding gap, that is to say the cost of providing the infrastructure is more than the identified funding.
- 8.33 When the Council strikes the balance and sets the levels of CIL, the amount of funding required will be a material consideration. It may be that the delivery of the Plan is threatened in the absence of CIL to pay for infrastructure. However, it should be stressed that CIL should be set with regard to the effect of CIL on development viability. There is no expectation that CIL should pay for all of the infrastructure requirements in an area. There are a range of other funding sources that are taken into account. The Council will need to consider the total amount of money that may be received through the consequence of development: from CIL, from s106 payments, and from the New Homes Bonus, when striking the balance as to its level of CIL.
- 8.34 Bearing in mind the requirements of Paragraph 8 of the CIL Guidance, it is best practice that the 123 List is prepared and set out at the time of the Consultation on the PDCS. We recommend that the Council publishes a draft 123 List, and consults stakeholders on its content.
- 8.35 When setting out the costs and other sources of funding, the Council will need to consider the amount that can be retained to cover the cost of administering CIL (5%) and the amount to be passed to the local neighbourhood (see below) under the localism provisions as these will substantially reduce the monies available.

<b>Parish Council and a Neighbourhood Plan</b> = 25% uncapped paid to Parish	<b>Parish Council but no Neighbourhood Plan</b> = 15% capped at £100/dwelling paid to Parish
<b>No Parish Council but a Neighbourhood Plan</b> = 25% uncapped - Local Authority consults with community	<b>No Parish Council and no Neighbourhood Plan</b> = 15% capped at £100/dwelling - Local Authority consults with community

### Instalment Policy

- 8.36 At the start of this process the Council organised a consultation event with members of the development industry. The importance of allowing CIL to be paid through the life of a project was raised.
- 8.37 The CIL Guidance sets out:

*Regulation 70 (as amended by the 2012 and 2013 Regulations) provides for payment by instalment where an instalment policy is in place. Where no instalment policy is in place, payment is due in full at the end of 60 days after development commenced (see Regulation 7, and section 56(4) of the Town and Country Planning Act 1990, for the definition of 'commencement of development').*

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- 8.38 If an Instalment Policy is not adopted, then payment is due in full at the end of 60 days after commencement. To require payment, particularly on large schemes in line with the above, could have a dramatic and serious impact on the delivery of projects. It is our firm recommendation that the Council introduces an Instalment Policy. Not to do so could put the Development Plan at serious risk.

### **Viability Evidence – Rates and Zones**

- 8.39 In considering CIL in this report we have based the assessment on the *Harrogate District Local Plan: Publication Draft 2018*. This may change as a result of the Local Plan examination, so it will be necessary to ensure that the advice in relation to CIL remains appropriate, relative to the Council's wider policy requirements.
- 8.40 The viability analysis has been carried out in line with the requirements of the NPPF, CIL Regulations and PPG (which includes the CIL Guidance). This is a prescriptive process that is aiming to understand development viability in the plan-making / CIL-setting context in a high-level way. It is a process that generally does not look at the deliverability of individual sites or any particular developers' business model or methodology – although in this case the Council has considered the Strategic Sites separately as they are key to the deliverability of the Plan as a whole.
- 8.41 A number of development sites (residential and non-residential) have been modelled, and from this, the impact of CIL is inferred. These modelled sites are based on the sites that are anticipated to come forward under the new Local Plan.
- 8.42 This study uses the Residual Value methodology as set out in the Harman Guidance. This assesses the impact of introducing CIL in the context of meeting all the Council's other policy requirements. Using evidence of local house prices and non-residential values, local development costs and assumptions about the availability of development finance, developer's profits and the general characteristics of development in Harrogate Borough area an assessment is made of the amount by which land values may be depressed by the Levy and whether that is sufficient to deter landowners from making their land available for development.
- 8.43 CIL may be set for different development types and by different areas – although it is necessary to keep any charging schedule simple.

### *Evidence – Residential Development*

- 8.44 We have drawn on the viability evidence set out in the 2016 Viability Assessment and in Chapters 5 and 6 of this report.
- 8.45 Only the sites shown as viable are considered further (being the only ones with scope to bear CIL) are the greenfield sites that are not adjacent to Ripon and that are subject to the 40% affordable housing, and the small sites of 10 and fewer units. The CIL Guidance is clear that CIL should not be set at the limits of viability. In considering the rates of CIL it has been assumed that the Residual Value should generally be 50% above the Viability Threshold.

- a. At £60/m<sup>2</sup> the greenfield sites that are subject to the affordable housing requirements would be viable, however the margin is quite tight on the larger sites. £50/m<sup>2</sup> would be a more cautious approach.
  - b. At £200/m<sup>2</sup> (being the maximum rate tested) all the small greenfield sites across the Borough and on brownfield sites not in the Ripon area remain viable, by a substantial cushion. In the Ripon area, on small brownfield sites, a figure of £80/m<sup>2</sup> or so would be appropriate.
- 8.46 To further inform the CIL rate setting process, we have calculated CIL as a proportion of the Residual Value and the Gross Development Value.
- 8.47 CIL as the proportion of the Residual Value, in approximate terms, represents the percentage fall in land value that a landowner may receive. As set out in the 2016 Viability Assessment, it is inevitable that CIL will depress land prices. This is recognised in the RICS Guidance and was considered at the Greater Norwich CIL examination. It would however be prudent to set CIL at a rate that does not result in a fall in land prices of greater than 25% or so.
- 8.48 This analysis supports the previous findings (of £50/m<sup>2</sup> for the greenfield sites not adjacent to Ripon) but suggests a maximum rate of £70/m<sup>2</sup> for the smaller sites (including those in the Ripon area).
- 8.49 Plan-wide viability testing is not an exact science. The process is based on high level modelling and assumptions. The process adopted by many developers is similar, hence the use of contingency sums, the competitive return assumptions and the generally cautious approach.
- 8.50 This analysis shows that CIL would only be less than 5% of the Gross Development Value on all sites. On this basis the Council can have further confidence that development would not be put at risk.

*Evidence – Older People's Housing*

- 8.51 As well as mainstream housing, we have considered the Sheltered and Extracare sectors separately. This analysis indicates that there is scope for CIL in the Sheltered sector, but not in the Extracare sector.
- 8.52 This analysis supports a rate of £60/m<sup>2</sup> or so on greenfield sites and £40/m<sup>2</sup> on brownfield sites.

*Evidence – Non-residential Development*

- 8.53 The viability of non-residential development was considered in Chapter 11 of the 2016 Viability Assessment. The full appraisals were set out in Appendix 10 of that study. Those appraisals included the effect of CIL. Office, industrial and hotel development were found to be unviable so are not considered further.
- 8.54 Retail and distribution development were found to be viable and have scope to bear CIL.

**Distribution** Distribution uses are only likely to come forward along the A1 corridor. Relatively little such development is anticipated within the Borough in the foreseeable future. Where such development is more likely to come forward, it would be on greenfield sites.

CIL at up to £60/m<sup>2</sup> is shown as viable, however the margin is small. To achieve a cushion of 50% over the viability threshold, a rate of £20/m<sup>2</sup> CIL would be appropriate. This rate would be about 15% of land value and less than 2% GDV.

**Shops – Central** Central Harrogate is a thriving retail centre with a high-quality offer and range of specialist and national shops. Development in this area is only likely to be on brownfield land and be the redevelopment of existing sites. As CIL is only payable on net new development it will be necessary to consider whether a levy on this development type is actually going to raise money.

The results are presented on a £/ha basis, but are derived from a typical 150m<sup>2</sup> unit of the type that may come forward in the town centre.

At the maximum level tested of £120/m<sup>2</sup>, such development remains viable and CIL would be less than 7% of the Residual Value and 3% of GDV. On this basis this rate would be appropriate.

**Shops – Other** These are shops outside central Harrogate and little such development is anticipated in the Borough, however the notable exception will be the new settlement at Green Hammerton which will incorporate various neighbourhood centres that will include retail development.

On greenfield sites, at the maximum level tested of £120/m<sup>2</sup>, such development remains viable. On this basis CIL would be more than 25% of the Residual Value. Assuming CIL should be no more than 25% of the Residual Value the maximum rate of CIL would be £40/m<sup>2</sup>. On this basis this rate would be 2% of GDV so be appropriate.

There is not scope for CIL on smaller brownfield retail development due to a low cushion between the Residual Value and Viability Threshold.

**Supermarket Development** The Borough is well served by larger format retail development and whilst some has come forward over the last few years little is anticipated in the near future. Development that may come forward is only likely to be on greenfield sites (due to the scale of land required for such development).

At the maximum level tested of £120/m<sup>2</sup> larger format supermarket development remains viable and CIL would be less than 15% of the Residual Value and 4% of GDV. On this basis this rate would be appropriate.

For smaller supermarkets the analysis indicates that a rate of £80/m<sup>2</sup> would be viable with the Residual Value being at least 50% above the Viability Threshold. At this level the CIL would be more than 25% of the

Residual Value. At £40/m<sup>2</sup>, CIL would be less than 25% of the Residual Value and about 1.5% of GDV. On this basis £40/m<sup>2</sup> would be appropriate.

**Retail Warehouse** There has been a significant amount of retail warehousing around Harrogate over the last few years.

At the maximum level tested of £120/m<sup>2</sup>, retail development remains viable with the Residual Value being at least 50% above the Viability Threshold. At this level CIL would be less than 20% of Residual Value but more than 5% of GDV. At £100/m<sup>2</sup>, CIL would be less than 15% of the Residual Value and less than 5% of GDV. On this basis £100/m<sup>2</sup> would be appropriate.

### Recommended Rates of CIL

8.55 In this chapter we have set out the range of factors to be considered when setting CIL. Through the process of engagement with the Council and taking into account all the matters set out above, it was decided that:

- a. CIL is required to fund infrastructure. Having taken into account the other sources of finance, there is a ‘funding gap’ and CIL could make a useful contribution to fund the infrastructure required to support the development most likely to come forward under the Plan.
- b. Affordable housing remains a Council priority, but the Council also puts weight on the delivery of infrastructure.
- c. The Council and its partners have been successful in securing capital funding for infrastructure but there remains a significant ‘funding gap’.
- d. It would be preferable, if supported by evidence, to ‘keep things simple’ and not have multiple rates of CIL – although it was recognised that it was appropriate to have differential rates. It was agreed that a fine-grained approach was not desirable.
- e. CIL setting is a qualitative and a quantitative process. CIL is not calculated through a predetermined formula. The Council is required to ‘*strike the balance between (a) the desirability of funding from CIL ... the ... cost of infrastructure required to support the development of its area, ... and (b) the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area.*

8.56 Based on the above, the following rates of CIL are recommended.

<b>Table 8.2 Recommended Rates of CIL</b>	
<b>Development Type</b>	<b>Maximum Rate of CIL</b>
Residential	
Zone 1 and sites of 10 units or fewer in all areas	£50/m <sup>2</sup>
Zone 2	£0/m <sup>2</sup>
Zone 3	£0/m <sup>2</sup>
Sheltered Housing in Zone 1 and Zone 3	£60/m <sup>2</sup>
Sheltered Housing in Zone 2	£40/m <sup>2</sup>
Distribution	£20/m <sup>2</sup>
Retail Development	
Shops – Central Harrogate	£120/m <sup>2</sup>
Shops – Other – Zone 1 and Zone 3	£40/m <sup>2</sup>
Shops – Other – Zone 2	£0/m <sup>2</sup>
Supermarkets	£120/m <sup>2</sup>
Retail Warehouse	£120/m <sup>2</sup>
All Other Development	£0/m <sup>2</sup>

Source: HDH (April 2018)

8.57 The Zones are defined as follows. These need to be shown on an Ordnance Survey map in line with the CIL Regulations:

- Zone 1            All areas that are not in Zone 2 or Zone 3
- Zone 2            The main urban areas of Harrogate, Boroughbridge Knaresborough, Masham, Pateley Bridge and Ripon. The allocations that are adjacent to the main urban area of Ripon.
- Zone 3            The strategic sites at Boroughbridge(B4, B12 and B21), Green Hammerton/ Cattal New Settlement, West Harrogate (H49, H51,H70 allocations and H50, H46, H36, H45 commitments), Manse Farm (K25 allocation and K31 commitment)and Ripon (R24, R25,R27).

**Next Steps**

- 8.58 The recommendations in this study are ‘a consultant’s view’ and do not reflect the particular priorities and emphasis that HBC may put on different parts of its Development Plan.
- 8.59 The above suggested rates are supported by the evidence – however there is considerable scope for the Council to strike a different balance.
- 8.60 We stress that the information in this report is an important element of the evidence for setting CIL, but is only one part of the evidence; the wider context needs to be considered.

**HDH Planning and Development Ltd** is a specialist planning consultancy providing evidence to support planning authorities, land owners and developers. The firm is regulated by the RICS.

The main areas of expertise are:

- Community Infrastructure Levy (CIL)
- District wide and site specific Viability Analysis
- Local and Strategic Housing Market Assessments and Housing Needs Assessments
- Future Housing Numbers Analysis (post RSS target setting)

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