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Date: 5 December 2011

Our Ref: MR M5/0105-09

Your Ref:

By Email and Post:
dpd@middevon.gov.uk

Dear Sir / Madam

RE: COMMUNITY INFRASTRUCTURE LEVY – PRELIMINARY DRAFT CHARGING SCHEDULE – OCTOBER 2011

We represent the **South West HARP Planning Consortium** which includes all the leading Housing Associated Registered Providers (HARPs) across the South West. Our clients' principal concerns are to optimise the provision of social / affordable housing and to ensure the evolution and preparation of consistent policies throughout the region.

Our representations are as follows:

We welcome the opportunity to comment on the preliminary charging schedule and have a number of comments to make. Our main concern is that the delivery of affordable housing is not squeezed by setting Community Infrastructure Levy (CIL) charge that is too high. The Government has clearly stated that affordable housing should be protected when the level of CIL is set. As part of the Localism Bill debate in the House of Lords, Lord Atlee, Conservative Peer and Government Whip in the House of Lords stated:

'The statutory framework for CIL provides for protection for affordable housing. This was, no doubt, in the minds of the previous Administration when they implemented the levy. However, we acknowledge that the guidance does not set this out as clearly and robustly as it could. We will revisit the guidance to make it clear that the imposition of a levy must not harm the delivery of affordable housing or other local policies set out in the local plan. I have asked my officials to work with the National Housing Federation to develop appropriate changes and we will reflect on the outcome in updated guidance from the Secretary of State.'

We understand that when the charging schedule was being prepared that this statement had not yet been made. We also appreciate that a viability assessment to investigate this issue has been produced and updated. However, the recommendations have not been adopted and the Council will need to make a number of changes to the charging schedule before it can be sure that CIL will not threaten the delivery of affordable housing. These changes, along with other comments on the schedule are set out below.

Blanket CIL Charge for C3 Uses Across The District

We note the Council's intention to set a blanket charge for CIL on C3 uses across the district. This is contrary to the recommendations of the Affordable Housing Threshold Viability Study – Viability Update & CIL. This states that £113 per m² is viable for greenfield sites, but is not viable a number of brownfield sites in Tiverton, all brownfield sites in Cullompton and one brownfield site in Bampton. This clearly indicates that development on brownfield sites in Mid Devon will not be able to deliver CIL at the proposed level and the target 35% affordable housing. The Council state that this is not an issue as the majority of development in the district will come from greenfield sites.

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Whilst the majority of development will come from greenfield development, we do not understand why a higher CIL charge for identified greenfield sites or sites outside the built up area cannot be set which would enable delivery of the Core Strategy target of 35% affordable housing. Or, if this charge is not acceptable, then sites within the existing built up areas should be given a low or nil CIL rate focus on delivering the maximum amount of affordable housing. The actual rate would have to be determined after assessing the potential state aid implications.

Given the quote above from Lord Attlee on the upcoming changes to the CIL regulations, we consider that one of these options will be necessary to ensure the charging schedule accords with the emerging Guidance. Setting a CIL charge that makes affordable housing unviable on these sites would be contrary to the expressed Parliamentary intent.

We understand the Council's argument that a large amount of development will come forward from greenfield sites, however there will still be a significant number of brownfield sites coming forward which could deliver desperately needed affordable housing. The CIL charge as currently proposed would deliver very little affordable housing within built up areas (since development would not be viable paying CIL and providing affordable housing) and would therefore not contribute to the maintenance of mixed and balanced communities. It would also reduce the opportunity to deliver affordable housing on large windfall sites.

Furthermore, it would conflict with the Council's introduction of a lower affordable housing threshold of two/four units in the district to maximise affordable housing delivery from small brownfield sites. A high CIL charge on small brownfield sites would make their delivery unlikely.

The charging schedule would also place further pressure on greenfield land with schemes on brownfield land inevitably delayed by viability assessments. Given that supply from brownfield land would be lower and much slower, we question what would happen to the district housing supply if one or more of the large urban extensions is delayed itself.

We therefore consider that the proposed charging schedule does not accord with the Core Strategy policy on affordable housing in terms of delivering a target of 35%. In addition, it puts at risk the Council's ability to deliver and maintain mixed and balanced communities on brownfield sites.

Rural Areas

The Viability Assessment makes unsupported assumptions about the viability of CIL charges in rural areas. We consider that these must be properly assessed in order to ensure the charging schedule is based on a credible and robust evidence base.

Free Land

We welcome the assumption that nil grant should be assumed from all affordable housing units, however we are not convinced by the use of 'free land'. We have made separate representations to the Meeting Housing Needs SPD to have this model changed. If the model is amended, the viability assessment will need to be reconsidered.

Affordable Rent

We agree that at this stage it is not appropriate to make assumptions about affordable rent. Mid-Devon is yet to finalise its policy on this product. In any case, from viability assessment we have seen elsewhere, the introduction of the affordable rent product has not improved viability on schemes by any significant amount.

Developer Contributions

We note the expected contributions of £2.5k per dwelling on schemes of over 100 dwellings. This may well be reasonable for schemes closer to 100 dwellings. On the very large schemes it may not be sufficient, particular for the very large urban extensions planned for the district. Our experience is that the costs are significantly higher on larger schemes.

Proposed Modifications

We suggest that:

- the charging schedule should apply different rates to urban and greenfield sites;
- the viability model is re-run with a value ascribed to land and sensible analysis and evidence on the effects on rural housing;
- reviewing the cost of infrastructure and planning benefits on larger schemes.

We would like to be informed as the charging schedule is progressed, please ensure that the **South West HARP Planning Consortium** is retained on the LDF database, with **Tetlow King Planning** listed as their agents.

Yours faithfully

JAMIE SULLIVAN
For and On Behalf Of
TETLOW KING PLANNING

Cc: Devon & Cornwall Housing Association
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