

Community Infrastructure Levy

Preliminary Draft Charging Schedule Consultation
Responses Summary, October 2016



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with the natural environment

Preliminary Draft Community Infrastructure Levy Charging Schedule Consultation Responses Summary

The Council has been implementing the Community Infrastructure Levy (CIL) since June 2014 and is now reviewing the charging schedule in light of the Purbeck Local Plan Review and the need to deliver more local infrastructure through strategic settlement extensions of 200 dwellings or more. The consultation asks for comment on the proposed revised rates for different new development uses across the housing sub-markets.

The response to the consultation was low. Response to CIL consultations is traditionally low compared with local plan consultations, as it is more focussed in its audience. The Purbeck Local Plan Review may have diverted some interest away. A few respondents to the Purbeck Local Plan Review made comments on CIL and the viability study and have been included in this summary. We anticipate more responses when we publish the Regulation 123 list with a Draft Community Infrastructure Levy Charging Schedule, which will identify how different infrastructure is likely to be funded, i.e. through Section 106 Agreements, CIL or other funding sources.

Comments:

There is general support from the development industry for pulling back on CIL on strategic sites of 200 or more homes to enable site specific infrastructure to be provided by developers. Dorset County Council also supports this approach as it will provide a better balance between site specific prerequisites and general supporting infrastructure. There is a suggestion that some larger sites should be zero rated for CIL but there is still a requirement for some strategic projects to be funded jointly.

There is a query about the overlap in land values in the Purbeck Rural Fringe submarket and Upton and Purbeck Rural Centre submarkets. Purbeck rural fringe land values are wide ranging but the top end does extend beyond the top end of Upton and the Rural Centre. New development is likely to fetch values at the higher end of the range. Residual land values of strategic sites in Upton and Wool (rural centre) area at 40% affordable housing and Moreton (rural fringe) area at 50% are roughly comparable.

Wareham St Martin suggested that hotels and care homes should be charged £10 to help alleviate their impacts. There is currently no evidence to show that such developments would be viable, which is key criteria for applying a charge.

Recent changes in legislation, particularly around starter homes have been highlight and the Council will need consider the impacts, particularly on viability.

There is some confusion over the term viability and a lack of understanding around funding infrastructure but this may clear up with the publication of the Regulation 123 list and more detail in the infrastructure plan. There is concern around the potential for 'double dipping', ie using Section 106 and CIL obligations to fund the same piece of infrastructure.

Affpuddle and Turnerspuddle Parish Council have suggested that CIL be negotiated on a case by case basis but regulations do not permit this.

Actions:

- Consider adding the definition of viability in to the Draft Community Infrastructure Levy Charging Schedule.
- Clarify the balance between funding through Section 106 agreements and CIL through the Regulation 123 list and updated Infrastructure Plan.
- Publish the Regulation 123 list alongside the draft CIL charging schedule.
- Discuss any potential viability study update requirements with the viability consultants.
- Meet with service providers to update the Infrastructure Plan and identify the best way of securing funding.

The Council has received suggestions for applying CIL differently, or introducing policies. The application of CIL is set nationally and cannot be re-interpreted locally. The Council has already considered policies around instalments and discretionary exemptions to CIL charges. We have an instalment policy in place and the Council took the decision not to allow discretionary reliefs due to the impact on CIL income from mandatory reliefs.

Representations have been made regarding expenditure of CIL. CIL funds are very limited and the current priorities are Habitat Regulations mitigation (without which there would be no new homes) and paying off the Norden -Wareham railway feasibility loan which the Council is committed to repaying, but we will consider other projects when we draw up the Regulation 123 list which accompanies the draft CIL charging schedule.

Appendix : Summary of responses to Preliminary Draft CIL Charging Schedule

CIL Rates & Submarket Areas

Who said	Comment	Officer response	Action
Dorset County Council	The change is supported as this will provide for a better balance between site specific prerequisites and general supporting infrastructure. Care will need to be taken when drawing up the Regulation 123 list.	Noted	None
Wareham St Martin Parish Council	Cannot see why Strategic residential Purbeck Rural Centre and Upton should be different to Strategic residential Wareham and Purbeck Rural Fringe. Propose both should be £20 per square metre.	The rates are set according to land prices and house prices which determine residual land values. These vary across the district and therefore the capacity to charge CIL varies. The viability study indicates that the sub-market areas should be the same as those set for the original preliminary draft and draft charging schedules, i.e. there is no differentiation between Upton and Purbeck rural centre. The study also recommends a low rate for strategic sites to enable them to deliver site specific improvements through Section 106 agreements.	None
	Believe C1 and C2 should be £10 per sqm to alleviate impact on infrastructure, both will make money in the future and can afford it.	The viability study indicates that development uses such as hotels and care homes are non-viable in terms of CIL. It does not necessarily mean, however, that such schemes are non-	None

		deliverable per se. It means that at the present time clear scope for CIL charging cannot be evidenced in viability terms.	
Affpuddle and Turnerspuddle Parish Council	Not clear why the CIL for strategic developments is set so low and in any case should be negotiated on a case-by-case basis. A step change at the 200 mark will lead to all sorts of anomalies.	<p>Firstly, CIL is not a negotiable charge but a set levy, so it needs to be set at a level such that enough development comes forward to meet the need for housing. It does not have to be set at a level where all developments are viable.</p> <p>The level for strategic developments is set low because they will be expected to deliver significant amount of site specific infrastructure, such as schools or road improvements to service the site, in combination with up to 4 other strategic sites where appropriate.</p> <p>A threshold for strategic sites and the switch to reducing CIL liability to enable significant infrastructure to be secured through site specific Section 106 agreements needs to be set. The viability study shows that there is a drop in residual land values including CIL between 200 units and 500 units, and hence we have selected 200 units as our threshold for strategic sites.</p>	None
	The CIL Preliminary Draft Charging Schedule effectively accepts the recommendations of	Dixon Searle Ltd are the Council's expert consultants and highly experienced in this area. CIL	None

	<p>the DSL viability study without question. I believe that PDC should take a more positive role in setting the CIL to meet the needs of the district.</p>	<p>levels have to be balanced against the provision of on-site infrastructure including affordable housing.</p>	
	<p>Don't understand the meaning of the term viability.</p>	<p>The viability study defines the term viability in the glossary in appendix 4.</p>	<p>Add the definition of viability into the Council's CIL guidance..</p>
	<p>Standard tariffs may be appropriate for small developments, but for the larger developments that are planned it would be advantageous if PDC could assess the infrastructure costs on a case-by-case basis and then negotiate a levy that gives the community as a whole a fair result.</p>	<p>CIL is a set tariff and cannot be negotiated on a case by case basis. Planning obligations can be secured through Section 106 agreements for site related issues or CIL for more strategic issues. The preferred approach in the Purbeck Local Plan Review is to have larger sites which have economies of scale. By pulling back on the level of CIL for these sites they have more capacity to provide the infrastructure required through Section 106 agreements. Delivery of infrastructure through Section 106 agreements is more predictable than through CIL. The Council is allowed to pool up to 5 planning obligations secured through Section 106 agreements. There are, however, a number of issues that need to be tackled strategically with contributions from more than 5 planning obligations, which is why the Council will continue to collect CIL.</p>	<p>None</p>
	<p>The preliminary draft charging schedule states that reducing the CIL on strategic developments will enable the sites to deliver infrastructure such as schools. This seems to be saying that the lower the CIL the more infrastructure can be delivered, which does not make sense.</p>		<p>Clarify the balance between Section 106 agreements and CIL</p>

Swanage Town Council	In support of the objectives of the review.	Noted.	None
Barton Wilmore	Welcome the proposed draft CIL schedule for strategic sites of £20 per square metre. Broadly support reduction in CIL to enable delivery of infrastructure. No 123 list yet.	Noted. The preliminary draft charging schedule sets a range of rates across the sub-market areas from £10 to £30. A draft Regulation 123 list will be published alongside the draft CIL charging schedule.	Publish the Regulation 123 list alongside the draft CIL charging schedule.
Terence O'Rourke for Bloor Homes	Recommends that site14, Alternative Option for Lytchett Matravers be exempted from CIL, to enable a bespoke package of infrastructure to be developed, informed by discussions with the adjoining parish and town councils.	The Council is already proposing a much reduced CIL rate for strategic sites to enable the provision of site specific infrastructure. We are not proposing a zero rate for market housing as there is still strategic infrastructure to be provided.	None
Terence O'Rourke for the Moreton Estate	The NPPG states that there should be no actual or perceived double dipping, with developers paying twice for the same item of infrastructure. The only way to remove any perceived 'double dipping' and reduce pressure on the viability of such sites is to exempt all strategic development sites from CIL.	Any perceived double dipping will be avoided by the publication of a Regulation 123 list.	Publish the Regulation 123 list alongside the draft CIL charging schedule.
Terence O'Rourke	As part of a new infrastructure-led approach it is recommended that strategic sites be exempted from Community Infrastructure Levy (CIL) where they are to come forward through single overarching planning applications, and that bespoke packages of infrastructure be developed for	The Council is already proposing a much reduced CIL rate for strategic sites to enable the provision of site specific infrastructure. We are not proposing a zero rate for market housing as there is still strategic infrastructure to be provided.	None

	sites based upon the specifics of proposals and their context.		
	We can see no evidence that supports the District Council's proposal to see 50% affordable housing delivered on site at Moreton Station as part of policy AH, or a lower level of 40% on greenfield land at Upton and Wool. The target level of provision identified in the consultation document needs to be realistic.	Purbeck rural fringe land values are wide ranging but the top end does extend beyond the top end of Upton and the Rural Centre. New development is likely to fetch values at the higher end of the range. Residual land values of strategic sites in Upton and Wool (rural centre) area at 40% affordable housing and Moreton (rural fringe) area at 50% are roughly comparable.	None
Tetlow-King for South West HARP	CIL needs to be set at a level which does not impact on affordable housing provision	Noted. The viability study indicates that the CIL levels and affordable housing are achievable.	Nothing
	The Council will need to revise viability work following the introduction of a requirement for starter homes.	The Council will discuss with its viability consultants any updates that may be necessary as a result of recent legislation.	Discuss any potential update requirements with the viability consultants.
	Support nil rate for C2 uses – care home and residential institutions.	Noted	Nothing
	Do not support increase in Purbeck rural centre and Upton to £50 per square metre as, in combination with the provision of starter homes, this will impact on the delivery of traditional affordable housing.	The viability study recommends a level of £50 per square metre for the rural centre and Upton. Starter homes are likely to improve viability when included as part of the provision of affordable housing. We acknowledge that the introduction of starter homes as part of affordable housing provision will impact upon the provision of traditional forms of	Nothing

		affordable housing but this is set in national statute and not something we can change at a local level.	
Individual	Fail to see the difference between a strategic & non-strategic new house & why one should be charged about roughly 7 times the charge as the other. To me the main difference is to penalise the small developer who does not have all the benefits of economies of scale of larger developers. Make them equal at least	Strategic sites will be expected to provide a significant amount of infrastructure which the developer will need to fund, which is why the CIL has been much reduced to allow this to happen. The draft standard CIL rates for non-strategic sites are set at a similar level to current rates which are viable.	None
Theatres Trust	We note a number of uses are charged at a Nil rate, and that sui generis uses are not listed. For clarity and to simplify the charging schedule, it may be better to group these together as 'All other uses - Nil'.	If it's not on the list it can't be charged so listing all other uses as nil is not necessary.	None

CIL Process and Application

Who said	Comment	Officer response	Action
Langton Matravers Parish Council	Existing houses should have change of use + CIL fee attached if they are sold on as Second Homes.	CIL is only applicable to new viable development, as set down in statute.	None
Tetlow-King for South West HARP	Strongly encourage the Council to implement an instalments policy.	The Council implemented an instalments policy at the same time as implementing CIL in June 2014.	None
	Recommend that the Council adopts discretionary reliefs,	The Council has considered allowing discretionary relief and	None

	including where market housing is part of a rural exception site.	decided against it. Due to the limited CIL income the Council agreed to only provide mandatory relief.	
	Recommend that the Council specifies when a CIL review will take place.	Government guidance sets down when a local authority should undertake a review and therefore the authority does not need to repeat this. Guidance states that in addition to taking account of market conditions and infrastructure needs, charging authorities should also consider linking a review of their charging schedule to any substantive review of the evidence base for the Local Plan.	None
Home Builders Federation	The Viability Study states that the dwelling sizes assumed for the purposes of the viability study "follow the new nationally described space standards". The Home Builders Federation do not believe those assumptions set out within the Viability Assessment are not those contained in the Technical Housing Standards - Nationally Described Space Standard (2015).	Officers have checked the new national standards with the assumed dwelling sizes for affordable homes in the viability study and they match. Where the national standards give two options for a dwelling type the study uses the larger size and where there is more than two options the study uses the middle figure.	None

Expenditure of CIL

Who said	Comment	Officer response	
Dorset Clinical Commissioning Group	NHS Dorset Clinical Commissioning Group wish to be	The Council will continue to work with the NHS to identify any	Continue to work with the NHS to identify any additional

	sited as an organisation to be a priority of CIL funds to support the development of primary health care services within the Purbeck District Council local communities. We would welcome information on how the levy is arrived at and implemented.	additional requirements caused by new development and the best way of funding them.	requirements caused by new development and the best way of funding them.
Dorset and Wiltshire Fire and Rescue	Additional funding will be required to provide essential infrastructure such as new, upgraded or relocated fire stations, vehicles or equipment.	The Dorset and Wiltshire Fire and Rescue have indicated that would look to planning obligations for funding, indicated where the impact will be greatest but provided no detail. Officers will meet with the Dorset and Wiltshire Fire and Rescue to try to add more detail and identify the best way of funding them.	Continue to work with Dorset and Wiltshire Fire and Rescue to identify any additional requirements caused by new development and the best way of funding them.
Individuals	<p>The CIL on new developments should be used to support current facilities improve what they can offer. We have several active clubs in the Purbecks that could really benefit with financial support to provide continued sports facilities for the new children that no doubt will come with any extra homes.</p> <p>Planners do not put CIL funding back into housing developments.</p> <p>Please do not spend on cycle ways and railways. Both are either not frequently used or are financially viable. Spend it on local amenities like local cinemas,</p>	<p>CIL funds are very limited and the current priorities are Habitat Regulations mitigation (without which there would be no new homes) and paying off the Norden -Wareham railway feasibility loan which the Council is committed to repaying, but we will consider other projects when we draw up the Regulation 123 list which accompanies the draft CIL charging schedule.</p> <p>Sites templates, which will include what the developer will be expected to provide if a site is selected for pre-submission stage, may include local amenities such as children's play</p>	We will consider other projects when we draw up the Regulation 123 list which accompanies the draft CIL charging schedule. Site templates will be drawn up for sites taken forward to the pre-submission stage identifying what site specific infrastructure the developer will need to provide.

	children's play areas and sensible traffic flow improvements.	areas and be secured through section 106 agreements.	
Swanage Town Council	Query whether there will be CIL funds available for road improvements in the town.	CIL funds are very limited and the current priorities are Habitat Regulations mitigation and paying off the Norden -Wareham railway feasibility loan but we will consider other projects when we draw up the Regulation 123 list which accompanies the draft CIL charging schedule. The town council could use the CIL they receive for road improvements.	Consider the possibility of funding for road improvements in Swanage when drawing up the Regulation 123 list.
Affpuddle and Turnerspuddle Parish Council	Will CIL be enough to fund the necessary infrastructure, especially as the central budget has been cut?	CIL has never been intended to replace core funding but to fill an infrastructure gap. As we become more certain of the sites we will be taking forward and the associated infrastructure requirements, we will add detail to the infrastructure plan. Site templates will be drawn up for sites taken forward to the pre-submission stage identifying what site specific infrastructure the developer will need to provide.	As we become more certain of the sites we will be taking forward we will add detail to the infrastructure plan. Site templates will be drawn up for sites taken forward to the pre-submission stage identifying what site specific infrastructure the developer will need to provide.