

Representations for Community Infrastructure Levy - Preliminary Draft Charging Schedule

Community Infrastructure Levy - Preliminary Draft Charging Schedule

<u>Ref.</u>	<u>Rep No.</u>	<u>Applicant</u>	<u>Agent</u>
LDF/0055	4	Highways Agency	

Document Section: Community Infrastructure Levy - Preliminary Draft Charging Schedule

Comment

Representation:

Whilst I have no comments to make on the proposed charging rates, I do have a concern about the level of funding gap (£35million) and in particular, the transport funding gap. The schedule reports that there is currently no potential funding in place for the completion of the new transport infrastructure, much of which may be essential in order for the development to take place. My comments earlier in this letter with regard to the potential increasing cost of the mitigation schemes are also relevant here.

I should advise you that unless improvement schemes to the Strategic Road Network are already committed it should not be assumed that the Highways Agency will be able to fund any improvements to the Strategic Road Network. It is likely that developers will be the main source of funding for the mitigation measures required.

You will also be aware of the risk associated with the apportionment of infrastructure costs between different authorities. I am sure you are already in discussion with Stevenage Borough Council regarding the assumptions made to do with infrastructure, including the split of costs that has been assumed in the NHIDP..

Finally, I should mention the work that the Local Enterprise Partnership are doing regarding the A1(M). As you know they are holding a workshop in the near future with the objective of developing a long term strategy for the A1(M) and looking at quick wins that will help to facilitate the growth required in the area. The Highways Agency are a key partner in this. The Local Transport Body has also identified the A1(M) as one of their top five priorities and again, we are supporting them in the work that will need to be completed.

I have welcomed the opportunity to respond to the consultations and hope that my comments are useful. If you have questions then please do not hesitate to contact me.

LDF/0060	28	Sport England - East Region
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Support

Representation:

Sports Facilities

Sport England would wish to confirm its support for sports facilities being included in the range of infrastructure in the IDP that will form the basis for securing contributions through CIL. The approach taken to sports facility provision in section 12 of the IDP is broadly supported as the Council's Sports Facilities Strategy (2010) provides a robust and relatively up-to-date evidence base for informing current and future facility needs and identifying priority projects to address these needs. The two projects that have been identified in the IDP for addressing needs are considered to represent an appropriate response to the needs identified in the strategy and are consistent with the strategy. The Council is therefore considered to have a sound basis for including sports facilities in the IDP and I would expect CIL contributions to be used towards implementing the projects identified.

It is recognised that the IDP will be a consistently evolving plan but at this stage it is recommended that the Council give consideration to the following matters for the purposes of informing and justifying the CIL:

Sports Facility Coverage: The two projects identified at Hitchin Swimming Centre and North Herts Leisure Centre focus on projects that will assist to address swimming pool and sports hall needs. While it is acknowledged that these facility types represent two of the main sports facility types, the sports facility strategy identified a wider range of facility needs. For example, a need for additional and enhanced synthetic turf pitches was identified which is pertinent as this is one of the fastest growing sports facility types.

Furthermore, the two projects identified relate just to leisure facilities controlled directly by the Council. In practice, community sports facilities in North Hertfordshire are provided by schools, colleges, sports clubs etc. as well as the Council. In particular, there are several leisure facilities provided on school/college sites which have formal dual use arrangements (e.g. Royston Leisure Centre, Knights Templar Sports Centre) in areas of the district where the Council does not have its own facilities. The sports facilities

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strategy has identified that facilities managed by other providers may also require expansion or enhancements over the period covered by the IDP/CIL. Even though some of these facilities may still be relatively modern and in less need of investment in the short term, over the period of the IDP/CIL they are likely to require refurbishment to continue to meet the expectations of the community.

There is therefore a potential concern that if the IDP, and consequently the CIL, focus on the delivery of just the two projects identified that the needs generated by residential development across the whole district for the range of sports facility needs identified in the strategy may not be met. It is also important that facilities which meet community needs which are not controlled by the Council are not excluded from benefiting from investment received through the CIL. Consideration should therefore be given to extending the range of sports facility projects included in the IDP based on the content of the strategy with a view to achieving a wider coverage in terms of facility types, providers and spatial coverage;

Relationship between Facility Projects and Development Sites: The two projects identified are considered to be well located for meeting much of the expected housing growth in the district as they are sited in the two largest towns which would may incorporate some of the potential strategic sites plus many of the non-strategic sites. However, depending on the scale and location of the strategic sites that are selected by the Council, there may be a need to review the facility projects identified in the IDP to ensure that the projects are suitable for meeting the needs of the strategic sites. For example, if the strategic sites around Stevenage or Luton were identified, it would be difficult to justify using any CIL receipts from developments in these locations towards delivery of the projects identified in the IDP as the residents of these developments would be expected to use facilities outside of North Hertfordshire for meeting their sports facility needs. The same point would apply to non-strategic sites in parts of the district that are remote from the two facility projects e.g. Royston.

It is therefore recommended that the range and location of the sports facility projects identified in the IDP is reviewed following decisions about the proposed location of residential allocations in order to ensure that the projects identified are suitable for meeting the needs of these developments. Such an approach will also be required to meet the CIL regulations and the NPPF.

Facility Costs: Further work will need to be undertaken to estimate the costs of implementing the facility projects identified in the IDP to ensure that it is robust as possible as the estimated costings for the North Herts Leisure Centre project are very indicative at this stage for instance. Decisions will need to be made about the scope of the projects, the facility mix etc. to inform this supported by estimates. Sport England is happy to provide further advice on this matter.

Developer Contributions Calculation: It is proposed (in paragraph 12.16 of the IDP) that contributions sought from new development will be calculated by using the standard charge per person cost provided in the Council's Planning Obligations SPD (2009) which was based on the costs of developing the Royston Leisure Centre. The methodology used for calculating the contribution for the purposes of the SPD is considered to be robust for applying the SPD. However, the contributions are based around the costings of a facility that was procured around 10 years ago and over this period there have been significant changes to the design and specifications of leisure centres. Furthermore, the scale and nature of the projects identified in the IDP will be different to the Royston Leisure Centre. If this methodology is used for calculating the level of contributions that should be secured in the future through new development, it is considered to be vulnerable to being challenged.

Sport England would recommend that to accord with the NPPF and CIL regulations, developer contributions are calculated in the future on the basis of the estimated costs of delivering the projects identified in the IDP as there would then be a transparent relationship between the current evidence base in the strategy (which was prepared after the Planning Obligations SPD), the facility projects identified in the IDP to address the strategy needs and the developer contributions (secured through CIL or planning obligations) towards implementing these projects. I would wish to advise that following discussions with the Government, Sport England is preparing a 'good practice' guide to replace the PPG17 Companion Guide which has recently been revoked. It is expected that this guide will provide further advice on the recommended approach to securing developer contributions towards sports facilities but the approach set out above is considered to be more likely to be consistent with emerging thinking on this matter.

Green Infrastructure

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Sport England would support outdoor sports facilities, as part of wider green infrastructure, being included in the IDP in principle because the additional population associated with residential development is likely to generate a need for additional facilities which if not provided directly by the development or through off-site provision being made (through developer contributions secured by planning obligations/CIL) will place more pressure on existing facilities which may not have capacity for meeting additional needs.

However, the IDP is objected to in relation to the approach taken towards the outdoor sports facility element of green infrastructure as the evidence base (the North Herts Green Space Study) for justifying provision being made is not considered to be sound. Sport England has previously raised concerns about the evidence base for outdoor sport through the Facilities Improvement Service support provided by Sport England to the Council between 2008-2010. In summary, the methodology used for assessing the supply and demand for outdoor sports facilities is not considered to be robust and would not accord with Sport England's established methodology set out in its Towards a Level Playing Field guidance www.sportengland.org/facilities__planning/planning_applications/playing_field_land/playing_pitch_strategy.aspx which has become the industry standard methodology for assessing outdoor sports facility needs. Further detail of our concerns can be provided on request, but based on our experience it is considered that if the evidence base was scrutinised through the emerging local plan or the CIL preparation process it may be successfully challenged which may prejudice the Council's ability to secure developer contributions towards this type of green infrastructure. To address this it would be necessary to undertake an up-to-date assessment of outdoor sports facility needs which could be used as a basis for developing a strategy that would inform the projects that developer contributions could be secured towards. Sport England can provide further advice upon request about the preparation of sports facility assessments and strategies.

Notwithstanding the concerns raised about the evidence base that underpins the IDP for outdoor sports provision, I would wish to make comments on the following matters:

Use of Standards: It is acknowledged that local standards have been used for informing outdoor sports requirements of the proposed population growth associated with residential development. While this approach would have accorded with PPG17 at the time the Green Space Study was prepared, it should be noted that the NPPF no longer advocates the use of quantitative standards for determining future needs and it is considered unlikely that the new 'good practice' guide that Sport England is preparing to replace the revoked PPG17 Companion Guide will advocate the use of local standards for outdoor sport. The problem with using generic outdoor sports facility standards for calculating growth requirements is that the facility requirements generated may not in practice be responsive to meeting the future needs actually identified by the community plus it is often difficult to deliver these requirements in practice due to the lack of suitable land in the areas where new facilities are required. This is exemplified by table 40 of the IDP which identifies that an additional 39 hectares of outdoor sports provision is required to meet the projected needs of new development. However, in practice apart from the potential to make on-site provision as part of some of the potential strategic sites, there are no proposals in the IDP for delivering this level of additional provision as all of the proposals in the action plan in table 41 relate to improvements to existing facilities. Furthermore, in many areas deficiencies of a qualitative nature are a more significant issue and a higher priority for investment than new facilities (e.g. replacement/refurbished pavilions, improved quality pitches etc.) which a quantitative standard would not respond to.

If a revised assessment of needs was prepared this would be expected to develop an alternative approach to quantitative standards for addressing the identified needs based around a programme of new and enhanced outdoor sports facility projects arising from the evidence base i.e. a similar approach to that proposed for sports facilities in section 12 of the IDP. New developments could then contribute towards delivering these projects. As well as the new 'good practice' guide referred to above, Sport England will shortly be publishing a revision of the 'Towards a Level Playing Field' guidance which will provide more up-to-date advice on the approach to addressing outdoor sports needs identified through needs assessments which will not advocate the use of local standards.

Due to the time it would take to prepare a new evidence base and an alternative approach to securing new and improved outdoor sports facilities through residential growth, no objection would be made to using the standards on an interim basis but it is advocated that this approach be revised as soon as possible as part of a review of the evidence base.

Programme for Outdoor Sports Facility Investment: No objection is made to the projects identified in table 41 being used on an interim basis for securing contributions through planning obligations or CIL as it is expected that all of these projects could be justified individually due to the need to implement them to address qualitative deficiencies.

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However, as set out above, due to the lack of an up-to-date evidence base which Sport England considers to be robust, it is considered likely that there may be additional or alternative projects that would emerge if an up-to-date outdoor sports facility strategy was prepared.

Similar issues are raised to those set out above with regard to sports facilities in terms of the range of facility types covered, the geographical spread across the district and the absence of facilities managed by providers other than NHDC. For example, in terms of facility types, the programme appears to focus on playing fields used for football and MUGAs although based on local intelligence provided by sports governing bodies there are facility project needs in the area for sports such as cricket, rugby and hockey which are not represented in this programme. In terms of geographical spread, there are no facilities identified outside of the main towns but many of the villages will have playing fields which are likely to be in need of investment. As well as NHDC, outdoor sports facilities in the district are provided to the community by a range of bodies including town/parish councils, sports clubs and schools/colleges. However, none of the projects in the programme would appear to be on sites managed by such bodies.

In addition, the same comment raised above for sports facilities in relation to the link between facility projects and developments would also apply for outdoor sports facilities especially as outdoor sports facilities are less strategic in nature and therefore have smaller more local catchments than leisure centres for instance. This is pertinent in relation to the potential strategic sites adjoining Stevenage and Luton and to non-strategic developments in villages where contributions towards more local projects than those identified in the IDP are likely to be appropriate.

It is therefore recommended that the list of projects in the programme is revised following the preparation of a new assessment and strategy for outdoor sport which accounts for the issues identified above. This will need to account for the potential on-site outdoor sports facilities that strategic sites could accommodate which is difficult to assess until decisions are made about the site allocations.

LDF/0077	25	Knebworth Parish Council
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Representation:	<i>Support</i>	

Knebworth Parish Council supports the proposals for the Customer Infrastructure Levy.

LDF/0467	35	Barker Parry Town Planning
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Representation:	<i>Comment</i>	

The Consultation Paper on the face of it ticks most boxes and seems to be broadly compliant with legislative provisions. What concerns us, however, are the underlying assumptions, which are unique to each local planning authority, and ultimately determine the figures and zoning put forwards in the consultation document. The latter relates throughout to the different tariff, which although not yet mapped effectively, relates to a lower figure for the Stevenage/Luton fringes and a rest-of district figure. That in itself, as a matter of principle, is not objectionable, although it is arguable that adopted CIL tariffs could be controlling the direction/promotion of development, in particular where there is a settlement planning policy vacuum.

This of course is precisely the situation in North Hertfordshire and turning to the two supporting documents (the DSP Report and your in-house Infrastructure Delivery Plan (IDP) for North Hertfordshire 2011-2031), it is noted that both refer to the potential for development in the above mentioned fringe areas. Indeed, the IDP in Section 5 "Planned Growth" has assumed that 4,500 dwellings will come forward on already identified Priority 1 and 2 SHLAA sites and 6,200 dwellings on strategic sites (unspecified) to reach the currently promulgated (Housing Growth Options) 10,700 headline dwelling figure.

The text does acknowledge that this may change with the next draft of the Local Plan. However, given that the strategic sites area all new and until today are the subject of public consultation (indeed as is the 10,700 figure), it seems that the whole CIL document rests on very shaky foundations. In particular the assumption that 6,200 dwellings will be on a strategic site or strategic sites. As these sites have a notional capacity of 21,300 dwellings and not all are in the "cheaper" locations on the fringe of Stevenage or Luton

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<p>(almost half are in the higher value zone), then either decisions have already been made on how much and where housing is to go or the basis of the charging schedule may radically change.</p> <p>As with the emerging Local Plan (see separate submissions), the proverbial cart appears to be before the horse. It is not all clear how the infrastructure need, the funding gap, the tariff and the need for zones can be calculated in these circumstances. The whole exercise is based on assumptions relating to key matters, the consultation for which has run in parallel with the CIL documents. On the assumption that the quantum of housing and its location is not yet agreed, then the CIL Schedule and the accompanying documents upon which it rests are likely to need revising. We can only conclude that this consultation exercise is premature.</p> <p>On a more general matter it appears that the 'tax' on most residential development will be approximately doubled, compared to the recent and current developer funding provision. That is hardly conducive to the government's aim of stimulating the economy and getting the country building again. An even greater concern must be that with CIL being non-negotiable and S106 Agreements running in parallel on many sites, if only to secure affordable houses, then it is these contributions and particularly affordable provision which will suffer as a result of economic viability. The outcome could be either no development or development and a full quota of CIL payments, but no affordable provision.</p> <p>In the longer run, applicants must obviously accept responsibility for costing both CIL and S106 contributions before they purchase sites. Presently though, there are sites purchased some time ago or sites where applications have lapsed or need renewing or revising, where the increased costs could stifle development. Further, if land owners are to be believed, then they may not release sites in the hope that the system will change. In all cases, the timing of the introduction of CIL, which I appreciate if not of your Council's making, could not be worse for the development industry.</p>			

LDF/0539	65	E.W. Pepper Ltd	Bidwells
Document Section:	Community Infrastructure Levy - Preliminary Draft Charging Schedule		
Representation:	<i>Comment</i>		
<p>1 Introduction</p> <p>1.1 These representations have been prepared by Bidwells on the behalf of E.W. Pepper Ltd in response to the consultation paper dated February 2013 in respect of the North Hertfordshire Community Infrastructure Levy Preliminary Draft Charging Schedule.</p> <p>1.2 E.W. Pepper Ltd is a significant landowner in North Hertfordshire and has control of land at Ivy Farm in Royston. This site is identified as a Priority 2 location for residential development and is therefore likely to be required in order to meet the identified housing needs of the District. In view of E.W. Pepper Ltd's land interests and their intention to develop land at Ivy Farm in Royston, they are an important stakeholder.</p> <p>1.3 E.W. Pepper Ltd does not object to the concept of CIL, however, we have identified a number of concerns in the ensuing representations which have the potential to compromise the delivery of new development. It is extremely important to ensure that the proposed charging schedule is sufficiently robust to ensure that the levy will not inhibit the viability of appropriate development schemes now or in the future.</p> <p>1.4 Our representations take into account both the CIL Regulations 2010 and the CIL Amendment Regulations 2011 and 2012.</p> <p>1.5 It is noted however that Draft Statutory Instrument 2013, The Community Infrastructure Levy (Amendment) Regulations 2013, has been laid before the House of Commons in accordance with Section 222(2) (b) of the Planning Act 2008. This new legislation is expected to come into force in Spring 2013 and therefore the emerging Community Infrastructure Levy for North Hertfordshire will need to take account of all relevant amendments.</p> <p>2 General Comments</p> <p>Infrastructure Requirements</p> <p>2.1 Paragraph 12 of the CIL Guidance 2012 requires the charging authority to identify the total cost of infrastructure that it desires to fund in whole or in part from the levy. In order to do this, the charging authority must consider what additional infrastructure is needed in its area to support development and what other funding sources are available. Paragraph 14 confirms that this process should identify a Community Infrastructure Levy infrastructure funding target.</p> <p>2.2 The supporting documentation published with the Preliminary Draft Charging Schedule includes the Infrastructure Delivery Plan for North Hertfordshire 2011-2031 (IDP). Although the IDP does, to an extent, identify existing infrastructure deficiencies and provides an infrastructure delivery schedule, this list does not provide sufficient detail to</p>			

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		confirm how much funding will be drawn from CIL in order to deliver each infrastructure element. In many cases the IDP does not even quantify the funding needed to deliver a specific project, noting that it is not known.	
	2.3	Accordingly the IDP does not provide a CIL infrastructure funding target, as required by paragraph 14 of the Guidance. It is therefore not possible to assess whether the levy proposed by the Preliminary Draft Charging Schedule is commensurate to the infrastructure requirements of the district.	
		Distribution of Levy	
	2.4	One of the principal amendments emerging through the Draft Statutory Instrument 2013 is an obligation for Local Planning Authorities to pass 15-25% of CIL receipts to Parish or Town Councils. Although the full weight of this obligation will only apply where a Neighbourhood Plan is in place, it will potentially have a significant bearing on the distribution of funds and could therefore also have implications for the funding of particular projects. The emerging CIL must take account of this change.	
		Regulation 123 List	
	2.5	CIL Regulation 123 restricts the use of planning obligations for infrastructure that will be funded in whole or in part by the Community Infrastructure Levy, to ensure no duplication between the two types of developer contributions. The CIL Guidance 2012 confirms that a draft Regulation 123 List is now required for the purposes of examination in order that it may undergo an appropriate level of public consultation and be properly tested. Paragraph 1.8 of the Consultation Documents suggests that the Council will not publish a list until the CIL Charging Schedule has been adopted. This approach is contrary to the guidance. A draft Regulation 123 List should be prepared now and should be made available for public consultation.	
		New Homes Bonus	
	2.6	The approach does not acknowledge the importance of the New Homes Bonus which is intended to sit alongside the planning system to help deliver the vision and objective of the community and the spatial strategy for the area. The Bonus is intended to assist with issues such as service provision and infrastructure delivery and therefore may be used to off-set CIL. Based on the current Council Tax rates in North Hertfordshire, the 10,700 dwellings currently proposed by the Council could generate New Homes Bonus receipts of more than £80m. A higher housing growth target would therefore result in increased receipts. It is entirely reasonable to expect that at least some of this potentially substantial funding stream will be directed towards infrastructure provision.	
		Affordable Housing Mandatory Relief	
	2.7	The Preliminary Draft Charging Schedule at para 5.2 confirms that affordable housing will be entitled to relief from CIL. The document does not clarify the extent of relief which will be afforded to qualifying proposals. It is however assumed that this will be calculated in accordance with the qualifying amount established by Regulation 50 of the CIL Amendments 2012.	
	2.8	Nonetheless, in this case, it is considered entirely appropriate to apply a nil levy to affordable housing. In the past 5 years, affordable housing delivery in the District has fallen short of the targets set by the Local Plan 1996 (25%) and the figure imposed by the now abolished RSS (35%).	
		Furthermore there is a suggestion that the emerging North Hertfordshire Local Plan 2011 to 2031 will seek to secure 40% affordable housing from residential development sites in the future. It is difficult to see how the imposition of an additional levy on the delivery of affordable housing will stimulate supply. A nil charge is therefore strongly recommended in order to make the provision of affordable housing within new development more attractive, particularly in climate which no longer benefits from grant funding.	
	2.9	It is also important that the Council progress the emerging CIL in line with emerging affordable housing policy. Greater clarity is required as to the likely level of affordable housing which will be sort in the future, if a full and robust assessment of the Preliminary Draft Charging is to be undertaken. This is approach is required in order to satisfy paragraph 177 of the NPPF.	
		Discretionary Relief	
	2.10	It is noted that the Preliminary Draft Charging Schedule, at paragraph 5.5, makes provision for discretionary relief if a levy would have an unacceptable impact on the economic viability of a particular development due to high levels of S106 contributions. This is supported in accordance with CIL Regulations 55 to 58, whereby discretionary relief should be provided where a planning obligation has been entered into for a sum greater than the chargeable CIL amount. It is recognised that a viability assessment would be needed in such cases.	
		Phasing of payments	

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2.11	Paragraph 1.4 of the Preliminary Draft Charging Schedule	confirms that CIL may be paid in preagreed instalments. It is however considered entirely appropriate for the Charging Schedule to include a phasing plan at this stage, whereby CIL payments exceeding a certain level may be paid in reasonable instalments. It is important that the development industry is provided with certainty over the timing of payments if such considerations to be appropriately factored into land transactions. Greater clarity on this issue is therefore required.	
Delivery of the Local Plan			
2.12	The current North Hertfordshire Local Plan 2011 - 2031 consultation	indicates that, in all likelihood, it will be necessary to allocate strategic level sites in order to meet the identified housing needs of the District, as well as the unmet needs of adjoining authorities. At paragraph 173, the NPPF requires that Plans should be deliverable. Therefore, the sites and the scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened. To ensure viability, the costs of any requirements likely to be applied to development, such as requirements for affordable housing, standards, infrastructure contributions or other requirements should, when taking account of the normal cost of development and mitigation, provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable.	
2.13	The viability work undertaken by DSP	has not gone far enough to assess the impact that CIL would have on the strategic level development which is likely to emerge through the Local Plan. Large development schemes of 1,000+ dwellings will inevitably be subject to additional financial burden's associated with site specific infrastructure and facilities. If these are not properly considered when setting the CIL, the deliverability of the emerging Local Plan will be called into serious question. It may be that it will be necessary to set a specific charging rate for strategic level sites.	
Duty to Cooperate			
2.14	Section 110 of the Localism Act 2011	also imposes a statutory duty on local planning authorities and other prescribed bodies to co-operate in relation to the planning of sustainable development. This requirement is re-emphasised at a planning policy level within the NPPF.	
2.15	The North Hertfordshire Strategic Housing Market Assessment 2013,	produced by Opinion Research Services, goes to some length in order to define the housing market areas which cross the administrative boundary of North Hertfordshire District Council. Much of the District falls within the Stevenage and A1M corridor housing market area, whilst Royston is on the edge of the Cambridge market area and the westernmost part of the district falls within the Luton market area.	
2.16	It is not clear whether the Council has worked collaboratively with adjoining authorities in order to fully explore the impact that the Preliminary Draft Charging Schedule may have on the viability of development within shared housing market areas. However, if CIL is to be used as a tool to direct new development to those areas most in need (as it should be), it is crucial that the level of CIL sought across adjoining authorities is developed collaboratively. The evidence base which supports the Draft Preliminary Charging Schedule should therefore clearly outline the discussions which have been undertaken with adjoining authorities and moreover, should identify synergies with the emerging CIL within those authorities.		
3 Viability Assumptions (DSP Viability Assessment)			
Evidence from S106 Agreements			
3.1	Para 22 of the CIL Guidance 2012	requires that the charging authority prepares and provides information about the amount raised in recent years through S106 agreements. This would presumably assist in establishing the likely S106 contributions to emerge from development in the future, having regard to impact of CIL. The Viability Assessment 2012, prepared by DSP, confirms that the level of S106 contribution anticipated from new residential development in North Herts is £1000 per unit for schemes of up to and including 100 dwellings. For larger schemes of circa 500 dwellings, the anticipated level of S106 contributions is increased to £8000 per unit. No evidence is however provided to justify these figures.	
3.2	It is important that the level of S106 contributions anticipated from new sites is correctly and accurately pitched in order to ensure that these costs may be off-set against CIL. It is therefore reasonable to expect the evidence base supporting the Preliminary Draft Charging Schedule to include an assessment of historic S106 receipts. It would also be entirely appropriate to assess the likely site specific infrastructure improvements which would be required in order to support already identified strategic sites. For example, the West of Stevenage site has previously been the subject of a planning permission and therefore the likely infrastructure requirements associated with delivering the site have already been identified. The S106 contributions associated with delivering the site can and should therefore be used in order to better understand how the proposed CIL levy will affect strategic level sites.		
3.3	With this in mind it is noted that the Residential Appraisals at Appendix IIa of the DSP report	do not assess the viability of sites exceeding 500 dwellings. Given that there is an acknowledged need in the District for some strategic level development (sites of 1,000 dwelling or more) it is important that the existing viability work is extended to fully	

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improvements and/or new provision, additional development could place undue pressure on existing facilities and services. Therefore it is fair that development should contribute towards these costs (1.5).			

The natural environment and its associated ecosystems services is clearly affected by new development. Habitats will be lost; others modified and existing biodiversity degraded, reduced and altered, along with the ecological or physiographic processes that need to take place, such as water management, and biological processes such as decomposition, pollination, recycling or nutrients, etc, in addition to changes in the physical character of the environment and its amenity value. Sometimes resources can be improved but this may be limited given the land resources available, the justification for significant proposals and the resources available to manage habitats and features in an appropriate manner to enable genuine ecological mitigation, compensation or enhancements.

Consequently I would urge that the natural environment is considered for inclusion on an Infrastructure Projects List to help provide resources to deliver broad enhancements that may not be a direct result of a particular development, and so could possibly be otherwise secured by Condition of S106. A general resource is required to support the impacts of cumulative losses and habitat provision that numerous developments could generate, each of which may have a relatively low impact in itself but a larger, collective impact on ecology.

Following that approach, I note the inclusion of Green Infrastructure in Table 1 Total Infrastructure Requirements. GI may not in itself necessarily always provide direct ecological benefits eg footpaths etc and so the implications of the costs of any habitat creation and appropriate management subsequently do need to be considered, as appropriate.

LDF/2583	5	Parker
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Representation:	<i>Comment</i>	

This seems to be a sensible solution to delivering local infrastructure however it must be set at a rate that will not deter development but it does seem to be a National tax because not all of the receipts are to be spent locally.
CIL to be set at a rate that does not deter house building and more should be spent locally rather than nationally.

LDF/2584	4	Parker
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The Community Infrastructure levy needs to be set at a rate that does not deter local and smaller housebuilders from building, and to prevent the monopolising by the larger PLC housebuilders.
CIL set at the appropriate rate should be a good source of providing local funding for local projects however it must not be set at such a rate so as to deter the new houses that are so desperately needed in the district.

LDF/2959	92	English Heritage
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English Heritage recognises the importance of Community Infrastructure Levy (CIL) as a source of funding to deliver the infrastructure required to underpin the sustainable development within North Hertfordshire. English Heritage advises that CIL charging authorities identify the ways in which CIL, planning obligations and other funding streams

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		<p>can be used to implement the strategy and policies within the Local Plan aimed at achieving the conservation and enhancement of the historic environment, heritage assets and their setting, in accordance with paragraphs 6, 126 and 157 of the NPPF.</p> <p>In terms of using the CIL to fund infrastructure, although the historic environment is not mentioned explicitly by Section 216 of the Planning Act 2008 (as amended), it can form part of different infrastructure types. Roads and other transport facilities may include historic structures (such as bridges); school facilities can include historic buildings; and open/recreational spaces can contain archaeology and/or form part of the character and setting of designated heritage assets such as listed buildings and conservation areas. Heritage assets can also be described as community infrastructure in their own right (such as specific tourist attractions). The Localism Act also allows CIL to be used for maintenance and ongoing costs, which may be relevant for a range of heritage assets.</p> <p>Development specific planning obligations (e.g. S106 agreements) continue to offer further opportunities for funding improvements to and the mitigation of adverse impacts on the historic environment, such as archaeological investigations, access and interpretation, and the repair and reuse of buildings or other heritage assets.</p> <p>The historic environment can therefore benefit from developer contributions in specific cases. We note that the Infrastructure Delivery Plan (IDP) does not refer explicitly to the historic environment, although it could be included under various headings including green infrastructure. We would welcome greater recognition of the historic environment in the IDP and the consultation paper on the preliminary draft charging schedule.</p> <p>We are aware of the requirement to publish a short list of projects for the Charging Schedule once it has been adopted (known as the Regulation 123 list), and hope that projects relevant to the historic environment can be included on this list. We also note the possibility of providing a proportion of total annual CIL receipts to neighbourhoods for spending on local infrastructure projects. We hope that some of this expenditure can benefit the historic environment in the district, such as through enhancements to public realm and open spaces. In terms of the remaining proportion under the control of the Council, it will be helpful to clarify how amounts will be split between different infrastructure types. We hope infrastructure projects can be identified that have a positive effect on the historic environment, while any harm to individual heritage assets as a result of specific projects can be kept to a minimum.</p> <p>The CIL Regulations emphasise the need to strike an appropriate balance between the desirability of funding infrastructure from the levy with the potential effects which CIL might have upon the economic viability of development across its area. This is an important consideration for any development proposals involving or affecting heritage assets, where development costs may be increased due to the special considerations necessary.</p> <p>The Council should therefore be aware of the implications of any CIL rate on the viability and effective conservation of the historic environment and heritage assets in development proposals. This is particularly important for heritage assets identified as being 'at risk'. Paragraph 126 of the NPPF requires local planning authorities to set out in their local plans a positive strategy for the conservation and enjoyment of the historic environment, including heritage assets most at risk through neglect, decay or other threats. Vacant or underused heritage assets not only fail to make a full contribution to the economy of the area but they also give rise to negative perceptions about that area. This, in turn, can detract from its attractiveness to inward investment.</p> <p>Consequently, in determining the rates of CIL that are being put forward in the Charging Schedule, it is essential that the rates being proposed in areas where there are groups of heritage assets at risk are not likely to discourage schemes being brought forward for their reuse or associated heritage-led regeneration. In such areas, or for schemes that involve or affect other heritage assets, there may be a case for either lowering the rates of CIL or considering an exemption from paying CIL. This should be set out in the Charging Schedule.</p> <p>For clarity, following guidance set out in the Community Infrastructure Levy Relief Information Document (2011), we recommend that the conditions and procedures for CIL relief be set out within a separate statement following the Draft Charging Schedule. The statement could set out the criteria to define exceptional circumstances and provide a clear rationale for their use, including the justification in terms of the public benefit (for example, where CIL relief would enable the restoration of heritage assets identified on English Heritage's Heritage at Risk Register.) The statement could also reiterate the necessary requirements and procedures which would be followed in such cases, including the need for appropriate notification and consultation.</p>	

LDF/4752	10	'Hertfordshire County Council - Spatial and Land Use Planning	
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Representation: *Comment*

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This response represents the County Council's position as a strategic infrastructure provider and is made on behalf of both the Environment Department (in the County Council's capacity as Local Transport and Highway Authority) and Property and Technology Department (in relation to the County Council's other services such as Children's Services, Libraries, Fire and Rescue and Waste). At this time these are Officer views only.

Following the publication of updated statutory guidance relating to the CIL Regime (December 2012), there are a number of implications for establishing a CIL charging schedule. These changes will require the continued cooperation between NHDC and the County Council as a strategic infrastructure provider. The remainder of this response highlights the changes to the CIL guidance which are likely to have implications for both authorities and identifies a number of areas where further work may need to be undertaken prior to further consultation and examination of the draft charging schedule.

The CIL regime will also have relevance to other infrastructure that is of interest to the County Council (such as Green Infrastructure) however, it is considered that this is not within the remit of the County Council's capacity as a strategic infrastructure provider and will continue to be a matter for NHDC to consider in consultation with all relevant stakeholders.

Implications of revised CIL Guidance (December 2012)

The revised guidance will have implications for both NHDC and the County Council. Those changes that are likely to have greatest implications for the preparation of the CIL charging schedule and which relate to the provision of strategic infrastructure provided by the County Council are;

the need for a more comprehensive and transparent approach to infrastructure planning and delivery at the outset (Para 15);

the need for greater clarity as to the relationship between CIL and S106 arrangements (Para 85);

the need for collaboration between NHDC and County Council in relation to setting the levy rate and agreeing how the levy will be spent in two-tier areas in relation to key strategic infrastructure (Para 48);

ability to treat major strategic sites as a separate geographical zone for the setting of CIL rates (Para 34);

more onerous requirements relating to the updating and republishing of the Regulation 123 list (Para 90).

Setting the Levy rate

It is for NHDC to determine what the appropriate charging rate should be for the area and in general the approach set out in the PDCS is supported. It appears that the proposed levy rate is based upon viability work. However, until there is further clarity as to how infrastructure will be funded, and an agreement is reached between the two authorities in relation to what proportion of CIL monies will be made available for the provision of strategic infrastructure provided by the County Council, it is not possible to comment on how the projected income will relate to the scale of infrastructure provision required across the Plan period.

When considering the use of S106 and CIL within the District (in as much as it relates to the provision of strategic infrastructure provided by the County Council), it is considered that for the larger, more strategic sites (thresholds for both residential and commercial development will need to be agreed between the District and County Council), the most effective approach is likely to be the continued use of S106 agreements to fund infrastructure items which are directly related to those developments.

Although some items of infrastructure in Table 1 of the PDCS are identified as being delivered on-site through S106 arrangements, there may also be other infrastructure items

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			(for example those relating to on-site or near site highway improvements ζ where these are directly related to the development) or land which are not currently included in 'Column D' but could be best delivered by S106 rather than CIL. This is particularly relevant given the potential reliance of the emerging growth strategy on the development of strategic sites. Subsequently clarification is therefore sought as to what infrastructure items/land requirements, have been considered as part of the S106 allowance within the viability study.

CIL monies are likely to be more appropriately used to fund infrastructure requirements generated from smaller developments, but may also be necessary to address the cumulative impact of development occurring across the district as a whole. It is also important to consider how CIL and S106 could coexist, particularly in relation to strategic sites (as long as there is clarity about how each funding mechanism will be used and why). For example, it is possible that CIL or contributions will be required to fund some infrastructure items (or part of an infrastructure item) which may not be located on a strategic site itself but the need for which has been generated primarily by the site.

Subsequently, there is a need to review and update the infrastructure requirements within the current IDP to identify what the funding mechanisms may be; what the scale of contributions from S106 might be, and what demands will be placed upon available CIL monies in light of the aggregate funding gap and availability of other funding sources. There is also a need to consider the application of S106 agreements and setting a differential CIL rate for strategic sites if appropriate (now permitted by the revised guidance). It may be necessary to engage the development industry and other infrastructure providers in these discussions and further clarity would be expected in future iterations of the Charging Schedule.

Updating and Prioritising Infrastructure Requirements

To date, there has been ongoing engagement between the County Council and NHDC, who have worked collaboratively to identify future infrastructure requirements over the Plan period. Much of the infrastructure planning work to date has identified a range of infrastructure schemes which will be required to support the level of growth set out in the emerging Local Plan ζ although some highway related schemes may also relate to an existing infrastructure deficit. Where possible, the infrastructure planning work has also included a preliminary assessment of indicative costs and identified potential funding mechanisms.

Although comprehensive, the work undertaken to date has been relatively high level; has not been arrived at through assessment of a preferred development strategy; has not sought to distinguish between the use of S106 and CIL and has not involved the prioritisation of CIL projects. The current infrastructure planning work (relating to infrastructure provided by the County Council) may therefore not satisfy the requirements of the new CIL guidance.

Further work will therefore be required to;

- i) (for some infrastructure types) refine the list of schemes in the IDP and Infrastructure Funding Gap Assessment (to ensure that proposed schemes relate to the demand being generated by growth set out within the emerging Local Plan);
- ii) clarify the relationship between the use of CIL and S106 for infrastructure projects in the District;
- iii) identify or make informed judgements as to the potential of alternative funding sources;
- iv) prioritise projects that are to be funded via CIL monies.

Identifying and Reviewing Spending Priorities

Following the undertaking of ii) and iii) above, the County Council (in relation to the infrastructure it provides) will be able to identify which infrastructure schemes are to be

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funded by S106 and those which may be funded by CIL monies or alternative funding sources. It is these latter projects that will need to be included on the 'Regulation 123 list'. The County Council will provide a joint response from all its service areas (although information in some instances may be available at different times).

In recognising that the levy may not be sufficient to fund all identified schemes (for example in relation to highway schemes) and that monies will be collected across the Plan period in a way that may not necessarily be commensurate with the delivery of infrastructure schemes, there is a need for the County Council to determine which infrastructure schemes should be prioritised for the receipt of CIL monies (and NHDC will need to demonstrate how these priorities are reflected in its Regulation 123 list). It is expected that the outcomes of this work will need to form part of the evidence for the CIL examination. The way in which this prioritisation is undertaken will depend on a number of factors including governance arrangements and the way in which the District makes a proportion of the levy available to the County Council for funding such infrastructure. There will be a need to engage Senior Officers and Members on this aspect and more time will be required to undertake this process.

Under the previous guidance, there was sufficient flexibility which allowed the Charging Authority to update its 'Regulation 123 list' on a regular basis. This provided an effective mechanism for both the Charging Authority and infrastructure providers to respond quickly to potential changes in spending priorities of both the District Council and infrastructure providers. Although still possible, the revised guidance places greater restriction on the ability for Charging Authorities to update their 'Regulation 123 list' and requires greater transparency as part of the examination as to why CIL monies will be collected and how they will be spent.

As with a number of infrastructure providers, the provision of County Council related infrastructure will be dependent on a number of external factors (i.e. demographics, availability of alternative funding sources, timing of development, etc) and as such priorities may change overtime, and (in some cases) over a relatively short timescale. In recognising the more onerous procedure relating to the updating of the 'Regulation 123 list', the County Council will need to work with NHDC to identify an approach that would allow spending priorities to be updated as effectively as possible whilst minimising the need for formal review of the 'Regulation 123 list'.

Next Steps

The County Council as a strategic infrastructure provider are committed to working with NHDC in a timely and effective manner to meet the requirements of the revised CIL guidance. However, the new requirements set out within the CIL guidance brings with it a number of challenges which, as mentioned above will not only require a period of time for Officers to review and update the relevant information relating to infrastructure schemes within the District, but is also likely to require parallel political processes (to be agreed) to decide on how CIL monies should be prioritised. The County Council are currently piloting an approach with two Charging Authorities and once tested, it is the intention for this approach to be followed for all Charging Authorities. It is considered that it will be possible to undertake this work within the indicative timescales set out in Para 7.1 of the consultation.

There is also a need to agree appropriate governance arrangements between the two authorities and the level of CIL monies that will be made available to the County Council for the provision of strategic infrastructure. It may also be necessary for further discussions with the development industry and other infrastructure providers (particularly in relation to strategic sites) once a preferred development strategy is agreed. It is likely that this work will need to be undertaken prior to any consultation on the draft CIL Charging Schedule or its examination.

LDF/7113	8	McCarthy & Stone Retirement Lifestyles LTD	The Planning Bureau Ltd
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Representation:	<i>Comment</i>	ADOC	Additional document attached

As the market leader in the provision of retirement housing for sale to the elderly, McCarthy and Stone Retirement Lifestyles Ltd considers that with its extensive experience in providing development of this nature it is well placed to provide informed comments on the emerging North Hertfordshire Council Community Infrastructure Levy (CIL), insofar as it affects or relates to housing for the elderly.

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The effect of the imposition of CIL will be to constrain land supply. This is a significant threat to land with a high existing use value and therefore to the delivery of retirement developments, which due to the nature of residents are required to be sited in close proximity to town and local centres. It is hoped that the CIL schedule can be adopted in a way that does not constrain this much needed form of development.

The CIL Guidance published in December 2012 by the Department for Communities and Local Government (DCLG) states consistently that 'In proposing a levy rate(s) charging authorities should show that the proposed rate (or rates) would not threaten delivery of the relevant Plan as a whole' (Paragraph 29).

The CIL Guidance also stresses the importance of this principle to individual market sectors that play an important role in meeting housing need, housing supply and the delivery of the Development Plan, such as specialist accommodation for the elderly. This is relevant in the context of Paragraph 37 of the Guidance:

'¿ However, resulting charging schedules should not impact disproportionately on particular sectors or specialist forms of development and charging authorities should consider views of developers at an early stage'.

Where the provision of specialist accommodation for the elderly plays a clear role in meeting housing needs in the emerging or extant Development Plan, by not properly considering the effect of CIL on this form of development the Council would be putting the objectives of the Development Plan at risk and thereby contravening Government Guidance. It is therefore of clear importance that the emerging CIL rate accurately assess the development of specialist accommodation for the elderly in North Hertfordshire.

Growing Elderly Population

The National Planning Policy Framework stipulates that the planning system should be 'supporting strong, vibrant and healthy communities' and highlights the need to 'deliver a wide choice of high quality homes, widen opportunities for home ownership and create sustainable, inclusive and mixed communities. Local planning authorities should plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community...such as...older people' [emphasis added].

The 'What Housing Where Toolkit' developed by the Home Builders Federation uses statistical data and projections from the Office of National Statistics (ONS) and the Department for Communities and Local Government (DCLG) to provide useful data on current and future housing needs. The table below has been replicated from the toolkit and shows the projected change to the demographic profile of North Hertfordshire between 2008 and 2033.

□

In line with the rest of the country, this toolkit demonstrates that the demographic profile of North Hertfordshire is projected to age, with the proportion of the population aged 65 and over increasing from 16.59% to 24.71% between 2008 and 2033. The largest proportional increases in the older population is expected to be of the 'frail' elderly, those aged 75 and over, who are more likely to require specialist care and accommodation.

North Hertfordshire Council is in the early stages of preparing its New Local Plan (2011-2031), although a Draft of this document has yet to be published. It is our understanding however that the content of the New Local Plan will be aligned with that of the Core Strategy, which was abandoned at the Preferred Options stage following the revocation of the Regional Spatial Strategy.

The preferred options for the Core Strategy identifies that the demographic profile of the District is ageing, raising concerns over the future provision of adequate support and accommodation for the growing elderly population. It also highlights the issue of under occupation of family by elderly home owners in Paragraph 3.38 stating 'Often, older

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		people occupy larger properties which were family homes. As the children have left home, the house is now larger than the current occupants need. Whilst we do not advocate forcing people to leave their homes if they do not want to leave, we should encourage sufficient smaller and specialist accommodation to enable them to downsize if they so wish.' Accordingly, sub-clause f) of Key Issue 6: Housing of the Core Strategy identifies that 'specialist housing for the elderly will also be increasingly needed as the population ages'. It is therefore clear that the development of specialist accommodation for the elderly is a priority for the Council.	

In light of the above, we consider that it is of vital importance that the emerging CIL does not prohibit the development of specialist accommodation for the elderly at a time when there is an existing and urgent need for this form of development and that by not properly assessing this form of development the proposed CIL rate would threaten the delivery of the relevant Development Plan contravening Government Guidance.

Development Scenario

As you are aware, as a national retirement housing company, McCarthy & Stone are currently submitting planning applications throughout the Country. Presently all but a handful of our schemes are unable to support policy compliant levels of affordable housing contributions and as such have required viability assessments. In light of this we obviously need to ensure that the supporting viability work for the CIL is actually representative of what is happening in the real market place for all forms of housing, as, if it is not, the adoption of CIL may prevent needed development coming forward.

The Draft Charging Schedule, whilst differentiating between the lower value areas from the remainder of the District on the grounds of viability, provides a uniform CIL levy rate for all forms of residential development and does not differentiate between houses, flats and specialist accommodation for the elderly, despite the significant differences between these forms of accommodation

Whilst there is an understandable desire to keep the charging rates as simple as possible the broad inclusion of some retirement housing within a 'general residential heading' fails to acknowledge the very specific viability issues associated with such specialist accommodation for the elderly. Indeed it is our understanding that it is the recommended within the Viability Assessment that sheltered accommodation is included within the residential charging rate. Given the significant differences between sheltered accommodation and standard market housing, it is unclear as to what the basis for such advice is, particularly as the Viability Assessment did not include a development scenario for sheltered housing, despite advising the Council to include sheltered housing in the residential CIL rates.

A crucial element of the CIL viability appraisal will be to ensure that the baseline land value against which the viability of the retirement scheme is assessed properly reflects the spatial pattern of land use in the locality.

Therefore the viability of retirement should be assessed against both likely existing site values, and just as importantly, of potential alternative (i.e. competitor) uses. Our concern is that CIL could prejudice the delivery of retirement housing against competing uses on the land suitable for retirement housing schemes.

The average age of residents in retirement housing is around 79 years old, likely to have abandoned car ownership, be of lower mobility and/or rely on close proximity to public transport. For this reason retirement housing developers will not consider sites that are over a walking distance of approximately half a mile from a town or local centre with a good range of shops and services to meet a resident's daily needs. The result is that retirement housing can only be built on limited range of sites, typically high value, previously developed sites in close proximity to town centres. It is worth noting that Paragraph 27 of the December 2012 Community Infrastructure Levy Guidance recognises that brownfield sites are those where the CIL charge is likely to have the most effect, stating; 'The focus should be in particular on strategic sites on which the relevant Plan relies and those sites (such as brownfield sites) where the impact of the levy on economic viability is likely to be most significant'.

The Viability Assessment should therefore provide a development scenario for a typical flatted retirement housing scheme, located on a previously developed site within 0.4 miles of a town centre.

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Viability Assumptions

Any CIL viability assessment should consider the effect of the imposition of CIL on a retirement apartment scheme and should be quantified using appraisal inputs specific to the retirement housing product. It is not correct to simply assume that a general needs apartment scheme is comparable to a retirement apartment scheme as there are a number of key differences which will affect the land value that can be produced by each.

The remainder of this representation will provide details of the appraisal inputs specific to retirement housing.

Communal Areas

Many forms of specialist accommodation for the elderly, such as retirement housing, provide communal areas for residents at an additional cost to developers. Specialist housing providers also have additional financial requirements as opposed to other forms of development that will only pay on 100% saleable floorspace. This does not provide a level playing field for these types of specialist accommodation and a disproportionate charge in relation to saleable area and infrastructure need would be levied.

In comparison to open market flats the communal areas in specialist accommodation for the elderly are considerably larger in size, fulfil a more important function and are accordingly built to a higher specification in order to meet the needs of the elderly than those provided by open market flatted developments. Typically an open market flatted residential development will provide 16% non-saleable floorspace, whereas this increases to 30% for sheltered accommodation and 35% for Extra Care accommodation.

This places providers of specialist accommodation for the elderly at a disadvantage in land acquisition as the ratio of CIL rate to net saleable area would be disproportionately high when compared to other forms of residential accommodation

Sales Rate

In the case of retirement housing for example there is also a much longer sales period which reflects the niche market and sales pattern of a typical retirement housing development. This has a significant knock on effect upon the final return on investment. This is particularly important with empty property costs, borrowing and finance costs and sales and marketing which extend typically for a longer time period. Currently the typical sales rate for a development is approximately one unit per month, so a 45 unit retirement scheme (i.e. an average sized scheme) can take 3-4 years to sell out.

As a result of this typical sales and marketing fees for specialist accommodation for the elderly are typically in excess of 6% of GDV, not the conservative 3% assumed in the Viability Assessment.

Empty Property Costs

Properties can only be sold upon completion of the development and the establishment of all the communal facilities and on-site house manager. These communal areas cost additional monies to construct and are effectively subsidised by the developer until a development has been completely sold out. In a McCarthy and Stone development the staff costs and extensive communal facilities are paid for by residents via a management / service charge. However, due to the nature of these developments the communal facilities have to be fully built and operational from the arrival of the first occupant. Therefore to keep the service charge at an affordable level for residents, service charge monies that would be provided from empty properties are subsidised by the Company (these are typically known as Empty Property Costs). This is a considerable financial responsibility as, as previously mentioned, it usually takes a number of years to fully sell a development. For a typical 45 unit McCarthy and Stone Later Living development the Empty Property Costs are on average £100,000.

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Build Costs

Whilst the Viability Assessment differentiates between the build costs between bungalows, houses and apartments, excluding abnormals, it does not consider the build costs of flatted sheltered housing.

The Build Costs Information Services (BCIS) shows that the Mean Average Build Costs per m² for a region. This database consistently shows that build costs vary significantly between housing types with the cost of providing sheltered housing consistently higher than for general needs housing and apartments.

The most recent BCIS figures for North Hertfordshire (23rd March 2013) show that the mean cost of building one m² of estate housing is £926, while the equivalent cost for apartment developments is £1,090 per m². Sheltered housing costs £1,149 per m² - 5.4% more expensive than the cost of building apartments and 24% more expensive than estate housing.

While the BCIS figures are subject to fluctuation it is our experience that specialist accommodation for the elderly tends to remain in the region of 5% more expensive to construct than apartments and generally between 15 to 20 % more expensive than estate housing. No analysis of the build costs for sheltered accommodation is provided in the Viability Study.

Payment by Instalments

Consideration should also be given to the timing of CIL payments and an allowance for payment by instalments. Whilst we appreciate that, in line with 69B of the CIL Regulations 2011, an instalment policy does not form part of the charging schedule and would not be subject to examination, we would welcome flexibility in the timing of CIL payments as on commencement would introduce an additional financial cost on the development prior to the receipt of any revenue from the proposed development. This would place an additional burden on the developer and would affect the viability of the development, and possibly in the case of residential development impinge upon the developer's ability to provide for affordable housing.

This issue is compounded in the case of specialist accommodation for the elderly, as developments need to be completed in their entirety before a single unit of accommodation can be sold. It is considered that at the earliest, part payment on first occupation would be fairer and would reduce unnecessary financial costs to the developer. This should then be phased depending upon occupation levels. For the foreseeable economic climate, such as currently being experienced, there is considerable merit in staged payments reflecting occupation levels throughout the sale of the development.

Summary

Given the extent of projected housing need for older person's accommodation it is paramount that the North Hertfordshire District Council CIL schedule recognises the potential shortcomings of providing a uniform CIL rate for all forms of residential development. The additional costs associated with the construction and initial maintenance of this form of development, coupled with the slower sales rate, make it clear that the financial viability of such developments are more finely balanced than those of houses and apartments.

It is for the above reasons that we suggest either a bespoke CIL rate is prepared for sheltered housing and other forms of specialist accommodation, or, that the CIL levy is restricted to the saleable areas of these forms of development.

LDF/7133	3	EHW Architects	
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Document Section: Community Infrastructure Levy - Preliminary Draft Charging Schedule

Representation: *Object*

Following the excellent presentation at the Customer Liaison Panel meeting earlier this week and your invitation for comments, I schedule below my thoughts:

1. The Planning Authority has now charged for planning applications for many years, but it used to be free.
2. Pre-application advice is no longer free.
3. Discharge of Planning Conditions now attracts a fee.
4. House numbering is charged.
5. Section 106 and Unilateral Undertakings attract charges, win or lose.
6. Now we have CIL.
7. It is my personal opinion and that of the practice that this piratical tax represents nothing short of lunacy.

In these continuing recessive time, the Government has set out its stall to encourage the construction industry to become more active, especially in the house building sector, and thereby providing a boost to employment and the economy. The Architect may gain some over spill too, so hip hip horrah! So now we propose, not necessarily as a substitute for the Section 106, but at times an adjunct to, the CIL, As I understand it, Councils are allowed to set their own precept and indeed I believe that there is no statutory obligation to adopt CIL at all. Accordingly we have disparate charging rates across the county with Hertsmere looking for between £60.00/m². £210.00/m² depending on the zone, and Wandsworth, which you yourselves quoted, but actually at £625.00/m² in the top zone! NHDC are generally looking for £120.00/m², gratefully toward the lower end of the spectrum. The levy does not apply exclusively to residential and catches retail in its trap too, another struggling sector. So let's consider how this will assist Central Government, and I hope all of us, in the aspiration to drive this country out of triple dip recession and back into prosperity using the construction industry as the main vehicle. In tandem much needed houses will be built helping to meet that other target discussed at the Customer Liaison Panel meeting. A modest 3-4 bedroom house for which the Unilateral Undertaking may have levied typically £4,500.00 now converts to £18,000.00. Be thankful that we are not riverside Wandsworth for that figure would be £93,750.00 or indeed the right side of the tracks Hertsmere £31,500.00. So do we imagine that the builder developer will happily absorb this into this already tight margins or pass it onto the purchaser? I may be wrong, but my intuitive guess is the latter. So the £395,000.00 house becomes £415,000.00 ...the £2,000.00 being for the developer's trouble (!) and the consequence (ah! Has anyone considered the consequence of CEIL?) for the family already struggling to raise the deposit and/or mortgage, there will be an even more mountainous task as well as financial burden. in all there will be as least three scenarios in this:

1. The landowner to give away the land at a reduced rate or indeed for free. Consider a site of 100 of my typical houses raises a levy of nearly £2 million.
2. The builder developer reduces his profit margin or in some cases develops at a loss.
3. The price of the end product rises and becomes less or indeed at times unaffordable.

Consequence:

1. The landowner does not release development land;
2. The builder developer does not build;
3. Property remains empty or, back to 2, does not get built in the first place.

Let's take this further and in the field that we are more accustomed with, volume house building. Already NHDC and others have draconianly, and possibly unconstitutionally, reduced the affordable threshold to a level that in a number of cases simply makes the development unviable. however, fortunately we have our glorious coalition government to the rescue, who say that in cases where the development can be proven to be unviable for commercial reasons due to the affordable content, we can negotiate a lower affordable provision. Problem solved ... or is it? How on earth does this then solve or contribute to solving not only a desperate need for housing of any kind, but specifically in the affordable sector, if we are able to reduce the provision? For all the above reasons and more, I really do not think that anyone has thought this through or consulted those at the coal face of the industry. If they have, the clearly have not listened. I would therefore seriously suggest that NHDC do not follow the herd but give these points, which are sincerely meant to be constructive, muscular thought.

LDF/7151	3	Lines	
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Representation:

I am very much in favour of this charge at the proposed level in your draft scheme with the limited waivers you suggest.

I very much welcome the proposed CI Levy with the discretionary waivers limited to only those developments suggested (charities and affordable housing).

LDF/7165	5	LandProp Holdings B.V.	Bidwells
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Document Section: Community Infrastructure Levy - Preliminary Draft Charging Schedule

Representation: *Comment*

1 Introduction

1.1 These representations have been prepared by Bidwells on the behalf of LandProp Holdings B.V. in response to the consultation paper dated February 2013 in respect of the North Hertfordshire Community Infrastructure Levy Preliminary Draft Charging Schedule.

1.2 LandProp Holdings B.V. has purchased land within the West of Stevenage strategic site. This land area straddles the administrative boundary of North Hertfordshire District and Stevenage Borough. LandProp invests in land and property in the UK and seeks to deliver sustainable residential, commercial and mixed-use development. In view of LandProp's land interests and their intention to deliver a sustainable urban extension to the west of Stevenage, LandProp is an important stakeholder.

1.3 LandProp Holdings B.V. does not object to the concept of CIL, however, we have identified a number of concerns in the ensuing representations which have the potential to compromise the delivery of new development. It is extremely important to ensure that the proposed charging schedule is sufficiently robust to ensure that the levy will not inhibit the viability of appropriate development schemes now or in the future.

1.4 Our representations take into account both the CIL Regulations 2010 and the CIL Amendment Regulations 2011 and 2012.

1.5 It is noted however that Draft Statutory Instrument 2013, The Community Infrastructure Levy (Amendment) Regulations 2013, has been laid before the House of Commons in accordance with Section 222(2) (b) of the Planning Act 2008. This new legislation is expected to come into force in Spring 2013 and therefore the emerging Community Infrastructure Levy for North Hertfordshire will need to take account of all relevant amendments.

2 General Comments

Infrastructure Requirements

2.1 Paragraph 12 of the CIL Guidance 2012 requires the charging authority to identify the total cost of infrastructure that it desires to fund in whole or in part from the levy. In order to do this, the charging authority must consider what additional infrastructure is needed in its area to support development and what other funding sources are available. Paragraph 14 confirms that this process should identify a Community Infrastructure Levy infrastructure funding target.

2.2 The supporting documentation published with the Preliminary Draft Charging Schedule includes the Infrastructure Delivery Plan for North Hertfordshire 2011-2031 (IDP). Although the IDP does, to an extent, identify existing infrastructure deficiencies and provides an infrastructure delivery schedule, this list does not provide sufficient detail to confirm how much funding will be drawn from CIL in order to deliver each infrastructure element. In many cases the IDP does not even quantify the funding needed to deliver a specific project, noting that it is not known.

2.3 Accordingly the IDP does not provide a CIL infrastructure funding target, as required by paragraph 14 of the Guidance. It is therefore not possible to assess whether the levy proposed by the Preliminary Draft Charging Schedule is commensurate to the infrastructure requirements of the district.

Distribution of Levy

2.4 One of the principal amendments emerging through the Draft Statutory Instrument 2013 is an obligation for Local Planning Authorities to pass 15-25% of CIL receipts to Parish or Town Councils. Although the full weight of this obligation will only apply where a Neighbourhood Plan is in place, it will potentially have a significant bearing on the distribution of funds and could therefore also have implications for the funding of particular projects. The emerging CIL must take account of this change.

Representations for Community Infrastructure Levy - Preliminary Draft Charging Schedule

<u>Ref.</u>	<u>Rep No.</u>	<u>Applicant</u>	<u>Agent</u>
		Regulation 123 List	
		2.5 CIL Regulation 123 restricts the use of planning obligations for infrastructure that will be funded in whole or in part by the Community Infrastructure Levy, to ensure no duplication between the two types of developer contributions. The CIL Guidance 2012 confirms that a draft Regulation 123 List is now required for the purposes of examination in order that it may undergo an appropriate level of public consultation and be properly tested. Paragraph 1.8 of the Consultation Documents suggests that the Council will not publish a list until the CIL Charging Schedule has been adopted. This approach is contrary to the guidance. A draft Regulation 123 List should be prepared now and should be made available for public consultation.	
		New Homes Bonus	
		2.6 The approach does not acknowledge the importance of the New Homes Bonus which is intended to sit alongside the planning system to help deliver the vision and objective of the community and the spatial strategy for the area. The Bonus is intended to assist with issues such as service provision and infrastructure delivery and therefore may be used to off-set CIL. Based on the current Council Tax rates in North Hertfordshire, the 10,700 dwellings currently proposed by the Council could generate New Homes Bonus receipts of more than £80m. A higher housing growth target would therefore result in increased receipts. It is entirely reasonable to expect that at least some of this potentially substantial funding stream will be directed towards infrastructure provision.	
		Affordable Housing Mandatory Relief	
		2.7 The Preliminary Draft Charging Schedule at para 5.2 confirms that affordable housing will be entitled to relief from CIL. The document does not clarify the extent of relief which will be afforded to qualifying proposals. It is however assumed that this will be calculated in accordance with the qualifying amount established by Regulation 50 of the CIL Amendments 2012.	
		2.8 Nonetheless, in this case, it is considered entirely appropriate to apply a nil levy to affordable housing. In the past 5 years, affordable housing delivery in the District has fallen short of the targets set by the Local Plan 1996 (25%) and the figure imposed by the now abolished RSS (35%).	
		Furthermore there is a suggestion that the emerging North Hertfordshire Local Plan 2011 - 2031 will seek to secure 40% affordable housing from residential development sites in the future. It is difficult to see how the imposition of an additional levy on the delivery of affordable housing will stimulate supply. A nil charge is therefore strongly recommended in order to make the provision of affordable housing within new development more attractive, particularly in climate which no longer benefits from grant funding.	
		2.9 It is also important that the Council progress the emerging CIL in line with emerging affordable housing policy. Greater clarity is required as to the likely level of affordable housing which will be sort in the future, if a full and robust assessment of the Preliminary Draft Charging is to be undertaken. This is approach is required in order to satisfy paragraph 177 of the NPPF.	
		Discretionary Relief	
		2.10 It is noted that the Preliminary Draft Charging Schedule, at paragraph 5.5, makes provision for discretionary relief if a levy would have an unacceptable impact on the economic viability of a particular development due to high levels of S106 contributions. This is supported in accordance with CIL Regulations 55 to 58, whereby discretionary relief should be provided where a planning obligation has been entered into for a sum greater than the chargeable CIL amount. It is recognised that a viability assessment would be needed in such cases.	
		Phasing of payments	
		2.11 Paragraph 1.4 of the Preliminary Draft Charging Schedule confirms that CIL may be paid in preagreed instalments. It is however considered entirely appropriate for the Charging Schedule to include a phasing plan at this stage, whereby CIL payments exceeding a certain level may be paid in reasonable instalments. It is important that the development industry is provided with certainty over the timing of payments if such considerations to be appropriately factored into land transactions. Greater clarity on this issue is therefore required.	
		Delivery of the Local Plan	
		2.12 The current North Hertfordshire Local Plan 2011 - 2031 consultation indicates that, in all likelihood, it will be necessary to allocate strategic level sites in order to meet the identified housing needs of the District, as well as the unmet needs of adjoining authorities. At paragraph 173, the NPPF requires that Plans should be deliverable. Therefore, the sites and the scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened. To ensure viability, the costs of any requirements likely to be applied to development, such as requirements for affordable housing, standards, infrastructure contributions or other requirements should, when taking account of the normal cost of development and mitigation, provide competitive returns to a willing land owner and	

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		willing developer to enable the development to be deliverable.	
2.13		The viability work undertaken by DSP has not gone far enough to assess the impact that CIL would have on the strategic level development which is likely to emerge through the Local Plan. Large development schemes of 1,000+ dwellings will inevitably be subject to additional financial burden's associated with site specific infrastructure and facilities. If these are not properly considered when setting the CIL, the deliverability of the emerging Local Plan will be called into serious question. It may be that it will be necessary to set a specific charging rate for strategic level sites.	
		Duty to Cooperate	
2.14		Section 110 of the Localism Act 2011 also imposes a statutory duty on local planning authorities and other prescribed bodies to co-operate in relation to the planning of sustainable development. This requirement is re-emphasised at a planning policy level within the NPPF.	
2.15		The North Hertfordshire Strategic Housing Market Assessment 2013, produced by Opinion Research Services, goes to some length in order to define the housing market areas which cross the administrative boundary of North Hertfordshire District Council. Much of the District falls within the Stevenage and A1M corridor housing market area, whilst Royston is on the edge of the Cambridge market area and the westernmost part of the district falls within the Luton market area.	
2.16		It is not clear whether the Council has worked collaboratively with adjoining authorities in order to fully explore the impact that the Preliminary Draft Charging Schedule may have on the viability of development within shared housing market areas. However, if CIL is to be used as a tool to direct new development to those areas most in need (as it should be), it is crucial that the level of CIL sought across adjoining authorities is developed collaboratively. The evidence base which supports the Draft Preliminary Charging Schedule should therefore clearly outline the discussions which have been undertaken with adjoining authorities and moreover, should identify synergies with the emerging CIL within those authorities.	
3		Viability Assumptions (DSP Viability Assessment)	
		Evidence from S106 Agreements	
3.1		Para 22 of the CIL Guidance 2012 requires that the charging authority prepares and provides information about the amount raised in recent years through S106 agreements. This would presumably assist in establishing the likely S106 contributions to emerge from development in the future, having regard to impact of CIL. The Viability Assessment 2012, prepared by DSP, confirms that the level of S106 contribution anticipated from new residential development in North Herts is £1000 per unit for schemes of up to and including 100 dwellings. For larger schemes of circa 500 dwellings, the anticipated level of S106 contributions is increased to £8000 per unit. No evidence is however provided to justify these figures.	
3.2		It is important that the level of S106 contributions anticipated from new sites is correctly and accurately pitched in order to ensure that these costs may be off-set against CIL. It is therefore reasonable to expect the evidence base supporting the Preliminary Draft Charging Schedule to include an assessment of historic S106 receipts. It would also be entirely appropriate to assess the likely site specific infrastructure improvements which would be required in order to support already identified strategic sites. For example, the West of Stevenage site has previously been the subject of a planning permission and therefore the likely infrastructure requirements associated with delivering the site have already been identified. The S106 contributions associated with delivering the site can and should therefore be used in order to better understand how the proposed CIL levy will affect strategic level sites.	
3.3		With this in mind it is noted that the Residential Appraisals at Appendix IIa of the DSP report do not assess the viability of sites exceeding 500 dwellings. Given that there is an acknowledged need in the District for some strategic level development (sites of 1,000 dwelling or more) it is important that the existing viability work is extended to fully consider sites exceeding 500 dwellings.	
		Density	
3.4		It is noted that the viability work undertaken by DSP applies a flat density of 35-40 dwellings per hectare to all of the residential appraisals. It is considered overly optimistic to assume that this level of development will be achievable on all sites. Additional site specific evidence is required in order to inform density assumptions. The North Herts District Council SHLAA provides an appropriate starting point for developing a more robust evidence base in this respect, given that adopts a more realistic approach to assessing site capacity and potential.	
3.5		It is important that density assumptions are realistic so as to provide a realistic representation of the revenue achievable. There is no reason why the residential appraisal process should not be applied to specific sites within the SHLAA in order to provide a more realistic picture of development viability.	
		Developer Profit	

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1.2		The Trustees of C.A. Clayton Settlements are a significant landowner in North Hertfordshire and they have interests in land at Ivy Farm in Royston. Ivy Farm is identified as a Priority 2 location for residential development and is therefore likely to be required in order to meet the identified housing needs of the District. In view of The Trust's land interests and their intention to develop land at Ivy Farm in Royston, they are an important stakeholder.	
1.3		The Trustees of C.A. Clayton Settlements does not object to the concept of CIL, however, we have identified a number of concerns in the ensuing representations which have the potential to compromise the delivery of new development. It is extremely important to ensure that the proposed charging schedule is sufficiently robust to ensure that the levy will not inhibit the viability of appropriate development schemes now or in the future.	
1.4		Our representations take into account both the CIL Regulations 2010 and the CIL Amendment Regulations 2011 and 2012.	
1.5		It is noted however that Draft Statutory Instrument 2013, The Community Infrastructure Levy (Amendment) Regulations 2013, has been laid before the House of Commons in accordance with Section 222(2) (b) of the Planning Act 2008. This new legislation is expected to come into force in Spring 2013 and therefore the emerging Community Infrastructure Levy for North Hertfordshire will need to take account of all relevant amendments.	
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2.3		Accordingly the IDP does not provide a CIL infrastructure funding target, as required by paragraph 14 of the Guidance. It is therefore not possible to assess whether the levy proposed by the Preliminary Draft Charging Schedule is commensurate to the infrastructure requirements of the district.	
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<p>Nonetheless, in this case, it is considered entirely appropriate to apply a nil levy to affordable housing. In the past 5 years, affordable housing delivery in the District has fallen short of the targets set by the Local Plan 1996 (25%) and the figure imposed by the now abolished RSS (35%).</p> <p>Furthermore there is a suggestion that the emerging North Hertfordshire Local Plan 2011 - 2031 will seek to secure 40% affordable housing from residential development sites in the future. It is difficult to see how the imposition of an additional levy on the delivery of affordable housing will stimulate supply. A nil charge is therefore strongly recommended in order to make the provision of affordable housing within new development more attractive, particularly in climate which no longer benefits from grant funding.</p>			
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			should be), it is crucial that the level of CIL sought across adjoining authorities is developed collaboratively. The evidence base which supports the Draft Preliminary Charging Schedule should therefore clearly outline the discussions which have been undertaken with adjoining authorities and moreover, should identify synergies with the emerging CIL within those authorities.
			3 Viability Assumptions (DSP Viability Assessment)
			Evidence from S106 Agreements
			3.1 Para 22 of the CIL Guidance 2012 requires that the charging authority prepares and provides information about the amount raised in recent years through S106 agreements. This would presumably assist in establishing the likely S106 contributions to emerge from development in the future, having regard to impact of CIL. The Viability Assessment 2012, prepared by DSP, confirms that the level of S106 contribution anticipated from new residential development in North Herts is £1000 per unit for schemes of up to and including 100 dwellings. For larger schemes of circa 500 dwellings, the anticipated level of S106 contributions is increased to £8000 per unit. No evidence is however provided to justify these figures.
			3.2 It is important that the level of S106 contributions anticipated from new sites is correctly and accurately pitched in order to ensure that these costs may be off-set against CIL. It is therefore reasonable to expect the evidence base supporting the Preliminary Draft Charging Schedule to include an assessment of historic S106 receipts. It would also be entirely appropriate to assess the likely site specific infrastructure improvements which would be required in order to support already identified strategic sites. For example, the West of Stevenage site has previously been the subject of a planning permission and therefore the likely infrastructure requirements associated with delivering the site have already been identified. The S106 contributions associated with delivering the site can and should therefore be used in order to better understand how the proposed CIL levy will affect strategic level sites.
			3.3 With this in mind it is noted that the Residential Appraisals at Appendix IIa of the DSP report do not assess the viability of sites exceeding 500 dwellings. Given that there is an acknowledged need in the District for some strategic level development (sites of 1,000 dwelling or more) it is important that the existing viability work is extended to fully consider sites exceeding 500 dwellings.
			Density
			3.4 It is noted that the viability work undertaken by DSP applies a flat density of 35-40 dwellings per hectare to all of the residential appraisals. It is considered overly optimistic to assume that this level of development will be achievable on all sites. Additional site specific evidence is required in order to inform density assumptions. The North Herts District Council SHLAA provides an appropriate starting point for developing a more robust evidence base in this respect, given that adopts a more realistic approach to assessing site capacity and potential.
			3.5 It is important that density assumptions are realistic so as to provide a realistic representation of the revenue achievable. There is no reason why the residential appraisal process should not be applied to specific sites within the SHLAA in order to provide a more realistic picture of development viability.
			Developer Profit
			3.6 The DSP Viability Assessment assumes a Developers Profit margin of 20% of GDV for open market and 6% of GDV for affordable housing. Most developers and house builders will only undertake development where they can demonstrate a Profit on GDV of at least 20% - 25% for market housing and 10% for affordable housing. Furthermore, many banks and funders are insisting on 25% Profit on GDV in the current economic climate. Site specific evidence is required in order to demonstrate that developer profit assumptions applied by the DSP Viability Assessment are realistic in the local market.
			Build Cost
			3.7 The Residential Assumption Sheet provided at Appendix I of the DSP Assessment provides flat rate assumptions for build and site preparation costs. Although provision is also made for a contingency of 5%, there is no clear differentiation between previously developed and greenfield land. A previously developed site which requires demolition, clearance and potential remediation will result in significantly higher site preparation costs. This should be reflected in the assumptions applied by DSP.
			3.8 It is also considered that flexibility should be built into the proposed build cost estimates to reflect the additional cost of providing roads and services on larger sites. The build costs associated with such sites would amount to approximately £1,185 per sq.m. This should be reflected in the Viability Appraisal.
			Sustainability Factor

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3.9		The Viability Assessment prepared by DSP makes provision for a 4% rise in build costs in order to provide new dwellings in accordance with the requirements of sustainability policy (in this case Code Level 4). Our analysis would however suggest that the cost of meeting Code Level 4 increases build costs by 10% or £8,000 - £8,500 of the cost of building an average dwelling (97.5sq.m). A difference of 6% is significant and therefore further evidence is required in order to justify the approach adopted by DSP	
4		Conclusions	
4.1		It is acknowledged that the Preliminary Draft Charging schedule is at an early stage of preparation, however the above comments raise a number of issues which require further consideration/clarification before the Schedule is progressed to the next stage.	
4.2		We have not at this stage tested the work undertaken by DSP against our own development appraisal methodology. This is because it is envisaged that some changes will be made to the Charging Schedule prior to the next consultation. We also assume that the existing viability work will be subject to an update, given that it is now six months old and will therefore be more than a year old by the time Draft Charging Schedule is made available for further consultation. Nonetheless, it is our intention to undertake appropriate technical testing in due course.	
4.3		We would welcome further discussions with the Council in respect of CIL, prior to formal consultation on the Draft Charging Schedule.	

LDF/8260 **1** **Asda Stores Limited** **Thomas Eggar LLP**

Document Section: Community Infrastructure Levy - Preliminary Draft Charging Schedule

Representation: *Comment*

Under Regulation 14 of the Community Infrastructure Levy Regulations 2010 ("CIL Regulations") the Council's primary duty when setting the level of Community Infrastructure Levy ("CIL") charge is to strike an appropriate balance between the desirability of funding the cost of infrastructure required to support development from CIL and its potential effects on the economic viability of development.

In our view, the approach taken to assessing the Charging Schedule does not achieve an appropriate balance between these two objectives.

We wish fundamentally to object to the approach taken to assessing the Charging Schedule, and to the disproportionate loading of CIL upon large retail development, on the following grounds:

1. The impact on policies promoting economic growth and employment opportunities;
2. The proposal to split small and large retail development;
3. The financial assumptions and viability assessments contained in the Council's Viability Assessment; and
4. Concerns about the Council's approach to setting CIL charges generally.

1. Impact on policies promoting economic growth and employment opportunities

The Council currently has a Saved Policies Written Statement (dated September 2007) and a Core Strategy Preferred Options Paper (dated September 2007) (the "Core Strategy") in place.

The Council has indicated that it will publish a draft Local Plan for consultation in early 2014. Before we proceed to examine the relevant sections of the Saved Policies and Core Strategy documents we consider it prudent to note that if the Inspector requires material changes to the Local plan prior to adoption or finds that the draft is unsound then the Council should recognise these changes, update the Charging Schedule accordingly and then re-issue it for consultation. Paragraph 4 of the Government's guidance on CIL (published in December 2012) states that "charging schedules should be consistent with and support implementation of up-to-date Local Plans".

The Spatial Vision set out in the Core Strategy is that "by 2021, North Hertfordshire will have accommodated a significant increase in the number of houses ... The residents of the district will have good access to local shops, facilities and transport and a wide range of jobs will be available locally to minimise the need to commute". We believe that the proposed CIL charges will make it difficult or the Council to achieve this aim.

We won't repeat the Core Strategy's objectives that relate to our representations on the Community Infrastructure Levy but it is our view that the charges set out in the Charging Schedule are adopted there will inevitably be several consequences across the District that will put the Council's ability to resolve Key Issues 1 (roles of the three town centres) 4 (providing a thriving economy) and 9 (employment and economy) and the Council's ability to meet Core Policies J (provision and distribution of employment) L (Town and Local Centres) and M (additional retail floorspace).

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		Furthermore, we question whether the Council would be able to satisfy Policies 26 (housing proposals), 36 (employment provision), 42 (shopping) and 43 (shopping areas in town centres) of the Saved Policies with the Charging Schedule as currently drafted. The current version of the Charging Schedule leads to:	
		a) all other forms of development receiving a massive subsidy at the expense of retail and residential development; and	
		b) a corresponding disincentive (and market distortion accordingly) to investment in this sector of the economy.	
		The government is keen to encourage the creation of additional employment across the economy and the retail sector is one of the largest employers and the largest creator of new jobs at the present time as well as being one of the most dynamic and innovative sectors within the UK economy.	

Asda example 1

ASDA has a proven track record of investing in local communities and of creating jobs within these areas. For example, of the 123 colleagues recruited for the ASDA store in Tunbridge Wells, 87 colleagues were previously unemployed.

The supporting papers do not acknowledge this trend nor do they fully assess the role of retail within the national economy. They simply assert that large format retail continues to be one of the best performing sectors in the UK and this implies that operators within it have the capacity to pay potentially very large sums of CIL.

Any CIL Schedule that imposes a CIL charge only on retail would effectively undermine the retail function of local and town centres by detracting from their viability and vitality as large retail developers would be discouraged by the imposition of CIL.

Asda example 2

Asda stores regularly rejuvenate and regenerate existing centres, and the surrounding areas, and draw new shoppers to them, which benefits the existing retailers, and those who open stores in Asda-anchored centres in their wake. For example in 2006, Asda opened a store in Romford, transforming a derelict brownfield site through an extension of an existing retail mall and creating 347 jobs. This helped to propel Romford into the top 50 UK retailing cities. Indeed due to the success of the store in attracting more footfall to that part of the town's Primary Shopping Area, the local authority redrew the town centre boundary to include the edge of centre Asda store into the heart of the Romford town centre.

2. The proposal to split small and large retail development

The Council's decision to apply differing CIL rates to small (less than 280sqm) and large (more than 280sqm) retail developments fall outside the scope of the rate differentials permitted in the CIL Regulations.

Clause 13(1) of the CIL Regulations states that a charging authority may set differential rates for different zones in which development would be situated and/or by reference to different intended uses of development within those zones. It does not allow for different rates based solely on the size of developments that are intended for the same use.

Nigel Payne, the Inspector who examined Newark and Sherwood's Charging Schedule, found that:

"Without very clear viability justification two different rates for retail development could be said to unreasonably favour smaller retailers over larger ones and/or constitute a policy decision by the charging authority to support smaller units that goes beyond viability considerations alone and conflicts with national guidance accordingly".

The evidence in the "North Hertfordshire District Council Viability Assessment - Community Infrastructure Levy and Affordable Housing" document (October 2012) does not consider differently sized retail developments and therefore does not justify the different size thresholds proposed. There is no explanation as to why the 280 square metre threshold is decided upon other than linking it to the Sunday Trading provisions (para 3.5.11).

The Viability Assessment profiling should test a range of size thresholds but this has not been done by the Council. Given the lack of viability evidence supporting the proposed size thresholds the Council's adoption of them could be perceived as part of a general policy to support small units at the expense of larger ones, hence the different CIL treatments for "small" (convenience shops) and "large" (mid range shops/one stop shops) retail developments.

We have already seen this proposed split between small and large retail development proposed and subsequently dropped by the Borough of Poole, Mid Devon Council, Elmbridge Borough Council and Bassetlaw District Council. Therefore, we have seen COuncils realise that imposing different rates of CIL on large and small retail developments can be economically unviable and outside the scope of the CIL Regulations. We urge that North Hertfordshire District Council does the same.

3. The financial assumptions and viability assessments contained in the Council's Viability Assessment

The Viability Assessment contains retail development assumptions that in our view are inadequate as they do not make sufficient allowance for:

1. Section 106 and/or Section 278 contributions which will need to be paid by developers in addition to the CIL payments; and
2. The costs involved in obtaining planning permission for a development scheme.

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		The commercial assumptions sheet in the Viability Assessment considers only a blanket 2% "planning/building regs/insurances" cost for commercial developments and not a range of different Section 106 costs that may be identified with different types of retail development in different locations.	
		By excluding the potentially large Section 106/Section 278 costs and the costs of obtaining planning permission (examples of which are set out at Schedule 1 to this letter), the Council has underestimated the true cost of retail developments and artificially inflated the relevant benchmark land values used for the financial viability models. This will, in turn, have inflated the amount of CIL proposed for retail.	
		This is especially true when considering the proposed split between small and large retail stated in the Preliminary Draft Charging Schedule. Large retail developments will also bear the expensive costs of Section 106 Agreements and their financial contributions whereas the small retail developments are likely to escape these. When combined with the proposed CIL charge of either £60 or £120 per square metre this will make large proposed retail developments commercially unattractive and unviable.	
		Furthermore, the DCLG now requires (from 14 December 2012) local authorities to produce evidence of the amount of revenue raised by Section 106 contributions in their area - including whether affordable housing and other targets have been met. The proposed CIL levies for any individual sector can then be assessed against the contributions previously received, minus any contributions that developers would still have to pay notwithstanding any CIL payments, to see if they are realistic.	
		The evidence put forward by the Council does not appear to contain this. It is difficult to see how the Council can be certain that the proposed CIL levy will not prohibit the viability of retail development without having obtained this evidence.	
		The Viability Assessment identifies upper parameters of £120 per sqm and £60 per sqm for retail development which the Council has clearly just adopted without due consideration to the viability evidence or whether these CIL rates will support the Council in implementing its planning policies.	
		4. Concerns about the Council's approach to setting CIL charges generally	
		The stated purpose of CIL is to raise revenue for infrastructure necessary to serve development. CIL is intended to address the imbalance of raising funds for infrastructure under the Section 106 route where larger schemes have effectively subsidised minor developments. However, CIL does not replace the Section 106 revenue stream - it will simply provide additional revenue for infrastructure.	
		In light of this, we have some further concerns:	
		Concerns relating to change of use and conversion projects	
		Although the Council has taken the economics of regeneration projects into account to some extent when conducting its viability assessments it does not appear to have given much weight to this consideration.	
		As you will be aware Regulation 40 of the CIL Regulations only permits developers to deduct pre-existing floorspace from the CIL calculation if it is "in lawful use". Lawful use is defined in Regulation 40 (10) and essentially requires part of a building to have been in use for a six month continuous period in the twelve months before the date of the planning permission permitting the development.	
		However, many regeneration projects on brownfield land or town centres involve demolishing, converting or redeveloping buildings that have lain vacant for sometime. This is particularly true of schemes which involve changes of use from employment land, where the fact that a unit has been vacant for a considerable time is often a key factor in a council's decision to grant permission for the scheme.	
		The Viability Assessment does not acknowledge that the economics of conversion schemes are very different to those of new build schemes. It is difficult to see how the District Council can assess whether the imposition of CIL will put the majority of these schemes at risk without having considered its impact on their viability.	
		Concerns on CIL payments and the infrastructure requirements	
		The Charging Schedule, as drawn, does not make the connection between the CIL charges proposed and the infrastructure requirements of the particular developments upon which they are being levied. The Council has outlined its Total Infrastructure Requirements in the Charging Schedule which amounts to £227,063,000 and has stated that £104,427,000 of this may be delivered by "possible CIL schemes". However, there is no connection between these figures and how the CIL charges are set in the Charging Schedule. Indeed, the table in the Charging Schedule still shows a funding gap of approximately £68 million even after CIL payments and S106 delivery.	
		By way of example, using the CIL figures proposed in the Charging Schedule for "large retail" (at 120.00 per square metre) the proposed charge would add £480,000 to the cost of a generic 4,000 square metre supermarket development. There is no evidence that this is necessarily the appropriate figure in terms of the related infrastructure costs that a retail development should be expected to carry but rather it appears to be a high level calculation based on the sector's assumed ability to pay.	
		We accept that some superstores may individually necessitate the provision of specific local infrastructure but it could be argued that given the proliferation of modern supermarkets infrastructure requirements have reduced. For example, it is frequently the case that journey times fall as new supermarkets are opened. The inevitable	

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		<p>consequence of this is that most existing infrastructure is used less, not more, as a result of such developments. There is a concern that as local authorities will seek site-specific commitments under the Section 106 regime as well as CIL that the two charges together represent an unreasonable double levy for infrastructure which is seemingly being placed onto a very limited category of development.</p> <p>There is also a risk that some of the infrastructure projects identified by the Council to be funded by CIL will already have been funded by undelivered projects funded by existing Section 106 commitments. At present, Section 106 contributions paid to a council are repaid to the developer if the infrastructure has not been delivered within a certain period of time. These delivery periods are long, usually between five and ten years, and the onus is on the developer to check that the council has carried out the works and to request a refund if not. As you will be aware, there is no similar mechanism to allow developers to reclaim unspent CIL contributions.</p> <p>ASDA's SUGGESTIONS</p> <p>1. Exceptional circumstances relief</p> <p>The Council has not indicated whether it intends to implement exceptional circumstances relief. We urge the Council to do so.</p> <p>The viability of any particular development scheme is finely balanced and will fluctuate depending on the costs involved in the development and the state of the economy when the development comes forward. By adopting exceptional circumstances relief the Council will have the flexibility to allow strategic or desirable, but unprofitable, development schemes to come forward by exempting them from the CIL charge or reducing it in certain circumstances.</p> <p>Simply exempting schemes from certain Section 106 obligations is unlikely to be sufficient to counteract the negative impact of the CIL charge, particularly as not all schemes (in particular retail developments) would attract an affordable housing requirement which could be waived. Further, the types of strategic development which are most likely to be of concern to the Council, such as large regeneration of housing schemes, are precisely the types of development which are likely to carry heavy site specific infrastructure costs, which will be funded under Section 106, and are most likely to qualify for exceptional circumstances relief. We therefore urge the Council to adopt it.</p> <p>2. Instalment Policy</p> <p>We also note from the Charging Schedule that the Council has not made a definitive statement about adopting an instalment policy.</p> <p>Many major development projects are implemented in phases and by adopting an instalment policy this should ensure that developers are not disadvantaged by submitting an application for full, rather than outline, planning permission. We therefore also urge the Council to adopt an instalment policy which ensures that developers are not disadvantaged by the decision to submit a full planning application for a phased development scheme.</p> <p>3. Flat Rate Levy</p> <p>A much fairer solution, accepting for the purpose of his argument the premise that CIL is necessary for the purpose of funding district-wide infrastructure, would be to divide the Council's estimate of total infrastructure costs over the charging period (and in this connection, it is important to remember that the Government's guidance as recorded in the National Planning Policy Framework is that only deliverable infrastructure should be included) by the total expected development floorspace and apply a flat rate levy across the District and across all forms of development. That will have the least possible adverse effect upon the market for land and for development, and yet the greatest possible opportunity for the economy to prosper and thrive and for jobs to be created.</p> <p>The potential impact of a flat rate levy on the viability of those types of development which are not currently identified as viable could be balanced by the Council's implementation of exceptional circumstances relief, as mentioned above.</p> <p>Consequently, reducing the levy proposed per square metre on this floor space would not result in a proportionate increase in the levy required on other forms of commercial or other development. However, applying the current proposed levy could run the risk of diminishing substantially the number of such stores built, with a consequential loss of employment opportunities and investment.</p> <p>Alternatively, we would request that the Council reduces the CIL charges for large scale retail developments to that of small scale retail developments to ensure consistency.</p>	
		<p>CONCLUSION</p> <p>For these reasons, we would ask that the Council undertakes a rethink of its position and substantially alters its Charging Schedule in so far as it relates to large retail development. Accordingly, we would request that the Council.</p> <p>a. Revisits its viability evidence, to ensure it takes account of planning costs and residual Section</p> <p>b. Adopts the exceptional circumstances relief exemptions allowed for under the CIL</p> <p>c. Produces a draft staged instalment payments policy (for all types of development) that</p>	<p>106 and Section 278 payments for commercial developments;</p> <p>Regulations;</p> <p>ensures that developers are not disadvantaged by submitting an</p>
		<p>application for full, rather than outline, planning permission;</p>	

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<u>Ref.</u>	<u>Rep No.</u>	<u>Applicant</u>	<u>Agent</u>
LDF/3076	5	Sainsbury's Supermarkets Limited	Indigo Planning Limited

Document Section: 2. The evidence for setting a CIL rate

Comment

Representation:

Having reviewed the draft document and the accompanying evidence base document prepared by DSP Housing and Development Consultants, we do not feel that there is a robust or sufficient evidence base to justify the proposed differential levy for retail development i.e. £120 per m² for retail floorspace greater than or equal to 280m² and £60 per m² for retail floorspace less than 280m². As such, we write objecting to the proposed differential rates for retail development and we set our reasons below.

Proposed Differential Retail Rates

In-Principle Objection √ Fairness

The recently published CIL December 2012 Guidance highlights the increased emphasis on CIL delivering new infrastructure and the importance of considering this when formulating charging schedules. Paragraph 12 of the document clarifies that a charging authority must consider what additional infrastructure is needed in its area to support development. Paragraph 37 is clear in stating that charging schedules 'should not impact disproportionately on particular sectors or specialist forms of development'. In our view, the proposed retail rate raises issues of fairness. It is clear that there is a bias against larger retail development. Since foodstore development does not give rise to significant impacts on a range of infrastructure, the proposed charge is clearly disproportionate and contrary to the Guidance.

Insufficient Evidence Base

Regulation 13 (1) of the CIL Regulations only allows for different rates for different zones or by reference to different intended uses of development where the differential rate can be justified by an assessment that shows both that there are different intended uses and that each of the intended use has different viability characteristics.

(a) Lack of Evidence that shops of different sizes are different 'intended uses'

Paragraph 3.5.6 of the Viability Assessment states DSP is of the opinion that a small retail use is different to a large retail use in viability terms because it displays different characteristics and serves different markets. We strongly disagree that small and large retail uses are different intended uses, particularly using a threshold of 280m². The Sunday Trading Act 1994 defines a large shop as a 'shop which has a relevant floor area exceeding 280 square metres'. This naturally implies that a small shop has a relevant floor area below 280m². The Act defines a shop as meaning 'any premises where there is carried on a trade or business consisting wholly or mainly of the sale of goods'. Viewing this definition rationally, it can be applied to any shop no matter what size or what it sells and does not provide any particular factors which would distinguish the intended use of a retail development. Furthermore, the evidence base notes that that Competition Commission and the Office for Fair Trading use three categories of grocery retail shopping. Clearly, the key element of this is that the three categories relate back to the same thing i.e. grocery retail shopping. In essence, the character of a retail store is the same no matter what size it is as:

√ The purpose of visiting a small or large store is exactly the same. You are there to browse and/or purchase goods;

√ The in-principle layout of the store is the same in respect of how people undertake their shop and how the floorspace will be divided into a sales areas and a storage area.

√ The principal character of a store and the reason you visit it is the same whether it is a large superstore or a small retail store. The only difference relates to the size which clearly only signifies that the depth of range of goods on offer is reduced.

The Council has not provided any appropriate reasoning or robust evidence base to suggest that 280m² is a critical threshold in terms of viability and, irrespective of this, the supporting evidence clearly does not demonstrate that a store of 280m² is different to that of a store of over 280m² in terms of its proposed use.

(b) Lack of Viability Evidence

Having reviewed the supporting evidence, we consider that the basis for the proposed retail rate is fundamentally flawed for a number of reasons:

√ The Viability Assessment only provides one scenario relating to foodstore development, that of an out-of- or edge-of-town store with a GIA of 4,000m². There is no clarity as to whether this is greenfield or brownfield development. Furthermore, there is no appropriate justification for these assumptions and it is unclear what consideration has been given to existing uses and other site specific issues such as the need for clearing, remediation. Without justification or transparency regarding the scenarios tested, there is no way that the approach taken be viewed as 'reasonably representative' of a range of retail schemes that could potentially come forward. In particular, there is no justification as to why 4,000m² is an appropriate size of store. The choice of scenarios is fundamental to the process of setting charging rates and this element needs to be robust and transparent to provide legitimate and unchallengeable levies. At present, there is no robustness or transparency.

√ Sufficient justification has not been provided to justify viability above and below a 280m² threshold. The document text states that it is considered that there is sufficient

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evidence but this is simply not supported by the calculations. There is no evidence illustrating that 280m ² is the threshold that development becomes unviable at a certain levy rate. Without this, the proposed differential levy cannot be sustained.			
Conclusions			
Given the above, the evidence base is not rigorous in its assumptions and it is hard to see the justification for the proposed retail levy. The proposed differential levy simply cannot be justified and therefore a flat rate is the only appropriate approach. The only justifiable levy is the lowest and which, in accordance with the Guidance, avoids 'setting a charge right up to the margin of economic viability'. Clearly, this is a levy of £60.			
Further Comments			
In addition to the above, we would note the following:			
¿ It is unclear if any consideration has been given of the implications of the proposed CIL Levy in respect of state aid, particularly selective advantage. Selective advantage is being given to certain forms of retail development in the Preliminary Draft Charging Schedule and this needs to be addressed in the preparation of future stages of the Charging Schedule.			
¿ We would request that the Council agrees to implement a CIL payment instalments policy to provide certainty and confidence 'up-front' to developers which in turn, will allow for viable development to come forward.			
¿ We would also request that that Council agrees to accept Regulation 55 exception applications and provision for this should be made within the final Charging Schedule. In conclusion, we trust that the above representations will be taken into consideration in the preparation of the Charging Schedule and we would be happy to meet with officers to discuss any of the above in further detail. We also request that we are kept informed of the Council's preparation of the Charging Schedule.			

LDF/7600	1	Gladman Developments
Document Section:	2. The evidence for setting a CIL rate	<i>Comment</i>
Representation:		

Introduction
 Gladman Developments has considerable experience in the development industry in a number of sectors including residential and employment land. Gladman are aware that North Hertfordshire District Council are currently consulting on their Housing Options for their Local Plan and that alongside the on-going preparation of the Local Plan the Council are in the process of preparing a Community Infrastructure Levy for the area. This Consultation is for the preliminary draft charging schedule of the CIL.

CIL is intended to have a positive effect on development. The CLG guidance notes that 'By providing additional infrastructure to support development of an area, the levy is expected to have a positive economic effect on development across and area. In deciding rate (s) of the levy for inclusion in its draft charging schedule, a key consideration is the balance between securing additional investment for infrastructure to support development and the potential economic effect of imposing the levy upon development across their area'. (Paragraph 8, CLG Guidance, 2012)

The Council must ensure that they strike an appropriate balance between the desirability of funding from CIL and the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across the local authority area. This means that the Council must consider the impact of CIL together with the policies contained in the Local Plan on developments within the borough when deciding an appropriate CIL rate.

Setting the levy at the appropriate rate will be key to ensure that development comes forward in your local authority area and subsequently that the Local Plan is implemented. These representations address some key areas that local planning authorities must consider when preparing their CIL charging schedule, drawing on recent guidance produced by the CLG.

Funding gap / evidence base
 Local planning authorities need to be able to demonstrate the infrastructure need and subsequent funding gap and must ensure that the level of total CIL receipts that could be

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			<p>generated through the levy reflects these true needs and the proposals in the Local Plan. The CIL should not be used by Council's as a mechanism for creating an unrealistic 'wish list' of infrastructure projects in their area.</p> <p>When establishing a funding gap that CIL receipts are intended to contribute towards filling, it is vital that the Council take account of every possible income stream. This has to include an accurate assessment of future New Homes Bonus and council tax and business rates receipts generated as a result of new developments allocated in the Local Plan, as well as central government funding streams. This should also include an assessment of statutory undertakers asset management plans, as these companies will at some stage be upgrading their systems/facilities. This also needs to be taken account of when assessing the infrastructure requirements of the authority.</p> <p>The Council need to have an up to date, robust evidence base that fully justifies the infrastructure needs based on the amount of development that is required. Information on these infrastructure needs should, wherever possible, be drawn directly from the infrastructure planning that underpins the Development Plan, as this should identify the quantum and type of infrastructure required to realise their local development needs. If the authorities infrastructure planning is weak or out of date then the Council should undertake an exercise to refresh this. If the evidence base is not complete, robust and up to date the charging schedule will be unsound and the local planning authority will have difficulty adequately demonstrating their funding gap and subsequent CIL requirements.</p> <p>The CLG guidance notes that: 'Charging authorities should be able to show and explain how their proposed Community Infrastructure Levy rate (or rates) will contribute towards the implementation of their relevant plan and support development across the area. It is likely, for example, that charging authorities will need to summarise evidence as to economic viability in a document (separate from the charging schedule) as part of their evidence base.' (Paragraph 21, CLG Guidance, 2012)</p> <p>It is important that in calculating the level of infrastructure you need as a result of development you distinguish between new and existing demands. New houses do not always create new pressure on infrastructure as evidence shows that a large proportion will be occupied by people already living in the borough, attending local schools, and registered with local GP surgeries. They will therefore require less infrastructure provision compared to new residents in the borough.</p> <p>The available guidance makes it clear that CIL is expected to have a positive economic effect on development across an area in the medium to long term. The CIL charging rates should not be set at such a level as to put at serious risk the overall development of the area. The Council will need to provide robust evidence that the proposed rates will not jeopardise development. The rate will also need to be appropriate over time, bearing in mind land values, market conditions and the wider economic climate change rapidly.</p> <p>The Council needs to ensure that they have a full understanding of the potential costs of infrastructure projects needed to meet the infrastructure needs. Gladman believe that it is inappropriate to set the levy based on a partial understanding of these infrastructure costs and in particular if the total money needed for infrastructure is unknown.</p> <p>Differential charging rates</p> <p>The CLG guidance notes that the use of differential charging rates can be an appropriate approach where there is viability evidence that constitutes the basis for this. 'This is a powerful facility that makes the levy more flexible to local conditions' (Paragraph 34 CLG Guidance, 2012)</p> <p>The rules around the use of differential rates in the Charging Schedule are clear: they can only be for different geographical zones in which development would be situated or by reference to different intended uses of development. Furthermore, as inspectors have made clear, differential rates should be set 'based on economic viability considerations alone, rather than any planning or any other public policy related choices' (Paragraph 14, Newark and Sherwood EIP report, August 2011), and 'CIL is not intended to be a planning policy tool' (Paragraph 23, Huntingdonshire EIP report, April 2012). Charging schedules should not impact disproportionately on a particular sector or small group of developers.</p> <p>It is integral when setting differential rates for different geographical areas that these differential rates are based on accurate, up to date housing market intelligence forming the evidence base for this decision.</p>

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Requirement to consult			
<p>As with Local Plans, local planning authorities have an obligation to consult at various stages of the CIL preparation process. Public consultation on the preliminary draft charging schedules is required. However, the guidance does not provide details as to the format that this consultation must take or length of the consultation period. Gladman echo the CIL guidance and would urge your local authority to engage with local developers and others in the property industry early and throughout the process. This will help your authority to gain opinions from the market to feed into the preparatory work.</p> <p>Once the charging schedule is ready for Examination the local authority must publish the draft schedule for a further stage of formal public consultation.</p> <p>Examination</p> <p>As outlined in paragraph 56 of the CLG guidance the charging authority must appoint the examiner. The examiner must be independent and have the appropriate qualifications and experience. The guidance confirms that a Planning Inspector would fulfil these criteria.</p> <p>Conformity with Framework</p> <p>The National Planning Policy Framework (from here on referred to as the Framework) provides the current central government planning policy and requirements for local planning authorities to meet. The Framework places emphasis on sustainable development and in particular ensuring that the objectively assessed needs of an area are met through the requirements and policies within the new Local Plan.</p> <p>It is fundamental that the Council ensures that the proposed levy rates are realistic and not set too high. Arbitrarily high rates may jeopardise the delivery of housing schemes within the area. This would be contrary to the Government's aim outlined in the Framework to 'significantly boost the supply of housing', as schemes may not come forward due to viability issues.</p> <p>The Council's CIL charging rates must not threaten the overall delivery of the Local Plan, by making sites unviable. This point is reiterated in the CLG guidance 'in proposing a levy rate (s) charging authorities should show that the proposed rate (or rates) would not threaten delivery of the relevant plan as a whole.' (Paragraph 29, CLG Guidance, 2012). When testing the impact of CIL it is vital that the assumptions that underlie the standard residual valuation approach used to test the impact on viability of CIL are realistic and accurate. This should include abnormal costs, contingency costs, preliminary costs, and developer profit, which should reflect the current level of risk perceived in the market.</p> <p>Gladman would urge the Council to adopt an instalments policy for CIL payments as this will give developers the flexibility to pay contributions in line with development phasing schemes and will facilitate cash flow and therefore development viability.</p> <p>Gladman would also like to remind the Council of the need to review CIL tariffs once these have been set. The economic climate will inevitably change over the course of the plan period and as such the levy rates that can be set whilst ensuring development remains viable will also change. The CLG guidance promotes the need for charging schedules to remain under review 'This is important to ensure that the levy charges remain appropriate over time, and also so that that they remain relevant to the gap in the funding for the infrastructure needed to support development of their area' (paragraph 79, CLG Guidance, 2012).</p> <p>The Local Plan for your area will need to be in place prior to the CIL being adopted. Gladman believe that the Council need to have a clear understanding of the level of residential development to be brought forward in the plan period when preparing the charging schedule as this will directly influence the scale of CIL that will be generated. Without this the charging schedule will not reflect the relevant and true infrastructure needs of the area.</p>			

LDF/8367	1	The Consortium - Croudace Strategic and Bloor Homes
Document Section:	2. The evidence for setting a CIL rate	

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<u>Ref.</u>	<u>Rep No.</u>	<u>Applicant</u> <i>Comment</i>	<u>Agent</u>
Representation:			
1.0 Introduction			
1.1 This Representation has been prepared by Savills on behalf of Croudace Strategic and Bloor Homes (hereafter referred to as 'the Consortium').			
1.2 This representation has been submitted to influence the emerging Community Infrastructure Levy (CIL) Charging Schedule proposed by North Hertfordshire District Council (NHDC). The representation is made in respect of the Preliminary Draft Charging Schedule (PDCS) placed for public consultation in the period February to March 2013. Our clients' particular comments relate to the proposed rates for residential development.			
1.3 The Consortium has come together owing to certain concerns with the approach proposed by NHDC, notably regarding the viability of the proposed rates for residential development. The Consortium's members have significant land holdings across the district, which are likely to contribute to the maintenance and delivery of the housing land supply in North Hertfordshire both in the medium (5 year land supply) and long-term (identified need to 2031). The rate of CIL adopted in the district is therefore of critical importance to our clients.			
1.4 In setting the rate of CIL, the Community Infrastructure Levy, England and Wales Regulations 2010 (as amended) ('the Regulations') state that 'an appropriate balance' needs to be struck between 'a) the desirability of funding from CIL (in whole or in part)' against 'b) the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development' ¹ . The term 'taken as a whole' implies that it may be acceptable for some schemes to be rendered unviable by the level of CIL charge; however, there is a clear requirement to ensure that most developments are able to proceed. The Government provides further guidance on the meaning of the appropriate balance from paragraph 8 of the Community Infrastructure Levy Guidance ('the Guidance', December 2012) ² .			
1.5 The Consortium therefore considers that it is imperative that the evidence supporting CIL: clearly outlines the key infrastructure projects required to support development (this being the key test of the Regulations); Outlines an up to date, consistent and well informed evidence base of economic viability in order to test various scenarios against CIL rates.			
1.6 This representation outlines certain concerns with the Viability Appraisals prepared by Dixon Searle Partnership (DSP) (Section 4.0). Dependent on the further response to these, Savills may provide further evidence of viability for consideration at the consultation of the Draft Charging Schedule and Examination.			
1.7 Most importantly, we request that the typologies assumed by DSP are tested against the housing trajectory. The largest typology analysed by DSP was 500 units, whereas 7 out of 8 of the Greenfield sites considered within the Strategic Housing Land Availability Assessment (SHLAA) are capable of providing over 1,000 dwellings.			
1.8 Infrastructure and Section 106 costs per plot are usually significantly higher within very large schemes. Strategic urban extensions sites are also likely to be key to providing new schools. We believe that the proposed CIL rate could have an adverse affect on the viability of larger sites.			
1.9 DSP considered whether a CIL rate of lower than £80/sq m would be appropriate for large strategic sites, including the possibility of a zero rate for large strategic sites within areas where there may be significant on-site Section 106 costs. The Consortium request that this is investigated further, particularly for Strategic Urban Extensions in lower value areas such as Stevenage and east of Luton.			
1.10 A further concern is that the PDCS makes no reference to a viability buffer. This is extremely concerning for the Consortium as it allows no margin for site specific constraints or macro-economic impacts on costs and values.			
1.11 The Consortium wish to highlight the recent proposed CIL tariffs which have been reduced from the rates proposed in Preliminary Draft Charging Schedules. Local Authorities where reductions have been made include Greater Norwich Development Partnership (GNDP), Southampton, Mid Devon and Leeds.			
2.0 The Approach of National Policy			
2.1 With regard to the preparation of Charging Schedules and supporting documentation it is important to have due regard to the available Government guidance and law, notably, the CLG Community Infrastructure Levy & an Overview (May 2011), CLG Community Infrastructure Levy Guidance (December 2012), CLG Community Infrastructure Levy Relief (May 2011), the Planning Act 2008 and the CIL Regulations 2010 (as amended). It is also important that the preparation of CIL is in the spirit of the National Planning Policy Framework (NPPF), notably that it is delivery focused and 'positively prepared' ³ . The Consortium comments are based on these publications and the Regulations.			
2.2 The (NPPF) outlines 12 principles for both plan making and decision taking, notably that planning should 'proactively drive and support sustainable economic growth'. ⁴ Furthermore, that plan making should 'take account of market signals such as land prices and housing affordability'. Furthermore, that 'the Government is committed to			

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		ensuring that the planning system does everything it can to support sustainable economic growth'.	
2.3		Further, the NPPF refers to the 'cumulative impacts' ⁶ of standards and policies relating to the economic impact of these policies (such as affordable housing) and that these should not put the implementation of the plan at serious risk. Existing policy requirements should therefore be considered when assessing the impact of CIL on development viability.	
2.4		The steer from Central Government is very much angled toward facilitating development, which should have a major material bearing on the preparation of CIL and the balance applied when considering Regulation 14(1).	
2.5		The Government has also confirmed through the CIL Guidance, guidance on the preparation of CIL, notably: The need for balance (as per Regulation 14) The need for 'appropriate available evidence to inform the draft Charging Schedule' (as per Schedule 212(4) (b)) of the 2008 Act)	
2.6		The Guidance states that 'the levy is expected to have a positive economic effect on development across an area.' ⁷ The Government also makes clear that it is up to Local Authorities to decide 'how much' potential development they are willing to put at risk through CIL. Clearly this judgement needs to consider the wider planning priorities.	
2.7		The Government is also in the process of introducing further amendments. Most notably, we understand that; 'Where there is a neighbourhood development plan in place, or permission was granted by a neighbourhood development order (including by a community right to build order), the charging authority must pass 25% of Community Infrastructure Levy funds to the parish councils in whose area the chargeable development takes place' ⁸ .	
2.8		We ask ¿ bearing in mind the proposed legislation above ¿ how this will influence the appraisal work completed to date by DSP.	
3.0		Infrastructure & Planning	
3.1		The purpose of CIL must be to positively fund the infrastructure required to enable growth. This is clearly outlined within the Regulations which state 'A charging authority must apply CIL to funding infrastructure to support the development of its area' ⁹ . The Planning Act 2008 defines infrastructure ¹⁰ as: '(a) roads and other transport facilities, (b) flood defences, (c) schools and other educational facilities, (d) medical facilities, (e) sporting and recreational facilities, and (f) open spaces	
3.2		There is a requirement within the CIL Regulations to provide a list of 'relevant infrastructure' to be wholly or partly funded by CIL. We question whether this requirement has been satisfied, or if any progress has been made towards it.	
3.3		Ascertaining the level of CIL is essentially a development viability exercise and owing to this it is critical that the level of CIL is based on robust and credible evidence. The CIL ¿ An Overview document outlines that 'Charging Authorities wishing to introduce the levy should propose a rate which does not put at serious risk the overall development of their area' ¹¹ . It will therefore be important that the rate is based on reality and the viable level of funding towards the planned provision of infrastructure needed to deliver the development plan.	
3.4		It is clear from the evidence provided that CIL alone will not be able to fund the predicted £68 million shortfall of essential and desirable infrastructure that is said to be required. This makes it even more important that NHDC set the level of CIL based on what can be afforded, rather than what may theoretically be desired, to reduce the risk of the shortfall being even greater.	
3.5		The CIL Guidance outlines that CIL should only even be considered where an identified funding gap is demonstrated ¹² . The process of demonstrating this should also identify a CIL 'infrastructure funding target' ¹³ which should be based upon the selection of infrastructure projects or types that are identified as candidates to be funded by the levy in whole or in part. The 'target' is not presently clear as it is not explicitly stated and a draft Regulation 123 list has not been made available for consultation. The CIL Guidance also states that, at Examination, authorities should 'set out those known site-specific matters where section 106 contributions may continue to be sought' ¹⁴ . Whilst we are aware authorities are not required to produce this information and their Regulation 123 list until the Examination, we would suggest this is done earlier, preferably before the Draft Charging Schedule consultation, to allow more consultation from the development industry.	
3.6		The Consortium does not dispute the fact that an infrastructure funding gap exists, and hence that in principle CIL is justified in the authority. It is however, considered that the supporting evidence should consider and outline in greater detail the alternative funding sources which have been considered to reduce the gap in funding, including New	

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		Homes Bonus, Tax Increment Financing, congestion charging, workplace parking levy.	
3.7		The objectives of CIL are fundamentally to assist with the delivery of developments as CIL receipts are used toward the funding of new major infrastructure ¹⁵ .	
		Infrastructure Requirements ζ February 2013	
3.8		The Preliminary Draft Charging Schedule Consultation Paper February 2013 lists the infrastructure required. There are a large number of items that are proposed to be delivered by on-site Section 106, which we expect will predominantly apply to large strategic sites. The largest typology appraised by DSP is 500 dwellings and the consortium therefore feel it is necessary to undertake further testing of Strategic Urban Extensions (SUEs) of 1,000 dwellings and more, as such sites could be heavily burdened by both CIL and on-site Section 106.	
4.0		Viability Appraisal & Proposed Methodology	
4.1		Owing to the key test of Regulation 14(1) ¹⁶ it is important that the viability appraisal prepared is fit for purpose. It is clear that at Examination the Charging Schedule will need to be supported by 'relevant evidence'.	
4.2		The requirement to justify the Charging Schedule with evidence of viability is outlined by CIL ζ An Overview ¹⁸ , which notably also makes reference to setting differential rates. The CIL Guidance outlines 'charging authorities should avoid setting a charge right up to the margin of economic viability across the vast majority of sites in their area' ¹⁹ . It will therefore be an important consideration to ensure that the evidence of viability adequately tests scenarios that reflect the key sites required to deliver the planned growth.	
4.3		The fundamental premise is that to enable delivery, sites must achieve a credible land value and developers the required return on investment, otherwise development will be stifled. This is recognised by the NPPF ²⁰ as well as the Harman Report and is certainly 'in-built' within the CIL Regulations. It is also the basis of the definition of viability with the Local Housing Delivery Group report, Viability Testing of Local Plans.	
4.4		At this stage no alternative viability evidence has been prepared by Savills or our clients, although we may do so at the Draft Charging Schedule and Examination stage if it is felt this were required. It may however be more prudent for Savills, on behalf of our clients, to liaise directly with NHDC and their advisors over the necessary changes to the viability study prior to the publication of the consultation on the Draft Charging Schedule.	
		General Assumptions for all Typologies	
		We set out below our comments on the standard assumptions adopted by DSP for all typologies appraised. We comment later in this document on specific assumptions relating to Strategic Urban Extensions (SUEs).	
		Development Profit	
4.5		The Consortium notes the adoption of a development profit of 20% on Gross Development Value (GDV) on private housing. However, the Consortium would like to highlight to DSP and NHDC a recent appeal decision relating to Land at The Manor, Shinfield, Reading that been made by the Planning Inspector.	
4.6		We are of the opinion that this is an important decision in terms of viability in planning, and whilst it is not directly related to CIL, it does address many of the factors that are under consideration here, in particular developer's profit. The decision states: 'The appellants supported their calculations by providing letters and emails from six national housebuilders who set out their net profit margin targets for residential developments. The figures ranged from a minimum of 17% to 28%, with the usual target being in the range 20- 25%. Those that differentiated between market and affordable housing in their correspondence did not set different profit margins. Due to the level and nature of the supporting evidence, I give it great weight. I conclude that the national housebuilders' figures are to be preferred and that a figure of 20% of GDV, which is at the lower end of the range, is reasonable.' ²³	
4.7		DSP's methodology of applying circa 6% profit on cost to the affordable element was designed by the HCA to assist Registered Providers (RPs) in preparing their bids and applying for HCA grant funding. Grant funding is no longer available and developers generally make their bids for sites without prior agreements from RPs; instead seeking RP partners after the sites have been acquired.	
4.8		There is therefore a similar level of risk to the developer that an RP may not be found to purchase the Affordable element, or indeed it may take longer to do so. We are aware of many instances where developers have found it difficult to secure an RP and, where they have, the bids received can often be less than anticipated. We are also aware of instances where the RPs operating in an area are not willing to take the specified affordable dwellings as they are not the dwelling types required by their tenants; even though the affordable unit types were defined by the Local Planning Authority. The result of this uncertainty and risk is delays to the build programme and, consequently, increased holding and finance costs. Looking to the future ζ and after 2015 ζ there is greater national uncertainty about grant and social rent. As such, the developer will take a similar view on profit to the Market Housing to reflect this risk.	
4.9		DSP's inclusion of 20% profit on GDV for private housing and 6% profit on cost for affordable housing equates to a blended profit of circa 17.5% which is, of course, subject to variations based on the level of affordable housing required in each scenario. Accordingly we are of the opinion that this is far too low and does not reflect current market	

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		conditions.	
4.10		Taking account of the Inspector's decision, funding requirements and housebuilders target profits upon which they base their bids we are of the view that a profit of 20% on GDV for both Market Housing and Affordable is appropriate.	
4.11		This sentiment is reinforced by the requirements of the larger, strategic long term schemes which often require a profit rate of at least 25% on GDV. This reflects the substantial upfront investment and greater financial risk as well as the increased longevity of larger schemes.	
		Professional Fees	
4.12		Professional fees include all costs associated with bringing forward and implementing proposed sites. On larger, complex sites such as Strategic Urban Extensions these fees can be a significant proportion of the total costs of development.	
4.13		The Consortium therefore welcomes the Council and DSP's inclusion of a 12.5% allowance for professional fees, but questions the assumption that professional fees on the 500 unit Greenfield scenario will be lower (8%).	
4.14		Our experience indicates that larger Greenfield sites are subjected to additional professional fees due to greater complexities in the planning and design stage, longer project timescales and phased development. We therefore ask that all the typologies be tested at 12.50% professional fees.	
		Finance Costs	
4.15		In the current market, finance is incredibly difficult to secure for development. Fees for finance are higher than previously seen and tend to rise in accordance with the complexity of a development and the timescale for the project.	
4.16		We note that in the Cambridge City Council Viability Assessment (February 2013) DSP have assumed a finance rate of 7% ²⁴ . The Consortium therefore questions why a finance rate of 6% is adopted in the North Hertfordshire Viability Assessment.	
4.17		The Consortium would therefore ask that a finance rate of 7% be adopted by DSP.	
		Developable Area	
4.18		The ratio of gross to net developable area is a key consideration, especially in respect to the typologies that test the larger residential sites. This is important because the comparison of the viability appraisal results against a benchmark land value is reliant upon the correct land take assumptions. The Consortium is therefore concerned that the gross to net assumptions adopted for each typology have not been set out in the Viability Report.	
4.19		This above sentiment is reinforced by the guidance from the Harman report ² Viability Testing Local Plans ² which states: 'In all but the smallest redevelopment schemes, the net developable area is significantly smaller than the gross area that is required to support the development, given the need to provide open space, play areas, community facility sites, public realm, land for sustainable urban drainage schemes etc'.	
4.20		The Consortium would therefore ask DSP and NHDC to outline their gross to net assumptions on all the typologies tested.	
		Contingency	
4.21		We note the recent Plymouth City Council CIL Examination in public where the Examiner recognised the importance of a contingency and commented: " the inclusion of contingency costs within the viability appraisals provide a buffer against any changes in the costs of meeting new or emerging policy requirements such as higher environmental standards..."	
4.22		The Consortium therefore agrees with the inclusion of a 5% contingency sum in DSP's viability assessments.	
		Gross Development Values	
		DSP's Residential Market Review ²⁷ appears to be based on asking prices rather than achieved sales prices. We request that actual sales evidence is sought, however we do not consider that the sales values set out within the Residential Values Summary are excessive.	
		Viability Buffer	
4.23		In practice, site specific circumstances will mean that the economics of the development pipeline will vary from the typical levels identified via analysis of the theoretical site typologies. This is inevitable given the varied nature of housing land supply and costs associated with bringing forward development.	
4.24		It is therefore essential that a viability buffer be incorporated either into the benchmark land value or elsewhere through the CIL assessment process which would ensure delivery of sufficient housing to meet strategic requirements. The viability buffer should also take account of the risks to delivery flowing from the potential for some sites to achieve a lower sales value than anticipated, the costs of building to higher Code Levels and the adoption of a threshold land value at the lower end of landowners' expectations.	

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4.25			
<p>This sentiment is further echoed in the recent Plymouth City Council CIL Examination in public. The Inspector recognised the importance of such a buffer and commented: "The 40% or greater discount and the inclusion of contingency costs within the viability appraisals provide a buffer against any changes in the costs of meeting new or emerging policy requirements such as higher environmental standards. This buffer also provides for any actual variations in costs over and above those used in other assumptions adopted in the appraisals, such as sales rates and developer's margin."</p>			
4.26			
<p>It is noted that the PDCS makes no reference to a viability buffer. This is extremely concerning for the consortium as it allows no margin for cost / market changes. Their concern is best demonstrated through further analysis below.</p>			
<p>5 year land supply</p>			
4.27			
<p>It is acknowledged in the CIL Guidance that the typologies selected to be assessed for viability must 'reflect a selection of the different types of sites included in the relevant Plan'28. It is therefore essential that the viability evidence has been run on typologies that reflect the future housing supply.</p>			
4.28			
<p>There should also be an assessment of the proportion of the planned supply of housing that falls within each typology tested. This is in order that the impact of the proposed CIL rate on the viability of the planned housing supply is explicit. This is in conformity with the CIL Guidance, which quotes the NPPF29 and states that authorities 'should show that the proposed rate (or rates) would not threaten delivery of the relevant Plan as a whole'30.</p>			
4.29			
<p>It is therefore essential that the typologies are tested against the housing trajectory and we would also recommend that the typologies are formed on other known sites that form potential supply and other types of sites that have contributed in the past.</p>			
4.30			
<p>We have had consideration for the Strategic Housing Land Availability Assessment (SHLAA) published in December 2012, which outlines the potential housing supply for the district up to 2031. The SHLAA indicates that 28,672 dwellings are deliverable from identified sites that pass all three tests (suitable, available and achievable).</p>			
4.31			
<p>The majority of these sites (74%) are strategic greenfield sites, with seven out of the eight identified strategic sites offering over 1,000 units. We note that at present the largest typology tested is a 500 unit scheme. With this in mind, the Consortium questions whether the typologies tested by DSP accurately reflect the Housing Trajectory.</p>			
4.32			
<p>The Consortium would therefore request that an additional SUE typology is tested in isolation and that sufficient opening-up costs are incorporated to reflect the infrastructure works needed to ensure that these sites can be delivered (please see section below for further detail). This is imperative if NHDC are to adopt a CIL that will enable the housing trajectory to be met.</p>			
<p>Viability Testing</p>			
4.33			
<p>With NHDC relying so heavily on strategic sites to deliver housing numbers, we strongly recommend that Strategic Urban Extensions are tested in isolation. This sentiment is further echoed by both the progress of Chelmsford Borough Council and Swindon Borough Council who have recognised the importance of these growth areas and as a result of extensive testing, proposed a nil CIL rate.</p>			
4.34			
<p>The Consortium also notes that DSP highlighted that in relation to strategic development in the typically lower value areas of the district (i.e. Stevenage fringe and east of Luton) that 'the possibility of a charging rate at a level beneath £80/sq m as an option; including a nil or significantly lower rate for particular localities where S. 106 might continue to play a more significant role with regard to on-site infrastructure.'</p>			
4.35			
<p>Our analysis of the strategic sites included within the SHLAA document indicates that 11,900 units are predicted to be supplied from Greenfield sites around Stevenage and Luton. This equates to 41.5% of the housing supply over the plan period (to 2031). We would therefore reiterate the importance of NHDC and DSP testing these sites in isolation. In doing so, we would also encourage the following inputs to be included:</p>			
<p>Strategic Urban Extensions</p>			
<p>Site Infrastructure</p>			
4.36			
<p>Site infrastructure includes improvements to the strategic road network, the provision of on-site non-frontage roads, on-site strategic foul and surface water drainage costs including Sustainable Urban Drainage Systems (SUDS), pumping stations and rising mains, off-site utility reinforcements, on-site service diversions, ground remodelling and structural landscaping, Section 38 and Section 278 costs, and maintenance costs pending adoption.</p>			
4.37			
<p>On sites in excess of 500 units we would expect an additional cost per unit to be included in appraisals. This view is in line with the Viability Testing of Local Plans document which offers a range of £17,000 - £23,000 per plot³¹ for additional infrastructure costs on large Greenfield sites.</p>			
4.38			
<p>The Consortium therefore requests that a minimum allowance of £17,000 per plot for infrastructure is included in the viability testing of SUEs.</p>			
<p>Threshold Land Values</p>			
4.39			
<p>Savills recommends that greater clarity is provided on the methodology adopted by DSP in determining Threshold Land Values (TLVs) for Greenfield and PDL land. Our</p>			

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		interpretation of the Viability Assessment Report is that the TLVs have been estimated as follows:	
		i) PDL - £618,000 - £1,850,000 per ha (£250,000 - £749,000 per acre)	
		ii) Greenfield - £250,000 - £750,000 per ha (£101,000 - £303,500 per acre)	
		4.40 Savills requests that more clarity is provided on why, in arriving at an existing use land value, only industrial land is considered and why a premium has not been included. We ask that comparable land transactions are considered.	
		4.41 For the Greenfield urban extension, we understand the benchmark land values have been calculated from multiplying the value of agricultural land by 20. Based on a benchmark land value of £250,000 per hectare this equates to £12,500 per ha or approximately £5,000 per acre. No local comparable land sales have been presented or analysed which will be essential in establishing the benchmark land value.	
		4.42 Our evidence suggests that agricultural land often trades in excess of £5,000 per acre, particularly on edge of settlement locations where 'hope value' is built into the price paid. We would strongly recommend this value is reconsidered.	
		4.43 It is also important that the benchmark land value takes into account the discount that is often made when land is being sold to developers subsequent to an option or promotion agreement. In such scenarios the planning and promotion costs are often also deductible from the land price.	
		5.0 Effective Operation of CIL	
		Instalments Policy	
		5.1 The Regulations and CIL ζ An Overview ³³ are clear that the charging authority has the flexibility to adjust the timing of the charge and to outline the payment procedure. This flexibility extends to:	
		Levy payment deadlines	
		Instalments policy	
		5.2 With regard to the phasing of CIL payments, NHDC has not published a draft instalment policy at this stage in the CIL process. The Consortium would therefore strongly recommend that NHDC take advantage of the flexibility in the Regulations and publish draft instalment policies for comment at the Draft Charging Schedule consultation stage, if not before.	
		5.3 In determining a suitable Instalments Policy, we would recommend that the initial contribution (%) payable at the commencement of development should vary depending on the scale of the total CIL payment due. The timing and proportion of subsequent payments should then also vary by the scale of the CIL liability.	
		5.4 We believe that there should be an overriding mechanism which, in certain situations should the CIL payments threatens the viability, and thus the deliverability of the scheme proposed, can be negotiated and agreed on a one-to-one basis.	
		Payments in Kind	
		5.5 The Regulations ³⁴ permit the payment of land in lieu of CIL. This is an interesting tool which could be proactively interpreted where the land in question is provided for infrastructure, for example 'strategic' highways or open space.	
		5.6 The mechanism of payments in kind must result in credible land values being agreed and offset against the levels of potential CIL receipts incurred through the chargeable development. If operated effectively the mechanism could considerably assist with development delivery. Historically, some such negotiations have proved lengthy and costly; a 'fall-back' provision should be made for timely resolution of such cases through arbitration.	
		5.7 We would recommend that the authorities take advantage of this facility and allow for the payment of land in lieu of CIL.	
		Relief	
		5.8 The Community Infrastructure Levy Relief ζ Information Document (CLG, May 2011) outlines the Government's position on 'exceptional circumstances' which could warrant exception from CIL. The first matter to note from the Regulations is that the offer of relief is discretionary on the charging authority.	
		5.9 It is noted that NHDC are currently undecided on whether they wish to include relief within the emerging CIL ³⁵ . The Consortium considers it imperative that NHDC make available exceptional circumstances relief from the date of the adoption of CIL, and that the intended approach to doing so (in conformity with the Regulations) is outlined at the next stage of consultation.	
		Review of CIL	
		5.10 The CIL Guidance outlines that the Government 'strongly encourages' reviews to ensure that CIL is fulfilling its aim and responds to market conditions. If the CIL is set at too high a rate, the delivery of housing will be put at risk. Regular monitoring is required to ensure that any detrimental impact of the CIL on delivery is noticed promptly and	

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			remedied. It should be borne in mind that, in reviewing the CIL rates, the same charge setting process and procedures are required to be followed and therefore there will be an inevitable delay until any deficit in delivery can be remedied.
5.11			Our clients agree that the authorities should have a clearly defined review mechanism and suggest that monitoring takes place on a 6-monthly basis. Monitoring data and reviews should be regularly published, for example on the Councils' website. Regular monitoring is key, to ensure that CIL does not stifle development in the right locations.
			CIL Regulation 122 ζ Double Counting
5.12			With regard to the relationship with Section 106 the CIL Charging Schedule should be clear that 'double counting' of Section 106 contributions and CIL is not permitted by law. The revised CIL Guidance has reinforced this point and states: 'Where the regulation 123 list includes a generic item (such as education or transport), section 106 contributions should not normally be sought on any specific projects in that category.' ³⁶ Further, the Guidance is clear that charging authorities should ensure they are clear about their infrastructure needs and what will be paid through each route (s.106 or CIL), 'so that there is no actual or perceived 'double dipping'.
5.13			The key tests of CIL Regulation 122 should be outlined within the supporting documentation. In practical terms, owing to the need to publish a Regulation 123 List, it is likely that only site specific or immediately adjacent measures will continue to be funded by Section 106 (i.e. site access or immediately adjacent open space). As outlined, the costs of this on-site infrastructure will increase for larger scale development.
5.14			The Government's position on the role of Planning Obligations is clearly outlined in the Overview document, ³⁸ notably the statutory basis that they must be directly related to mitigating the impact of development, and that CIL payments and planning obligations do not overlap. This is also made clear in the NPPF ³⁹ .
6.0			Conclusions
6.1			This representation has been prepared by Savills on behalf of a housebuilder Consortium. The Consortium is concerned with aspects of the approach adopted by NHDC towards CIL relating to the rates for residential development.
6.2			Furthermore, we have concerns relating to the assumptions used in the viability models and would ask that DSP provide evidence on the aspects we have highlighted. In particular, bearing in mind the evidence provided, we still have concerns regarding the following: Development Profit; Professional Fees assumed for the 500 unit typology; Finance Costs; Net:Gross Developable Areas; Viability Buffer; Infrastructure Costs; Typologies - largest typology (500 units) does not reflect the housing trajectory; Threshold Land Values ζ lack of transactional evidence.
6.3			The Consortium has particular concerns with the absence of viability testing of SUEs. We have estimated that 74% of the sites considered in the SHLAA are strategic Greenfield sites and seven out of the eight are over 1,000 units. Therefore we believe it is critical that a large typology of at least 1,000 units is considered.
6.4			NHDC have identified a significant amount of infrastructure requirements that will be required to be provided though on-site Section 106. It is likely that Section 106 costs will be highest on SUEs which are also likely to have higher infrastructure costs per plot. Therefore we argue that a lower CIL rate should be considered for large strategic sites, potentially with a nil rate in the lowest value areas.
6.5			We feel it necessary to stress that if the CIL level is set too high, it will almost certainly have a negative impact on a large proportion of development coming forward, especially bearing in mind the high proportion of land within SUEs. We believe that once the assumptions ζ as mentioned above ζ have been clarified, it will show the proposed residential CIL levels are too high and need reviewing.
6.6			The Consortium is open to meeting with NHDC and its advisors to discuss amendments to the approach taken. We believe this should be arranged as soon as possible.

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LDF/7154	15	Reddaway	

Document Section: 3. The CIL rate

Comment

Representation:

In my view there should be fewer types with less difference between them. Charging different amounts can lead to anomalies and avoidance schemes. Maybe it would be better to charge a % of the value of the development, as assessed by a panel of professionals.

Charging per square metre of building leaves houses with big gardens under-charged in relation to value. A better basis might be per square metre of land, which would make it more like a land value tax.

I don't see why hotel, business and community developments should be exempt. They still require infrastructure.

LDF/7771	1	Lines	
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Document Section: 3. The CIL rate

Support

Representation:

On the matter of the CIL I am heartily in favour of this levy at the proposed levels set out in your consultation document payable by all developments except charity and community housing developments.

LDF/8005	11	Long	
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Document Section: 3. The CIL rate

Object

Representation:

The proposed levy of £120 is far too low for the North Hertfordshire villages where planning gains are often around £1million per acre. A rate of £120 per sq m of floor space would give only around £150,000 of levy per acre. The proposed number seems geared to developer requirements and must be tested. Some villages have more amenities than others (school/cemetery/surgery/dentist) and a blanket rate of levy is unacceptable.

<u>Ref.</u>	<u>Rep No.</u>	<u>Applicant</u>	<u>Agent</u>
LDF/7154	18	Reddaway	

Document Section: 5. Exemptions and relief

Comment

Representation:

I do not think charities should be exempt as this bleads to anomalies.

LDF/8005	12	Long	
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Document Section: 5. Exemptions and relief

Support

Representation:

It is right that Housing Associations should be exempt.

Representations for Community Infrastructure Levy - Preliminary Draft Charging Schedule

<u>Ref.</u>	<u>Rep No.</u>	<u>Applicant</u>	<u>Agent</u>
LDF/7190	1	Palmer	

Document Section: Next Steps

Comment

Representation:

I am concerned that there is no specific mention of facilities for spiritual and social amenities in the new developments. These are important for well knit communities to be created. Our particular interest is in the proposed developments around Baldock. Already the Clothall Common area has been developed with minimal facilities. If this is extended then space needs to be allocated for local shops, community activities including a Church

We have been looking at precedents in this region to establish guidelines for how such needs could be met and came across this document prepared for Cambridgeshire Horizons in 2008.

http://www.cambridgeshirehorizons.co.uk/documents/publications/research/faith_facilities_study.pdf

This study drew on experience from across a range of Growth Areas and they hope that the lessons learnt will be applicable to all Growth Areas in the UK. They confirm Government policy which has identified the significant contribution that faith groups can make to community development:

We aim to support strong and active communities in which people of all races and backgrounds are respected. We recognise faith communities as an important part of the local community and value the experience, skills and diversity they bring to wider society.

In their discussion with faith groups they identified several key themes that are central to the role of faith groups in new communities:

- *Early involvement of a faith group or consortium of faith groups in a new community is a major contributor to community development
- *Faith groups can operate from a house or by making part-time use of someone else's premises, but to develop a rounded programme of activities and provide a full range of services to the community access to premises which they can own or manage is essential
- *These premises will not necessarily look like a traditional place of worship. It is more important to have a large space and some smaller rooms which will accommodate a range of activities and age groups
- *Faith groups are not looking for landmark buildings, although local authorities and developers may view a faith building in this light for design/master planning reasons
- *Multi-faith premises are very difficult to manage and rare in practice, however ecumenical co-operation between Christian denominations is becoming a common way forward and may include the evangelical as well as the mainstream churches

In summary they recommend that developers should allocate land for church buildings, suggesting a figure of 0.5 hectares of free or heavily discounted land per 3,000 homes. At present Clothall Common has been developed without any church facilities and with the proposed additional housing in that area there clearly is a need for such an allocation. We in Christchurch would be willing to help develop such a centre and run it for the benefit of the community.

Christchurch Baldock is a thriving multi-ethnic Christian Church which needs larger facilities. We would like to be involved in meeting the needs of the new community by being involved. A combined use building such as a sports centre/Community Centre/Church seems ideal. In many communities these have worked well, often being managed for the benefit of the local community by the church. This prevents the problem of having churches empty for much of the week and shares costs.

Bernard Palmer

Representations for Community Infrastructure Levy - Preliminary Draft Charging Schedule

<u>Ref.</u>	<u>Rep No.</u>	<u>Applicant</u>	<u>Agent</u>
LDF/0060	27	Sport England - East Region	

Document Section: Question 1

Support

Representation:

The inclusion of indoor sport and green infrastructure (outdoor sport) in the schedule of infrastructure (Table 1) that CIL could contribute towards is supported for the reasons set out above in the comments on the IDP. However, as set out above it is our view that the evidence base for outdoor sports facilities needs to be reviewed to help justify using CIL as this is considered to be vulnerable to being challenged. In addition, the IDP which supports the CIL PDSC should be amended to address the comments raised above in order to ensure that the basis for the figures in table 1 is robust and appropriate for meeting the needs of development throughout the district. Even if all of the comments made on the IDP are addressed based on our experience it is considered highly likely that there will be a funding gap that is substantive enough to justify the application of CIL to sports facilities and outdoor sports provision as potential alternative sources of funding are realistically unlikely to be able to address this gap.

Specifically in relation to Table 1, I would make the following comments:

As set out above, figures (column B) for estimated costs of indoor sports facilities and green infrastructure will need to reviewed to ensure that an appropriate range of projects are included and to ensure that the estimated costings are as accurate as possible;

As set out above, the developer contributions calculations (column C) should be reviewed to ensure that they are robust;

In relation to potential funding, (column E), it is assumed that the £660,000 for indoor sports relates just to the NHDC capital funding that has been identified for the Hitchin Swimming Centre changing village upgrade. In order to demonstrate that this figure is robust (and therefore the funding gap is robust), consideration should be given to whether there are other potential funding sources that could realistically be secured towards these projects. For example, have the alternative funding options set out in chapter 13 of the Sports Facility Strategy been explored? If the IDP could confirm which alternative funding sources have been explored this would help justify the figures and consequently the funding gap as developers may challenge the Council about whether alternative funding sources have been explored. The Council would be expected to do this in any case in order to reduce the amount of NHDC funding that goes into the projects.

I hope that these comments are helpful to you in progressing the IDP and the CIL. I would be happy to discuss my comments further with the Council and provide additional advice if required.

LDF/0330	11	Keep
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Document Section: Question 1

Comment

Representation:

I agree the calculations seem good and a CIL is needed

LDF/0912	4	The Theatres Trust
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Document Section: Question 1

Comment

Representation:

Table 1 showing infrastructure requirements, doesn't have an entry for a funding budget for your Cultural Facilities. The National Planning Policy Framework (NPPF) states at item 156 that local planning authorities should set out strategic priorities to deliver the provision of health, security, community and cultural infrastructure and other local facilities. Your museums and theatres (we note libraries are included in Table 1) and all cultural facilities play a key role in encouraging knowledge, experience and quality of life in its broadest sense. We believe that in the future, the quality of life that communities provide will become an increasingly important element in attracting residents. It may be that North Herts doesn't have a funding budget for its cultural infrastructure at the moment, but there should be an entry to reflect the NPPF.

Representations for Community Infrastructure Levy - Preliminary Draft Charging Schedule

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LDF/1016	48	Hertfordshire Biological Records Centre	
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Document Section: Question 1

Representation:

Support

I believe there is justification to introduce a CIL.

LDF/3749	5	Barkway Parish Council	
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Document Section: Question 1

Representation:

Comment

Yes - unable to give an in depth option

LDF/4001	12	Preston Parish Council	
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Document Section: Question 1

Representation:

Support

Preston Parish Council agrees with the contents of the IDP and believes there is enough justification to introduce a CIL.

LDF/4007	13	Wymondley Parish Council	
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Document Section: Question 1

Representation:

Support

Wymondley Parish Council agrees with the contents of the IDP and that the evidence appears to show a funding gap, justifying the introduction of a CIL.

LDF/4011	3	Weston Parish Council	
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Document Section: Question 1

Representation:

Object

Why isn't 'Play' delivered on site by S106 money? This would seem to be a very local requirement.

LDF/5110	6	Titmarsh	
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Document Section: Question 1

Representation:

Object

The initial gap is massive, and will become worse when final costs are calculated. The result will be very expensive housing, particularly in rural areas. Young people will be driven from rural areas in order to gain access to the housing ladder.

LDF/7154	16	Reddaway	
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Document Section: Question 1

Representations for Community Infrastructure Levy - Preliminary Draft Charging Schedule

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Representation:

Comment

The effect of the new infrastructure being new does not seem to have been allowed for. Maintenance and replacement costs over the years have to be paid for, and these costs as a % of all infrastructure costs will be lower as a result of new build. The extra ongoing income from council tax should be taken into consideration.

LDF/7169 **3** **Stewart**

Document Section: Question 1

Support

Representation:

Yes there is clearly a funding gap, but is CIL the best way to address it?

LDF/7433 **5** **Saunders**

Document Section: Question 1

Support

Representation:

Yes I do!

LDF/7445 **1** **Freeman**

Document Section: Question 1

Support

Representation:

Yes, I think any developer is responsible and should pay for the cost of any redevelopment.

LDF/7479 **1** **North Hertfordshire Homes**

Document Section: Question 1

Comment

Representation:

We agree in principle for the need for a Community Infrastructure Levy in order to pay for the essential infrastructure outlined on the table on page nine of the consultation document. However, we are concerned that such a levy may duplicate charges also raised under s106 agreements. Your consultation indicates that you intend to review s106 charges; it would have been extremely useful to have site of these proposals at the same time as those for the new Levy so that a comparison could be made. Without understanding the relationship between the two charges, it is difficult to determine the final economic impact on scheme viability of your proposals. That said, it is clear that the proposals will increase the amount payable by developers of market housing. We would therefore ask that you carry out a viability appraisal from a developer perspective on the charges to be set to ensure that they do not impede development by making it commercially unviable.

LDF/7695 **8** **Sibborn**

Document Section: Question 1

Support

Representation:

Yes.



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LDF/8060	1	Beach	
Document Section:	Question 1		

Representation:

Support

From the information provided there is a clear need to raise fund through the CIL due to the level of gap in funding. The gap should not be expected to be met solely by the current tax payer and should include the CIL to ensure appropriate funding for infrastructure.

LDF/8442	6	McCullough	
Document Section:	Question 1		

Representation:

Object

I object. Not enough infrastructure for health care.

LDF/8582	13	Rees	
Document Section:	Question 1		

Representation:

Comment

I do not think a funding gap could justify the CILevy! Any CILevy will increase housing costs and have an upward wage inflation knock on.

LDF/8591	7	Makhija	
Document Section:	Question 1		

Representation:

Comment

I highly doubt the Lister Hospital will be able to cope with the increase in population from the proposed development. A new A & E and Maternity and Surgicentre is not enough, these were introduced because of QEII closures. Not enough consideration is given to healthcare. Is the CIL effectively a tax on local people? If this is the case, then no to the CIL.

Representations for Community Infrastructure Levy - Preliminary Draft Charging Schedule

<u>Ref.</u>	<u>Rep No.</u>	<u>Applicant</u>	<u>Agent</u>
LDF/0330	12	Keep	

Document Section: Question 2

Representation:

Comment

I agree the assumptions seem fair

LDF/1016	49	Hertfordshire Biological Records Centre	
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Document Section: Question 2

Representation:

Comment

I have no reason or expertise to dispute the figures presented in the Viability Assessment. However if only half of the necessary funding will be raised in this manner, there is a danger that what would be considered as less critical issues will be under-resourced if additional resources are not found. This is likely to include GI given that this is less easy to quantify as a requirement than, say, school, sports, police etc. provision. However use of ANGSt (Accessible Natural Greenspace Standard) may help in justifying a more robust approach.

LDF/1666	13	Trinder	
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Document Section: Question 2

Representation:

Comment

Yes, I agree with this.

LDF/3749	6	Barkway Parish Council	
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Document Section: Question 2

Representation:

Comment

Yes - unable to give an in depth option

LDF/4001	13	Preston Parish Council	
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Document Section: Question 2

Representation:

Support

Preston Parish Council agrees with the assumptions in the Viability Assessment.

LDF/4007	12	Wymondley Parish Council	
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Document Section: Question 2

Representation:

Object

Wymondley Parish Council disagrees with the Viability Assessment, as it feel that the assumption that land values are lower on the peripheries of Stevenage and Luton is correct.

Representations for Community Infrastructure Levy - Preliminary Draft Charging Schedule

<u>Ref.</u>	<u>Rep No.</u>	<u>Applicant</u>	<u>Agent</u>
LDF/4793	3	Bradburn	

Document Section: Question 2

Representation:

Object

Under Question 2 I am concerned that you may consider delaying infrastructure projects until sufficient funding is in place and I object to that. Infrastructure must be in place early on in any development.

LDF/5110	7	Titmarsh
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Document Section: Question 2

Representation:

Comment

Too much information - 272 pages.

LDF/7169	4	Stewart
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Document Section: Question 2

Representation:

Comment

Only funding less than 50% of the identified funding gap seems add and thus the 'appropriate balance' between infrastructure funding needs and viability (no higher than £120) needs clearly spelling out. Without this it is impossible to agree or disagree with the assumptions.

LDF/7433	6	Saunders
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Document Section: Question 2

Representation:

Support

Yes I do!

LDF/7445	2	Freeman
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Document Section: Question 2

Representation:

Support

Yes.

LDF/7479	2	North Hertfordshire Homes
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Document Section: Question 2

Representation:

Comment

We have concerns about the rates that you propose for the Levy. While they may be viable from the Council's perspective and given the need to fund infrastructure, they are not necessarily economically viable in terms of development. A cost of £15,000 quoted for a typical four-bedroom house is a significant amount. We have modeled this as far as we are able without details of what s106 contributions will be sought, and found that it reduces viability to the point where the economic value of developing such a product become questionable. This is particularly the case for smaller scale developments that cannot obtain the economies of scale inherent in the larger, strategic sites.



Representations for Community Infrastructure Levy - Preliminary Draft Charging Schedule

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LDF/7695	9	Sibborn	
Document Section:	Question 2		
Representation:		<i>Support</i>	
Yes.			

LDF/8582	14	Rees	
Document Section:	Question 2		
Representation:		<i>Comment</i>	
Would not introduce.			

Representations for Community Infrastructure Levy - Preliminary Draft Charging Schedule

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LDF/0330	13	Keep	
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Document Section: Question 3

Representation:

Comment

I agree with the rates although the Lower Value areas may need redefining in future.

LDF/0912	5	The Theatres Trust	
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Document Section: Question 3

Representation:

Support

We support Table 2 that has a zero rate for community and other uses. This would include theatres which are generally unable to bear the cost of CIL for viability reasons. For your theatres, the Theatres Trust recommends either the setting of a nil rate, the application of charitable or discretionary reliefs, applying D1/D2 rates where differential rates are proposed, or recycling the charge to a theatre development where a single rate is proposed.

LDF/1016	50	Hertfordshire Biological Records Centre	
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Document Section: Question 3

Representation:

Comment

I have no expertise or otherwise to judge whether the rates are appropriate. However I note that it is not proposed to charge Community and other uses, including agricultural, which does seem reasonable as some of these will actively contribute to the objectives of a local plan in respect of social and countryside maintenance.

LDF/3749	7	Barkway Parish Council	
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Document Section: Question 3

Representation:

Comment

Yes - unable to give an in depth option

LDF/4001	14	Preston Parish Council	
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Document Section: Question 3

Representation:

Support

Preston Parish Council agrees with the rates, as outlined.

LDF/4007	11	Wymondley Parish Council	
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Document Section: Question 3

Representation:

Object

Wymondley Parish Council does not agree that CIL rates should be lower for the lower value areas, as the cost of providing the infrastructure in these remoter areas is much higher.

Representations for Community Infrastructure Levy - Preliminary Draft Charging Schedule

<u>Ref.</u>	<u>Rep No.</u>	<u>Applicant</u>	<u>Agent</u>
LDF/4011	4	Weston Parish Council	

Document Section: Question 3

Representation:

Object

Weston Parish Council does not agree with a lower CIL rate for areas deemed to be of lower value (V1 in the viability report).
Business Development (B1, B1a, B2, B8), Hotels (C1) and Care Homes (C2) should pay a CIL as transport, waste and green infrastructure are impacted.

LDF/4793	4	Bradburn
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Document Section: Question 3

Representation:

Object

Under Questions 3 and 5, I do not agree that the rates are appropriate in that advance infrastructure is even more essential in outlying fringe areas and therefore I can see no logic in offering a lower rate of CIL.

LDF/5110	8	Titmarsh
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Document Section: Question 3

Representation:

Comment

" Other ". £0 should not apply to Office and Industrial or Hotels. These businesses create infrastructure costs and therefore charges should be made.

LDF/7169	5	Stewart
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Document Section: Question 3

Representation:

Comment

Without providing the analysis used by the District and its consultants, lay people cannot sensibly comment (Or is it set out somewhere else?).

LDF/7433	7	Saunders
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Document Section: Question 3

Representation:

Object

No too Low

LDF/7445	3	Freeman
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Document Section: Question 3

Representation:

Object

No- this needs to be at least 20% minimum levy.

LDF/7479	3	North Hertfordshire Homes
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Document Section: Question 3

Representations for Community Infrastructure Levy - Preliminary Draft Charging Schedule

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Representation:

Comment

We are extremely concerned that a high levy based on the size of properties will adversely impact on the design quality of those dwellings, and that this will in turn have detrimental impacts on the quality of life of residents and the whole community long into the future. As you are no doubt aware, studies by RIBA show that new homes in the United Kingdom are already appreciably smaller than new homes built elsewhere in Europe, and that this has a detrimental impact on health, educational attainment, and family relationships ("The Case for Space", RIBA, September 2011). If the levy is set at too high a rate, then this will only encourage some developers to continue to build ever smaller houses. It also penalises those developers who strive to provide quality above quantity in the design and construction of new homes. We would proposed that before adopting the new proposed rates, he Council carry out research into the impact of higher levy of s106 charges on design quality.

LDF/7695	10	Sibborn
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Document Section:	Question 3	
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Object

Representation:

No- minimum levy should be 20%.

LDF/8060	2	Beach
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Document Section:	Question 3	
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Comment

Representation:

While we agree with the levy amount I do question why business and industrial building work does not contribute as these would have a large impact on certain parts of the infrastructure.

LDF/8582	15	Rees
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Document Section:	Question 3	
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Object

Representation:

No, too high! Only use if housing and then only if the development is greater than four houses!

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LDF/0330	14	Keep	
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Document Section:	Question 4		
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Representation:

I'm not aware of any

Comment

LDF/1016	51	Hertfordshire Biological Records Centre	
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Document Section:	Question 4		
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Representation:

Some leisure uses have a significant impact on the local environment e.g. such as golf courses, liveries, paintballing e.g. could be considered for inclusion at a lower rate.

Comment

LDF/3749	8	Barkway Parish Council	
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Document Section:	Question 4		
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Representation:

No - unable to give an in depth option

Comment

LDF/4001	15	Preston Parish Council	
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Document Section:	Question 4		
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Representation:

Not as far as we aware.

Comment

LDF/4793	6	Bradburn	
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Document Section:	Question 4		
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Representation:

Under Question 4, you do not appear to have included the provision of water or flood control/surface water drainage under your Utilities heading. The development to the south of Hitchin is right on the watershed between the Ouse and the Lea and significant ground water problems could arise as a result.

Comment

LDF/5110	9	Titmarsh	
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Document Section:	Question 4		
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Representation:

Warehousing and Distribution, because they create infrastructure costs.

Comment

LDF/7154	17	Reddaway	
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Document Section:	Question 4		
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Representations for Community Infrastructure Levy - Preliminary Draft Charging Schedule

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Representation:

Comment

What about wind and solar farms?

LDF/7169 **6** **Stewart**

Document Section: Question 4

Comment

Representation:

Offices, industrial and hotel development should be included, for obvious reasons, as consumers of services.

LDF/7479 **4** **North Hertfordshire Homes**

Document Section: Question 4

Comment

Representation:

You have not included affordable housing at a nil rate on table two on page 13 of your consultation document. We feel that this should be included as this is an important element of the policy and regulations that should be made very clear. As it stands, the table could be interpreted as if the levy would be applied to all residential dwellings regardless of tenure.

LDF/8582 **16** **Rees**

Document Section: Question 4

Comment

Representation:

Would not introduce

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LDF/0330	15	Keep	

Document Section: Question 5

Representation:

Seems OK

Comment

LDF/1016	52	Hertfordshire Biological Records Centre	
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Document Section: Question 5

Representation:

I have no comments to make on this approach, other than to state that both the edge of Stevenage and Luton development locations will have a significant impact on the local countryside and increase impacts on the local character and biodiversity as a result.

Comment

LDF/4001	16	Preston Parish Council	
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Document Section: Question 5

Representation:

Preston Parish Council agrees with this approach.

Support

LDF/4007	10	Wymondley Parish Council	
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Document Section: Question 5

Representation:

Wymondley Parish Council disagrees with this approach, as each strategic site has greater infrastructure requirements, in terms of educational, social and community needs.

Object

LDF/4793	5	Bradburn	
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Document Section: Question 5

Representation:

Under Questions 3 and 5, I do not agree that the rates are appropriate in that advance infrastructure is even more essential in outlying fringe areas and therefore I can see no logic in offering a lower rate of CIL.

Object

LDF/5110	10	Titmarsh	
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Document Section: Question 5

Representation:

It is unreasonable for Stevenage and Luton to benefit from the lower rate, whilst rural areas bear the maximum rate.

Comment

LDF/7169	7	Stewart	
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Document Section: Question 5

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Representation: *Comment*

The analysis underlying this decision needs spelling out i.e the characteristics of the present housing markets in Stevenage or Luton, or some other reason?

LDF/7445 **4** **Freeman**

Document Section: Question 5

Comment

Representation:

Yes - lower rate for building at Stevenage and Luton.

LDF/7479 **5** **North Hertfordshire Homes**

Document Section: Question 5

Comment

Representation:

We do not agree with the large difference in Levy rates that you propose between the lower value areas - that is the two strategic sites bordering Stevenage and Luton - and the rest of the district. If accepted, the strategic sites in the lower band rate areas have the potential to increase housing stock, and therefore demand on infrastructure, significantly. They will also benefit from certain economies of scale that may make the payment of the Levy more economically viable. It seems to us that it makes more sense, and is certainly more transparent, to apply one simple rate, of say £90 - £100 per squared metre, across the whole district.

LDF/7695 **11** **Sibborn**

Document Section: Question 5

Support

Representation:

This approach is correct.

LDF/8582 **17** **Rees**

Document Section: Question 5

Comment

Representation:

n/a would not introduce



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LDF/0330	16	Keep	
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Document Section: Question 6

Comment

Representation:

I agree it seems OK

LDF/3749	9	Barkway Parish Council	
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Document Section: Question 6

Comment

Representation:

How can we know this?

LDF/4001	17	Preston Parish Council	
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Document Section: Question 6

Support

Representation:

Preston Parish Council agrees with the Council's interpretation regarding exemptions and relief.

LDF/4007	9	Wymondley Parish Council	
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Document Section: Question 6

Comment

Representation:

Wymondley Parish Council does agree with the Council's interpretation of the legislation, but with the exception that affordable housing does not accept relief.

LDF/7433	8	Saunders	
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Document Section: Question 6

Support

Representation:

Yes

LDF/7445	5	Freeman	
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Document Section: Question 6

Support

Representation:

Yes.

LDF/7479	6	North Hertfordshire Homes	
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Document Section: Question 6

Comment

Representation:



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We are happy that the Council's interpretation of the legislation regarding exemptions and relief is correct.

LDF/7695	12	Sibborn	
Document Section:	Question 6		
Representation:		<i>Support</i>	
Yes.			

LDF/8582	18	Rees	
Document Section:	Question 6		
Representation:		<i>Comment</i>	
Would not introduce			

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LDF/0330	17	Keep	
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Document Section: Question 7

Representation:

Comment

I don't think the Council should offer discretionary relief as the costs of the infrastructure will have to be borne anyway.

LDF/1016	54	Hertfordshire Biological Records Centre	
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Document Section: Question 7

Representation:

Comment

This would appear to be a reasonable approach to take.

LDF/3749	10	Barkway Parish Council	
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Document Section: Question 7

Representation:

Comment

i) Yes

ii) Yes

LDF/4001	18	Preston Parish Council	
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Document Section: Question 7

Representation:

Support

Yes to both of these suggestions.

LDF/4007	8	Wymondley Parish Council	
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Document Section: Question 7

Representation:

Support

Wymondley Parish Council feels that the Council should offer discretionary relief for charitable purposes and exceptional circumstances

LDF/4011	5	Weston Parish Council	
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Document Section: Question 7

Representation:

Object

Discretionary relief should be offered for development by a charity where the profits from development will be used for charitable purposes but there should be a cut-off above which CIL is paid. Perhaps the first £nn should be waived.

LDF/5110	12	Titmarsh	
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Document Section: Question 7

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Representation:

Comment

Discretionary relief for a charity should be allowed, provided the profit from the development is used within the same local area and certainly within North Herts.

LDF/7154	20	Reddaway
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Document Section: Question 7

Comment

Representation:

No

LDF/7433	9	Saunders
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Document Section: Question 7

Comment

Representation:

Not at all.

LDF/7445	6	Freeman
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Document Section: Question 7

Comment

Representation:

No - any levy should be paid by developer.

LDF/7479	7	North Hertfordshire Homes
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Document Section: Question 7

Comment

Representation:

We fully support the proposal that the Council offer full CIL relief for developments where the profits from that development will be used for charitable purposes. Increasingly social housing providers are carrying out commercial activity such as the buildings of homes for market sale to generate cross-subsidy for the funding of affordable housing. This approach has two main benefits for local authorities, housing associations, and the customers that they serve. Firstly, housing associations and their local authority partners can continue to generate new affordable homes for rent or other tenures despite reductions in government grant rates and availability. Secondly, tenures and rent levels can be determined locally and without reference to national requirements for products such as Affordable Rents. In this way local authorities can ensure effectively that new affordable homes are indeed affordable by those in need, and that they meet identified local needs. It should be noted however that housing associations often set up private sector subsidiaries to deliver market products, and then gift aid profits made back to their charitable parent. This ensures that charitable bodies do not breach their charitable rules in generating subsidy in this way. Given this, exemptions and relief for developments where the profits from that development will be used for charitable purposes should be applied regardless of whether the body carrying out a development is charitable or not.

LDF/7695	13	Sibborn
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Document Section: Question 7

Comment

Representation:



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1. No definitely not.
2. No exceptional circumstances levy should be paid by all developers.

LDF/8060	3	Beach	
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Document Section: Question 7

Comment

Representation:

For the charity I agree with the exemption if the charity is local or conducts and uses profits locally so that the money is not funding work in other areas at the expense of North Herts.

Exceptional circumstances would need clear definition. These circumstances would be interpreted differently by different people. For example a developer not making enough profit from the project would under no circumstances be deemed exceptional in my opinion. This would be easily foreseen as under quoting is not a taxpayers issue rather an issue for the developers owners/board of directors as it would be their error.

LDF/8582	19	Rees	
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Document Section: Question 7

Comment

Representation:

No exceptions for charities, as only on housing. Social housing (100%) should be exempt!

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LDF/0330	18	Keep	
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Document Section:	Question 8		
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Representation:

Comment

I cannot think of any.

LDF/1016	55	Hertfordshire Biological Records Centre	
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Representation:

Comment

Where the development may have an overriding public interest or benefit that also contributes towards the delivery of the local plan.

LDF/1666	12	Trinder	
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Representation:

Comment

I have no suggestions for exceptional circumstances at the present time.

LDF/3749	11	Barkway Parish Council	
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Representation:

Comment

Each case has to be regarded on its own merits. It is up to the developer to apply for discretionary relief and the Council to consider whether the application is valid

LDF/4001	19	Preston Parish Council	
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Representation:

Comment

Unfortunately , we haven't yet come up with any suggestions for exceptional circumstances.

LDF/4007	7	Wymondley Parish Council	
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Representation:

Comment

Wymondley Parish Council believes that Housing Associations should also receive discretionary relief

LDF/4011	6	Weston Parish Council	
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Representation:

Object

Representations for Community Infrastructure Levy - Preliminary Draft Charging Schedule

<u>Ref.</u>	<u>Rep No.</u>	<u>Applicant</u>	<u>Agent</u>
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Exceptional circumstances justifying CIL relief should include eco homes and highly sustainable developments particularly those that deal on site with drainage and sewage and improve the biodiversity of the area.

LDF/4358	1	Pryor	
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Document Section: Question 8

Comment

Representation:

If the council decides that the relief will enable the recipient to advance the council's aims.

LDF/5110	13	Titmarsh	
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Document Section: Question 8

Comment

Representation:

Any development which will be entirely for the benefit of the local community.

LDF/7154	14	Reddaway	
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Document Section: Question 8

Comment

Representation:

Exceptions, if any, should be drawn very narrowly

LDF/7433	10	Saunders	
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Document Section: Question 8

Comment

Representation:

None

LDF/7479	8	North Hertfordshire Homes	
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Document Section: Question 8

Comment

Representation:

We fully support the proposal that the Council offer exemptions or relief from CIL in exceptional circumstances. We propose that exceptional circumstances should include the following:

- a. Where the imposition of the CIL would leave a development economically unviable, and therefore unable to proceed.
- b. Where a development includes a significant community investment that while not necessarily an identified infrastructure requirement within the whole district, still brings a community benefit for a locality of the development (for example, the provision of a community centre, village hall, or other public facility required within a specific locality).
- c. Where a development is on land that requires significant and expensive remedial works - for example decontamination works.
- d. Where a development includes the restoration and renovation of existing buildings of historic value or which are listed. This would be more economically viable to retain and re-use such buildings, and to ensure that restorations were carried out in a sympathetic manner.



Representations for Community Infrastructure Levy - Preliminary Draft Charging Schedule

<u>Ref.</u>	<u>Rep No.</u>	<u>Applicant</u>	<u>Agent</u>
LDF/8060	4	Beach	

Document Section: Question 8

Comment

Representation:

Bespoke service buildings that are not already covered.
