

CIL

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SUMMARISED:



**Draft Community Infrastructure Levy Charging Schedule – Form for Representations**

Please enter your personal details below

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Representations on the draft Community Infrastructure Levy (CIL) Charging Schedule should relate to either the level of the charge or its variance across Mid Devon, or to the supporting evidence.

What aspect of the draft CIL Charging Schedule does this representation relate to? (Fill in one box).

Paragraph	Several. Most notably Paras. 3.1 and 2.17 to 2.19
Omission, General, Other (please specify)	The proposal for a flat charge per square metre. The proposal only to apply it to residential development.

Please explain below why this part of the draft CIL Charging Schedule is incorrect or inappropriate

I have no reason to suppose it is incorrect.

However, it is inappropriate for the following several reasons:

- a) It tends to distort the market by weighting all the costs onto the residential sector, whereas (if they are not to be borne out of general taxation) all development activity should bear its rateable share of the cost implications for the community infrastructure.
- b) It disregards the cashflow benefit to the council from the extra council tax on each and every new home, which if properly applied would leverage adequate debt finance to contribute substantially to associated infrastructure costs.

- c) Over time, it will transfer the equity risk reward (profit) from the private sector to the public sector. Clearly, using the annual "viability" test the Council will charge developers whatever the market will bear, leaving them no incentive to be efficient; better commercial performance across the sector locally will simply result in higher CIL at next review.
- d) There is not a linear relationship between the floor area of a dwelling and its burden on infrastructure. A charge per square metre is therefore too simplistic a method of calculating CIL. It offends the basic principles of good taxation because it is inequitable.
- e) It will increase house prices at a time when the UK has the third highest housing costs per capita in the developed world and Mid-Devon has one of the worst ratios in the UK in terms of affordability relative to local incomes.

Please explain, as clearly as possible, how the draft CIL Charging Schedule should be altered to make it correct or appropriate

- a) It should be applied to all forms of new development or not at all. Market forces should determine what is viable. Allowing the public sector to (effectively) top-slice profits in some sectors of economic activity but not others puts us on the slippery slope to a command economy.
- b) Attempts by the Public Sector to get into the finer details of "viability" (which is dependent upon numerous factors including design excellence and entrepreneurial flair, not simply on crude macro-economics) are a blunt weapon and should be given far less weight.
- c) Proper weighting should be given to the extra revenues (mainly council tax) generated by new development; these should be in used in part to fund structured finance of infrastructure over the expected life of the capital assets involved.
- d) In relation to the Residential sector, and possibly others, the CIL per unit should be capped with minima and maxima. I would suggest a minimum charge equivalent to a 75 m<sup>2</sup> unit and a maximum charge at about twice that level. This would go some way to discouraging inappropriate land use and also restoring to some extent the link between the level of charge and the impact on the infrastructure requirements arising from the expected occupancy.

If you are unsatisfied with the supporting evidence to the draft CIL Charging Schedule please explain, as clearly as possible, why the evidence is unsatisfactory

I am assuming that the raw data used to assemble the evidence is valid, but I do not have enough information to offer an opinion as to whether it is satisfactory or not.

The point I am making is that, whatever the quality of the evidence, the policy decisions it is proposed to take on the basis of that evidence are misconceived, for the reasons set out above.

One shortcoming in the evidence is that it fails to make transparent the predicted change from what S106 agreements currently generate (in cash equivalent terms) and the projected future cashflow from CIL. Is the objective to deliver a much needed, but cash-neutral, reform of the present system, or is it a stealth tax? Data is needed to make that explicit and transparent

Please indicate whether you:

- Wish to appear at the Examination
- Wish to be notified that the draft charging schedule has been submitted to the Examiner in accordance with section 212 the Planning Act 2008
- Wish to be notified of the publication of the recommendations of the Examiner and the reasons for those recommendations
- Wish to be notified of the adoption of the charging schedule by the charging authority.

Please return completed forms to Programme Officer, Forward Planning, Mid Devon District Council, Phoenix House, Phoenix Lane, Tiverton EX16 6PP or email to [programmeofficer@middevon.gov.uk](mailto:programmeofficer@middevon.gov.uk)

Data Protection Act. Please note that this information on this form will be entered onto a database and the paper copies retained on file. The information will be used for the purposes of Town and Country Planning and may be viewed by any person for such purposes.

The text of the draft CIL Charging Schedule and the supporting evidence can be seen on the Council's website at [www.middevon.gov.uk/cil](http://www.middevon.gov.uk/cil)

