CIL
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SUMMARISED:

Sandra Hutchings

From: Tim Ware
Sent: 02 December 2011 15:17
To: DPD
Subject: Community Infrastructure Levy - Preliminary Draft Charging Schedule

Your Ref: PRW/CILCon

Dear Sir/Madam

I refer to your letter dated 18th October and the Community Infrastructure Levy (CIL), Preliminary Draft Charging Schedule. My comments are made from the perspective of a small scale private developer/agent and are as follows:

Put simply, CIL is a tax on development and represents just another hurdle to overcome in the planning and development process.

At the present time, with rising development and finance costs, allied to the uncertainties and sometimes unpredictable costs associated with meeting ever increasing regulation and the subjective views of professionals within the planning system, the introduction of the CIL could tip the balance between a project being marginal to unviable. Whilst I note that CIL will be payable 'subject to the project remaining viable and profitable', it is clear that by applying CIL across broad classes, marginal housing schemes will not be brought forward, and this problem is likely to escalate as costs continue to increase at a faster rate than values.

Whilst the stated aims of CIL on Page 1 are laudable, I sense that these will be difficult to achieve in practice and they will undoubtedly be particularly prejudicial to the viability of small conversion/redevelopment schemes. Indeed the document acknowledges and accepts that the divergence between costs and values up to May 2011 dictates that development of brownfield sites will be a casualty of CIL but because this only involves 'few small windfall sites' this appears to be considered acceptable.

As it is acknowledged that brownfield sites are of little significance and, as far as I am aware policy continues to encourage redevelopment of brownfield sites, I would have expected such small scale redevelopment and conversion projects to be excluded from CIL but this does not appear to be the case.

I am currently investigating the viability of a typical small scale town centre redevelopment scheme for housing where the conversion/redevelopment costs will far exceed new build costs due to various constraints including difficult access, increased costs for removal/disposal of redundant building materials, compliance with conservation area aspirations etc. and where economies of scale are not available. It unlikely to support a CIL charge but as it stands, the Draft Charging Schedule does not make any provision for such sites to be excluded or offer any flexibility in terms of a site specific assessment. The Draft Charging Schedule indicates that the Regulations recognise such sites will not become viable until such time as the housing market recovers sufficiently to tip the balance between cost and value, but rather than write off these sites as small scale and inconsequential (which infers that their contribution to infrastructure funding will be insignificant in any event), surely there should be a mechanism which allows for such sites to be developed for housing thereby contributing to the numbers required by the Core Strategy and continuing to encourage re-use of brownfield sites?

Yours faithfully

Tim Ware