

EDDC / NPHPC CIL Consultation response comment

Council resolved on 25th February to submit the following comment to the consultation:

NP&HPC (“the council”) has reviewed the proposed CIL charges for East Devon District Council. The proposed CIL rates appear to be based on a report commissioned by EDDC called “East Devon CIL Review and Cranbrook Viability Report”, Jan 2019, by Ward Williams Associates LLP (WWA).

In broad terms, the council contests whether the conclusions of the WWA report are indeed supported by the facts. Notwithstanding that within the detail there are costs that may be subject to challenge, such as £740k to construct allotments (on a greenfield site) and £31.3m for landscaping 563 acres at £55k per acre, the conclusion that total projected development costs of £769.6m to supply 4170 houses at an average of £185k per property are unviable for charging ANY CIL at all seems at odds with market housing rates.

Rightmove.co.uk shows typical sale prices for the last year at Cranbrook (on the new estate) of between £190k and £373k. These values are supported by the table provided by WWA at 4.1.4. The difference between the cost and sale vales clearly suggests that a CIL contribution would in fact be viable.

*Reducing the current, **already discounted**, CIL rate for Cranbrook new build from £68/m² to NIL whilst simultaneously lowering affordable housing contribution at Cranbrook down to just 15% as recommended by WWA, will reduce income to East Devon by [120m² (estimated average house size) x 5,900 houses [per table 6.5] x £68 / m²] = £48,144,000. This equates to just £8,160 contribution per house. This should be compared to the proposed rate for most of the rest of East Devon of £150 / m², a discount of 55% or £59m.*

The costing system, “Three Dragons”, used by WWA appears to be a national industry standard costing system for this type of evaluation. It is, however, unclear if the costs in such a system allow for regional variations in costs of (say) lower labour rates in the South West of England. It would be helpful if ALL the assumptions and methodologies applied in the costing model can be made available for scrutiny.

Finally, it should be pointed out that WWA, although an LLP, are a building services consultancy to residential and commercial customers in both the private and public sector. Whilst their integrity is not questioned it would be advisable to check their previous client base and whether they have previous or current connections to local or national housebuilders.

On the basis of the report, the council would propose that the CIL level remains unchanged from its already discounted rate of £68 / m². This will make some amends for the terribly low affordable housing percentage of 15% and allow EDDC to contribute to much needed services and support activities which have been hitherto slashed by years of “austerity”.

At the very least, if a CIL of zero is applied on the basis of projected costs, there should be an extension to the s106 agreement which shows that if and when costs (on an open – book basis) are lower than estimated then a profit share of up to a maximum £48m is included in the agreement.

Newton Poppleford & Harpford Parish Council