

Community Infrastructure Levy - Draft Charging Schedule Consultation (1 April to 16 May 2016)

Response Form

Please return by **5:00pm on Monday 16th May 2016** to:

Post: South Worcestershire Development Plan Team
Civic Centre
Queen Elizabeth Drive
Persnore
Worcestershire
WR10 1PT
Email: contact@swdevelopmentplan.org

Ref:

(For official use only)

How we will use your details

The personal information you provide on this form will be held and processed in accordance with the requirements of the Data Protection Act 1998.

Please note that your name, postal address and comments may be made publicly available when displaying and reporting the outcome of this consultation and cannot be treated as confidential. Any other details, including signatures, private telephone numbers and email addresses will not be published on the Council's website, but the original representations with personal details redacted will be available in full for inspection on request.

1. Personal details		2. Agent's details (if applicable)	
Title	Mrs	Mr	
Full name	Fiona Milden	Michael Robson	
Job title (if applicable)	Strategic Planning Director	Director	
Organisation (if applicable)	Bovis Homes	Cerde Planning Ltd	
Address	c/o agent	[REDACTED] [REDACTED] [REDACTED],	
Postcode		[REDACTED]	
Telephone number		[REDACTED]	
E-mail address		[REDACTED]	

In parallel with the South Worcestershire Development Plan (SWDP), the South Worcestershire Councils (Worcester City, Malvern Hills and Wychavon District Councils) are synchronising the process of preparing a Community Infrastructure Levy (CIL). Following consultation on the Preliminary Draft Charging Schedule (PDCS) in February/March 2015, work to update CIL has been carried out and each authority now intends to submit a **Draft Charging Schedule (DCS)** in 2016 for Examination. The updated timetable changes are reflective of the latest Local Development Scheme timetable, which came into force on 1 October 2015.

The South Worcestershire Councils are therefore now inviting representations on the DCS, prior to submission.

Please submit your representation by using this form and answering the questions below. If you need to continue on separate sheet, please remember to state which question you are responding to.

Question 1: Do the South Worcestershire Council's Draft Charging Schedules strike an appropriate balance between the desirability of funding infrastructure from the Levy and the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across the area?

Yes	✓
No	

Comment:

SEE ATTACHED

Question 2: Does the Regulation 123 list clearly and effectively set out the types of infrastructure that the South Worcestershire Councils intends will be, or may be, wholly or partly funded by CIL (or S106 agreements)?

Yes	X
No	

Comment:

SEE ATTACHED

Question 3: Do you agree with the proposed CIL rates for each of the South Worcestershire Councils?

Yes	X
No	

Comment:

SEE ATTACHED

Question 4: Do you agree with the proposed CIL rates for the specific strategic site areas?

Yes	X
No	

Comment:

SEE ATTACHED

Question 5: Do you have any views on the proposed Instalments policy?

Comment:

SEE ATTACHED

Question 6: Do you have any further comments to make? If so, please make your comments below, as clearly and concisely as possible. If you are referring to any particular text in the CIL DCS, please state the relevant paragraph number.

Comment:

SEE ATTACHED

Comments received will be acknowledged and registered and will then be carefully considered in preparing the final documents to go forward for Examination, prior to eventual adoption and implementation by the South Worcestershire Councils.

Signature

Date

16/05/2016

Responses to this consultation should be sent to the e-mail contact address and/or postal address shown at the top of this form. Please ensure all responses are marked for the attention of the South Worcestershire Development Plan Team.

Representations must be received by 5:00pm on 16 May 2016. Any representations made after that date and time will be considered "Not Duly Made" and will not be taken into account.

Thank you for completing the form.



**CONSULTATION RESPONSE TO
MALVERN HILLS DISTRICT COUNCIL,
WORCESTERSHIRE CITY COUNCIL,
WYCHAVON DISTRICT COUNCIL**

**REPRESENTATIONS TO
COMMUNITY INFRASTRUCTURE LEVY
DRAFT CHARGING SCHEDULE**

**ON BEHALF OF
BOVIS HOMES**

Date: May 2016
Ref: 16.098

1. Introduction

- 1.1 Cerda Planning Limited has been instructed by Bovis Homes to make representations on their behalf to Malvern Hills District Council, Worcester City Council and Wychavon District Council to the consultation document for the Community Infrastructure Levy – Draft Charging Schedule.
- 1.2 This document is accompanied by the relevant comments form.
- 1.3 These representations seek to ensure that the Charging Schedule is robust, well evidenced and will not put at harm the overall delivery of housing. To that end the Charging Schedule must be founded upon sound and credible evidence and methodology used establish the proposed charges should be reasonable and fit for purpose. These representations have been prepared in that context and with particular reference to Regulation 14 of the Community Infrastructure Level Regulations. In doing so, the representations address the two principle tests outlined in the Department for Communities and Local Government Guidance Document "Community Infrastructure Levy Guidance: Charge Setting and Charging Schedule Procedures". These are:
- i) The potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area; and
 - ii) The need to strike an appropriate balance between the desirability of funding from CIL and the expected estimated total cost of infrastructure required to support development.

2. Representations

- 2.1 **Question 1: Do the South Worcestershire Council's Draft Charging Schedules strike an appropriate balance between the desirability of funding infrastructure from the Levy and the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across the area?**
- 2.2 Paragraph 173 of the National Planning Policy Framework (NPPF) states that in pursuing sustainable development, careful attention has to be paid to viability and costs in plan making and decision taking.
- 2.3 It goes on to outline the scale of obligations and policy burdens must not make sites unviable and thus undeliverable.

- 2.4 In establishing the appropriate level of CIL for residential development, it is essential, in accordance with Regulation 14 that CIL is not set at such a level that it will impact upon overall delivery of the strategic housing requirement. It is generally accepted that there are some sites on the margin of viability which will be rendered unviable by the introduction of CIL.
- 2.5 Once set CIL becomes a fixed development cost and is not generally subject to viability negotiations. Unlike Section 106 Agreements, which are negotiable, CIL has the potential to render development sites unviable where there are higher than average costs (i.e. construction costs, decontamination, abnormal foundations etc) or works required to support the delivery of development. The fact that CIL is non-negotiable means that it is particularly important to ensure that the level that is set will not impact upon the viability of residential development to the extent that it prevents the delivery of the housing requirement.
- 2.6 The effect of CIL charging levels being too high would mean housing sites being rendered unviable and the Council being unable to maintain a 5 year supply of deliverable housing sites, which would trigger a review of the adopted South Worcestershire Development Plan. It may also restrict the delivery of affordable housing, which through site specific s106 negotiations would be likely to be sacrificed in the interests of viability/deliverability.
- 2.7 Conversely if the CIL charging level is too low then the projects identified in the Regulation 123 list could not be delivered. This would increase pressure on existing services and hold back the local economy.
- 2.8 The Council's cautious approach to the CIL Levy is therefore endorsed and this will allow for rising construction costs and changing in economic circumstances.
3. **Question 2: Does the Regulations 123 list clearly and effectively set out the types of infrastructure that the South Worcestershire Councils intends will be, or may be, wholly or partly funded by CIL (or S106 agreements)?**
- 3.1 The Regulation 123 list sets out both broad areas which would be funded by the Levy as well as specific infrastructure projects and identifies whether these would be delivered by Section 106/Section 278 agreements or CIL.

- 3.2 The CIL charge is effectively an additional charge over and above those required in direct mitigation to a development. This is reflected in the Regulation 123 list where CIL would deliver strategic infrastructure and Section 106/Section 278 agreements would deliver site specific infrastructure.
- 3.3. The footnote to Appendix A sets out that Section 106 agreements should not normally be sought on any specific projects unless a specific project has been identified in the appendix. Site specific contributions should only be sought where the obligation is (a) necessary to make the development acceptable in planning terms, (b) directly related to the development and (c) fairly and reasonable related in scale and kind to the development (Regulation 122) and the associated pooling limitations.
- 3.4 The clarity provided by the appendix on delivery mechanisms is endorsed.

4. Question 3: Do you agree with the proposed CIL rates for each of the South Worcestershire Councils?

- 4.1 The proposed CIL rates as set out at Table 8 the CIL Draft Charging Schedules for Malvern Hills, Worcester City and Wychavon propose different charging rates for residential development outside of settlement boundaries. Worcester City has a charging rate of £0 per sq.m in these areas whereas Malvern Hills and Wychavon proposes a £40 per sq.m charge. As set out in the Draft Charging Schedule Background Document: Justifying the Levy (updated) this is due to a lower residual value per hectare for greenfield sites outside of the settlement boundary of Worcester City.
- 4.2 It is therefore considered justified that the proposed CIL level takes account of the residual value per hectare and adjust accordingly.

5. Question 4: Do you agree with the proposed CIL rates for the specific strategic site areas?

- 5.1 Cerda considers that Section 106 planning obligations are the most appropriate way of funding infrastructure on strategic sites as well as off-site infrastructure where this is related principally to the site.
- 5.2 Strategic sites have a heavier infrastructure burden that can affect deliverability. There should be flexibility for applications of this nature given the

impact that infrastructure provision can have on viability. This funding mechanism would allow for contributions to be negotiated on a site specific basis to improve deliverability given the importance that strategic sites play in the role of the South Worcestershire Development Plan.

6. Question 5: Do you have any views on the proposed Instalments policy?

6.1 An Instalments policy is considered a key part of CIL Charging Schedules in accordance with Regulation 69b of the CIL Regulations 2010 (as amended).

6.2 Appendix E sets out a draft Instalments policy which provides for larger CIL liabilities to be spread over more than one instalment and for any amount greater than £1,000,000 the Instalments (up to 4) are subject to negotiation on an individual basis.

6.3 This approach is endorsed as it will help ensure that deliverability of sites especially larger sites with significant infrastructure requirements. It is considered to strike the right balance between viability and securing the CIL liability in order to implement the infrastructure projects to create sustainable communities.

7. Question 6: Do you have any further comments to make? If so, please make your comments below, as clearly and concisely as possible. If you are referring to any particular text in the CIL, DCS, please state the relevant paragraph numbers.

7.1 No additional comments to make at this time.