

Shropshire Levy Draft Charging Schedule: Representations Form



Community Infrastructure Levy
Draft Charging Schedule

Representations Form

Please return to:

Planning Policy Team, Shropshire Council, Shirehall, Abbey Foregate, Shrewsbury, Shropshire, SY2 6ND, preferably by email to

BY 21st April 2011

1. Personal Details*

**If an agent is appointed, please complete only the Title, Name and Organisation boxes below but complete the full contact details of the agent in 2.*

2. Agent's Details (if applicable)

Title	<input type="text"/>	Mr
First Name	<input type="text"/>	Sam
Last Name	<input type="text"/>	Metson
Job Title (where relevant)	<input type="text"/>	Planning Associate
Organisation (where relevant)	Lord Bradford/Trustees of the Lord Bradford (1987) Settlement	Bidwells
Address Line 1	<input type="text"/>	Number One Legg Street
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Matters on which representations may be made

The purpose of the examination is to consider whether the Draft Charging Schedule meets the following statutory tests in accordance with sections 212(4) and 221 of the Planning Act 2008:

- (a) That the charging authority has complied with the requirements of the Planning Act 2008 and the CIL Regulations;
- (b) That the charging authority has used appropriate available evidence to inform the draft charging schedule;
- (c) That the charging authority has had regard to the Statutory Guidance, "Charging setting and charging schedule procedure guidance" (March 2010).

Representations must relate to these matters. Other matters may be outside the scope of the examination and will be subject to the Examiner's judgement as to their relevance.

All representations will be considered by the Examiner as written representations. In addition, any persons or organisations making representations have the right to be heard in person at the examination, should they choose to appear. The examination will take the format of a hearing, using an informal 'round table' format under the direction of the Examiner.

Q1. Please indicate whether you wish to be present at the Hearing

a) Yes	
b) Possibly: to be decided at a later date and confirmed with the Council in May / June (we will write to you to confirm)	X
c) No: please treat my representation as a Written Representation (note that equal weight will be given by the Examiner to written representations)	

(a) Procedural and Legal Points

Q2. Do you wish to make representations regarding matters of technical compliance with the Planning Act 2008 or the CIL Regulations?

a) No	X
b) Yes <i>(please detail using continuation sheets if necessary)</i>	

(b) Appropriate Available Evidence

Q3. Do you have any representations regarding the evidence that has been used to inform the Draft Charging Schedule?

The planning policy context within which the CIL will operate in Shropshire has changed significantly since the evidence that informs the Draft Charging Schedule was prepared and published. Shropshire Council's Core Strategy DPD was adopted in February 2011. The Inspector's binding report that followed the Examination in Public, published on February 7th 2011, made significant changes to the Council's approach to development in rural areas, increasing the importance of delivery of new housing outside of the urban settlements during the plan period 2006-2026.

As the Council will be aware, the Inspector changed policy CS1 to require 'around 35%' of all new housing in Shropshire to be delivered in rural areas. This means that around 9,625 new dwellings must be delivered in the rural areas to meet the requirements of the Core Strategy. This is a marked change to the Council's proposed approach, which allowed far more flexibility by only seeking 'up to 35%' of new housing outside of the urban settlements. Under the Council's proposals, any shortfall of development in the rural areas could have been accommodated by urban areas, where lower CIL charges are proposed, through the Site Allocations process. This option is no longer available.

Whilst we do not object, per se, to the application of CIL, this change to the Development Plan makes it fundamentally important to ensure that the charges imposed, which will inevitably have an impact on scheme viability, will not inhibit proper development in rural areas to meet the objectives of the Core Strategy. We do not believe that the evidence presented to support the proposed Charging Schedule is sufficiently robust to ensure this is the case for the following reasons:

- (1) It is not considered reasonable to assume that landowners will be willing to bring forward development land with planning permission at the rate of £75,000 per acre. By any standards, this is an extremely low level and we are of the view that a high proportion of landowners would not be prepared to release their land on this basis. This could significantly harm the prospects of achieving the level of new housing and the rural rebalance required by the Core Strategy DPD.***
- (2) The Fordham Research study assumes a Developers' Profit margin of up to 20% on development costs. Most developers and house builders will only undertake development where they***

can demonstrate a Profit on Cost of at least 20% at the outset, and many banks and funders are insisting on this in the current economic climate.

(3) It is also worth noting that, in addition to costs relating to CIL and Section 106 contributions, the costs of residential development are likely to rise by virtue of the need to apply the application of increasing Code for Sustainable Homes and renewable energy requirements. These will add substantially to construction costs.

(4) Additionally, following the Government Spending Review, the availability of any grant funding in the provision of affordable housing as part of a residential development is very unlikely in the current climate. All of these factors put further pressure on scheme viability.

Q4. Do you have any representations regarding the Council's interpretation or use of the evidence?

Our concerns regarding the evidence base underpinning the proposed CIL charging schedule are compounded by the Council's intentions in respect of how it will be applied to new developments. Again, whilst we do not object to the imposition of the CIL per-se, it is fundamentally important to ensure that it will not inhibit the delivery of the adopted Core Strategy's requirements.

Furthermore, 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 objectives 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. The publication of the Scheme Grant Determination 2011/12 confirms that Shropshire will receive £1,791,669. It is not clear to what extent this bonus would affect the requirements being put forward for the CIL.

We seriously concerned that the imposition of a higher charging CIL rate in rural areas will compromise the ability of the Council to deliver the amount of new housing now required in rural areas and the rebalanced sustainability of rural settlements aspired to. On this basis, we strongly object to the imposition of a higher CIL in rural areas and the adoption of an arbitrary rate across such a large geographical area, as explained below:

- The differential between a £40 per sqm charge in urban areas, and an £80 per sqm in rural areas is iniquitous. Smaller sites (say under 5 acres) on the edge of existing rural settlements can be just as difficult and expensive to develop as many urban sites. The CIL proposals take no account of this fact,**

and just apply a flat rate charge, making no differentiation as to whether the land to be bought forward is 20 acres of uniformly shaped greenfield agricultural land, or more difficult edge of settlement or brownfield sites in existing villages or small towns, which may have more complex constraints, such as access, contamination and archaeology, that must be addressed.

- ***It is proposed that the £80 rate will be applied across the board to all residential developments, making no allowance for house price differentials across the county. As would be expected from such a large geographical area, the Fordham Research investigations confirm that there is a wide variation in house prices across the rural areas of Shropshire. Many rural areas to the north-west of the county around Oswestry have much lower mean house prices than those in the south and east of the County. In some cases, the mean house price range for wards to the north-west is around one third of that in other areas. As a result, we contend that differential charges should be introduced to take into account these variances and the subsequent effects on scheme viability. The Council has already divided the County into Local Joint Committee Areas for the purposes of considering the development needs of various sub-areas via the preparation of the Site Allocations DPD. We would suggest that a similarly robust approach should be taken to assess the suitability of CIL charges in each vicinity.***
- ***The proposed indexation provisions link the CIL charge to the RICS All in Tender Price Index for Construction Costs. Whilst this is an important variable in development viability, it takes no account of fluctuations in housing market conditions and changes in sales revenues which are fundamental to residential development viability. A proper review mechanism, which includes taking into account variances in different areas of the county needs to be put in place for the CIL charge to be applied fairly and proportionately.***

These matters highlight the difficulties likely to be brought about by imposing an arbitrary charge across Shropshire's rural areas that is significantly higher than that required in urban areas. To avoid failing to deliver of the adopted Core Strategy's aspirations and requirements for rural Shropshire, we would strongly urge the Council not to apply the higher rate outside of the urban settlements and to investigate further the application of a more geographically sensitive solution prior to adopting the CIL.

Q5. Do you have any other representations regarding the statutory test, "That the charging authority has used appropriate available evidence to inform the draft charging schedule"?

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No, please see comments above.

(c) Regard to the Statutory Guidance

Q6. Do you have any comments on the proposed Levy rates for residential development, of £40/m² in Shrewsbury, the towns and key centres and £80/m² in the rural area?

(NB. Comments relating to charging zones should be addressed in Q7 and comments relating to affordable housing should be addressed in Q8)

We strongly object to the higher levy rates imposed in rural areas for the reasons set out in relation to Questions 3 and 4.

Q7. Do you have any comments on the boundary line between the two Charging Zones?

We do not object per se to the proposed boundaries delineating the urban and rural areas, but would refer the reader to our comments in respect of the differentiation in charging regimes between the two.

Q8. Do you have any comments on the proposed nil Levy rate for affordable housing?

We support this approach.

Q9. Do you have any comments on the proposed Levy rates for any other type of development (commercial, industrial, employment, retail, hotels, residential institutions, assembly and leisure, agricultural or other uses)?

No

Q10. Do you have any other comments relating the Council's Charging Schedule?

No

Comments on other matters

Please note that comments on the Accompanying Notes or any other matters that do not form part of the Charging Schedule will not be considered in the examination, but will be included as part of the responses to the concurrent consultation on the Developer Contributions Supplementary Planning Document.

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This includes comments on the types of infrastructure on which the CIL may be spent in the future.