

5 July, 2011

Planning Policy Team,  
Shropshire Council,  
Shirehall, Abbey Foregate,  
Shrewsbury,  
Shropshire,  
SY2 6ND

Dear Sir

**Response by the Country Land & Business Association (CLA)  
Shropshire Council Community Infrastructure Levy – Instalment Policy and  
Implementation Plan**

The Country Land and Business Association (CLA) is a national organisation embracing the owners and occupiers of all types of rural land and business in England and Wales. It represents the interests of the owners of some 35,000 land holdings and rural businesses.

Shropshire Council is part of the area covered by the West Midlands Region of the CLA. Shropshire CLA members include every size and type of holding, from estate owners to the smallest land holding of less than a hectare. The membership encompasses all traditional agricultural and forestry from the most sophisticated dairy and arable enterprises, pigs and poultry, through to highly productive intensive horticulture and vegetable production and more extensive livestock systems. The majority of our landowning membership is made up of family farm owner-occupiers many of whom have diversified into other business activities in response to the downturn in farm incomes.

The CLA also represent the interests of owners of other types of rural businesses including, for example: forestry enterprises, mineral and aggregate operators and owners, hotels, golf courses, tourist enterprises, equestrian establishments, a myriad of small rural enterprises and also institutional land owners. Our members have businesses in rural Shropshire and most live in its rural communities and villages.

The CLA represents the wide diversity of the rural community and is the only single organisation able to do so in quite so comprehensive a manner. We are glad of the opportunity to be an active partner in any consultation exercises or decision making processes in which rural business and the communities form part.

The CLA comments are as follows:

**CIL Instalment Policy**

The CLA is concerned that whilst Shropshire Council has allowed for the provision of instalments, the Councils current proposals are not flexible enough to meet the needs of developers in rural areas under the current economic circumstances. The CLA feel that full payment of the CIL liability within five months of development commencing allows an inadequate amount of time to start a build and progress to sale. This means that the full cost of CIL is likely to have to be funded from the developers own resources or bank borrowing before any proceeds of sale are received. This is likely to hinder development as it is an additional cost.

The number of houses being built is now lower than before the recession, the CLA is concerned that the CIL charge will be a considerable additional cost. The CIL will reduce cash flow at an early stage of the development and therefore have a negative affect on economic activity by stalling housing supply.

The CIL Amendment Regulations 2011 recognise the need for flexibility, combined with the fact that most of the projects shown in the implementation plan are long term aspirations e.g. community tree planting and open space. The CLA view is that the Council should offer greater flexibility and a much longer time frame on the instalment policy.

The CLA would urge Shropshire Council to be flexible and allow applicants to negotiate the method and timing of payments to help move a site forward. To facilitate CLA would urge Shropshire Council to allow a minimum of 12 months to collect the CIL charges. Given the state of the current economy, the Council should be in a position to agree to defer CIL payments, when due to economic circumstances a development is put on hold, for example due to cash flow or change of individuals circumstances.

If the development is to stay in the long term ownership of the landowner there are no capital receipts from which to fund a CIL charge. The CIL charge would have to be met from existing revenues that the land manager is trying to improve by diversifying thus obtaining an alternative rental income. In this case we believe the Council should be more flexible in their approach for the payment of CIL by not charging the CIL until a rental income is received.

The CLA would urge Shropshire Council to consider greater flexibility especially where it is the intention to retain the new housing and not to simply sell the property on.

### **Implementation Plan**

Rural areas will count for 35 percent of Shropshire's total development; the implementation plan for the community hubs and clusters is very generic covering affordable housing deliver through section 106 agreements, transport and broadband deliver through CIL.

The CLA is concerned about the generic nature of the implementation plan, there is no clear individual project connected to the need for CIL in rural areas. We are particularly concerned at the suggestion that the need for green space provision, which is set on standards for towns and cities, does not reflect the needs of the rural areas.

In rural areas people have access to more green space through footpaths and bridleways than in urban areas. Appendix 3: Provision of open space, sport and recreation on residential developments, states 'that small sites will not be required to provide recreational open space; the threshold for rural areas being 75 beds' . This equates to 25 three bed developments. Many rural developments will not meet this size, so the CIL is just another tax on development. The CLA would like to know why rural areas are paying twice as much as urban areas when the CIL will be funding smaller benefits.

The CLA would like to see an annual review date for the CIL charging document. Any future review by Shropshire Council for CIL on development should be done in full consultation with both urban and rural stakeholders, including the CLA.

**Yours sincerely**



**Caroline Bedell**  
**Regional Director**