


Rep 6

CIL Draft Charging Schedule

#1 **COMPLETE**



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PAGE 2: Part A

**Q1: Personal Details\***

Title	MISS
First Name	GEORGINA
Last Name	BUSH
Job Title (where relevant)	POLICY ADVISER
Organisation (where relevant)	CLA
Address 1	
Line 2	
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E-mail address	

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**Q2: Agent Details (if applicable)** *Respondent skipped this question*

PAGE 4: Part B - Please use a separate sheet for each representation

**Q3: Name or organisation** CLA (The membership organisation for owners of land, property and business in rural England and Wales)

**Q4: To which part of the Community Infrastructure Levy (CIL) Draft Charging Schedule does this representation relate?**

Dwellings (except for an affordable dwelling), on a site which falls below the adopted Local Plan threshold for the provision of affordable homes.

## CIL Draft Charging Schedule

**Q5: Please explain below why this part of the CIL Draft Charging Schedule is incorrect or inappropriate. If you wish to support this part of the CIL Draft Charging Schedule please also use this box to set out your comments.**

### Viability Assessments for CIL Charging Schedules

The Government's policy guidance on CIL makes it very clear that charging authorities wishing to introduce a CIL charging schedule must ensure that they propose a rate(s) that does not put at serious risk the overall development of their area and they must provide evidence on economic viability and infrastructure planning. CIL is expected to have a positive economic effect on development across an area.

A key consideration for charging authorities is the balance between securing additional investment for infrastructure to support development and the potential negative economic effect of imposing CIL upon development in their area. In their background evidence on economic viability to the CIL examination, charging authorities are required to explain why they consider that their proposed CIL rate(s) will not put the overall development across their area at serious risk. The CLA is picking up a number of concerns that the particular circumstances of a site may mean the CIL charge renders development unviable even though the planning authority's viability evidence may suggest otherwise.

The viability of a development is crucial to the delivery of economic growth and jobs whether in rural or urban areas. CIL is intended to be a pro-growth tool. But the Mid Devon District Council charging schedule imposes an urban-focussed CIL charge on new development in rural areas. It would be ironic if CIL charges had the effect of making the already dire development climate even more difficult with the obvious knock-on effects for the Government's growth and housing agendas.

Clearly this would be to the detriment of the rural economy as a whole as urban-focussed charges would stop critically needed development in the countryside. The CIL regulations do allow for differential rates subject to being underpinned by clear evidence.

It is hard to square the Government's calls for local authorities to moderate their s106 demands to get development going, with the emergence of CIL charging schedules that appear to be going in a totally different direction. If the viability assessment for a proposed CIL is not robust then a flawed CIL regime will be put in place which could hold back development within an authority for years.

The setting of inappropriate rates for some forms of rural housing, will have the long-term effect of constraining all forms of land-based development and farm-based diversification development opportunities with consequential impacts on the long term sustainability of the rural economy and jobs, rural communities and ultimately on the goods and services, both environmental and food-related, that are delivered by CLA members.

## CIL Draft Charging Schedule

**Q6: Please explain, as clearly as possible, how the CIL Draft Charging Schedule should be altered to make it correct or appropriate. It will be helpful if you are able to put forward revised wording. Please be as precise as possible.**

### Essential Rural Workers' Dwellings

We have noted that the CIL charging schedule does make an exemption for new housing where it is required to enable agricultural, forestry and certain other full-time workers to live at or in the immediate vicinity of their place of work. Our view is that the CIL should not apply to these dwellings, which will have been justified as a requirement for the specific business. Such properties are not sold for development gain and are usually restricted by some form of occupancy condition which has already had a negative impact on the value of the development.

Mid Devon District Council have failed to provide evidence to support this charge. In such cases, a charge would simply be an additional cost of construction and is likely to render many such projects unviable, and could lead to new farming entrants being priced off the land they wish to farm and the curtailment of new business start ups in rural areas.

As these properties are crucial to the operation of, in general, land-based businesses and sustainable rural communities, we ask that they be considered separately, based on a suitable viability assessment, or classified with affordable housing for CIL purposes and thus zero-rated for CIL purposes.

### Other rural dwellings

Some CLA members decide to build houses to keep within their long term ownership to diversify their income through a residential portfolio of properties. There are no capital receipts from which to fund a CIL charge, rather the CIL charge would have to be met from existing revenues, which the land manager is trying to improve by diversifying to obtain an alternative rental income system. Such development is already likely to have to include an element of affordable housing not charging CIL or exempting it if affordable housing payment has been included. Or development might include affordable houses in the development.

In this instance, we suggest the planning authority should be more flexible in their approach for the payment of CIL. Such development may already include an affordable housing element. Flexible arrangements may include not charging the CIL until a rental income is received, payments by instalments or exempting the development from CIL charging if affordable housing has been included as part of the development.

**Q7: If you are unsatisfied with the supporting evidence to the CIL Draft Charging Schedule please explain, as clearly as possible, why the evidence is unsatisfactory.**

Viability assessments must be underpinned by robust evidence that takes account of the differences in economic viability between urban and rural developments.

Clearly for those charging authorities, such as Mid Devon District Council who have urban areas and rural hinterlands, can take advantage of setting differential rates and we strongly urge the authority to consider the use of different rates for rural areas if the charging schedule is not to prevent critically needed rural development from coming forward.

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**Q8: If your representation is seeking a change, do you consider it necessary to speak at the examination hearings?** No

**Q9: If you wish to speak at the hearings, please outline why you consider this to be necessary:** Respondent skipped this question

## CIL Draft Charging Schedule

**Q10: Please indicate whether you wish to be notified:**

The approval of the charging schedule by Mid Devon District Council

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The publication of the examiner's recommendations

,

The date the CIL draft charging schedule is submitted to the examiner

**Q11: Signature**

Signature

Georgina Bush

Date

24/02/15