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# North Dorset Community Infrastructure Levy (CIL)

## Preliminary Draft Charging Schedule Consultation

### 24 July to 18 September 2015

## Response Form

A preliminary 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 preliminary draft charging schedule. The consultation period starts on 24 July 2015 and ends on 18 September 2015. 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](mailto:planningpolicy@north-dorset.gov.uk)

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

**Deadline: Midnight on 18 September 2015. Representations received after this time may 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.

\*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.

Personal Details (if applicable)*		Agent's Details (if applicable)*
Title		
First Name		JONATHAN
Last Name		KAMM
Job Title( <i>where relevant</i> )		
Organisation ( <i>where relevant</i> )	██████████	████████████████████
Address	████████████████████ ██████████	████████████████████ ██████████
Postcode	██████	██████
Tel. No.		██████████
Email Address		██████████

## Part B – Representation

1. Do you agree that the evidence provided by Peter Brett Associates in their viability report and other supporting evidence is correct?

Yes

No

Please see attached Representation

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?

Yes

No

Please see attached Representation

3. Do you believe that the Council should offer relief for any of the following discretionary matters?

Yes

Payment by installments (and what should these be?)

Please see attached Christchurch & East Dorset Draft as a reasonable starting point.

Relief for low cost market housing

Land and Infrastructure in-kind

Relief for exceptional circumstances

Relief for charitable investment activities

4. Do you have any views on the content of the Council's Preliminary Draft Regulation 123 list and the proposed balance between CIL and S106?

Yes

No

Please see attached Representation

**5. Your Comments.**

Please provide alternative evidence or reasoning to support your view where necessary.

Please see attached Representation

*Continue on a separate sheet if necessary*

Signature: \_\_\_\_\_

Date: 17 September 2015

*If submitting the form electronically, no signature is required.*

**REPRESENTATIONS ON BEHALF OF CLEMDELL LIMITED**  
**Preliminary Draft Charging Schedule Consultation**

1.0 **Question 1: Do you agree that the evidence provided by Peter Brett Associates in their viability report and other supporting evidence is correct?**

1.1 **INTRODUCTION**

1.1.1 Peter Brett Associates (“PBA”) have compiled Viability Reports (“PBAVR”) for several Dorset Charging Authorities. The NDDC PBAVR states, at para 1.2.5 “*The arithmetic of residual land value assessment is straightforward (we use a bespoke spreadsheet models for the assessments). However, the inputs to the calculation are hard to determine for a specific site (as demonstrated by the complexity of many S106 negotiations). The difficulties grow when making calculations that represent a typical or average site - which is what is required by CIL regulations for estimating appropriate CIL charges. Therefore our viability assessments in this report are necessarily broad approximations, subject to a margin of uncertainty.*” The same wording is found in the Bournemouth PBAVR at para 4.1.4 thereof.

1.1.2 NDDC has now linked with two other Dorset Charging Authorities viz West Dorset and Weymouth. These authorities commissioned BNP Paribas to carry out Viability Reports (“BNPPVR”).

1.1.3 As noted it is a view across the Dorset-wide PBAVR that the arithmetic is straightforward and, in particular, it uses a “bespoke spreadsheet model”. Although PBA states its broad approximations are subject to a margin of uncertainty it does not identify that range for the certainty of its conclusions.

1.1.4 The NDDC PBAVR is considerably at variance with, inter alia, the evolving part of the Local Plan (“LP1”). LP1 determined its housing objectives, such as the geographic spread and unit sizes by reference to the Strategic Housing Market Assessment (“SHMA”) as updated in 2012 (and about to be republished shortly). .

1.1.5 LP1 now states the purpose of the PBAVR to be: “*A whole Plan Viability*

*Assessment provided a more fine-grained analysis and gave an indication of the levels of affordable housing (having regard to other infrastructure needs) that could be delivered in different parts of the District.” (LP1 Change 5/8/9).*

- 1.1.6 PBA draws its methodology from the Harman Report and uses (at para 1.1.5) the Harman Report definition for Local Plan Viability which links viability to deliverability.
- 1.1.7 PBA then quotes (at 1.1.6) from Harman on how viability should be tested: *“A more proportionate and practical approach in which local authorities create and test a range of appropriate site typologies reflecting the mix of sites upon which the plan relies.”*

## 1.2 **TPOLOGIES**

- 1.2.1 LP1 Policy 7 now states *“In the period to 2026, the Council will seek to deliver about 40% of market housing in North Dorset as one or two bedroom properties”* (Change 5/7/2/A). PBAVR Appendix A assumes that will be split 20% 1 and 2 bed flats and 20% 2 bed houses from its consultation with NDDC.
- 1.2.2 The NDDC PBAVR has 39 residential typologies at Figure 5.2. Only three typologies are for flats, principally care and retirement institutions (ie not C3) (36, 37, and 39) and none are for a “stand alone” flat development. In contrast its Bournemouth PBAVR (Table 6.1) has 16 typologies of which 9 are for “stand alone” flats.

[Note: the context of the Bournemouth Core Strategy discouraging flats and promoting dwelling-houses (see eg Policy CS 19 and Policy CS20) as summed up in the Bournemouth PBAVR para 6.2.5: *“However, an important objective of the Core Strategy involves providing a range of housing types. The housing policies try to restrict the number of new sites being developed for flats by restricting development to small family housing, where it is appropriate”*]

- 1.2.3 The lack of typologies for flats which could account for up to 40% of the LP1 Housing Mix Policy means that there is no published data for viability for this sector of the LP1 Housing Mix. Because of the potential size of this sector the PBAVR cannot assert that it has considered typologies *“reflecting the mix of sites upon which the plan relies”* Thus whole plan viability is not assessed. Nor can there be the necessary consultation on this element of the Report.

### 1.3 ASSESSMENTS

- 1.3.1 At para 1.1.1 the PBAVR states PBA has been commissioned to provide outputs, inter alia, “*viability assessment of theoretical developments taking into account the Local Plan requirements.*” Such requirements have been derived, inter alia, from SHMA data.
- 1.3.2 At para 1.1.9 the PBAVR states: “*The [Harman] report later suggests that once the typologies testing has been done :’it may also help to include some tests of case study sites, based on more detailed examples of actual sites likely to come forward for development if this information is available’*”
- 1.3.3 Appendix B gives only two example appraisals. Neither are referenced by location or LP1 requirements. In contrast the Bournemouth PBAVR gives 11 appraisals. BNPP published 151 pages of fine grained appraisals for West Dorset and 75 pages for Weymouth.
- 1.3.4 The NDDC PBAVR states (at para 1.2.2) that “*The viability testing and study results are based on a standard residual land valuation of different land uses relevant to different parts of the District, aiming to show typical values for each site*”. The only residual land values published in the Report are at Table 6.4 Rural Exception Sites (Typology 34) and the two non geographic appraisals.
- 1.3.5 Therefore the differentiation it proposes in headroom/viability between different geographic sub-areas is unsupported in the Report. This is particularly so where PBAVR conclusions are challenged by the inclusion of third party (such as Land Registry) information in the Report which rebut the PBA conclusions.
- 1.3.6 PBA does not seek to reconcile its Report with other viability analyses produced for NDDC as part of its LP1 Evidence Base such as the SMHA (MHN005). Rather it states at PBAVR para 8.2.3: “*Where development is marginal, some policy trade-off will be required between affordable housing and infrastructure (as outlined below). The Council will need to carefully consider the requirements set out in their Infrastructure Delivery Plan and the Strategic Housing Market Assessment to arrive at an appropriate balance.*”
- 1.3.7 For one example from the SMHA, at Figures 4.7 & 4.8 “Entry-level purchase price by sub-market”, identifies Blandford Forum as having the lowest purchase price across the Area: particularly it is lower than Gillingham. Although the figures may

have changed there is no evidence of variation in the ratios.

- 1.3.8 Thus there is no evidence published in the PBAVR to conclude at para 8.2.7: “*The towns of Gillingham and Sturminster Newton have the lowest headroom for residential viability. Development within Shaftesbury and Blandford Forum has a greater headroom than the other two main towns*”.
- 1.3.7 A possible answer to the contradiction between PBAVR para 8.2.7 and eg the SHMA may be found at PBAVR 6.2.8. “*Given the larger proportion of houses built in the District compared to flatted developments we have only considered the average prices of houses, as this is likely to have a greater degree of accuracy.*” and 2.4.19: “*we should not waste time and cost analysing types of development that will not have significant impacts, either on total CIL receipts or on the overall development of the area as set out in the local plan.*” This is in the context of the PBAVR statement at 1.2.5 that all its assessments “*are necessarily broad approximations, subject to a margin of uncertainty.*”
- 1.3.8 Although the PBAVR states no consideration has been given to the sales prices, and thus viability, of flatted developments Table 5.3 lists “Average new sales values achieved (£psq.m)” for flats – Blandford Forum £2,050 psm and Sturminster Newton £2,100 psm. There is thus no source for this information which helps to explain why, at para 8.2.7, the sales values are inverted to assert that Blandford has greater headroom than Sturminster. Concern is reinforced by PBAVR para 6.3.1 which confirms that headroom “*is based on the broad areas we have used for each individual typologies*” where there is no typology, inter alia, for flats.
- 1.3.9 Even upon its own assessment, at Appendix A, flats will account for 20% of delivery (but LP1 indicates up to 40%). Typologies are produced for development types that will have very little impact upon “*CIL receipts or on the overall development*” (eg Exception Sites and Extra Care). Yet there are no assessments of differential costs of flatted, garden severance and Conservation Area developments that potentially account for the majority of C3 residential development.
- 1.3.10 The PBA admission also goes to explain why the Report can incorrectly assert a “particularly” higher value in Blandford Forum than in Sturminster (see paras 1.6.2 & 1.6.3 below)

## 1.4 RESIDUAL LAND VALUES

- 1.4.1 At para 5.3.16 the PBAVR states “*To assess viability, the residual value generated by a scheme is compared with a benchmark/threshold land value*”.
- 1.4.2 However, with the exception of three examples, residual land values are not published. As noted, the PBAVR confirms this has not been assessed for flatted and other major sources of C3 development. Therefore this challenges PBAVR statement at para 1.2.2 that the Report is “*aiming to show typical values for each site*” and the LP1 statement of the purpose of the Report to provide “*a more fine-grained analysis*”
- 1.4.3 In the Bournemouth PBAVR Tables 6.5 and 6.6 PBA collate results for each typology including residual land values, benchmark land values etc.
- 1.4.4 As set out in PBAVR para 6.3.1 headroom calculations use only the selective typologies thereby excluding, for example, flats, Conservation Area, and severance developments – which are all likely to have less headroom and lower residual land values – and which constitute a major element of the LP1 Housing Mix.
- 1.4.5 Absent published Residual Values for the typologies (included and omitted) there can be no discussion on, or examination of, the PBA conclusions and no evidence of whole plan viability.

## 1.5 GIA and NIA

- 1.5.1 The distinction between GIA and NIA is recognised in the PBAVR at para 5.3.6 “*Two floor areas are used for flatted schemes: the Gross Internal Area (GIA), including circulation space, is used to calculate build costs and Net Internal Area (NIA) is applied to calculate the sales revenue*”. CIL is payable on GIA.
- 1.5.2 The differentiation between GIA and NIA can be found in Appendix A which states (in part):

*Private sale Flats (NIA) 59 sq m*

*Private sale Flats (GIA) 62 sq m*



The difference of 3 sq.m is equivalent to 5%

- 1.5.3 In other PBAVR, such as Bournemouth, Table 5.2 states, in part,

***Dwelling type Sqm per unit***

*Flats (NIA) 64*

*Flats (GIA) 75*

The difference of 11 sq.m is equivalent to 17%

- 1.5.4 In the BNPPVRs it assumes, for flats, a gross to net ratio of 85% (para 4.10 for Weymouth and at para 6.15 for West Dorset). Thus allowing for 15% difference between GIA and NIA. The “Development Appraisal Toolkit – Dorset Authorities” is part of LP! Evidence Base (MHN022) and the starting point for assessing viability for s.106 Contributions with Charging Authorities across the County. The Toolkit references (eg at AN4.6) a 15% difference between GIA and NIA.
- 1.5.5 PBA at para 5.3.10 of its Bournemouth Report states that “*Residential floorspace is based upon industry standards of new build schemes, as shown in Table 5.2*”.(which is 17% see para 1.5.3 above )
- 1.5.6 Given that PBA (in its Bournemouth PBAVR) states it uses industry standards of 17% and applies a bespoke spreadsheet model, this same distinction between GIA and NIA must be repeated in the NDDC PBAVR. PBA also notes its margin of uncertainty. Therefore the 15% assumption by BNPP in its Reports for the Charging Authorities linked to NDDC is in line with the 17% industry standard PBA has adopted.
- 1.5.7 The PBAVR does not propose that CIL is charged only on NIA + 5% - CIL is chargeable on the full GIA of flatted schemes. The difference between 5% and 17% obviously affects the viability of every flat scheme that could account for around 40% of the Housing Mix.
- 1.5.8 To be clear, if PBA tested the viability of flatted schemes which could account for up to 40% of the Housing Mix they would understate development costs by some £8,000 per flat including c.£7600 build costs (ie £1091 psm per Table 5.6 x 7 sq.m) and CIL c.£245 (ie £35 x 7 sq.m). Expressing this against the headroom the PBAVR identify for Blandford Forum (eg at Table 6.7) this eliminates headroom and

gives a negative of £53 psm (ie £82 - £135) for each flat of the PBAVR standard size of 59 sq.m (stated at Appendix A). Thus 20% to 40% of the Housing Mix would be neither viable nor deliverable. LP1 now emphasizes that NDDC “*support the delivery of about 40% of market housing in North Dorset as one or two bedroom properties*” (Change 5/7/5).

1.5.9 Absent any published analysis of flatted schemes in the NDDC PBAVR, the concern about the failure to observe industry standards for the distinction between GIA and NIA in the NDDC PBAVR is simply another element in the general failure of the Report to demonstrate whole plan viability for proper consultation.

## 1.6 GEOGRAPHIC ASSESSMENT

1.6.1 LP1 Policy 6 gives the approximate scale of housing development at the four main towns during the period 2011 - 2026 (LP1 Change 5/6/19)

1.6.2 The PBAVR at para 5.1.4 considers the geographic mix that “*In the case of both housing and flats there appears to be higher values towards the east of the district (in locations such as Shaftesbury and Blandford Forum) compared with locations towards the west particularly Sturminster Newton*”.

1.6.3 In Appendix A the PBAVR states as “values used” (to arrive at “Sales Value”) the following for:

		House	Flat
Private sale	Blandford Forum	£2,583	£2,050 sqm
Private sale	Sturminster Newton	£2,447	£2,100 sqm

That does not support “particularly” higher values (and therefore higher headroom) in Blandford than in Sturminster. For flats the reverse is true.

1.6.4 Table 5.5 of the PBAVR indicates that Benchmark Values (presumably residential) are £1,450,000 in Blandford Forum and £1,250,000 in Sturminster per developable ha. Therefore, as defined by the PBAVR Glossary, Sturminster landowners will sell at a lower price than Blandford owners in any event.

1.6.5 Further, the PBAVR uses a standard of 59 sq.m for any flat (Appendix A). Multiplying the PBA flat size by the PBA “values used” (£2,050) gives an average

flat sale price in Blandford Forum of £120,950. In contrast “*Figure 5.4 Average flat price by Postcode sector*” shows an average flat price for Blandford Forum of £90,000 - £95,000.

- 1.6.6 A conclusion by the Charging Authority that has clearly not been integrated into the PBAVR and does affect viability is found in the Sustainability Appraisal of the North Dorset Local Plan Part 1 (MHD051) which concludes at para 8.85: “*The provision of greenfield sites beyond the bypass may result in the town centre regeneration being less viable. Typically the more difficult to develop regeneration sites in town centres are less likely to be developed than greenfield sites. The difficulties of developing these sites, along with the potential for reduced house sales prices from new developments, will have an impact on their viability and therefore make the regeneration less likely*”

## 1.7 OTHER MATTERS

- 1.7.1 The Preliminary Draft Charging Schedule Consultation Document states that the “*Proposed town centre boundaries for CIL purposes are those set out in the North Dorset District-Wide Local Plan 2003*” (footnote 10).
- 1.7.2 LP1 directly rebuts that footnote under the heading “Defining Town Centre Boundaries” para 6.47 “*The North Dorset District-Wide Local Plan 2003 does not show any town centre boundaries for Blandford Forum, Gillingham, Shaftesbury and Sturminster Newton. These will be defined as part of the site allocations in the Local Plan Part 2 unless a local community decide to define a boundary for their town centre in a neighbourhood plan*”
- 1.7.3 The Charging Authority should clarify the status of the plan referred to in the CIL footnote; and whether it intends to continue to use that plan for CIL once LP2 or Neighbourhood Plans have adopted statutory town centre boundaries.
- 1.7.4 The Charging Authority should also clarify whether it will align CIL rates, by, inter alia, geographic area or use of building in the event of different criteria are adopted in LP2 or Neighbourhood Plans.

## 1.8 SUMMARY & CONCLUSION

- 1.8.1 Clemdell has addressed Question 1 by focussing on just one element of the Housing Mix (flats) and just one geographic sub-area (Blandford Forum). This

analysis could be repeated across every aspect of the Report. In the light of the Charging Authority's conclusion in MHD051 set out at para 1.6.6 above that in Blandford Forum "*the potential for reduced house sales prices from new developments, will have an impact on their viability*" focussing on challenges in that town is particularly pertinent.

- 1.8.2 It has been noted at 1.1.5 that LP1 now states the PBAVR "*provided a more fine-grained analysis*". LP1 (Change 5/8/22) also states that private developers "*must adopt an 'open book' approach*" to viability assessments.
- 1.8.3 The "*open book approach*" should be applied to the PBAVR. No fine grained analysis can be deduced from the present Report.
- 1.8.4 However for the reasons set out above it can be concluded that the evidence as presented by PBA is incomplete and the interpretation is often contradictory. LP1 is not a site allocation plan and assessing whole plan viability in advance of LP2 and Neighbourhood Plans is premature per se.
- 1.8.5 The matters that need to be addressed in order for there to be a consultation opportunity to assess the credibility of the PBAVR as evidence include:
- Additional, or rationalised, typologies and assessments for a range of appropriate site typologies reflecting the mix of sites upon which the plan relies;
  - Assessments related to specific typology;
  - Publication of residual values to include, inter alia, flatted developments;
  - Amendment to "*industry standards*" of the ratio of GIA/NIA;
  - Alignment of the evidence on average flat sale values to the values to be used for flats in assessing CIL viability;
  - Linkage of geographical differences to residual viability;
  - In response to the Charging Authority's Sustainability Appraisal, Blandford Forum viability of reappraised with appropriate typologies;

- Headroom calculations that incorporate the LP1 Housing Mix not limited to the selective current typologies.
- The PBAVR recommends a zero CIL rate where it finds no headroom (eg non residential/retail development). That should be the recommendation where, prima facie, it applies to types of residential development (such as flats) rather than simply omitting that development.

1.8.6 Question 1 refers to “other supporting evidence”. If this refers to non PBA evidence in the LP1 Evidence Base and in LP1 - then PBA has not sought to align its Report to that evidence.

1.8.7 On the basis of the PBAVR as presented there is no whole plan viability. No recommendations can be definitively drawn from the PBAVR but it is clear that the Charging Authority need to consider the option of setting a zero rate on flats – similar to many other Charging Authorities.

1.8.8 At para 7.8.2 the PBAVR states: “*The exact level to charge is ultimately the Council’s decision and should be aligned to wider ambitions..... there is scope to vary the CIL charge across different retail units*” There is no reasoning given to suggest why those criteria should not also apply across use of buildings for different residential types.

**REPRESENTATIONS ON BEHALF OF CLEMDELL LIMITED**  
**Preliminary Draft Charging Schedule Consultation**

2.0 **Question 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? If not, please set out alternative evidence to support your view.**

2.1 **INTRODUCTION**

2.1.1 The CIL Rates proposed are those recommended within the Peter Brett Viability Report (“PBAVR”). The initial reasons for concluding that the published Report does not strike an appropriate balance are set out in Clemdell’s Response to Question 1. That response applies equally to Question 2.

2.1.2 The Preliminary Draft Charging Schedule at para 3.13 states: *“The objective of the study is to inform policy decisions relating to the trade-offs between the policy aspirations of achieving sustainable development and the realities of economic viability.”*

2.1.3 The PBAVR relies for its approach upon selected quotations from ‘Viability Testing Local Plans’ (“the Harman Report”) – see eg PBAVR 1.1.5 et seq.

2.1.4 The Harman Report (page 13) identifies the NPPF as the linkage between the Local Plan and CIL and states: *“These documents make it clear that, while it is legitimate to look at how the value released from development can contribute towards the services and infrastructure that will make that development acceptable to communities, it is important that planning authorities weigh this carefully against the potential that cumulative policy requirements might put the delivery of the plan at risk”*

2.1.5 Change 5/7/1 to LP1 commits NDDC to *“support the delivery of about 40% of market housing in North Dorset as one or two bedroom properties”*, albeit PBAVR Appendix A assumes flats will be restricted to 20%.

2.2 **SUBMISSION**

2.2.1 The Harman Report sets out its Key Principles (pp10-11) and continues: *“None of the above is intended to suggest that the outcome of a viability assessment should*

*dictate individual policy decisions. Rather, the role of an assessment is to inform the decisions made by local elected members to enable them to make decisions that will provide for the delivery of the development upon which the plan is reliant.”*

- 2.2.2 Upon the analysis of the PBAVR in response to Question 1 it is evident that LP1 Policies as to the mix and location of development will not be deliverable. Specifically Clemdell’s analysis looks at one type of development (flats) that could provide the majority of one and two bedroom properties making up to 40% of the housing provision and at one geographic area (Blandford Forum) making up 23% of housing provision (with adjoining parishes) (23% is in PBAVR Table 3.7, LP1 MHD053 has various proximate percentages)
- 2.2.3 The Harman Report (page 40) records that: *“in the context of the Local Plan as a whole... As already discussed, this is an iterative process. If an initial viability assessment determines that, for example, the plan’s housing requirements are not deliverable, factors such as plan policies or the geographical distribution of housing land will need to be reconsidered and balanced until the plan is judged deliverable within the principles of sustainable development.”*
- 2.2.4 The iterative process has already been applied to Sturminster where, as assessed by the PBAVR, CIL viability depends upon a reduction of the Affordable Housing requirements (LP1 Change 5/6/36). That appears to invert the intention of CIL. Affordable Housing should be consistent across the area and the CIL rate reconsidered such that the numbers and geographic spread of Affordable Housing are delivered (per Harman) *within the principles of sustainable development* as assessed through the Local Plan. It does not introduce complexity by introducing differential CIL related to viability. There can be no more complexity involved in applying differential CIL rates than in applying the differential Affordable Housing rates as recommended in the PBAVR.
- 2.2.5 The PBAVR focuses upon demonstrating to its own satisfaction the viability of high value and estate developments leaving aside the provision of entry-level housing eg para 6.2.8 *“we have only considered the average prices of houses”*. As noted the Harman Report emphasises the need to deliver the Local Plan *“within the principles of sustainable development”* and that CIL cannot be divorced from the Local Plan.
- 2.2.6 As noted, at para 2.2.1 above, Harman is clear that the viability assessment should

not dictate policy.

- 2.2.7 A conclusion by the Charging Authority that has clearly not been integrated into the proposed CIL rates and does affect viability is found in the Sustainability Appraisal of the North Dorset Local Plan Part 1 (MHD051) which concludes at para 8.85: *“The provision of greenfield sites beyond the bypass may result in the town centre regeneration being less viable. Typically the more difficult to develop regeneration sites in town centres are less likely to be developed than greenfield sites. The difficulties of developing these sites, along with the potential for reduced house sales prices from new developments, will have an impact on their viability and therefore make the regeneration less likely”*.
- 2.2.8 Question 2 is misconceived. It implies that a viability assessment, when properly drawn, is the sole determinant of CIL rates. That is not the case. An appropriate balance is to be consulted upon after Councillors have determined the effect of the assessment upon the aims of LP1. As the PBAVR states (at para 7.8.2) *“The exact level to charge is ultimately the Council’s decision and should be aligned to wider ambitions....”* and (at para 8.2.3) *“The Council will need to carefully consider the requirements set out in their Infrastructure Delivery Plan and the Strategic Housing Market Assessment to arrive at an appropriate balance.”* – that step appears not to have been taken. That balance is not as stated in Question 2 with “associated economic viability”; it is per Regulation 14 *“the economic viability of development across its area”* (PBAVR para 2.4.4b).
- 2.2.8 The PBAVR is not at a point that it is a useful tool in assessing an appropriate balance, inter alia, for the reasons set out in the response to Question 1.



**REPRESENTATIONS ON BEHALF OF CLEMDELL LIMITED**  
**Preliminary Draft Charging Schedule Consultation**

4.0 **Question 4: Do you have any views on the content of the Council's Preliminary Draft Regulation 123 list and the proposed balance between CIL and S106?**

4.1 **THE COUNCIL'S PRELIMINARY DRAFT REGULATION 123 LIST**

4.1.1 The Council's List is simply a list of its own and other Agencies functions funded by Council Tax, Business Rates and national taxation.

4.1.2 Some items on the list are provided by other Agencies – such as Highways which are funded by Central Government as well as the County Council.

4.1.3 Other items are identified as already fully funded – such as Health – in Table 1 of the Preliminary Draft Charging Schedule Consultation Document.

4.1.4 The Preliminary Draft Charging Schedule Consultation Document does not give an indication, as examples only, of the amounts:

- to be collected for these services from Council Tax and Business Rates in any event over the Plan period;
- that relate to expenditure by, and funded by, other Agencies;
- that relate to projects outside of the Charging Authority's area.

4.2 **THE PROPOSED BALANCE BETWEEN CIL AND S106**

4.2.1 Representations on this have been made in response to Questions 1 and 2 and are repeated here.

4.2.2 It is noted that in response to the PBAVR Recommendations (in Table 6.7), the level of Affordable Housing s.106 liability for Sturminster Newton is proposed to be reduced by way of LP1 Change 5/6/36 from 30% to 25%.

4.2.3 It is suggested that, where development and delivery of the LP1 objectives cannot proceed with both a given level of s.106 and a CIL charge it is the CIL charge rather than the s.106 that is lowered to ensure the maximum return to the Charging Authority and enable the delivery of the Housing Mix in the Local Plan.

4.2.4 As the PBAVR states (at para 7.8.2) *“The exact level to charge is ultimately the Council’s decision and should be aligned to wider ambitions....”* and (at para 8.2.3) *“The Council will need to carefully consider the requirements set out in their Infrastructure Delivery Plan and the Strategic Housing Market Assessment to arrive at an appropriate balance.”* . Those steps appear not to have been taken.

## Christchurch and East Dorset Community Infrastructure Levies - CIL Payments Instalment Policy

September 2015

It is important to consider developer cashflow. Therefore, CIL payments can be delayed for up to 720 days from commencement (dependant on level of CIL liability) to improve development economics. The benefits to delivery outweigh the fact that local authority receipts will be delayed.

It should be noted that under the regulations, each phase in an outline permission is treated under CIL as a separate chargeable development. The liability notice for each phase is triggered separately at the point where the planning permission 'first permits' development of that phase. Liability to pay is then triggered by commencement of the phase.

### Instalments Policy

This policy has been prepared in accordance with regulation 69B of the 2010 Community Infrastructure Regulations (as amended).

The Councils will allow payment of CIL by instalments to the total amount of the liability as follows:

Total amount of CIL liability	Number of Instalments	Payment period and amounts
Up to £75,000	Two instalments	1st instalment - 25% payable by 60 days from commencement  2nd instalment - 75% payable by 360 days from commencement
Greater than £75,000	Four instalments	1st instalment - 20% payable by 60 days from commencement  2nd instalment - 20% payable by 360 days from commencement  3rd instalment - 30% payable by 540 days from commencement  4th instalment - 30% payable by 720 days from commencement

### Notes:

1. Where an outline planning permission permits development to be implemented in phases, each phase of the development is a separate chargeable development and will be collected in accordance with the Instalment Policy.
2. Nothing in this Instalment Policy prevents the person with assumed liability to pay CIL, to pay the outstanding CIL (in whole or in part) in advance of the instalment period set out in this policy.