



Strategic Planning
Devon County Council
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2 December 2011

Dear Mr Williams,

RE: Community Infrastructure Levy Preliminary Draft Charging Schedule Consultation

Thank you for the consultation notification for the preliminary draft CIL charging schedule. Below are the County Council's comments on the documentation published. We would welcome working with you as the development and implementation of the levy progresses.

Our main concern relates to the level of CIL proposed for residential development. Despite the viability study appearing to identify that a charging level of £156 per m² would be viable for greenfield sites, even in the currently depressed residential market, the draft charging schedule suggests setting a rate of £113 per m². Setting the CIL at this reduced level is likely to have a significant effect on the size of the funding gap for infrastructure provision, potentially reducing total CIL collection by as much as £13m over the period to 2026.

While the current consultation necessarily focuses on the potential charging rate and not the infrastructure for which funding is required, the County Council is concerned that the level of CIL proposed appears to be significantly lower than that which could be levied without making development unviable. Setting a higher charging rate would make a significant difference in terms of future infrastructure delivery and would provide greater flexibility should it prove necessary to include additional infrastructure schemes within the scope of the CIL (e.g. significant schemes previously identified as being funded through S106 agreements).

Generally we are in agreement with the assessment that only housing and large scale retail are currently viable enough to pay a CIL charge in Mid Devon. In an area like Devon where the majority of businesses and the industrial space developed is on a small scale, any additional charges could act as a disincentive to development, particularly in the current difficult business climate. However, we recommend that a statement should be included setting out how the CIL will be kept under regular review in order to reflect changing market circumstances. Such review procedures should be identified, beyond the acknowledged annual review of building costs.

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It is noted that the report does not consider at what stage CIL will be collected. Our understanding is that the national standard position is for all CIL to be paid within 60 days of development commencement, but there would be scope for Mid Devon to introduce an alternative instalment policy. Deferring payments could improve development viability; however this needs to be balanced against ability to accumulate CIL receipts. As the County Council has responsibility for the provision of a range of infrastructure, we would welcome discussion on possible payment timings, to ensure infrastructure delivered primarily through CIL can be put in place when required in order to create sustainable communities.

It will also be important to establish an effective mechanism for the governance of CIL revenue which can ensure the funding and delivery of appropriate infrastructure in a timely manner. We appreciate that this is not formally part of the CIL adoption procedure, but would welcome early discussions as to a possible way forward, as it will be important to have a clear framework for CIL governance in place before its implementation.

Yours sincerely,

Joe Keech
Head of Strategic Planning

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