
Report to Dacorum Borough Council

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an Examiner appointed by the Council

Date: 21 October 2014

PLANNING ACT 2008 (AS AMENDED)

SECTION 212(2)

REPORT ON THE EXAMINATION OF THE DRAFT DACORUM BOROUGH COUNCIL COMMUNITY INFRASTRUCTURE LEVY CHARGING SCHEDULE

Charging Schedule submitted for examination on 16 July 2014

Examination hearings held on 26 September 2014

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Non-Technical Summary

This report concludes that the Dacorum Borough Council Draft Community Infrastructure Levy Charging Schedule provides an appropriate basis for the collection of the levy in the area. The Council is able to demonstrate that it has sufficient evidence to support the schedule and can show that the levy rates would be set at levels that will not put the overall development of the area, as set out in its Core Strategy, at risk.

Introduction

1. This report contains my assessment of the Dacorum Borough Council Community Infrastructure Levy (CIL) Charging Schedule in terms of Section 212 of the Planning Act 2008 (as amended). It considers whether the schedule is compliant in legal terms and whether it is economically viable, as well as reasonable, realistic and consistent with national guidance. The national guidance was, at the time the Schedule was published the Community Infrastructure Levy Guidance – DCLG – February 2014, which was subsequently added to the national Planning Practice Guidance in June 2014.
2. To comply with the relevant legislation and guidance, the local charging authority has to submit a charging schedule that should set an appropriate balance between helping to fund necessary new infrastructure and the potential effect of the proposed rates on the economic viability of development across its area.
3. The basis for the examination, on which Hearing sessions were held on 26 September 2014, is the submitted Draft Charging Schedule (DCS), which was published for public consultation between 22 January 2014 and 12 March 2014, along with the associated Statement of Modifications (SOM), which was published for public consultation between 16 July 2014 and 13 August 2014.
4. The Council's CIL proposals include charges for residential development, retirement housing and certain specified types of retail development. The residential development CIL charges would apply in four defined zones. 'Zone 1: Berkhamsted and surrounding area' would incur a £250 per square metre (psm) CIL charge. 'Zone 2: Elsewhere' would incur a £150 psm CIL charge. 'Zone 3: Hemel Hempstead and Markyate' would incur a £100 psm CIL charge. 'Zone 4: Identified Sites' comprises two major development sites on the edge of Hemel Hempstead (Spencer's Park and West Hemel) and here CIL would be zero rated i.e. £0 psm. 'Retirement Housing' development would be subject to a £125 psm CIL charge in Zone 1 but in all other zones it would be zero rated.

5. The Council's commercial development CIL charges would relate to a £150 psm charge on 'convenience based supermarkets and superstores and retail warehousing (net retailing space of over 280 square metres'. All 'other' development would be zero rated for CIL purposes i.e. £0 psm.
6. This report is structured under the headings (in bold) of the main issues that I identified through the examination.

Background evidence – the development plan, infrastructure needs and economic viability evidence.

Core Strategy

7. The Dacorum Core Strategy (CS) was adopted in September 2013. It sets out the development and growth until 2031 that will need to be supported by further infrastructure. Development in the borough is heavily constrained by the Metropolitan Green Belt and the Chilterns Area of Outstanding Natural Beauty (AONB). These designations cover most of the borough, the exceptions being the rural area in the far north west of the borough (containing the villages of Long Marston and Wilstone) and the urban 'islands' formed by the borough's larger settlements, the most significant of which is the town of Hemel Hempstead.
8. This context is reflected in the CS's spatial approach to growth, which identifies Hemel Hempstead as the main centre for development and change, with more modest development in market towns and villages, and a general presumption of restraint in the Green Belt, AONB and the remaining rural areas. The CS housing requirement is 10,750 new homes in the plan period, although it actually makes provision for slightly more (11,320). Within Hemel Hempstead 8,800 (or 82% of the assessed requirement) of the new homes are planned; these are split between 'East Hemel' (1000 units), 'town centre' (1800 units) and 'rest of town' (6000 units). The CS identifies a series of 'strategic sites' and 'local allocations' which include sites in Hemel Hempstead and in the other larger settlements in the borough, namely Berkhamsted, Tring, Markyate and Bovingdon. Development on these sites will be phased over the plan period and a number are not currently programmed until post 2021. The CS requires affordable housing generally at a 35% proportion of unit numbers, but this increases to 40% on identified larger sites.
9. Overall, the Council advised that it feels significant progress is being made on implementing the CS, with a quarter of the homes now built and a number of major sites with planning permissions. It also reported a good track record of securing affordable housing in line with the CS policy. The CS will be the subject of an early partial review in 2017/18. This will test any predicted housing shortfall and respond to any identified need to accommodate a higher level of growth.
10. With regard to commercial development, the CS plans to accommodate an

additional 10,000 new jobs in the plan period, with a spatial emphasis on Hemel Hempstead as the focus for economic development. The regeneration of the Maylands Business Park and Hemel Hempstead town centre are identified priorities. New retail development is directed to the clearly defined hierarchy of centres, with Hemel Hempstead town centre occupying the principal role, supported by Berkhamsted and Tring, along with lower order centres. The CS identifies retail capacity potential in the larger centres but the relevant policy adopts a demand led approach.

Infrastructure planning evidence

11. The Council has, over recent years, assembled a substantial body of evidence on infrastructure needs in the borough. This included the various iterations of the countywide Hertfordshire Infrastructure and Investment Strategy along with more specific studies and strategies focused on the borough. Most recently the Council has produced the Dacorum Infrastructure Delivery Plan Update (IDPU - January 2014) which has built on and updated the earlier work. The IDPU identifies infrastructure needs under chapters covering transport, education, healthcare, open space, emergency services, waste, sports facilities, community facilities, sewerage and waste water, energy (electricity and gas) and potable water. It identifies estimated costs (where known), funding sources and lead delivery agencies.
12. The Council estimates that the total cost of required new infrastructure is circa £131.4 million. It further assesses that, of that total, about half is funded, leaving an infrastructure funding gap of circa £65.46 million. The biggest funding gaps relate to 'education' (circa £40 million), 'transport' (circa £14.5 million) and 'green spaces' (circa £7.55 million). These infrastructure types, along with 'health facilities', 'other social and community facilities', 'burial space', 'waste' and 'public realm improvements' are included on the Council's Draft Regulation 123 list which identifies where collected CIL monies will be spent.
13. The Regulation 123 list includes a column of exclusions, identifying infrastructure that will be secured through S.106 Planning Agreements or other mechanisms. Whilst this is a helpful idea, I found the drafting to be a little misleading and, on some projects, it could give the impression of 'double dipping' where a developer could be perceived to be making two separate contributions for the same type of infrastructure. For example, whilst 'primary education facilities' are listed as CIL funded infrastructure, the Council is seeking to exclude primary education facilities on specified sites and from 'developments of 500 new homes or more'. This has arisen due to the education authority's preference to rely on a S.106 delivery route on larger schemes (where a school is actually being built on the development site). This is of no consequence on the two specified sites (West Hemel and Spencer's Park) as the Council proposes £0 CIL charges. However, it would be an issue if a development of '500 new homes or more' arose elsewhere, as it would be liable for CIL (which would in part fund primary education facilities as listed on

the Draft Reg.123 list) in addition to its on-site primary education infrastructure contribution (building a new school). I recommend that the Council resolves this matter through drafting revisions and reporting arrangements to ensure there is no actual, or perceived, 'double dipping'.

14. In terms of anticipated CIL revenue, the Council estimates that, based on the envisaged levels of development and factoring out existing planning permissions, CIL receipts may generate somewhere in the range between £23.47 - £32.7 million over the remaining plan period (2015 - 2031). This would equate to over a third, and perhaps up to half, of the evidenced funding gap. The CIL charges would therefore make a significant and important contribution to filling the likely infrastructure funding gap.

Economic viability evidence

15. The Council entered a commissioning partnership with seven other Hertfordshire councils to produce a 'Stage 1' Community Infrastructure Levy Economic Viability Assessment (VA-1). VA-1 was published in December 2012.
16. VA-1 was clearly a major and complex commission covering most of the county of Hertfordshire (8 out of the 10 district councils). It offered advantages in terms of adopting a consistency of approach across eight neighbouring council areas, but there were complexities in terms of the spectrum of values, different CS stages and policy requirements of the councils, and an inevitable limit on the level of fine grain analysis. VA-1 was considered by the councils' consultants to be sufficiently robust for early CIL promoters (with a CS in place) to proceed with its recommended 'single rates' (which for Dacorum was £150 psm for housing development). However, the report made clear that councils may opt to undertake more detailed 'Stage 2' work to inform and refine their CIL proposals, which could include higher and lower charge zones. Dacorum Borough Council followed that route and a more detailed viability study (hereafter referred to as VA-2), specific to the borough, was commissioned. This was produced in July 2013 and was supplemented by a strategic sites viability testing exercise in October 2013 and an additional 'Viability Note' on retail schemes in April 2014.
17. The Council has clarified that it sees VA-1 as background evidence, providing a broad understanding of development viability across a wide area. However, it regards VA-2 as its substantive evidence supporting its CIL proposals. I have made my assessments in that context and now turn to the methodology and findings of VA-2.
18. The VA-2 employed a residual valuation approach. In simple terms, this involves deducting the total costs of the development from its end value to calculate a residual land value (RLV). That residual land value is then compared to assumed 'benchmark land values' (BLV) to test viability. If the residual land value is significantly above the benchmark land value, the scheme would be judged viable and *vice versa*. Where schemes were shown to

be viable the Council's consultants tested potential CIL levels against the land value benchmarks and computed the theoretical maximum CIL rates. The main study produced in July 2013 tested 10 notional residential schemes (ranging from 2 units up to 500) and a range of commercial development types.

19. To undertake this analysis, the modelling on residential development entailed making assumptions about a range of factors such as land values, build costs (including Code for Sustainable Homes requirements), fees, contingencies, sales values, profit levels etc. For the commercial development types, similar assumptions were made but with the key differences being a focus on rents and yields (rather than sales values) and the use of 'current use values' (CUV) plus a premium (rather than generic BLVs).
20. The robustness of the assumptions used in the VA-2 was tested through the examination. The establishment of robust BLVs is clearly of profound importance in this type of viability modelling. The Council recognises that its CS will be dependent on a fairly diverse supply of land. It defined the highest value, BLV1, as full 'residential land value' at £1.355 million per hectare, a figure derived from Valuation Office Agency (VOA) data with appropriate adjustments made. BLV2 (£901,000 / hectare) and BLV3 (£685,000 / hectare) relate to lower value office space and industrial / warehousing space respectively, the figures being derived from transactional data and local market intelligence. BLV4 (£306,000 / hectare) relates to the lowest value land which could be either a community building site or a greenfield site. I considered these BLVs to be sound for high level CIL testing purposes.
21. Residential sales values were drawn from Land Registry data and complemented by prices from a number of new build schemes, along with data from the second hand market. This involved hundreds of house values gleaned over the 12 months up to July 2013. This data was blended and triangulated to enable seven 'market areas' to be defined. Although the Council recognises that there will always be local variability, the analysis on the differing tone of sales values across the borough was, in my view, well founded. At the risk of oversimplifying these findings, the picture is one of strong sales values generally (compared to the national picture), but there is a clear range of values across the borough. At the bottom of the range there is one area (the northern part of Hemel Hempstead) which is notably weaker (£2368 psm) and at the top, are market town / rural locations which display the strongest average sales values (£3929 psm).
22. Build costs were based on BCIS rates for the county and allowances made for Code for Sustainable Home requirements (Level 4). Fees, contingencies and financing all appeared to be well grounded and reasonable. Affordable housing provision was assumed in line with the CS policy of 35%, with higher levels used on most of the specified sites in the later 'strategic sites' testing. Allowances were made for residual site specific S.106 costs which were for most schemes relatively modest (£700 - £1600 per dwelling depending on

bedroom numbers). However, on some of the larger strategic sites, such as the two involving new on-site school provision, the S.106 costs were significant.

23. Developer profit was assumed at 20% of Gross Development Value, which, in my view, is quite a generous level given the apparent risk and reward profile of development in the borough, as evidenced by some of the CIL modelling results, which are discussed later in this report.
24. For the commercial development appraisals, assumed rents, yields and land values were well founded and reasonable.

Conclusions on background evidence

25. The Dacorum CS provides a recent and robust development plan framework for sustainable growth in the borough, which, due to environmental constraints, has a very strong growth focus on the town of Hemel Hempstead. The IDP identifies the social, physical and environmental infrastructure required to support the CS planned growth in population and jobs. The evidence demonstrates a sizeable infrastructure funding gap that justifies the introduction of a CIL regime. CIL receipts are anticipated to make a significant contribution to reduce that funding gap.
26. The background economic viability evidence for both residential and commercial development that has been used is reasonable, robust, proportionate and appropriate. The interpretation and use of the economic viability evidence in defining the proposed CIL zones and rates is discussed more fully below.

Residential CIL – viability appraisal findings and proposed CIL charges.

The July 2013 appraisal results

27. The VA-2 generates a significant number of appraisal results. The ten different development types were tested in seven market areas and compared against four different benchmark land values. Further results were generated by sensitivity testing variations in sales values, build costs and affordable housing content (less than the CS requires). It is an inevitable consequence of such an exercise that the resulting set of appraisals contains some less relevant results, such as modelling unlikely development types against benchmark land values that are not prevalent in certain locations. Similarly, the sensitivity testing is useful evidence but for CIL testing purposes the greatest weight must be placed on current (or at least recent) evidence and full 'policy compliance' on matters such as affordable housing content. Accordingly, the examination focused on defining the most relevant results in terms of the developments likely to come forward.

28. There are two clear findings that run through the set of results that are best addressed here to avoid unnecessary repetition. First, Market Area 4, with its notably lower sales values, struggles under all development types with only the small to medium sized 'houses only' schemes, on the lowest value land, generating positive viability. Second, schemes for new build flats, and schemes involving a mix of flats and houses, fared poorly throughout (even in higher value areas). Both of these issues were probed through the examination. On the Market Area 4 issue, the Council advised that the bulk of development here would fall within the strategic sites of Spencer's Park and Marchmont Farm, which were separately tested (see paragraphs 34 -36). Elsewhere, with the one exception of a Council owned local centre re-development (which may include some residential content), little development was envisaged. On the second issue, the Council explained that the local market in flats is now more concentrated on conversions than new build flats, which are not now expected to feature significantly in the supply of housing. The importance of this is that the evidenced lower sales rates and higher build costs for flats, included in the modelling, had a notable distorting effect on the appraisal results. I have therefore applied limited weight to the appraisals relating to these scenarios and greater weight to the housing schemes that the Council identified as the likely mainstream supply of new homes to deliver its CS requirement.
29. Turning to the more relevant appraisal results, the general picture was one of strong viability able to support CIL charges with good (and in many cases considerable) headroom. The actual value of 'maximum viable rates of CIL' generated by the modelling demonstrated the understandably strong relationship with the different sales values across the seven market areas. The highest levels of modelled maximum CIL were in the Berkhamsted area where all of the 'houses only' schemes (2, 9, 25 and 40 units) achieved the highest tested CIL rate of £650 psm on all of the BLVs, including the most expensive. In fact, it is worth noting that the theoretical maximum CIL level would, in many cases, be considerable higher than the £650 psm CIL rate tested. Based on the evidence before me, development viability in this area is very strong indeed.
30. At the other end of the spectrum were the market areas which make up Hemel Hempstead (which includes Market Area 4 discussed above) and the Markyate area. Viability was still strong across most tested 'houses only' scenarios with only the larger schemes on the most expensive land generating a few 'not viable' and more marginal results. However, the Council envisages that the main land supply in this area will come from the lower (secondary office and employment) BLVs of which I observed a significant stock on my site inspection. On these BLVs the housing appraisals returned results ranging from £220 psm up to the maximum £650psm (setting aside the Market Area 4 anomaly).
31. The middle ground in the set of appraisals was occupied by the results from Market Areas 2 and 7 which is effectively the rural balance of the borough. The

housing appraisals generally returned higher maximum CIL rates than the Hemel Hempstead results but were not as strong as those in the Berkhamsted area (although the Market Area 7 results were not far off).

32. The modelling included some more specific testing of retirement housing and found that this was only capable of supporting a CIL charge (up to a modelled maximum of £260 psm) in the higher value areas of the borough.
33. The July 2013 testing included some larger schemes, of 100 and 500 units, both incorporating an element (10%) of flats. These were intended to serve as a proxy for development on strategic sites and additional allowances were made for the S.106 costs and additional on-site infrastructure associated with developing a greenfield site. The results generated were largely unviable and this appeared to be a product of the negative influence of flats on viability, along with a lack of site specific precision on likely costs and sales rates. This led the Council to undertake a more fine grained analysis of its strategic sites which is discussed below.

The strategic sites testing – October 2013

34. The Council undertook site specific testing of nine identified strategic sites which ranged in size from 60 units up to 900 units. The Council also tested the CS allocation of 1800 homes in Hemel Hempstead town centre (which is made up of a number of separate sites). The modelling was much more precise than the earlier notional sites assessment, with more accurate estimates of identified infrastructure costs being factored in for each specific scheme. In the case of the two largest schemes (600 and 900 units), this included the costs of on-site primary school provision based on Hertfordshire County Council's figures. Affordable housing was also factored in at the site specific policy level which, for most sites, was 40%.
35. The results of the strategic sites modelling are presented in a slightly different manner to the earlier appraisals (although it measures the same underlying value variable). The model output is expressed as the residual land value after the deduction of CIL at the rates proposed by the Council. In nearly all cases the modelled residual land values were well above the relevant BLV, indicating positive viability with an element of headroom that ranged from comfortable to considerable. There was one site (150 unit scheme in Tring) where the results suggested a shortfall on the BLV but the Council reported that the scheme had a developer associated with it who is aware of the CIL rate and has made no representations. It is important to point out that, based on the results, the scheme would still turn a profit but there would be some erosion of the assumed 20% profit level, assuming the full BLV was paid for land acquisition.
36. The testing of the town centre allocations is slightly more complex as it involved multiple sites and generally higher benchmark land values. However, the results demonstrated that, with CIL applied, RLV would surpass the most relevant BLV3. It also demonstrated that, with just a modicum of improvement

in sales rates, RLV would reach the higher value BLV2 which, whilst less likely, may feature in some circumstances.

The CIL zones and rates.

37. At the examination, the Council's consultants explained how they had used the July 2013 appraisal evidence to establish recommended 'maximum' CIL rates for each of the seven market areas. It was made clear that this was not a precise science as it involved complex judgements, weightings and blending of results from a large data set. Layered on top of that are the strategic site appraisals which have further enriched the evidence base. I explore the Consultants' views, along with my findings, for each charging zone below.
38. Zone 1 – the 'Berkhamsted and surrounding area' displays very strong development viability. This area will deliver about 17% of the CS housing requirement. The Council's viability consultants assess that the blended maximum CIL charge for this area would be £350psm. In my view, based on the evidence (where many schemes hit the 'ceiling' test level of £650psm), that is actually quite a conservative recommended maximum. Although the £250 CIL charge in this zone would amount to an average of some 5.73% of scheme development costs, the evidence suggests that it can be comfortably accommodated without any discernible threat to viability in the area. The evidence also supports the £125 psm CIL charge on retirement housing, which was modelled as being capable of delivering a theoretical maximum of £260 psm. Throughout Zone 1 the evidence suggests considerable viability headroom on all tested schemes.
39. Zone 2 – the 'Elsewhere' charging zone is essentially the rural balance of the borough outside of Hemel Hempstead town and Zone 1. It actually covers three distinct parts – the north east, north west and south of the borough. Only a very small proportion of overall CS development is anticipated in this zone. Across these areas the Council's viability consultants assess that the blended maximum CIL charge would be between £200 – 300 psm (depending on the precise market area). My analysis concurs with that view and the setting of a £150 psm is reasonable and would maintain a healthy viability buffer. As a percentage of development costs CIL would fall within a range of averages from 3.85 – 4.09 %.
40. Zone 3 – the 'Hemel Hempstead and Markyate' zone will accommodate the bulk of the CS planned growth, primarily in Hemel Hempstead itself. The zone is comprised of three market areas (3, 4 and 5). Across these areas the Council's viability consultants assess that the blended maximum CIL charge would be £150 psm, £100 psm and £200 psm respectively. I have dealt earlier with the anomaly around Market Area 4 and, whilst the results might superficially suggest that the £100 psm CIL charge would be at the margins of viability, the reality is that only a negligible amount of development is anticipated here. With regard to the remainder of the town, where the majority of development is planned, the setting of a £100psm CIL rate against

modelled maxima of £150psm and £200psm indicates that the charge can be absorbed and, in the majority of cases, there will be a good degree of headroom to cope with the variability of site specific development economics across the town's land portfolio. Expressed as a percentage of development costs, CIL would amount to on average between 3.06% - 3.93% in Hemel Hempstead and 2.88% in Markyate. Accordingly, I consider the Council's proposals in this zone to be sound and I do not see a case for overcomplicating the CIL approach in the town, by defining an additional zone (based on Market area 4) where viability appears more marginal, but no significant CS housing development is planned.

41. Zone 4 – the 'Identified Sites' zone covers the two largest strategic sites – 'West Hemel Hempstead' and 'Spencer's Park' (on the north east of the town). Each of these sites has substantial on site infrastructure requirements, which includes new primary schools (circa £7.64 million at each location). The Council's approach here is to seek to recognise the particular additional infrastructure burdens (which are not found on other sites) by the use of S.106 planning agreements, rather than CIL (which would be zero rated). This approach appears to have been influenced by the education authority's preference for a S.106 delivery mechanism for new school provision.
42. The PPG does support the setting of low or zero rate CIL charges for strategic sites, but it is clear that this would normally relate to circumstances of '*...low, very low or zero viability*¹'. However, the appraisals did show that, even with the added infrastructure burdens, both schemes remained viable with some comfort margin. There is therefore a slight tension with the PPG, as the normal presumption, in my view, would seem to be that viable development should normally pay a reasonable CIL charge. However, there is no compulsion to do so, and the Council's approach of dealing with these sites discretely, through its charging proposals, its draft Regulation 123 list and use of S.106 planning agreements, does not appear to confer any particular advantage, as both sites will be subject to significant financial contributions to deliver necessary infrastructure. Furthermore, it clearly cannot be challenged on viability grounds as the developments have been shown to be viable and, obviously, a £0 psm CIL charge makes no difference.
43. For these reasons, I raise no substantive objections to the Zone 4 delineation and the £0 psm charge. However, for reasons I rehearsed earlier (paragraph 13) the Council may wish to consider in more detail the future CIL / S.106 interface, particularly on larger sites. It should also look closely at the wording of its Regulation 123 list, particularly if the CS partial review requires further strategic site provision, to avoid giving any impression that the same infrastructure is being charged twice. There is a danger that it could be creating unnecessary complexity and transparency issues by, to all intents and purposes, taking certain (viable) sites out of the CIL regime, which is an appropriate borough wide mechanism for securing funds for strategic

¹ Planning Practice Guidance 2014 - Reference ID: 25-021-20140612

infrastructure delivery (including schools). Indeed, that is very much the purpose of CIL.

Commercial CIL – viability appraisal evidence and proposed CIL charges.

44. VA-2 tested a wide range of commercial development types. These included offices, industrial and warehousing, hotels and a range of retail schemes. For the most part, the evidence suggested that commercial developments were not viable, or not sufficiently viable, to support CIL charges. The exception was certain types of retail development.
45. The July 2013 testing included small shops in different geographic locations. Larger format 'convenience based supermarkets and superstores and retail warehousing' development types were tested on a borough wide basis. The larger format store modelling suggested a maximum CIL rate of £193 psm, whereas smaller stores proved less viable, notably in Hemel Hempstead. This evidence base was supplemented by further work in April 2014, produced partly in response to representation submitted on behalf of a supermarket operator. This further, more detailed, work demonstrated the criticality of operator covenant strength, with weaker covenants on small units unlikely to generate a surplus. However, modelling the lower investment yields of national retail operators on the same small unit generated a maximum CIL potential of up to £341psm at the middle CUV.
46. Based on the evidence, the Council's proposal to impose a £150 psm CIL charge on 'convenience based supermarkets and superstores and retail warehousing' development types, appears to be well within the range that such developments could comfortably support. Indeed, there is a good viability buffer. The Council seeks to differentiate these development types not just by description but also by size, using the floor space threshold associated with Sunday trading laws (280 square metres). Whilst the evidence does not demonstrate with absolute precision that this floor space quantum represents a viability watershed, it is nonetheless a reasonably good proxy, particularly with regard to where low and high covenant strengths are likely to sit. Added to that, the CS retail approach is very much demand led and focused on an established retail hierarchy. I do not consider that the modest CIL level on the specified larger retail developments will, based on the evidence, present any threat. Accordingly, I consider the proposed CIL rate to be reasonable.

Overall Conclusions

47. The evidence demonstrates that the overall development of the area, as set out in the Dacorum CS, will not be put at risk if the proposed CIL charges are applied. In setting the CIL charges, the Council has used appropriate and available evidence which has informed assumptions about land and development values and likely costs. The CIL proposals are anticipated to achieve a significant level of income which will help to address a well evidenced infrastructure funding gap.

48. I conclude that the Dacorum Borough Council Draft Community Infrastructure Levy Charging Schedule, as modified by its Statement of Modifications, satisfies the requirements of Section 212 of the 2008 Act and meets the criteria for viability in the 2010 Regulations (as amended). I therefore recommend that the Charging Schedule be approved.

LEGAL REQUIREMENTS	
National Policy/Guidance	The Charging Schedule complies with national policy/guidance.
2008 Planning Act and 2010 Regulations (as amended)	The Charging Schedule complies with the Act and the Regulations, including in respect of the statutory processes and public consultation, consistency with the adopted Dacorum Core Strategy (2013) and is supported by an adequate financial appraisal.

P.J. Staddon

Examiner.