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Date: 27 July 2016  
Our Ref: SL M5/0108-10  
Your Ref:

By email only:  
[planningpolicy@north-dorset.gov.uk](mailto:planningpolicy@north-dorset.gov.uk)

Dear Sir or Madam

**RE: CONSULTATION ON THE NORTH DORSET COMMUNITY INFRASTRUCTURE LEVY DRAFT CHARGING SCHEDULE**

We represent the **South West HARP Planning Consortium** which includes all the leading Housing Association Registered Providers (HARPs) across the South West. Our clients' principal concern is to optimise the provision of affordable housing through the preparation of consistent policies that help deliver the wider economic and social outcomes needed throughout the South West region.

**Impact of proposed Starter Homes Regulations upon CIL**

The Council will be aware that the Housing and Planning Act 2016 contains the introduction of Starter Homes. We welcome the fresh viability evidence which acknowledges the Government's Starter Homes programme within the assessment but note that the Updated Viability Report – published in February 2016 – predates the Government's *Technical Consultation on Starter Homes Regulations* (March 2016). The consultation contains critical information with regard to the provision of Starter Homes which will inevitably impact upon the Community Infrastructure Levy and the provision of affordable housing across the District. It will be important for the Council to review its evidence in light of the Regulations, which are expected to be formally published by the Autumn.

The consultation document proposes a uniform requirement of 20% provision on all sites of 10 units or more, or 0.5 hectares. This requirement will inevitably have a direct impact upon the delivery of more "traditional" forms of affordable housing highlighted in Annex 2 of the National Planning Policy Framework. We are concerned that the Updated Viability Report does not assess the full impact of the proposed threshold upon CIL viability and the proposed charging rates.

Following a review of the Updated Viability Report and the Draft Charging Schedule (DCS), it is evident that over a one year period national planning reforms – including the introduction of Starter Homes – have had an impact upon the CIL charging rates. For example, the proposed charging rates for the District's main settlements have decreased by £5/m<sup>2</sup>, whilst the proposed rate for the Gillingham Strategic Site Allocation has dropped from the £18/m<sup>2</sup> (set by the Preliminary Draft Charging Schedule) to £0/m<sup>2</sup>, as presented in the DCS.

It is envisaged that with a 20% Starter Homes Requirement, coupled with the targets of Policy 8 (Affordable Housing) in the Local Plan, the viability of development will be challenged. This will be detrimental to the future provision of other affordable tenures.

We urge the Council to consider assessing the viability impact of the requirement to provide 20% of Starter Homes on all development sites of 10 units / 0.5ha or more on its Community Infrastructure Levy. Failure to undertake this may seriously impact the future delivery of affordable housing.

## **Instalments Policy**

We support the inclusion of an Instalments Policy within the DCS.

## **Relief from CIL**

In line with our comments dated 17 September 2015 (reference M5/0108-09) we still recommend the DCS incorporates a discretionary relief for social housing and exceptional circumstances.

### *Exceptional Circumstances*

The introduction of discretionary relief for exceptional circumstances remains important. This does not strictly necessitate the entire CIL charge being afforded relief, but rather that the amount necessary to make development viable is discounted. This is important because exceptional circumstances can arise on all sites, irrespective of size. It is evident that in some instances a cross-subsidy mechanism is required to bring forward development; the market housing required for this should be the minimum to make the development viable. However, if CIL is required to be paid on the market element of a scheme, this may alter the number of market units required to bring development forward, resulting in the perverse situation of potentially requiring additional units to fund CIL.

Experience with HARP developments elsewhere in the South West has highlighted the importance of needing discretionary relief to avoid schemes stalling.

### *Social Housing*

We also strongly recommend that the DCS incorporates social housing relief. Whilst this type of housing would represent a small part of overall development across the District, it is a sector of affordable housing which continues to grow. This is because its ability to provide affordable housing with nil-grant and outside of the scope of s106 provision means that the model is being embraced and encouraged across the South West. It is also providing a model for development whereby 100% affordable schemes consisting of just low cost homes for sale can come forward, both through a Registered Provider but also through private sector or third sector developments.

The Council should be encouraging this delivery model, and as such allowing for discretionary relief. Recent examples of where social housing relief has been implemented are within the Draft Charging Schedules of Cheltenham, Gloucester and Tewkesbury (published May 2016). Here, the Councils – at their discretion – can “allow relief from liability to pay a CIL charge to new market houses sold at no more than 80% of their market value”.

## **CIL Review**

In line with our comments from September 2015, we still recommend the Council specifies when a review of CIL will be undertaken. We note the Council’s response to our comments within its PDCS Consultation Responses document; however a review mechanism would provide clarity for local developers; land owners and others who have an interest in North Dorset’s construction and property industries.

We are of the view that a review of CIL ensures Local Planning Authorities (LPAs) are reactive to an industry that is constantly changing, and represents good practice. Recent examples of other LPAs in the South West that have committed to a review include Stroud District and Plymouth City Councils, upon which the former commits to a monitoring of CIL “due to the uncertain market” (Stroud District Local Plan CIL Draft Charging Schedule – Public Consultation, April 2016).

We would like to be consulted on further stages of the Community Infrastructure Levy and other publications by North Dorset District Council, by email only to [consultation@tetlow-king.co.uk](mailto:consultation@tetlow-king.co.uk). Please ensure that the **South West HARP Planning Consortium** is retained on the planning policy database, with **Tetlow King Planning** listed as their agents.

Yours faithfully

