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North Dorset Community Infrastructure Levy (CIL)

Draft Charging Schedule Consultation

17 June to 29 July 2016

Response Form

A Draft Charging Schedule has been developed by the Council. This sets out the proposed charging rates for North Dorset and comments are now invited on the Draft Charging Schedule. The consultation period starts on 17 June 2016 and ends at 4.00pm on 29 July 2016. The consultation document and all supporting documentation can be viewed on the Council's web page below:

<https://www.dorsetforyou.com/northdorsetcil>

Please return completed forms to:

Email: planningpolicy@north-dorset.gov.uk

Post: Planning Policy, North Dorset District Council, Nordon, Salisbury Road, Blandford Forum, Dorset DT11 7LL

Deadline: 4.00pm on 29 July 2016. Representations received after this time will not be accepted.

Part A – Personal details

This part of the form must be completed by all people making representations as **anonymous comments cannot be accepted**. By submitting this response form you consent to your information being disclosed to third parties for this purpose. Personal details will not be visible on our web site, although they will be shown on paper copies that will be sent to the Inspector and available for inspection.

Personal Details (if applicable)*		Agent's Details (if applicable)*
Title	Consortium of landowners and developers	Mr
First Name		Tim
Last Name		Hoskinson
Job Title(<i>where relevant</i>)		Associate Director
Organisation (<i>where relevant</i>)		Savills
Address		██
Postcode		████████
Tel. No.		████████████████
Email Address		██

*If an agent is appointed, please complete only the Title, Name and Organisation boxes to the personal details but complete the full contact details of the agent. All correspondence will be sent to the agent.

Part B – Representations

Please set out your representations(s) in the comments box following these questions and clearly indicate the question number on which you are commenting.

1. Do you have any views on the viability report prepared for the Council by Peter Brett Associates and its update?
No
Yes

2. Do you agree that the CIL rates proposed (£ per square metre) strike an appropriate balance between the desirability of funding infrastructure through CIL and associated economic viability?
No
Yes

3. Do you have any views on the content of the Council's Draft Regulation 123 list?
No
Yes

4. Do you believe that the Council's proposed Instalments Policy achieves the best spread of payments?
No
Yes

5. Do you wish to speak at any Hearing which might be arranged as part of the Examination of the Draft Charging Schedule?
No
Yes

If you have comments on any other aspects of the consultation please set them out on the following page.

Your Comments

Please provide alternative evidence or reasoning to support your view(s) where possible.

Whilst the rates proposed are not comparable with other adopted CIL Charging Schedules in the area, residential values are lower in North Dorset and build costs potentially higher. It is clear from the PBA report that the currently suggested CIL rates do not allow an appropriate margin of viability for future development in North Dorset. Having reviewed the PBA report, there would appear to be a limited viability buffer for certain types of development, to give confidence that the proposed rates of CIL would not impact on overall plan viability/delivery across North Dorset.

Indeed, the relationship between residential values and build costs, expressed in the report, would not provide developers wishing to operate in the area with enough of a viability buffer to deliver the number and sizes of schemes required to meet North Dorset's housing targets for the current plan period.

The specific areas of concern are summarised as follows:

- The areas for the £30/£45 rates are delineated based on the adopted Local Plan defined development boundaries (carried over from the 2003 Local Plan). This means that sites around the towns that are outside this area including those identified in the recently adopted Local Plan (north of Shaftesbury, south and west of Blandford, north and east of Sturminster Newton) would pay the £45/sq m rate even though NDDC's viability report only supports £30/sq m.
- Additionally, land allocated in submitted Neighbourhood Plans, such as the Blandford + Neighbourhood Plan, recently submitted to the Council, is also excluded from the £30/sq m zone.
- The Regulation 123 list appears to have overlap between infrastructure to be funded by CIL / Section 106, by seeking Section 106 pooled contributions for infrastructure already covered by CIL. This results in 'double dipping' and contributions at a level much higher than the £1,800 per dwelling assumed in the Peter Brett Associates (PBA) viability appraisal.
- Construction Costs – the BCIS costs used in the report do not take into account the external costs associated with the development of new homes. For example, only internal services located within the building are included in the estimates of cost and so the significant costs of providing the service network for an entire development are ignored. Other costs that aren't taken into account include landscaping, roads/access, car parking,

and professional fees (not to mention abnormal fees which occur in the majority of developments). All of these additional costs associated with development cannot be ignored and so the estimate of build costs used can be viewed as being unrealistically low. Table C1 (p30) within the report shows a sensitivity analysis based upon increased build costs. Once the costs are increased 9%, all bar a few of the scenarios/locations are shown to be unviable. We are typically seeing build cost rates of £120-£150 per sq ft (depending on the quality/location and type of build) as opposed to the £90-£104 per sq ft rates shown within the report. While the largest house builders will be able to operate at the lower end of the scale, the small/medium house builders cannot. Therefore applying the proposed CIL rate under the expectation of lower than realistic build costs may lead to many small/medium developments becoming unviable.

- In respect of tiered system of payments to reflect the scale of development, at present the draft charging schedule shows differential rates based on location and the type of development, but does not account for the scale. It would seem unrealistic to expect a 1 unit scheme to pay the same rate as a 250 unit scheme.

Conclusion

There would appear to be limited viability buffer for certain types of development to give confidence that the proposed rates of CIL would not impact on overall plan viability/delivery. The margins of viability are so slight that factors such as post-Brexit uncertainty, which could affect predicted growth in house prices in the short to medium term, and the continuing rise in the costs of construction, particularly with a lower pound, could easily sway the balance of viability in the area, resulting in a significant slowdown of development activity, other than sites of 10 units and under, where there is no affordable housing requirement. This will not only affect the delivery of market housing, but also affordable housing which comes as part of the mix and associated infrastructure payments.

Signature: _____

Date: 29.07.2016

If submitting the form electronically, no signature is required.

When completed send to planningpolicy@north-dorset.gov.uk