

Lioncourt Homes

Shropshire CIL Representations Review (22 July 2011)

Ref	Issue	Summary of Rep	Made by / when	Lioncourt Position
Q1	Appearance at Hearing	Yes	Roger Tweedale (RT) April 2011	Withdrawn from the Examination
Q2	Matters of technical compliance with 2008 Act / the CIL Regs	None raised	RT / April 2011	No further issue to raise
Q3	Evidence used to inform the Draft Charging Schedule	Challenge to the Council's consideration of the market conditions and challenge to the Council's analysis to demonstrate the CIL charging rates and impact on viability	RT / April 2011	Representation withdrawn
Q4	Interpretation of the evidence	Not examined in sufficient detail to justify the proposed charges	RT / April 2011	Representation withdrawn
Q5	Appropriate available evidence	No specific issue raised	RT / April 2011	No change
Q6	Response to the £40 and £80/per sqm charges	Need for recovery in economy. Challenge to higher rural charges – not sustainable Higher rate in rural	RT / April 2011	Representation withdrawn

		areas will inhibit the supply of certain types of housing		
Q7	Boundary between 2 charging zones	Urban and rural zones should follow the approved inset / development boundary for each settlement	RT / April 2011	Representation withdrawn
Q8	Response to nil Levy rate for Affordable Housing	No comment	RT / April 2011	No change
Q9	Response to proposed Levy rates for other (non residential) uses?	No – but unrealistic to encourage commercial etc developments without considering if the policies for economic development prove successful...	RT / April 2011	<p>Further Written Representation. Lioncourt Homes do not support the application of a nil rate levy being applied to all commercial developments. Whilst the Council has indicated that there will be a blended approach to infrastructure funding, whereby CIL and S106 will be used to secure infrastructure funding, retail and commercial developments will clearly be at an advantage over residential developments, because the CIL charges are in addition to the S106 obligations.</p> <p>Whilst it is acknowledged that Shropshire is predominantly a rural area, the Fordham Research Report (Analysis of CIL and Affordable Targets August 2010¹) does suggest that some commercial developments (e.g. large industrial and large offices on greenfield sites) are viable to pay for CIL. The Further Analysis of CIL (Retail) Report published in February 2011 also concludes (paragraph 4.2) that there is scope to charge CIL on non-town centre food retail development on greenfield sites in the current market. This would imply that should the market conditions improve in the future, then one would expect the number of retail developments able to pay CIL to grow as well.</p> <p>There are two matters we wish to draw to the examiners attention:</p> <p>1) Broad brush and unbalanced approach to CIL The nil charge to non-town centre food retail and commercial</p>

			<p>developments is not supported by the evidence set out in the Fordham Research reports (see Table 5.10¹). We consider that the Council's approach is very broad brush, and does not strike a balance between the sectors which can reasonably be expected to pay for CIL and those which can't or differentiate whether they are brownfield or greenfield sites. The burden of CIL is placed firmly on residential developments. However, paragraph 5.4 of the Fordham Study¹ recognises that <i>"There are stark differences in the viability of developing commercial space across Shropshire and sectors in the market as well as between greenfield and brownfield sites"</i>. The Council has taken a more balanced approach to residential developments as they have differentiated between rural and urban sites in setting a CIL charge. This same approach should have been taken to the retail and commercial sectors.</p> <p>2) Lack Of Certainty</p> <p>The Council proposes to secure infrastructure contributions from commercial developments via S106 agreements only. It has been suggested that commercial developments may be expected to pay greater S106 contributions than residential developments. However, in the Implementation Plan, the range of S106 requirements is also applied to residential development. There is no guarantee that commercial developments would (or could) pay a greater share of s106 contributions. Therefore Lioncourt consider that this puts residential developments at a disadvantage over the retail and commercial sectors (industrial and office) that Fordham have concluded are viable to pay CIL contributions.</p> <p>In taking into account the points raised above Lioncourt suggest that the Council should take a more balanced approach to the CIL charges for non-residential developments. There are other examples of emerging CIL charging schedules being prepared by other authorities that have taken a more balanced approach to charging a range of CIL tariffs for different sectors, in different locations. The Fordham Research reports demonstrated that in 2010/11 that out of centre food retail development and greenfield commercial developments were viable to pay some level of CIL. Furthermore, the Analysis of CIL</p>
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				Study was prepared in 2010. Given the CIL charges are unlikely to be applied until 2012/2013 we consider that the approach the Council has taken is overly cautious and therefore not striking a fair and reasonable balance. We would welcome the opportunity for the Examiner to explore the opportunity for CIL to be applied to the retail and commercial sectors that the evidence, prepared by Fordham Research, concludes is viable to pay some form of CIL contributions.
	Other comments on the Council's charging schedule	Inappropriate to implement levy against housing development. Objection to 2% charge for admin	RT / April 2011	Representation withdrawn