



Purbeck Community Infrastructure Levy Charging Schedule

Examination

Statement on behalf of Purbeck District Council

Hearing date: Tuesday 8 October 2013 – 4.30pm

Issue 4 – Levy Rates on Other Uses

- 4.1 Are the rates for the other uses listed in the schedule reasonable and realistic in relation to an appropriate balance between helping to fund new infrastructure and the potential effects on economic viability?

Introduction

1. This statement considers all the issues within Matter 4

Statements of Common Ground

2. No Statements of Common Ground have been submitted in relation to this Matter.

Council Response

3. The issue raised by the Examiner is considered below:

4.1 Are the rates for the other uses listed in the schedule reasonable and realistic in relation to an appropriate balance between helping for fund new infrastructure and the potential effects on economic viability?

4. The Inspector will be aware from even a cursory look at what has been done elsewhere, that CIL has been set in a variety of ways. Some local authorities have taken a blanker 'single currency' approach; others have not tied in affordable housing policies at all. The Purbeck CIL has been set by taking a very sensitive approach to viability, varying CIL not only by location but also by type of development.
5. The Community Infrastructure Levy and Development Viability Assessment report (CD33) identifies the potential for CIL based on the viability test. The residual value for Shops (A1) is higher than the remaining retail uses. A2-A5 uses have similar residual values and have therefore been grouped with a separate rate to shops. The Council has adopted the following rates:

A1 Shops	£75 per square metre
A2-A5 Town Centre Offices, Food and Drink	£20 per square metre

6. For employment, non-residential institutions, assembly and leisure uses, the analysis in The Community Infrastructure Levy and Development Viability Assessment report (CD33) suggests that schemes of this nature are either non viable or marginally viable. It suggests that there may be hot spots and developments with positive residual values, but overall they will not yield a CIL contribution. The Council has adopted the recommendation in the report and has zero rated these types of development for CIL.
7. In response to a comment on the preliminary draft charging schedule Andrew Golland Associates looked at the viability of hotels in the district. An exploration of recent planning applications (since 2006) showed that there has been a net loss of hotels in Purbeck, particularly larger ones, with conversion to residential flats. The few new hotels have been conversions of houses into 5-6 bed guesthouses. Andrew Golland Associates identified in Community Infrastructure Levy and Development Viability Assessment Addendum (CD34) that these schemes are likely to prove challenging with respect to viability. The Council is proposing to zero rate hotel developments.

Suggested changes for the Examiner to consider

8. None