

Planning Policy
East Devon District Council
Blackdown House
Border Road
Heathpark Industrial Estate
Honiton
EX14 1E

email: 

21 March 2019

Dear Sirs,

WCN053/nf

**COMMUNITY INFRASTRUCTURE LEVY
Preliminary Draft Charging Schedule: Consultation Response**

I write on behalf of the East Devon New Community partners and am pleased to set out the comments below.

General Observations

By way of preliminary and general observation, EDNCp are aware that the present consultation exercise will be followed by a formal consultation on a Draft Charging Schedule, a consultation which is expected to take place in the spring or summer of this year. It is at that point that EDNCp may request the right to be heard by an Examiner.

Equally, there has only been limited time to consider the Preliminary Draft Charging Schedule (PDCS) and the evidence that supports it - the "CIL Review and Cranbrook DPD Viability Study" was only published on 11th February, a week prior to Committee, with consultation commencing the day following Committee, and only for four weeks.

For both of the above reasons the representations set out by EDNCp herein are more preliminary and more general in nature.

Relationship with Cranbrook DPD

EDNCp welcome the intention of EDDC to hold parallel and linked examinations into the CIL Schedule (when published in Draft form) and the Cranbrook DPD. The two are related and need to be considered alongside each other.

The Cranbrook DPD is also out for consultation - but on a different timetable - until 24 April 2019. The evidence base - the CIL Review and Cranbrook DPD Viability study - is prepared in relation to the present consultation on CIL but also that on the Cranbrook DPD. EDNCp will set out its observations on that evidence base, in full, in relation to the Cranbrook DPD consultation - i.e. by 24th April.

EDNCp suggest that it would be wholly inappropriate to update and publish the next version of the CIL (i.e. the Draft Charging Schedule") prior to consideration being given to the representations made by EDNCp (and others) in relation to the Cranbrook DPD and the evidence base that supports it. Those observations will include more detailed consideration of the assumptions employed in the CIL schedule and evidence base and Cranbrook DPD Viability study.

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Publication of the Draft Charging Schedule will also take account of timing of the updating of the CIL Regulations.

Preliminary CIL Rates

EDNCp note that a zero CIL rate is proposed for residential development at Cranbrook. EDNCp understand that this is in recognition of a substantial section 106 burden, anticipated by EDDC and described in the Cranbrook IDP and the viability study. The affordability of that infrastructure and section 106 obligation will need to be considered in the context of the Cranbrook DPD and its viability, effectiveness and justification.

That said - the adoption of a zero CIL rate for Cranbrook still represents a quantum leap in the obligations placed on that development. Whereas the PDCS notes that the previous/current CIL regime - including a CIL levy - would generate no more than £30.8m of CIL receipts (across the whole district), the potential section 106 obligations on Cranbrook appear to be 2-3 times higher at Cranbrook alone. That CIL levy - including that at Cranbrook was assessed as the maximum affordable or viable contribution in 2016.

In reality, if the potential section 106 contributions at Cranbrook (set out in the Cranbrook IDP) were to be fully taken into account then the resultant CIL rate would be heavily negative. Of course, it gets "capped" at £0. This will mean that it may well be the case that some infrastructure elements may prove unaffordable through the development. EDNCp will set out additional views in this regard in response to the DPD consultation.

One element that is likely to need to be considered is the need to attract external funding to support infrastructure. To assist this process EDNCp advocate to EDDC the preparation and publication of the first Annual Infrastructure Funding Statement (required under the new Regs) alongside the Draft Charging Schedule. In this regard the most recent revision of the CIL Planning Practice Guidance is clear regarding the need for clarity: "*Charging authorities should work proactively with developers to ensure they are clear about the authorities' infrastructure needs and what developers will be expected to pay for through which route*". (Paragraph: 095 Reference ID: 25-095-20190315)

Equally EDNCp note that the prelim rates across the district are set with a 50% buffer with the intention of ensuring that the CIL regime does not place a constraint on development. A similar consideration should be consistently applied at Cranbrook.

EDNCp support the zero CIL rate for retail development in Cranbrook town centre. While every effort is made to progress retail development in the Town Centre, the frailty of the market is evident and is unable to support any CIL contribution for retail or other town centre uses.

Geographical Extent of CIL Charging Zones.

A major concern of EDNCp is in relation to the geographical extent of £0 rate Residential CIL Charging zone at Cranbrook for two important reasons.

The zones proposed mirror what the Cranbrook DPD describes as the "Built-Up Boundary" in the DPD within which the DPD intends to restrict residential development.

Two matters arise straight away.

First the extent of those built up area boundaries and the need for any built up area will be debated and discussed through the Cranbrook DPD and its examination. EDNCp anticipate making representations that it is inappropriate to define built development limits in the precise manner proposed (and required if they are to be part of the CIL boundaries). For this reason, and in any event, the existence and nature of boundaries for built up areas is not established or correct.

Second - even if built up area boundaries were confirmed through the DPD - then it is not the case that the land immediately beyond them is open countryside. It remains - even as proposed in the DPD to date - allocated as "expansion areas". That is what is on the DPD Policies Map.

Indeed the East Devon Local Plan Proposals Map - properly employs such allocation boundaries. So too does the existing CIL Charging Schedule. Should development come forward (in whatever circumstance - including through the proper more detailed master planning of each expansion area) then they would be expected to contribute to infrastructure in the same

manner as the rest of the town. They would be part of Cranbrook and governed by the viability realities relating to Cranbrook.

EDNCp consider that the zero rate charging schedule should be defined by the Cranbrook expansion area boundaries in the DPD and not the Built-up area boundaries. The different areas are not governed by different economic realities.

Evidence Base and Assumptions

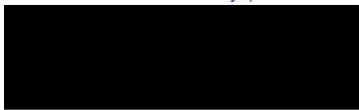
As noted above EDNCp will respond fully in relation to the viability evidence pertaining to Cranbrook in response to the Cranbrook DPD consultation.

For instance it will be necessary to review our preliminary concerns relating to:

- the modelling of, and values attributed to, affordable housing values;
- the net to gross assumptions made in relation to Cranbrook and other development scenarios - the assumptions for instance relying on policy rather than the realities of site masterplanning (for instance the need to retain specific features of the site in open space (floodplain, biodiversity or landscape features) etc well in excess of the EDLP or DPD standards). Such areas are part of the scheme and need to be considered in viability terms;
- the assumptions in relation to SANGs in particular the assumption made that a blended rate be applied;
- the cost base assumptions employed in the viability study
- cost attributed to some of the additional policy expectations at Cranbrook.
- the realism of the trajectory or trajectories employed
- potential rates of return and possible benchmark land values.

The initial impression in the viability work at Cranbrook and across EDDC is that were assumptions have been made then these have all tended to be in the same "conservative" direction leading to a more optimistic picture of affordability or viability.

Yours sincerely,



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BUSINESS PARTNER

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