

Christchurch and East Dorset Community Infrastructure Levy Draft Charging Schedules for Christchurch and East Dorset RESPONSE FORM

Your Details

Agent's Details
(please **only** complete if you are using an agent)

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Question 1: Do you wish to be heard in support of your representations at the Public Examination of the Draft Charging Schedule?

Please note that the Inspector will decide if a public hearing session is required as part of the examination process. You may choose to request to appear at a public hearing to clarify your comments, but you must communicate this to the Council before the close of the consultation. If you do not wish to be heard at the examination, your written representations will carry the same weight as those made by respondents who appear and are heard in support of their representations.

No, I do not wish to participate at the oral examination:

Yes, I wish to participate at the oral examination:

Question 2: Do you agree or disagree with the proposed rates contained in the Draft Charging Schedule?

Agree:

Disagree:

Further comments on Question 2:

Please see accompanying statement

Question 3: Do you think that the proposed CIL rates strike an appropriate balance between the desirability of funding infrastructure through CIL and the potential effects of imposing a CIL on the Borough and District?

Please see accompanying statement

Question 4: Do you believe the evidence on viability is correct? If not, please set out alternative evidence to support your view?

Please see accompanying statement

Question 5: Do you agree or disagree with the Councils' approach to discretionary relief?

Agree:

Disagree:

Further comments on Question 5:

Question 6: Do you have any comments on the draft Regulation 123 list which sets out the infrastructure to be funded by CIL and where the Councils will continue to seek S106/S278 contributions?

please see accompanying statement

Question 7: Do you agree or disagree with the draft CIL instalments policy?

Agree:

Disagree:

Further comments on Question 7:

Please see accompanying statement

Question 8: Do you agree or disagree with the draft 'payment in kind' policy?

Agree:

Disagree:

Further comments on Question 8:

Please see accompanying statement

Question 9: Any other comments

Please indicate if you wish to be notified of any of the following:

- That the Draft Charging Schedules have been submitted to the examiner in accordance with Section 212 of the Planning Act 2008.
- The publication of the recommendations of the examiner and the reasons for those recommendations
- The approval of the Charging Schedules by the charging authorities

Please sign and date:

Signature:

Date:

18/06/2014

Please send completed forms by **Wednesday 18th June 2014** to:
East Dorset District Council, Council Offices, Furzehill, BH21 4HN

Or, alternatively email them to **planningpolicy@christchurchandeastdorset.gov.uk**

Please note: Comments cannot be treated as confidential and therefore by responding, you are agreeing to your information being disclosed to third parties.

All comments made must be supported by your full name and address. Comments will be published on the Council's website along with your full name.

Data Protection (Please tick the relevant boxes)

I/we understand that Christchurch Borough Council / East Dorset District Council will use the information that I/we have provided for the purpose of the Community Infrastructure Levy. I/we consent to Christchurch Borough Council / East Dorset District Council disclosing my/our information to third parties for this purpose.

I understand that I/we have the right to ask for a copy of the information held about me/us and which is subject of Data Protection Act 1998 (for which Christchurch Borough Council / East Dorset District Council may make a charge) and to correct any inaccuracies in my/our information.

Data Protection Act 1998: Any information provided will be treated in strict confidence and will be held on and processed by computer.



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LAND AT RINGWOOD ROAD, VERWOOD

Community Infrastructure Levy – Draft Charging Schedules for Christchurch and East Dorset

Prepared by Boyer Planning on behalf of Linden Homes Strategic Land
June 2014

REPORT CONTROL

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1. INTRODUCTION

- 1.1 This representation has been prepared by Boyer Planning on behalf of Linden Homes Strategic Land in respect of the Christchurch and East Dorset Draft Charging Schedules. The consultation exercise expires on 18th June 2014.
- 1.2 Our client is a major national housebuilder and developer with important land interests in East Dorset, in particular at Verwood. As such our response focuses on the Draft Charging Schedules' requirements with respect to housing.
- 1.3 We respond to each of the questions posed in the consultation document in turn in Section Two of this report.

2. RESPONSE TO CONSULTATION

2. Do you agree or disagree with the proposed rates contained in the Draft Charging Schedules?

- 2.1 The Councils' proposed CIL Charging Schedules have been informed by the Peter Brett Associates Community Infrastructure Levy Viability Testing (June 2013). Given the concerns we have in relation to the Councils' evidence base, as outlined in response to question 4 below, we are unable at this stage to agree with the proposed rates contained in the Draft Charging Schedules.

3. Do you think that the proposed CIL rates strike an appropriate balance between the desirability of funding infrastructure through CIL and the potential effects of imposing a CIL on the Borough and District?

- 2.2 Subject to the updating of the viability assessment in line with our comments in relation to question 4, overall we consider that the approach taken by the Councils strikes an appropriate balance between the desirability of funding infrastructure through CIL and the potential effects of imposing a CIL.

4. Do you believe the evidence on viability is correct? If not, please set out alternative evidence to support your view?

- 2.3 An updated viability assessment (June 2013) has been prepared by Peter Brett Associates (The June PBA report) to inform the proposed CIL charges across the two authorities which are the subject of the current consultation. The June PBA report forms an update to the report previously prepared by PBA dated January 2013. The June PBA report notes that the main changes to the report are as follows:

- At Appendix 5, PBA have added work which explores the impact on CIL charging of assuming affordable housing provision at 35%.
- On the residential appraisals, PBA have made improvements to the way interest is calculated, and then to the way that the available developer surplus is applied to chargeable floorspace.
- PBA have clarified that they are calculating profit assumptions on residential development at 20%.

- 2.4 Our primary concern with regard to the viability assessment which underpins the Draft Charging Schedules is with the level of affordable housing used in the calculation. The June PBA report has viability tested housing assuming 35% affordable housing. Although the level of affordable housing used in the assessment has increased from the 30% used in the previous report, this continues to fall short of the level sought by the Joint Core Strategy.

- 2.5 Policy LN3 of the newly adopted Joint Core Strategy states that:

“All greenfield residential development which results in a net increase of housing is to provide up to 50% of the residential units as affordable housing in accordance with the Policy Delivery Requirements and Affordable Housing Requirements unless otherwise stated in strategic allocation policies. All other residential development which results in a net increase of housing is to provide up

to 40% of the residential units as affordable housing in accordance with the Policy Delivery Requirements and Affordable Housing Requirements.”

2.6 The viability assessment should therefore be undertaken on the basis of 40% affordable housing provision as a minimum. Furthermore, given the importance of the delivery of the new neighbourhoods to meet the Councils housing requirements, there would be strong justification for the viability testing to be based on 50% affordable housing to ensure the plan is deliverable.

2.7 The issue of inconsistency between the level of affordable housing assumed for CIL viability purposes and the level sought by policy was raised in the examination of the Mid Devon District Council CIL Charging Schedule in November 2012. The Council assessed the viability of their proposed CIL rate on the basis of 22.5% affordable housing whereas the policy requirement was for 35% affordable housing (a 36% reduction on its target). The Inspector concluded that:

“The Council should have taken all its policy requirements, including affordable housing, into account when setting the CIL rate and on this basis it can be concluded that the viability evidence, on which the proposed charge of £90 per sqm is based, is not robust...”

On the issue of affordable housing I conclude that the Council should have based its analysis on the foundation provided by the adopted DP and that the calculations should have reflected the 35% affordable housing target. I therefore recommend that the Charging Schedule is modified accordingly by reducing the charge from £90 per sqm to £40 per sqm.”

2.8 As such, it is recommended that further viability testing be undertaken on the basis of both 40% and 50% affordable housing in order to provide a sound evidence base from which the Councils can propose an appropriate residential CIL tariff.

2.9 We note the Whiteleaf Viability work, summarised in the paragraphs 4.8 – 4.11 of the consultation document, concludes that four of the new neighbourhood sites could be viable at 40% affordable housing and CIL at £100 per square metre. However, it is important to note that this report did not assess all of the new neighbourhood sites (Verwood for example is excluded) and it cannot therefore be relied upon in making judgements about the viability of affordable housing percentage / CIL rates for all the new neighbourhood sites.

2.10 The lack of assessment of all the new neighbourhood sites also raises the potential for abnormal costs which could affect the viability of these developments not having been factored in. The abnormal costs in relation to the Christchurch urban extension have been included in the viability assessment and were a matter of consideration in the examination of the Joint Core Strategy. It is considered that further assessment is required of the new neighbourhood sites to understand any abnormal costs and to ensure that the proposed CIL tariff does not make the Joint Core Strategy undeliverable. This assessment must also take account of the impact of residual Section 106 costs required from these developments.

5. Do you agree or disagree with the Councils' approach to discretionary relief?

2.11 We have no comments in relation to this matter.

6. Do you have any comments on the draft Regulation 123 list which sets out the infrastructure to be funded by CIL and where the Councils will continue to seek S106/S278 contributions?

2.12 The Draft Regulation 123 List is included at Appendix A of the consultation document. It is noted that heathland mitigation is included under both infrastructure to be funded wholly or in part by CIL and infrastructure and other items to be funded through S106 Obligations, S278 of the Highways Act, other legislation or through planning condition. The elements of heathland mitigation are subdivided between the two categories as follows:

Infrastructure Category	Infrastructure to be funded wholly or in part by CIL	Infrastructure and other items to be funded through S106 Obligations; S278 of the Highways Act; other legislation or through Planning Condition
Heathland Mitigation	Heathland mitigation schemes including SANGs Strategic / Cross border projects e.g. Stour Valley	Existing schemes identified in the Heathlands Interim Planning Framework S106 Agreements for management of SANGs in perpetuity Strategic access management which include site wardening, education and measures to control harmful activities on the heathland

2.13 It is a key requirement within the CIL Regulations (and accompanying statutory guidance) for local authorities to ensure that developers are not charged twice for the same item of infrastructure. The above table therefore provides helpful clarity as to the distinction between those elements which will be encompassed by CIL and those which will not.

2.14 With regards to the new neighbourhoods however the Core Strategy policies require the on-site provision of SANG. Therefore, this could lead to the situation where a strategic site would have to provide on-site SANG as well as pay CIL, which would then be used to provide SANG elsewhere in accordance with the Regulation 123 List. This would lead to double charging contrary to the CIL Regulations.

2.15 Appendix C of the consultation document does however provide for a CIL Payment in Kind Policy. The Policy allows the Councils to accept one or more infrastructure / and or land payments in satisfaction of the whole or part of the CIL due in respect of a chargeable development. It is therefore assumed that the Councils anticipate that the transfer of onsite SANG will be used to fulfil at least part of the CIL obligations of these developments. This is further supported by the inclusion of SANG in the viability assessment as an area to be funded in its entirety by CIL.

2.16 It is considered that if such a transfer were to be allowed under the Payment in Kind Policy this would ensure that there was no double charging in relation to heathland mitigation measures and would ensure the Charging Schedules were in accordance with the CIL Regulations. This principle shall be made clear in the Appendix C statement of the payment in kind policy.

7. Do you agree or disagree with the draft CIL instalments policy?

- 2.17 We support the inclusion of a CIL instalments policy. House builders do not generally have sufficient cash reserves to finance development projects without obtaining additional finance and the introduction of an instalments policy seeks to address this.
- 2.18 This is of particular importance due to the critical role which strategic allocations play in the overall strategy for the authorities. Due to the large scale nature of the strategic allocations the instalments policy will be of particular importance in ensuring their delivery.
- 2.19 Although the principle of the inclusion of a CIL instalments policy is supported, it is considered that further evidence is required in order to assess the suitability of the proposed payment periods and amounts. As set out above the instalments policy will be key in ensuring that the proposed new neighbourhoods, and the Joint Core Strategy as a whole, are delivered. It is therefore important to ensure it is based on a sound evidence base.

8. Do you agree or disagree with the draft 'payment in kind' policy?

- 2.20 Our comments in relation to the draft Payment in Kind Policy have been discussed in response to question 6 and as such are not repeated here.

3. CONCLUSION

- 3.1 The Draft CIL Charging Schedules as currently drafted are not based on a robust evidence base. The accompanying viability assessment needs to take account of the affordable housing requirements of the adopted Joint Core Strategy so as to accurately assess the viability of developments.
- 3.2 We support the proposed instalments policy and the payment in kind policy.




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