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From: Jane Terry
Sent: 26 April 2015 20:07
To: CIL Consultation
Subject: Mid Devon CIL Representation on behalf of Gleeson Strategic Land
Attachments: CIL Proposed Submission Reps 27 04 2015 Final.pdf

Dear Sirs,

Please find attached representations to the draft CIL Proposed Submission.

I would be grateful if you would acknowledge receipt.

Kind regards,

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Associate



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Emailed to: cilconsultation@mlddevon.gov.uk

27 April 2015

Dear Sirs,

Consultation on CIL Preliminary Draft Charging Schedule

We make these representations on behalf of our client, Gleeson Strategic Land.

The Proposed Charge

Paragraph 2.3 of the Draft Infrastructure Plan, Regulation 123 List and s106 Policy, February 2015 confirms that it reflects the development strategy in the proposed submission Local Plan in terms of identifying what infrastructure improvements will be required to support the additional development over the 20 year period of the plan, the level of resources required to deliver those improvements and how much will be sought from development to fund them.

In summary, the draft charging schedule proposes that there will be a zero charge at the proposed strategic urban extensions at Tiverton East, Cullompton North West and Cullompton East. The draft charging schedule suggests that these strategic sites 'may' still be subject to planning obligations under s106. Affordable dwellings will also attract a zero charge. Elsewhere there will be a graded charge of £100 on sites which fall below the adopted Local Plan threshold for the provision of affordable homes; £40 for dwellings in the main settlements outside the strategic urban extensions and £60 for dwellings elsewhere.

It is anticipated that the charging schedule be adopted in parallel with the new local plan. The Proposed Submission version is simultaneously out to consultation.

Having reviewed the proposed CIL charging Schedule and associated documents, we make the following comments:

Implications of Using a Disaggregated Approach

We question the use of a disaggregated approach. We note that the lowest charge of £ zero per sq.m is proposed for the strategic allocations at Tiverton and Cullompton. Higher charges are proposed for development in the rest of the District. Instead the Draft charging Schedule states that '*these strategic sites 'may' still be subject to planning obligations under s106.*' Yet there are now restrictions in place to limit the number of applications which can contribute towards infrastructure schemes. There needs to be clarity over this point – whether and what the requirements for the strategic allocations will be ensuring land assembly and delivery in a comprehensive way. Failure to do so will jeopardise delivery of the required infrastructure and / or delivery of housing to meet objectively assessed housing needs.

Accordingly, we suggest that a disaggregated approach along the lines proposed is entirely inappropriate and should be abandoned and replaced with a single, District-wide charge.

Phasing of Payments / Instalments Policy

There is as yet no Instalments Policy. The Council has previously confirmed that an Instalments Policy will be prepared in advance of CIL implementation but no policy has yet been published.

The impact of the requirement for payment 'up front' as opposed to 'on commencement' or 'on completion' for instance can be considerable in terms of viability.

In many cases, and in particular for larger developments, the proposed arrangements mean that it will be necessary for the bulk of the CIL charge to be paid well before any monies can be generated by the development and during when developers will already be burdened by cost. For example, before any houses can be completed and sold, it will be necessary for developers to incur significant cost in, for example, constructing roads, preparing the site and addressing other pre-commencement requirements. Once house building is underway and sales begin, the expectation as to the level of returns is also likely to be relatively modest, particularly during the early phases of the development. For example, the Home Builder's Federation (HBF) indicate that, typically, each new site can be expected to sell about 25 units per year, on the basis of one sale per fortnight (the national average).

Notwithstanding the scale of the CIL charge itself, the proposed front-loading payment arrangement is therefore likely to be a further disincentive to undertake development. It is also likely to have indirect impacts on developers' ability to secure funding from lenders, given the delays which will be incurred in providing investment returns. The front-loading of the CIL payments would represent a very substantial burden to developers at a time in they will be simultaneously incurring substantial outlay on site works and when few, if any, houses would have been completed let alone sold.

The phasing of Levy requirements can therefore be critical to viability and an Instalments Policy should be prepared in parallel with the Draft Charging Schedule rather than retrofitted at a later date.

Introduction of Relief from CIL (regulation 55)

No such Policy on the introduction of relief from CIL has yet been prepared.

Specific and exceptional costs can impact significantly on viability and it is therefore necessary to identify these in order to avoid uncertainty for developers seeking to bring sites forward and for those developments becoming unviable.

Specifically there is no acknowledgement that certain types of housing are floorspace hungry such as Extra Care housing. Whilst it is recognised that Extra Care housing falls within the C3 use class there needs to be recognition that this distinct type of housing requires a significant amount of floorspace to be given over to care and communal facilities. Costs should therefore be reviewed against various scheme sizes and formats to ensure that the level of CIL remains appropriate. No such comparison appears to have been undertaken but it is likely that the requirement for smaller 25 unit schemes will be less viable than larger schemes because of the lack of economies of scale. An adjustment should therefore be made, either in terms of the requirements on proposed allocations or in terms of the Charging Schedule or CIL Relief.

Policy on Payment in Kind in Lieu of CIL.

The Council has previously indicated that it would consider the introduction of a policy on payment in kind in lieu of CIL in advance of adoption. Such a policy should be prepared in parallel with CIL because of its implications for viability. Considerable savings could be made through the provision of infrastructure on site or through payment in kind. Yet no such policy exists and without such a policy, uncertainty will remain as to the level of costs required of a development proposal. This will stunt growth in the economy contrary to the NPPF. Recognition should therefore be given to the role of on-site provision in negating for instance, additional requirements for contributions towards public open space through s106 obligations. Unless clarity is made in this regard there is a danger that a development will be required to pay twice – once through on-site provision and further, through a s106 planning obligation. This would not be fair or equitable and would not comply with the CIL Regulation tests.

Review Mechanism

Paragraph 4.1 of the Draft Infrastructure Plan, Regulation 123 list and s 106 Policy, February 2015 states that the Infrastructure Plan is a 'living document' and should be kept under review. We support this statement but suggest that an actual review date or review period

should be set out within the document to ensure that regular review takes place. Without such a review mechanism, the Infrastructure Plan, Regulation 123 list and s106 Policy is likely to become out of date with knock on implications for viability and deliverability. A formal mechanism for review should therefore be identified and written into the Draft Charging Schedule.

Other Infrastructure

A full list of 'other infrastructure' to be liable for additional s106 obligations is not set out within the draft policy on use of s106 obligations for the provision of infrastructure. The list merely identifies public open space, SUDs, wildlife protection, enhancement and mitigation and measures to deal with pollution and contaminated land. This is a strange list as the provision of public open space (Including formal pitch provision) relates to the provision of off-site infrastructure whereas the later three elements largely relate to specific on-site works which would be required to make the development acceptable. Greater clarity is required on what is meant by 'other infrastructure' so that uncertainty does not stunt economic growth as encouraged by the NPPF.

Zone 2 Charging

Zone 2 incorporates 'Dwellings in Tiverton, Cullompton and Crediton'. Support is given to the lower rate of £40 per sq. m. in these areas but greater clarity is required as to the extent of this rate - to confirm that this rate applies to allocations and new development within both the existing and proposed revised settlement boundaries. This should include proposed allocations.

Request for notification and to appear at the Examination

We request the opportunity to appear before and be heard at the CIL Examination in due course.

We request to be notified once the draft charging schedule has been submitted; publication of the recommendations of the Examiner and subsequent approval of the charging schedule.

Yours sincerely
BELL CORNWELL LLP

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Associate