

SOUTH WORCESTERSHIRE COMMUNITY INFRASTRUCTURE LEVY

Examination

Brief Additional Statement on behalf of Hallam Land Management

Introduction

- 1 Hallam Land Management is conscious that the Inspector is not expecting or inviting further written submissions prior to the Examination sessions on 29th and 30th November yet notes that there is a provision for additional written statements to be submitted where they are relevant to the original representation and provide essential additional information not in the original representation.
- 2 Mindful of this advice, this written statement is deliberately kept to a minimum. Further discussion of Hallam's concerns will take place at the Examination sessions.
- 3 While Hallam has set out a number of issues in representations to date, this statement focusses only on the CIL rate that should apply to the allocated site - Land off Abbey Road, Evesham (SWDP50/7).

Updated Position of the Local Planning Authority

- 4 Hallam's representations to date are that the nil rate that applies to the main urban area at Evesham should apply to Land off Abbey Road, rather than the district wide rate of £40 per sq metre for residential development.
- 5 Hallam considered that there wasn't the viability evidence to support a requirement of £40 per sq metre for the site. Hallam drew attention to the development costs and the lack of justification provided, then, for a £40 per square metre rate for the nearby and similar Cheltenham Road site in Evesham.
- 6 Following the Examiner's query the South Worcestershire Councils have updated their assessment of the ability of Cheltenham Road to support CIL - in particular having regard to the gross site area now of 19.0 hectares. The site was previously assessed on the basis of the net area assumed to be 11.7 hectares. In the light of the updated assumptions, the Councils accepted that *"on the larger site area of the revised calculations there is little scope for CIL"*.

In consequence “*SWC accept that this site is not now considered viable and consequently should be zero rated*” (CIL EX 08).

7 The Councils most recently considered the Land off Abbey Road (Evesham) (SWDP50/7) in CIL EX 09. In response to the Examiners Further Initial Queries regarding the Land off Abbey Road, the Councils appear to wish to retain the site outside the built up area of the Town - and hence continue to expect a CIL rate of £40 per square metre to apply to the site although a nil rate will now apply to the land at Cheltenham Road and the rest of the built up area of Evesham.

8 The reason for doing so, according to the Council, is an administrative one. The site is not supported for inclusion within the built up area of the town because “*this is a policy demarcation which is different to the Office of National Statistics built up areas data for the town used for the Main Urban Area boundary for Evesham*” (CIL EX 09 - question 4 response).

9 It is fundamental that CIL rates and charging areas are determined having regard to viability alone. Statistical definitions of built up areas should not preclude the correct setting of CIL rates.

Viability Information and Update including net to gross ratios

10 No site specific assessment of viability was conducted by the Council’s for the Land off Abbey Road, Evesham. The reason given was that “*the site was not assessed for viability as one of the sample ‘strategic sites’, mainly due to Evesham already being covered by the inclusion of the Cheltenham Road site*” (CIL EX 09).

11 The comparator or evidence base therefore is that in relation to the Land of Cheltenham Road in Evesham - just to the south.

12 However, it is now accepted by the Councils that the Cheltenham Road site does not offer scope for CIL and that a nil rate should apply to that site. In consequence there is no viability evidence to support the retention of a £40 per sq metre charge for the land off Abbey Road.

13 Nor is there evidence to support anything other than a nil CIL rate for any of the strategic sites allocated in the Development Plan. Those sites include a number that are smaller or similar in size to the Land off Abbey Road.

- 14 In terms of the site off Abbey Road (SWDP50/7), a fundamental consideration is the gross area of the site which is accepted by the Councils as the means by which viability should be assessed. As is set out in the Development Plan the gross area of the site is some 19.8 hectares - almost one hectare larger than the site assumed at Cheltenham Road for the purposes of its viability assessment.
- 15 The site area for the land off Abbey Road is set out in SWDP 50 and generally accords with the planning application that is lodged for the site which mirrors the allocation boundary (but which, at 20.1 hectares, also includes a small area of highway). However, the development plan provides for an indicative capacity of 200 dwellings on the site. This compares and contrasts with the provision for approximately 500 homes on the comparable Cheltenham Road site.
- 16 It is inconceivable the land off Abbey Road, with a similar site area, yet with substantially less development proposed, in the same town with the same sales values and build costs, would be viable when the land off Cheltenham Road is clearly not.
- 17 Indeed, there are real restrictions in terms of floodplain and other policy expectations in respect of the Land off Abbey Road that restrict the capacity and value of the site. Policy SWDP50/7 also requires an extension to the riverside meadows (viii), built development to be set back from Boat Lane to its north and south, low rise development to be located along the western edge of the site.
- 18 The present planning application for the site was lodged prior to the approval of the Development Plan and sought to accommodate significantly more than the indicative figure of 200 dwellings now proposed in the adopted plan and the finalisation of the wording of the policy. Still it had less than 10 hectares of residential development.
- 19 A revised submission is imminent, that responds to the now adopted development plan and the various representations on the earlier application. It will provide for less than 8 hectares of built development within the site of 19.8-20.1 hectares (i.e. less than 40%). This is substantially below that proposed at Cheltenham Road, and that assumed in the Councils' viability

assessment in relation to generic greenfield sites of 200 dwellings (where it is assumed that at least 60% of the site would be developed).

20 This additional information - whether in the form of the updated assessment of Cheltenham Road or in terms of the net and gross areas of the Abbey Road site - presents substantive evidence that convincingly demonstrates that a £40 per sq. metre CIL rate is not viable in relation to land off Abbey Road. Instead only a nil rate can be justified and the boundary of the nil CIL rate zone should be adjusted to include the allocation shown on the Proposals Map for the land off Abbey Road (SWDP50/7).

21 Moreover, Hallam Land is concerned that many of the remaining assumptions employed in the Councils' updated CIL Viability Study are not robust. Hallam land has considered the representations made by Savills on behalf of a Housebuilder Consortium and in particular that consideration of the assumptions and conclusions drawn in the Council's CIL Viability study in January 2016 - both in relation to Cheltenham Road and the 200 dwelling typology. Those concerns include:

- the lack of evidence to support the Benchmark land values;
- the lack of comfort in relation to a viability buffer;
- the employment of sales values of £2,620 per sq metre (for Cheltenham Road) and £2,890 for the generic 200 dwellings typology which in both instances appears to be too high in the light of the evidence presented (a seemingly more realistic assumption of £2,387 per square metre appearing to reflect the evidence)
- overly conservative baseline construction costs of £969 per sq metre (the most recent evidence - attached - suggesting a current build cost rate of £1,127 generally in relation to estate housing in Wychavon);
- the lack of provision for external works or abnormal costs in the development costs assumed;
- the conservative estimation of infrastructure costs associated with the development which do not reflect the evidence from the IDP (for instance - in relation to primary and secondary education costs for the site set out on page 126 of the IDP (as updated in July 2016) (in excess of £500,000 for each)

- 22 Other factors raised by Savills include in relation to affordable housing revenues, consideration of garages etc etc.
- 23 Nor would the viability assessment have taken account of the specific requirement for low rise development along the western edge which will limit values.
- 24 What is clear is that - having proper regard to the gross area of Cheltenham Road and of land off Abbey Road - there is no basis in viability terms for a CIL rate of anything but a nil rate for the land off Abbey Road.
- 25 This is irrespective of the need to amend the assumptions employed in the CIL Viability Study. When such necessary adjustments are made - as is demonstrate din the work of Savills for instance - the lack of viability to support a CIL charge in respect of land off Abbey Road is further emphasised.

Appendix 1

Updated Build Costs

£/m² study

Description: Rate per m² gross internal floor area for the building Cost including prelims.

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› Rebased to Wychavon (106; sample 15)

Maximum age of results: Default period

Building function (Maximum age of projects)	£/m ² gross internal floor area						Sample
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest	
New build							
Estate housing							
Generally (15)	1,127	557	963	1,096	1,241	3,629	1840
Single storey (15)	1,250	649	1,074	1,218	1,424	2,126	312
2-storey (15)	1,098	557	954	1,073	1,208	2,182	1392
3-storey (15)	1,116	720	916	1,058	1,251	2,296	134
4-storey or above (25)	2,087	1,208	-	1,755	-	3,629	4
Estate housing detached (15)	1,238	857	1,017	1,276	1,332	1,924	17
Estate housing semi detached							
Generally (15)	1,132	567	980	1,110	1,247	2,126	429
Single storey (15)	1,312	789	1,122	1,309	1,462	2,126	77
2-storey (15)	1,096	567	971	1,075	1,204	1,924	333
3-storey (15)	1,048	773	869	1,026	1,123	1,663	19
Estate housing terraced							
Generally (15)	1,143	557	959	1,101	1,274	3,629	400
Single storey (15)	1,221	733	1,020	1,147	1,448	1,858	54
2-storey (15)	1,125	557	958	1,093	1,241	2,182	287
3-storey (15)	1,119	731	913	1,050	1,203	2,296	58
4-storey or above (5)	3,629	-	-	-	-	-	1
Flats (apartments)							
Generally (15)	1,350	659	1,126	1,288	1,524	4,618	883
1-2 storey (15)	1,275	754	1,102	1,238	1,410	2,439	210
3-5 storey (15)	1,325	659	1,115	1,284	1,511	2,637	592
6+ storey (15)	1,735	986	1,404	1,659	1,909	4,618	77