

Planning Policy

From: Christine McNulty <christine@kppcltd.co.uk>
Sent: 20 February 2015 17:18
To: Planning Policy
Cc: Kat Burdett
Subject: Responses to the Further Modifications to the Draft CIL Charging Schedule
Attachments: Representation to C&EDDC CIL charging schedule.pdf

Please find attached the comments of Ken Parke Planning Consultants to the Proposed Modifications to the CIL Charging Schedule for Christchurch and East Dorset.

Please acknowledge receipt of said comments.

Kind Regards

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CHRISTCHURCH AND EAST DORSET CIL CHARGING SCHEDULE

REPRESENTATION

BY

KEN PARKE PLANNING CONSULTANTS LIMITED

IN RELATION TO

MODIFICATIONS TO THE PROPOSED CIL CHARGING SCHEDULE

PREPARED BY

CHRISTINE MCNULTY BA (HONS) DIPTP MRTPI

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FEBRURY 2015

1.0 Introduction

- 1.1 This representation is made on behalf of Ken Parke Planning Consultants a planning consultancy with many years' experience in the private and public sector providing advice and representing clients on policy and development management matters.
- 1.2 In May 2013 we were instructed by clients to submit a representation to the Department for Communities and Local Government in respect of a consultation document on the proposed changes to Section 106 Agreements where they related to affordable housing and tariff style contributions.
- 1.3 The representations supported the move to introduce a threshold by which the Local Planning Authorities could require contributions by way of 106 agreements. In our view it was a positive step to enable small developers to bring forward developments in a timely and less costly fashion. The introduction of a relief from such contributions has improved the ability of the small developer to obtain finance but has also incentivised landowners to bring their sites forward for development.
- 1.4 The new thresholds by which development is exempt from affordable housing and tariff style contributions was introduced in November 2014 and has had a positive impact in those authority areas who have adopted the new threshold.
- 1.5 On 23rd January 2015 Christchurch and East Dorset District Councils published further modifications to their draft charging schedule, partly in response to the consultation on that document in 2014 but also in response to the Government announcement on 28 November 2014.

1.6 The following is a representation by ken Parke Planning Consultants in response to those modifications made to the charging schedule arising for the government announcement.

2.0 Representations

2.1 **FM1** – The revised date of March 2015 for the examination of the charging schedule is welcomed to provide opportunity for further consultation but to provide certainty to landowners and developers of the likely costs of development in an environment that has been fraught with uncertainty arising from the many Ministerial announcements.

2.2 **FM2, FM3, FM5 and FM6** – These are combined as they basically refer to the same issue in respect of the introduction of a charging rate for developments of less than 10 dwellings that is set at twice that for 10+ dwellings.

2.3 The changes with regard to small developments and planning obligations were consulted on in March 2014. This followed the Governments Autumn Statement commitment to reduce planning costs to developers and to consult on the changes proposed to help achieve that objective.

2.4 In its response to the consultation responses (Nov 2014) the Government stated (at paragraph 3) that it considered that charges on development of less than 11 dwellings can place a disproportionate burden in small scale developers, including those wishing to build their own homes, and prevents development of much needed, small scale housing sites.

- 2.5 At the present time developments of less than 10 units are exempt from affordable housing, transport and open space contributions, once CIL is introduced those developments will remain exempt only from affordable housing but will be charged CIL. It should be remembered that where site specific contributions are required to make the development acceptable in planning terms the local planning authorities are still able to seek to secure contributions from development of all sizes through the section 106 mechanism.
- 2.6 Following a revisit to the viability report submitted with the Draft Charging Schedule 2014 the LPA's have determined that a funding shortfall will arise as a consequence of developments of less than 11 units not contributing to infrastructure.
- 2.7 The largest cost to the small developer is the affordable housing contribution, with the requirement for other contributions further adding to the developer burden. The introduction of CIL from all residential developments, no matter their size, will be a cost burden to the small developer that will exceed the current 106 burden and further impact on the ability of many small sites to come forward. The introduction of a levy that penalises small developers contrary to the boost that government has sought to achieve will undermine the recovery of small developments and take us back to the pre ministerial announcement period.
- 2.8 The Council has failed to justify the disproportionate levy rate on small developments that given the size of the developments will have a lesser impact on the open space and transport infrastructure than would arise from larger developments. The levy is seeking to force small developers to bear the costs arising from larger developers who are least able to offset those costs.

- 2.9 The larger volume builder, through economies of scale are in a stronger position to meet higher CIL charges than the small developer where funding is harder to achieve and profit levels will be diminished by development costs. Landowners will be discouraged from offering sites where land values to the smaller developer will be suppressed in order to offset the development costs.
- 2.10 CIL will place a prohibitive burden on smaller developments as they will be required to make larger payments than under the Section 106 system. The application of a CIL Charge of £170/m² for small development is likely to render such schemes unviable, marginalising profit levels, which will have a depressive effect on the development industry.
- 2.11 The Government has had to intervene to bring about a restart of a stalled development industry and to seek to lessen the burden on the small developer. The draft charging schedule that seeks to further burden the smaller developer is an opportunistic attempt on the respective Councils' part to circumvent the measures put in place to kick start development and address the drastic shortfall in dwelling houses.