



Planning Policy  
East Devon District Council  
Knowle  
Sidmouth  
EX10 8HL

Date: 11 June 2015

Our Ref: SL M5/0107-12

Your Ref:

By email only:  
[cil@eastdevon.gov.uk](mailto:cil@eastdevon.gov.uk)

Dear Sir or Madam

**RE: CONSULTATION ON PROPOSED CHANGES TO THE EAST DEVON COMMUNITY INFRASTRUCTURE LEVY**

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 and to ensure the evolution and preparation of consistent policies throughout the region.

**Overarching Comments**

It is to our understanding that the Council have submitted additional evidence to support changes to its Community Infrastructure Levy (CIL) as a result of proposed modifications to its overarching Local Plan (2013-2031). The submission evidence includes East Devon's response and justification to the Inspector's concerns over the increase of its charging rates for development.

The increase of the CIL charging rate for residential development within the allocated Cranbrook expansion areas to £68 per square metre was of particular concern to the Inspector, and has been posed as a question for public comment. It must be noted that this was also highlighted by our previous comments on the consultation of the Draft Charging Schedule in July 2013 (Reference: CB M5/0107-07).

**Residential CIL Charge for Cranbrook Expansion Areas and Viability Testing**

We acknowledge the extensive work and research put into the publication of the East Devon CIL response to the Inspector's concerns by Mr Thompson. However, we raise concerns about how the £68 charging rate has been calculated in Section 5 of the report.

Whilst we support the implementation of a "cushion" to allow for extra viability of the CIL, and respect the allowance of a 20% developer return; it is considered the viability chart outlined in Section 5 of the report is out of date. This chart has been extracted from Chart 7.1 of the *East Devon Community Infrastructure Levy Viability Study Final Report* (January 2013). The £68 figure has been assessed against this chart. As such, the residential viability testing is based on development values and costs taken from the latter months of 2012.

Since 2012, the planning system and economic conditions of the construction and property market have experienced considerable change. According to published data by the Office for National Statistics and the Department for Business, Innovation and Skills, the building cost index increased by two percent in the year to Q4 of 2014. The cost of individual construction materials also rose in the year up to Q4 of 2014: with construction materials for new housing increasing by 1.3% and clay bricks experiencing a 9.2% increase in costs.

As a result, it is recommended that a new viability test of the increased CIL charge may be required. This test should incorporate updated development costs; acknowledge changes within the planning system; retain a 20% developer return figure; and retain the “likely S106 costs” highlighted below Paragraph 5.6 of the report.

### **Recent Planning Reform and Viability**

It is highly important the Council properly consider the overall impact of CIL on the delivery of new housing and affordable housing. One such example of planning reform since 2012 includes the provision of Sustainable Urban Drainage Systems within major development. In a written statement to Parliament (dated December 2014), Communities Secretary Eric Pickles MP stated:

*“To this effect, we expect local planning policies and decisions on planning applications relating to major development – developments of 10 dwellings or more; or equivalent non-residential or mixed development – to ensure that sustainable drainage systems for the management of run-off are put in place, unless demonstrated to be inappropriate”.*

In addition, the Planning Practice Guidance (amended April 2015) states:

*“Whether a sustainable drainage system should be considered will depend on the proposed development and its location, for example whether there are concerns about flooding. Sustainable drainage systems may not be practicable for some forms of development (for example, mineral extraction). New development should only be considered appropriate in areas at risk of flooding if priority has been given to the use of sustainable urban drainage systems. Additionally, and more widely, when considering major development, as defined in the Town and Country Planning (Development Management Procedure) (England) Order 2015, sustainable drainage systems should be provided unless demonstrated to be inappropriate.”* (Paragraph: 79 Reference ID: 7-079-20150415)

As a result, it is important that the integration of sustainable urban drainage systems within major development and other planning reforms are incorporated within the viability testing of the draft charging schedule.

### **Revised Draft Charging Schedule March 2015**

The 2015 version of the Draft Charging Schedule (DCS) does not include details of the implementation of CIL as highlighted in Part B of the DCS published in June 2013. Part B outlines the background to CIL; specifies the development receiving exemption and relief from the charge; and establishes how the levy can be paid by developers.

The absence of this important information is confusing to those commenting on the proposed changes within this consultation and can be misleading for developers. To ensure clarity for landowners and developers we assume that East Devon District Council will be incorporating a similar version to Part B (of the June 2013 DCS) within its adopted CIL Charging Schedule.

### **CIL Review**

We recommend the Council specify when a review of the CIL will be undertaken; this should be over consistent intervals of time. We suggest that this should either be every three years; or if there has been a 10% change in house prices; or in light of any significant change to national planning policy or guidance. This should include a caveat stating that the review will be done ‘whichever is sooner’. This would provide clarity for local developers; land owners and others who have an interest in East Devon’s construction and property industries.

The above comments are intended to be constructive. We would like to be consulted on further stages of the above documents and other publications by East Devon District Council, by email only. Please ensure that the **South West HARP Planning Consortium** is retained on the LDF database, with **Tetlow King Planning** listed as their agents.

Yours faithfully



**SEAN LEWIS MPlan**  
**ASSISTANT PLANNER**  
For and On Behalf Of  
TETLOW KING PLANNING



cc: Aster Group  
DCH Group  
Guinness Partnership  
Sovereign Housing Association  
Spectrum Housing Group  
Westward Housing Group  
Yarlington Housing Group

John Golding – Housing Department