

Community Infrastructure Levy (CIL) Preliminary Draft Charging Representations Received

<u>Rep ID</u>	<u>Consultee Name</u>	<u>Representation Type</u>
13 / 00002	Woodhouse	Objecting

Comment:

I object to the very high level of CIL charges being applied to most of Central Beds area. BNP did a very good viability analysis for the Bedford Borough Council; they recommended CIL rates at less than half of your proposed rates. While they noted that the Council may possibly charge £250 per square meter they explained that to set CIL at the maximum viability limits was not wise; in fact most Councils are taking a much more prudent view. BNP suggested rates from £40 to £50 rising to £100 to £120 for more affluent areas; your proposing £225 for most of mid beds.

I think the law requests that Councils take a balanced fair view of CIL charges and not to look to squeeze the maximum possible out of the development. Your charges are 3 x the current S106 fees and you still want to possibly charge S106 fees where possible.

Very affluent parts of London such as Knightsbridge where small flats sell for millions of pounds are charging £500 psm for CIL; you're proposing that small Bedfordshire villages should pay nearly half the Knightsbridge rates and nearly double the rates for say Wilstead.

Your average 3 bed semi at 100m2 sells for about £250,000 on which your builder expects to make £40,000 (16%) profit and he currently pays £7,500 S106 per your report; now you still want some S106 fees and an additional £22,500 in CIL charges. He won't build with a 6% profit margin. Much of the land has already been paid for or value already agreed and in the current market he can't increase house prices.

I suggest you read the BNP report; it's financially realistic and has a lot of common sense; I can't find a copy of the report you received from Three Dragons and I note that they have no qualified accountants on their team.

East Cambridge approved CIL charges range from £40 to £90; their proposal to charge large retail units was not approved. In fact your proposed CIL rates appears seriously high compared to most other rural councils; East Northamptonshire is £50, £100 and £150.

I suspect that these CIL charges will deter many people who may have been thinking of doing a self build; you've taken away the financial incentive.

You might get away with say £150 psm in a few wealthy areas like Biddenham but for most of Central Beds anything over £100 might seem like greed or lack of realism.

regards

<u>Rep ID</u>	<u>Consultee Name</u>	<u>Representation Type</u>
13 / 00007	KONSTANTINIDIS	Objecting

Comment:

I have not been across a type of tax or levy that is used wholly and exclusively for what it is for. For example, the road tax is supposed to be used on highway and transport improvements, but never is

Therefore, I object any type of levy on principle.

However, what reassurance is this Council going to give us, that any income from such levy increase would be used for the project concerned in order to convince us to reconsider?

I would like a commitment from the Council, that would allow an independent examination of records, over and above the audit and any FoI enquiries.

<u>Rep ID</u>	<u>Consultee Name</u>	<u>Representation Type</u>
08 / 02537	Clerk to Henlow Parish Council	Commenting

Comment:

Henlow Parish Council would be grateful if you could include in the 'draft Charging Schedule' a recommendation that 'A minimum of 10% of the levy raised is to be spent locally – in the area where funds are raised'.

<u>Rep ID</u>	<u>Consultee Name</u>	<u>Representation Type</u>
08 / 01148	Day	Objecting

Comment:

At a time when the building industry is struggling and young people finding it impossible to buy a house, the proposed levy

would make the situation even worse. When the Government say they want families to care for elderly relatives thus saving the state millions of pounds, if the levy were to be charged on extensions as well it would be even more difficult to do this. So all in all this proposal would be a very detrimental move, particularly as there is a shortage of affordable housing in this area.

<u>Rep ID</u>	<u>Consultee Name</u>	<u>Representation Type</u>
09 / 00025	Clerk to Houghton Regis Town Council	Commenting

Comment:

Houghton Regis Town Council have considered the Preliminary Draft Charging Schedule and Resolved: To note the proposed introduction of a CIL charge for developments within Central Bedfordshire but to reserve the right to give further consideration when more detail is known at a later stage.

<u>Rep ID</u>	<u>Consultee Name</u>	<u>Representation Type</u>
13 / 00021	Wilkinson Partnership	Objecting

Comment:

The methodology for calculating the current base price of existing house prices should be reviewed. Leighton Buzzard as an urban area is considerably different in price terms to nearby local villages, where for local reasons house prices are significantly different.

Houghton Regis too, will be influenced through improved communciations to Milton Keynes, St Albans and Harpenden

The factors that affect house price and thus land value and thus CIL contribution are extremely complex and vary from one location to another. The effect on land value will also considerably alter the position of the landowner and the Promoter/Developer relationship. If CIL is too high and land vlue thus too low, the land may not be delivered. Most Option agreements have a minimum land value and if these are not met, the deal may not be triggered and this must be factored in to enable the site to be delivered.

In much the same way, phasing and house sale rates will influence supply and this too will have a direct effect on price. This can be subject to local, national and global conditions. ie World Economy, Interest Rates.etc. How is this considered?

Indexation to for example the CBC district Land Registry data or Valaution Office data may assist?

Alternatively a relationship to actual sale price achieved per unit, is ultimately the best solution, when price at that date is a known fact.

<u>Rep ID</u>	<u>Consultee Name</u>	<u>Representation Type</u>
08 / 02797	D H Barford & Co	Commenting

Comment:

We have considered the Councils draft charging schedule with a view to providing comments on the viability issues, but unfortunately we have reached the conclusion we simply are not in a position to make any assessment on viability with the information that is available. Specifically, how can we conclude whether the costs are bearable or reasonable without any knowledge of the Councils strategy or expectation for contributions that will continue to be sought through S106 Agreements? We appreciate the preliminary draft states it is estimated Section 106 contributions may reduce by 46%, however there is no explanation on what this is based or what specific costs will be taken out of the S106 strategy.

It is surprising the Council has not consulted on the draft CIL levy and Section 106 strategy at the same time, as other Councils have, but hopefully we will have the opportunity to submit considered comments at a future date when the Council has clarified its proposed Section 106 strategy.

In relation to paragraph 7.2, it should be clarified that all changes of use to residential use (irrespective of any extensions) will be CIL liable.

<u>Rep ID</u>	<u>Consultee Name</u>	<u>Representation Type</u>
07 / 00013	Sport England	Commenting

Comment:

Sport England would wish to comment on the schedule to advise the Council that it considers the emerging evidence base (the Council's Leisure Strategy) for leisure infrastructure (which would include indoor and outdoor sports facilities) to be up-to-date and robust and will therefore provide a sound basis for underpinning the Charging Schedule. While there will be a need to update the current Infrastructure Schedule as projects are identified, prioritised and costed through the Leisure Strategy (which when adopted would supersede current SPDs), it is considered that this evidence base combined with the planning policy framework provided by Development Strategy (Pre-Submission) policy 22 would provide clear justification for the potential CIL to be used towards funding new and improved leisure facility infrastructure.

Sport England is therefore fully supportive of the approach taken by the Council in terms of preparing the evidence base and planning policy to support CIL and will be expecting the formal draft Charging Schedule to make provision for leisure facility infrastructure based on the emerging Leisure Strategy.

<u>Rep ID</u>	<u>Consultee Name</u>	<u>Representation Type</u>
13 / 00025	Jacques	Commenting

Comment:

The Community Infrastructure Levy appears, in essence, the same as Section 106.

How is there any guarantee that this money will go towards the purposes it was designed for. How will anybody know? Anyone who has tried to find out where the huge sums received to date through Section 106 will be sceptical.

The CIL appears to be no more than a cleaned up version of payment for planning permission where traditional planning values (good design) have been replaced by more modern requirements (money) so other considerations can be set aside (consequences on social well being, community welfare, services and wildlife) for more pressing needs (eg the £485,532,179 shortfall in Local Authority funds).

Development Management and Planning Departments are under resourced as it is, despite the huge resources they have already received through Section 106 funding from developments in, for eg, Leighton Buzzard and Linslade, and have generally failed to use the funds beneficially for the purposes they were first granted.

One only has to look at the direct cause of development contributing to flooding by the River Ouzel, unrelated to the actual flooding of the river, but caused directly by surface water run off and drainage design and the concreting of areas which would have previously allowed rainwater to soak away into the earth, existing tree roots, scrub and vegetation (flora and fauna).

In the region of £90,000 was set aside to The River Ouzel flood plain and Ouzel Wetland project - there is precious little publicised evidence as to how and where these funds have actually been utilised, as is the case for the millions of pounds raised by Section 106 elsewhere in Leighton Buzzard and Linslade. What is to say that contributions from developers for future planning permission are to be as equally difficult to show, whether they be through section 106 or under the guise of CIL?

The CIL is designed to support new infrastructure as oppose to rectifying existing deficits, it says in the consultation. One can only imagine that the existing deficits are because they have been inadequately attended to and poorly managed in the first place and that they have occurred because of previous neglect or mismanagement. What is to suppose that a new development will not be subject to the same treatment, once that development itself has been superseded? A managing authority that does not or cannot fulfil its responsibilities to one community should not be allowed to take responsibility for a new one until the previous one has been brought up to standard, otherwise there is the danger of communities becoming subject to a progressive form of decay.

In reality the CIL needs to be presented as a real form of funding for real situations and be properly and professionally presented for publication to the residents of a Local Authority, in this case, the communities of Leighton Buzzard and Linslade, in terms that the results can be easily read and understood by everyone, and there is no chance of mistaking which money is going where and on what project.

The CIL consultation suggests that Local Authorities will now be able to officially turn their backs on their current responsibilities to the maintenance and service of existing communities. If this is the case it gives the managing authorities in Leighton Buzzard and Linslade a green light to vacate their current responsibilities to the deficits and move onto fresh fields with a clear conscience and a huge sigh of relief, knowing that they have failed the people who pay for them.

For developers to make these payments with any real confidence and for the public to believe in these payments with any real confidence, they have to be paid to a responsible and accountable body that can apply them appropriately within the district they were intended for. For Leighton Buzzard and Linslade, this should be Leighton-Linslade Town Council, and not the absentee stewards at Central Bedfordshire District Council.

<u>Rep ID</u>	<u>Consultee Name</u>	<u>Representation Type</u>
12 / 00460	Walsh	Objecting

Comment:

I believe that charging CIL on extensions or on individual new homes is not an acceptable tax as these would not have incurred Section 106 charges at this level. These are often homes to be lived in not sold for profit.

It is unclear to me what is going to be charged on each house built from the table. I understood from previous documents issued by CBC, that CIL was a uniform payment on a new house or an extension of over 100 sqm not a per sqm charge varied according to who was doing the building and where. Previously you had referred to this being somewhere between £7000 and £12,000 and I know of a Community charge being set at £9000. I am confused by this latest document and the changes made to it since the Consultation was launched. Does this mean that more than one consultation has been held? Have all respondents been replying to the same version?

I am aware that CBC is already charging a version of CIL - which is a Community Charge acting in exactly the same way as CIL. This does not appear to be a right thing to do as if one needs approval of a Government Inspector, it is difficult to understand the legality of charging the other without approval.

I do not believe that there should be exemptions from paying CIL under any circumstances simply because it would mean that the developers would not wish to pay both charges. It is obvious that if the developers in the areas that are to be built under the plans for the Development Strategy do not pay CIL, there will be insufficient funds to pay for the infrastructure shortfalls identified within your document. As all of the planned housing falls into this category it is not possible to envisage how it is intended to fund this. The roads must be using the section 106 raised from this source in its entirety.

I also believe that failing to charge some developers under some circumstances - this does not appear to ever apply to an individual building their own home so self builds not included - is not a fair and transparent way of applying a charge - it is obviously open to abuse. Who would take that decision and how would it be controlled and administered in an even handed and open way.

I am not sure that it is intended that such exemptions on such a large scale would be intended to be applied within a CIL scheme and it also denies the local people affected by such large developments, the right to spend some of this money at a local level on what they know they need in their area. S106 agreements not performing the same task as CIL. 15% or 25% of nothing is still nothing.

Many of the areas upon which CBC plans to build, are already deprived of necessary infrastructure, Houghton Regis in particular is an area lacking in amenities. It is unlikely to be improved by the urban extension planned to it, without the necessary facilities for those who are already living there as well as the new residents.

<u>Rep ID</u>	<u>Consultee Name</u>	<u>Representation Type</u>
07 / 00156	Connolly Homes Plc	Objecting

Comment:

1. Connolly Homes wishes to object in the strongest terms to the Preliminary Draft Charging Schedule (PDCS). The proposed charging rates for Areas A and B of £225 per m² and £150 per m² respectively would result in a huge increase in the costs associated with development, to the extent that if adopted, they would inevitably result in most schemes being made unviable. The
2. There can be no justification for such a high level of charging. Paragraph 29 of the 2012 CIL Guidance makes it clear that in proposing a levy rate(s) charging authorities should show that the proposed rate (or rates) would not threaten delivery of the relevant Plan as a whole. If the current rates proposed get adopted there is no chance of the planned housing in CBCs Development Plan being built as landowners would have no incentive to bring land forward.
3. Both the PDCS and the supporting evidence base in the Three Dragons Viability Study acknowledge that the average S106 contribution CBC has received from developments over the past three years equates to around £75 per m² for residential development. It is also accepted that as CIL is not intended to entirely replace S106 Agreements, and there will still be site specific requirements for infrastructure to be delivered through the latter, on average only the first £35 of the CIL charge would be in lieu of contributions previously obtained through S106 Agreements.
4. Therefore, realistically there could be a further £40 per m² of costs in site specific S106 requirements on top of the CIL charging rate. This would mean the real costs to developments would be around £265 per m² and effectively a 3.5 times increase on the current average costs under the S106 regime.
5. On a per plot basis, £75 per m² across an average scheme equates to around £6,500 - £9,000 per dwelling, something acknowledged in the Viability Study. Even when assuming that the affordable housing contributes little or no value to the scheme and this cost is borne only by the private market housing, the cost only rises to around £11,000 - £14,000 per private dwelling, assuming the policy target of 35% affordable housing has always been achieved, which is not in reality the case on many recent schemes. At a CIL rate of £225 per m² the cost per plot would be nearer to £25,000 per dwelling on an average scheme and this would rise even higher once the site specific S106 costs are added on top.
6. The Viability Study (paragraph 5.5) acknowledges that there has been little change in either land or house values in Central Bedfordshire over the past three years. In proposing the charging rates in the PDCS, the Council has completely disregarded this fact and appears to be just expecting development schemes to be able to absorb the huge increase in costs it is proposing through CIL.
7. Furthermore, whilst actual house sale values may have appeared to have stayed consistently at the same level, what the Viability Study does not acknowledge is that these do not reflect the incentive measures housebuilders often have to use to facilitate a sale, such as part-exchange, developer run shared ownership packages. Whilst the Land Registry information will only reflect the total sale cost, in reality the development may only really receive 80% of this. Similarly, developers sales extras are also not factored in, for example, the inclusion of higher specification white goods with no extra cost on the sales price.
8. Developers are unlikely to be willing or able to reduce their required profit levels significantly given the risks involved, particularly in the current market and with banks still very cautious about the circumstances in which they will lend money. The Viability Study tests on the basis of 17% and 20% development profit. Arguably, 20% is the minimum developers work on at

the current time and there are certainly cases where a higher profit level will be considered necessary, particularly for those who are promoting strategic land where the risks are higher.

9. The role of site promoters does not appear to have been factored into the residential testing assumptions in the Viability Study. This is separate to that of the developer who actually builds the site. Site promoters (who may also be a developer/housebuilder) typically front all of costs involved in bringing strategic land forward to outline planning permission stage and then take a percentage of any sale of the land. At the same time the promotion costs a usually also deducted from the land value. This stage does not appear to have been properly recognised in the Viability Study and is a further squeeze on land values.

10. Therefore, the obvious effect of the increase in development cost brought about by CIL given that developers will not be willing to reduce their profit margins, is a significant decrease in land values. Given the current likely costs associated with these CIL charging rates, this is likely to result in a reduction in land values to the extent that landowners will be put off from bringing their land forward for development. This would have obvious and major implications for the delivery of much needed new housing in Central Bedfordshire, which is a fundamental plank of the emerging Development Strategy.

11. To put the extent that this increase is unjustifiable in context, Bedford Borough Council, which immediately adjoins Central Bedfordshire, has just finished consulting on a PDCS. The highest charging rate it is proposing for residential development is £125 per m² and the lowest £40. North Hertfordshire District Council, another adjoining authority, is currently out to consultation on its PDCS and is proposing an upper charging rate of £120 per m² for residential development. Given that average land values in Central Bedfordshire are broadly similar to those in Bedford Borough and lower than those in North Hertfordshire there can be no basis for CBC to propose a charging rate for the majority of its area of around £100 per m² higher than the highest rate in neighbouring authorities.

12. If the current proposed charging rates do get adopted without significant reduction the clear consequence will be that landowners will not bring their land forward and developers will bypass Central Bedfordshire for adjoining authorities where the CIL rates are lower. This would have implications for and will compromise the function of SEMLEP, of which CBC is a member.

13. The high charging rates currently proposed have clearly been put forward in an attempt to plug the infrastructure funding gap identified in the Infrastructure Schedule with the table within the PDCS suggesting that the entire funding gap is to be met by development.

14. Paragraph 7 of the 2012 CIL Guidance and Regulation 14 of the CIL Regulations make it clear that local authorities should aim to strike what appears to them to be an appropriate balance between the desirability of funding infrastructure from the levy and the potential effects of the imposition of CIL on the economic viability of development across its area. In proposing the charging rates it is, CBC appears to be looking solely at plugging the infrastructure funding gap without giving consideration to the implications on the viability of development.

15. In terms of specific points, paragraph 2.14 of the Viability Study suggests that in the testing undertaken by Three Dragons it has been assumed that contributions towards off-site education are picked up through CIL. However, in the notes under the Infrastructure Funding Gap Table in the PDCS it states that education is currently shown unfunded but is likely to be met by future S106 negotiations. Given that education contributions are nearly always by far the highest cost in a S106 Agreement, this discrepancy could add further to the financial impact on developments.

16. The build cost allowed for the affordable units in the Viability Study is the same as that for the private market units. In reality the affordable units quite often cost around 10% more than the equivalent size of private market house to construct as not only are they normally required to be tenure blind from the outside, but RSLs also often require a higher specification internally.

<u>Rep ID</u>	<u>Consultee Name</u>	<u>Representation Type</u>
12 / 00469	O'Neill Homes Ltd	Objecting

Comment:

1. O'Neill Homes wishes to object in the strongest terms to the Preliminary Draft Charging Schedule (PDCS). The proposed charging rates for Areas A and B of £225 per m² and £150 per m² respectively would result in a huge increase in the costs associated with development, to the extent that if adopted, they would inevitably result in most schemes being made unviable. The

2. There can be no justification for such a high level of charging. Paragraph 29 of the 2012 CIL Guidance makes it clear that in proposing a levy rate(s) charging authorities should show that the proposed rate (or rates) would not threaten delivery of the relevant Plan as a whole. If the current rates proposed get adopted there is no chance of the planned housing in CBCs Development Plan being built as landowners would have no incentive to bring land forward.

3. Both the PDCS and the supporting evidence base in the Three Dragons Viability Study acknowledge that the average S106 contribution CBC has received from developments over the past three years equates to around £75 per m² for residential development. It is also accepted that as CIL is not intended to entirely replace S106 Agreements, and there will still be site specific requirements for infrastructure to be delivered through the latter, on average only the first £35 of the CIL charge would be in lieu of contributions previously obtained through S106 Agreements.

4. Therefore, realistically there could be a further £40 per m² of costs in site specific S106 requirements on top of the CIL charging rate. This would mean the real costs to developments would be around £265 per m² and effectively a 3.5 times increase on the current average costs under the S106 regime.

5. On a per plot basis, £75 per m² across an average scheme equates to around £6,500 - £9,000 per dwelling, something acknowledged in the Viability Study. Even when assuming that the affordable housing contributes little or no value to the scheme and this cost is borne only by the private market housing, the cost only rises to around £11,000 - £14,000 per private dwelling (assuming the policy target of 35% affordable housing has always been achieved, which is not in reality the case on many recent schemes). At a CIL rate of £225 per m² the cost per plot would be nearer to £25,000 per dwelling on an average scheme and this would rise even higher once the site specific S106 costs are added on top.

6. The Viability Study (paragraph 5.5) acknowledges that there has been little change in either land or house values in Central Bedfordshire over the past three years. In proposing the charging rates in the PDCS, the Council has completely disregarded this fact and appears to be just expecting development schemes to be able to absorb the huge increase in costs it is proposing through CIL.

7. Developers are unlikely to be willing or able to reduce their required profit levels significantly given the risks involved, particularly in the current market and with banks still very cautious about the circumstances in which they will lend money. Therefore, the obvious effect of the increase in development cost brought about by CIL is a significant decrease in land values. Given the current likely costs associated with these CIL charging rates, this is likely to result in a reduction in land values to the extent that landowners will be put off from bringing their land forward for development. This would have obvious and major implications for the delivery of much needed new housing in Central Bedfordshire, which is a fundamental plank of the emerging Development Strategy.

8. To put the extent that this increase is unjustifiable in context, Bedford Borough Council, which immediately adjoins Central Bedfordshire, has just finished consulting on a PDCS. The highest charging rate it is proposing for residential development is £125 per m² and the lowest £40. North Hertfordshire District Council, another adjoining authority, is currently out to consultation on its PDCS and is proposing an upper charging rate of £120 per m² for residential development. Given that average land values in Central Bedfordshire are broadly similar to those in Bedford Borough and lower than those in North Hertfordshire there can be no basis for CBC to propose a charging rate for the majority of its area of around £100 per m² higher than the highest rate in neighbouring authorities.

11. The high charging rates currently proposed have clearly been put forward in an attempt to plug the infrastructure funding gap identified in the Infrastructure Schedule with the table within the PDCS suggesting that the entire funding gap is to be met by development.

12. Paragraph 7 of the 2012 CIL Guidance and Regulation 14 of the CIL Regulations make it clear that local authorities should aim to strike what appears to them to be an appropriate balance between the desirability of funding infrastructure from the levy and the potential effects of the imposition of CIL on the economic viability of development across its area. In proposing the charging rates it is, CBC appears to be looking solely at the plugging the infrastructure funding gap without giving consideration to the implications on the viability of development.

13. On a specific point, paragraph 2.14 of the Viability Study suggests that in the testing undertaken by Three Dragons it has been assumed that contributions towards off-site education are picked up through CIL. However, in the notes under the Infrastructure Funding Gap Table in the PDCS it states that education is currently shown unfunded but is likely to be met by future S106 negotiations. Given that education contributions are nearly always by far the highest cost in a S106 Agreement, this discrepancy could add further to financial impact on developments.

<u>Rep ID</u>	<u>Consultee Name</u>	<u>Representation Type</u>
10 / 00419	Central Bedfordshire Council's Property Assers De	Objecting

Comment:

Representation on CBC Draft CIL Charging Schedule

Introduction

1. Property Assets is very concerned about the impact the Preliminary Draft Charging Schedule (PDCS) would have on new residential developments on the basis of the current charging rates proposed for both Areas A and B, which are considered to be excessively high and cannot be justified. If adopted they would effectively result in a moratorium on house-building in Central Bedfordshire.

General Concerns

2. The proposed charging rates for Areas A and B of £225 per m² and £150 per m² respectively would result in a huge increase in the costs associated with development, to the extent that if adopted, they would inevitably result in most schemes being made unviable.

3 There can be no justification for such a high level of charging. Paragraph 29 of the 2012 CIL Guidance makes it clear that "in proposing a levy rate(s) charging authorities should show that the proposed rate (or rates) would not threaten delivery of the relevant Plan as a whole. If the current rates proposed get adopted there is no chance of the planned housing in CBC's Development Plan being built as landowners would have no incentive to bring land forward given the reduction in land values that will result.

4. Both the PDCS and the supporting evidence base in the Three Dragons Viability Study acknowledge that the average S106 contribution CBC has received from developments over the past three years equates to around £75 per m² for residential development. It is also accepted that as CIL is not intended to entirely replace S106 Agreements, and there will still be site specific requirements for infrastructure to be delivered through the latter, on average only the first £35 of the CIL charge would be in lieu of contributions previously obtained through S106 Agreements.

5. Therefore, realistically there could be a further £40 per m² of costs in site specific S106 requirements on top of the CIL charging rate. This would mean the real costs to developments in Area A would be around £265 per m² and effectively a 3.5 times increase on the current average costs under the S106 regime. In Area B the real cost would be around £190 per m², which is still a 2.5 times increase.

6. On a per plot basis, £75 per m² across an average scheme equates to around £6,500 - £9,000 per dwelling, something acknowledged in the Viability Study. Even when assuming that the affordable housing contributes little or no value to the scheme and this cost is borne only by the private market housing, the cost only rises to around £11,000 - £14,000 per private dwelling (assuming the policy target of 35% affordable housing has always been achieved, which is not in reality the case on many recent schemes). At a CIL rate of £225 per m² the cost per plot would be nearer to £25,000 per dwelling on an average scheme and this would rise even higher once the site specific S106 costs are added on top.

7. The Viability Study (paragraph 5.5) acknowledges that there has been little change in either land or house sale values in Central Bedfordshire over the past three years. In proposing the charging rates in the PDCS, this fact has been completely disregarded and it appears there is an expectation development schemes will just be able to absorb the huge increase in costs being proposed through CIL.

8. Developers are unlikely to be willing or able to reduce their required profit levels significantly given the risks involved, particularly in the current market and with banks still very cautious about the circumstances in which they will lend money. Therefore, the obvious effect of the increase in development cost brought about by CIL is a significant decrease in land values. This is likely to be to the extent that landowners will be put off from bringing their land forward for development. This would have obvious and major implications for the delivery of much needed new housing in Central Bedfordshire, which is a fundamental plank of the emerging Development Strategy.

9. To put the extent that this increase is unjustifiable in context, Bedford Borough Council has just finished consulting on a PDCS. The highest charging rate it is proposing for residential development is £125 per m². North Hertfordshire District Council, another adjoining authority, is currently out to consultation on its PDCS and is proposing an upper charging rate of £120 per m² for residential development. Given that average land values in Central Bedfordshire are broadly similar to those in Bedford Borough and lower than those in North Hertfordshire there can be no basis for CBC to propose a charging rate for the majority of its area of around £100 per m² higher than the highest rate in neighbouring authorities.

10. The high charging rates currently proposed have clearly been put forward in an attempt to plug the infrastructure funding gap identified in the Infrastructure Schedule with the table within the PDCS suggesting that the entire funding gap is to be met by development.

11. Paragraph 7 of the 2012 CIL Guidance and Regulation 14 of the CIL Regulation make it clear that local authorities should aim to strike what appears to them to be an appropriate balance between the desirability of funding infrastructure from the levy and the potential effects of the imposition of CIL on the economic viability of

development across its area. In proposing the charging rates it is, CBC appears to be looking solely at the plugging the infrastructure funding gap without giving satisfactory consideration to the implications on the viability of development.

12 Property Assets does support the principle of the way in which the proposed strategic urban extensions north of Houghton Regis and Luton in the Pre-Submission Development Strategy are treated in the PDCS in terms of their being included in a specific category with a reduced rate of CIL for residential development reflecting the high site specific infrastructure requirements that are still intended to be delivered through S106 Agreements.

13. Given the relatively indicative nature of the information produced on infrastructure costs at this stage, it reserves the right to make comments on the charging amount when there is a clear understanding of the likely infrastructure to be delivered through CIL and S106 Agreements respectively and a more detailed assessment of associated costs. Until that time it is difficult to establish whether the proposed charge of £45 per m² is likely to be appropriate. It is understood that this information should be available at the next consultation stage.

14. In terms of specific points, paragraph 2.14 of the Viability Study suggests that in the testing undertaken by Three Dragons it has been assumed that contributions towards off-site education are picked up through CIL. However, in the notes under the Infrastructure Funding Gap Table in the PDCS it states that education is currently shown unfunded but is likely to be met by future S106 negotiations. Given that education contributions are nearly always by far the highest cost in a S106 Agreement, this discrepancy could add further to financial impact on developments as it may push the average amount of S106 contribution even higher than £40 per m².

15. In assessing the impact of policies proposed in the Pre-Submission Development Strategy, the Viability Study ascribes a per plot cost associated with the requirement for 70% lifetime homes related to building cost, what it does not do is consider the impact this has in reducing the value of developments through reduced density and inefficiency of land use.

Conclusion

16. It is clear from the above that without a substantial decrease in the charging rates currently proposed the effect is likely to be a significant reduction in land values as developers will not be prepared to accept a reduced profit given the associated risks and as returns in real terms will be diminished over time in any event given inflation and other rising costs.

17. The squeeze on land values will be to such an extent that these will be negligible and in many cases even negative. There will consequently be no incentive for landowners, who will view CIL as a tax on land, to bring their land forward. They will simply wait until the pressure from consequential decline in house-building results in either a significant reduction in the charging rates, or a scrapping of CIL altogether.

18. The Local Planning Authority is therefore urged to give serious reconsideration to the Preliminary Draft Charging Schedule.

<u>Rep ID</u>	<u>Consultee Name</u>	<u>Representation Type</u>
12 / 00469	O'Neill Homes Ltd	Objecting
Comment:		
See attached representation		

<u>Rep ID</u>	<u>Consultee Name</u>	<u>Representation Type</u>
07 / 00156	Connolly Homes Plc	Objecting
Comment:		
1. Connolly Homes wishes to object in the strongest terms to the Preliminary Draft Charging Schedule (PDCS). The proposed charging rates for Areas A and B of £225 per m ² and £150 per m ² respectively would result in a huge increase in the costs associated with development, to the extent that if adopted, they would inevitably result in most schemes being made unviable.		

2. There can be no justification for such a high level of charging. Paragraph 29 of the

2012 CIL Guidance makes it clear that 'in proposing a levy rate(s) charging authorities should show that the proposed rate (or rates) would not threaten delivery of the relevant Plan as a whole. If the current rates proposed get adopted there is no chance of the planned housing in CBC's Development Plan being built as landowners would have no incentive to bring land forward.

3. Both the PDCS and the supporting evidence base in the Three Dragons Viability Study acknowledge that the average S106 contribution CBC has received from developments over the past three years equates to around £75 per m² for residential development. It is also accepted that as CIL is not intended to entirely replace S106 Agreements, and there will still be site specific requirements for infrastructure to be delivered through the latter, on average only the first £35 of the CIL charge would be in lieu of contributions previously obtained through S106 Agreements.

4. Therefore, realistically there could be a further £40 per m² of costs in site specific S106 requirements on top of the CIL charging rate. This would mean the real costs to developments would be around £265 per m² and effectively a 3.5 times increase on the current average costs under the S106 regime.

5. On a per plot basis, £75 per m² across an average scheme equates to around £6,500 - £9,000 per dwelling, something acknowledged in the Viability Study. Even when assuming that the affordable housing contributes little or no value to the scheme and this cost is borne only by the private market housing, the cost only rises to around £11,000 - £14,000 per private dwelling, assuming the policy target of 35% affordable housing has always been achieved, which is not in reality the case on many recent schemes. At a CIL rate of £225 per m² the cost per plot would be nearer to £25,000 per dwelling on an average scheme and this would rise even higher once the site specific S106 costs are added on top.

6. The Viability Study (paragraph 5.5) acknowledges that there has been little change in either land or house values in Central Bedfordshire over the past three years. In proposing the charging rates in the PDCS, the Council has completely disregarded this fact and appears to be just expecting development schemes to be able to absorb the huge increase in costs it is proposing through CIL.

7. Furthermore, whilst actual house sale values may have appeared to have stayed consistently at the same level, what the Viability Study does not acknowledge is that these do not reflect the incentive measures housebuilders often have to use to facilitate a sale, such as part-exchange, developer run shared ownership packages. Whilst the Land Registry information will only reflect the total sale cost, in reality the development may only really receive 80% of this. Similarly, developer's sales extras are also not factored in, for example, the inclusion of higher specification white goods with no extra cost on the sales price.

8. Developers are unlikely to be willing or able to reduce their required profit levels significantly given the risks involved, particularly in the current market and with banks still very cautious about the circumstances in which they will lend money. The Viability Study tests on the basis of 17% and 20% development profit. Arguably, 20% is the minimum developers work on at the current time and there are certainly cases where a higher profit level will be considered necessary, particularly for those who are promoting strategic land where the risks are higher.

9. The role of site promoters does not appear to have been factored into the residential testing assumptions in the Viability Study. This is separate to that of the developer who actually builds the site. Site promoters (who may also be a developer/housebuilder) typically front all of costs involved in bringing strategic land forward to outline planning permission stage and then take a percentage of any sale of the land. At the same time the promotion costs a usually also deducted from the land value. This stage does not appear to have been properly recognised in the Viability Study and is a further squeeze on land values.

10. Therefore, the obvious effect of the increase in development cost brought about by CIL given that developers will not be willing to reduce their profit margins, is a significant decrease in land values. Given the current likely costs associated with these CIL charging rates, this is likely to result in a reduction in land values to the extent that landowners will be put off from bringing their land forward for development. This would have obvious and major implications for the delivery of much needed new housing in Central Bedfordshire, which is a fundamental plank of

the emerging Development Strategy.

11. To put the extent that this increase is unjustifiable in context, Bedford Borough Council, which immediately adjoins Central Bedfordshire, has just finished consulting on a PDCS. The highest charging rate it is proposing for residential development is £125 per m² and the lowest £40. North Hertfordshire District Council, another adjoining authority, is currently out to consultation on its PDCS and is proposing an upper charging rate of £120 per m² for residential development. Given that average land values in Central Bedfordshire are broadly similar to those in Bedford Borough and lower than those in North Hertfordshire there can be no basis for CBC to propose a charging rate for the majority of its area of around £100 per m² higher than the highest rate in neighbouring authorities.

12. If the current proposed charging rates do get adopted without significant reduction the clear consequence will be that landowners will not bring their land forward and developers will bypass Central Bedfordshire for adjoining authorities where the CIL rates are lower. This would have implications for and will compromise the function of SEMLEP, of which CBC is a member.

13. The high charging rates currently proposed have clearly been put forward in an attempt to plug the infrastructure funding gap identified in the Infrastructure Schedule with the table within the PDCS suggesting that the entire funding gap is to be met by development.

14. Paragraph 7 of the 2012 CIL Guidance and Regulation 14 of the CIL Regulations make it clear that local authorities should aim to strike what appears to them to be an appropriate balance between the desirability of funding infrastructure from the levy and the potential effects of the imposition of CIL on the economic viability of development across its area. In proposing the charging rates it is, CBC appears to be looking solely at plugging the infrastructure funding gap without giving consideration to the implications on the viability of development.

15 In terms of specific points, paragraph 2.14 of the Viability Study suggests that in the testing undertaken by Three Dragons it has been assumed that contributions towards off-site education are picked up through CIL. However, in the notes under the Infrastructure Funding Gap Table in the PDCS it states that education is currently shown unfunded but is likely to be met by future S106 negotiations. Given that education contributions are nearly always by far the highest cost in a S106 Agreement, this discrepancy could add further to the financial impact on developments.

16. The build cost allowed for the affordable units in the Viability Study is the same as that for the private market units. In reality the affordable units quite often cost around 10% more than the equivalent size of private market house to construct as not only are they normally required to be tenure blind from the outside, but RSL's also often require a higher specification internally.

<u>Rep ID</u>	<u>Consultee Name</u>	<u>Representation Type</u>
13 / 00059	The Arlesey Consortium	Objecting
Comment: See attached representation		

<u>Rep ID</u>	<u>Consultee Name</u>	<u>Representation Type</u>
08 / 03006	English Heritage	Commenting
Comment: See Email Attachment		

<u>Rep ID</u>	<u>Consultee Name</u>	<u>Representation Type</u>
07 / 00076	Denison Investments Limited	Objecting
Comment: See Email attachment		

<u>Rep ID</u>	<u>Consultee Name</u>	<u>Representation Type</u>
13 / 00065	AXA Real Estate Investment Managers	Commenting
Comment: See Email attachment		

<u>Rep ID</u>	<u>Consultee Name</u>	<u>Representation Type</u>
07 / 00015	McCarthy and Stone	Supporting
Comment: See Email Attachment		

<u>Rep ID</u>	<u>Consultee Name</u>	<u>Representation Type</u>
07 / 00016	Brooks	Objecting

Comment:

1. There should be a lower rate in the charging schedule for developments on previously-developed ('brownfield') land in existing urban areas ('previously-developed land' to be strictly defined). This could be represented by a fourth column in the Table in section 6 of the document, and £50 per sq m for C3 residential is suggested for this.

2. The residential rate for Area C is too low. This should be £100 per sq m for C3 residential, notwithstanding the anticipated s.106 contributions from these sites. This is because s.106 will only deliver 'on-site' and 'near-site' infrastructure works (c.f. para 5.2) and not mitigate the impacts of these developments on offsite infrastructure further afield or on the wider environment.

3. B8 uses above a certain threshold size should not attract a zero CIL rate. It is recognised that the Council wishes to attract employment by charging non-retail employment uses a low rate, but large B8 warehousing and logistics developments have a disproportionate impact on both offsite infrastructure and the wider environment, and their employment density (i.e. jobs per 1000 sq m) can these days often be quite low due to the highly mechanised nature of their operations. Therefore B8 developments above 10,000 sq m (say) should attract a suggested CIL of £100 per sq m, this to include extensions of greater than 100 sq m which subsequently cause a B8 building to exceed this threshold.

<u>Rep ID</u>	<u>Consultee Name</u>	<u>Representation Type</u>
07 / 00016	Brooks	Objecting

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<u>Rep ID</u>	<u>Consultee Name</u>	<u>Representation Type</u>
13 / 00035	Highways Agency	Commenting

Comment:

See Email Attachment

<u>Rep ID</u>	<u>Consultee Name</u>	<u>Representation Type</u>
08 / 02817	Framptons	Objecting

Comment:

See Email attachment

<u>Rep ID</u>	<u>Consultee Name</u>	<u>Representation Type</u>
07 / 00050	Clerk to Harlington Parish Council	Objecting
Comment: See Email attachment		

<u>Rep ID</u>	<u>Consultee Name</u>	<u>Representation Type</u>
12 / 00099	Dacorum Borough Council	Commenting
Comment: I meant to drop you an email yesterday to confirm that Dacorum Borough Council had no official comments to make on your PDCS. I thought it was very useful for you to have identified priorities in the Infrastructure Funding Gap Table. I expect this will be very helpful in developing a Draft R123 list for exam and explaining this to members.		

<u>Rep ID</u>	<u>Consultee Name</u>	<u>Representation Type</u>
12 / 00579	Trenport Investments Ltd and Cemex	Objecting
Comment: see attached questionnaire		

<u>Rep ID</u>	<u>Consultee Name</u>	<u>Representation Type</u>
08 / 03038	Voluntary and Community Action	Objecting
Comment: RESPONSE TO THE CONSULTATION ON COMMUNITY INFRASTRUCTURE LEVY (CIL) PRELIMINARY DRAFT CHARGING SCHEDULE		

We welcome the introduction of a tariff-based CIL as we believe it will be easier for all concerned to identify what planning obligations should be made, as set out in the consultation paper.

Method for Calculating CIL

However, we are surprised that the Council has opted for a charge per square metre, rather than a charge per dwelling or per type of dwelling. We understand that the local planning authority will have clear information on the number of dwellings and their type (i.e. one-bedroom apartment, three-bedroom house etc.) when a Reserved Matters Planning Application is approved. To then have someone calculate and verify the square metreage of each property so that the CIL can be charged seems a tiresome and unnecessary function. We believe it will be simpler and easier to have a CIL charge per dwelling or per type of dwelling, as was the case in the development of the earlier (CIL predecessor) tariffs.

Proposed CIL Charging Schedule/Charging Areas

We oppose the proposed CIL Charging Schedule and the Proposed Charging Area map. We also oppose the proposed cost per square meter for Area C, the Strategic Urban Extensions, as this is considerably less (£45 compared to £225) than that for development in other areas. We see no reason why developers should get off with such a small charge, particularly given the need to develop a considerable amount of new infrastructure within the proposed strategic allocations. If anything, the argument should be for a higher charge in these areas as it could be argued that development in other areas already benefits from the services and infrastructure already in place.

The need for differentiated charges is not adequately set out in the paper and we see no need why there should be a different charge for development in Area B. If this is meant to be based on the fact that these areas are located in existing urban settlements, why is Leighton Buzzard, Ampthill and Flitwick excluded?

We do not therefore believe the residential charge rates are reasonable, nor do we agree with the approach to these rates.

Social and Community Infrastructure

An appropriate range and scale of social and community infrastructure, along with the services that they provide, is an essential ingredient of building cohesive, inclusive and sustainable communities. It is important to consider the social and community infrastructure that will be needed to ensure new communities can become strong communities; those that are vibrant, where people feel a sense of identity, are actively involved in local community activity and where there is a culture of helping others and working together.

Social and community infrastructure is defined in the Pre-Submission Development Strategy in paragraphs 8.20-8.34 and Policy 21, which is still subject to amendment following responses made through the consultation period and thereafter through

consideration at an examination in public.

Evidence Base

In September 2006, we published Strong Communities: A Social Infrastructure Plan for Voluntary and Community Action based on research commissioned on behalf of the Social Infrastructure Group of the MKSM Inter-regional Board. The report establishes a number of 'guiding principles' for planning and delivery of social infrastructure, and recommends an approach to the planning, delivery and resourcing of social infrastructure provision. It focuses on social infrastructure investment in communities created or affected by new housing growth.

The proposals and arguments set out in the Strong Communities report were subjected to detailed analysis and scrutiny as part of a detailed study into Social and Community Infrastructure for the Luton and South Bedfordshire Joint Committee (January 2009) and formed part of the evidence base for the development of the Core Strategy, which became Development Management Guidance for Central Bedfordshire. This second report concluded that the findings and recommendations of the Strong Communities report were sound.

These reports should inform the evidence base for consideration of the proposed tariff/CIL.

What CIL will be used to Fund

The CIL seems to be based on a draft list of projects or types of infrastructure it intends to fund, as defined in the Infrastructure Schedule. While we accept this Schedule is a snap shot in time, it does not include all the infrastructure necessary to deliver a particular site; nor does it adequately define the infrastructure identified to date (i.e. community centres); it also omits some aspects of infrastructure defined in the Development Strategy, for which it states developer contributions will be sought, many on a site by site basis.

It appears that future CIL charges are based on the funding gap identified in the Infrastructure Schedule, but this is not the true picture. There will therefore be a considerable shortfall in funding to deliver the appropriate level of infrastructure needed.

We believe the CIL should identify a separate tariff for each type of infrastructure. We would want this to include the following:

Community Facilities/Centres

The provision of (interim or permanent) community facilities/centres will have to be fit for purpose with fitting out and some equipment provided by developer. Additional fitting out costs of £?? per square metre or part thereof will be required for each facility when it is handed over for use. For new developments this will be prior to the occupation of the first dwelling. The actual cost will depend on the type of facility in question. Revenue funding of £?? per square metre or part thereof will also be required for the operation and maintenance costs for each facility for the duration of the development and for a specified period thereafter.

Community Development

It is also necessary to contribute towards the provision and associated costs of community development workers to enable people and local groups to meet at a cost of £?? per square metre or part thereof. For new developments this will be prior to the occupation of the first dwelling and until six months after the last dwelling is occupied.

Support for the Voluntary and Community Sector

Provision for the support of the voluntary and community sector in providing services to an increased population, including need for local voluntary organisations and community groups to extend their services to cover the area of the proposed development and for new groups to maintain and develop their services and activities. This should be provided at a cost of £?? per square metre or part thereof and may be less where community workers are provided (as above).

Further Information

We will be pleased to explore these issues further with officers, based on our experience of costing the delivery of social and community infrastructure and our previous involvement in tariff based planning obligations. Please contact John Gelder on 01525 850559 or by email at john@action-centralbeds.org.uk

John Gelder
Voluntary and Community Action

25 February 2013

<u>Rep ID</u>	<u>Consultee Name</u>	<u>Representation Type</u>
07 / 00045	Deputy Clerk to Ampthill Town Council	Supporting

Comment:

Qu.1 - Are the proposed residential areas appropriate? - yes

Qu.2 - " " " " charge rates reasonable? - yes

Qu.3 - Do you agree with the approach to the non-residential charge rates? - No, the large superstores (area) should be more than residential due to the impact they have on an area.

Qu.4 - "appropriate balance" between revenue generation and economic viability? - Yes

Qu.5 -further comments...? - No

<u>Rep ID</u>	<u>Consultee Name</u>	<u>Representation Type</u>
12 / 00473	Eccles	Objecting

Comment:

Name Jennifer Eccles

Resident

5 Brian Road Harlington LU5 6NH Tel 01525 873601

Email ecclescakes5@hotmail.com

Q1 Are the proposed residential areas appropriate?

No

1. With so many empty storage units, empty houses etc. available, to even consider building on green belt land demonstrates a worrying lack of understanding of the reasons for green belt and a short sightedness that beggars belief.

Countries, which have a far greater shortage of land than we do, have overcome the problems efficiently and effectively without creating areas of disorder. We need to learn from more responsible countries

Q2 Are the proposed residential charge rates reasonable?

No

2. I can see no reason why developers get reduced charges – after all, all infrastructure for new developments is new and they have one set of tools, machines etc to build lots of houses – so the cost per house for these is far lower than the resident who has to pay for the machinery to be delivered to her/his house separately.

Q3 Do you agree with the approach to the non-residential charge rates?

Yes

3 Assuming you mean that there should be no CIL charges made for social housing, charities (including all schools). Hospitals I agree with this part

Q4 Do you think the Council's proposed charge rates strike an 'appropriate balance' between revenue generation and economic viability?

No

4 If you need CIL charges to cover the infrastructure, then the cost of the need must be met by the income from CIL. It would be easy to think that CBC might meet a shortfall – where exactly would this come from? Past experience leads me to believe that the answer to question 4 is almost undoubtedly 'No'

Q5 Would you like to make any further comments on the Preliminary Draft Charging Schedule or evidence base provided?

The A5 – M1 link road is clearly essential but has to be in place prior to the new housing and warehousing being built. Therefore it cannot be argued that CIL can be used to finance this as 2.5 says The focus must be on supporting new infrastructure requirements, rather than rectifying existing deficits and this link road won't be new infrastructure at the time of building the housing and warehousing will it?

Whilst recognising that the Infrastructure Funding Table is a work in progress the first column is worryingly incomplete – surely some part of each heading is critical and must be catered for and 4.5 comments are clearly woefully lacking in detail – Has any appraisal from an outside agency been made to test how robust the sources of funding are – bearing in mind the heavy penalties Councils pay if they do not live within their budgets etc??

<u>Rep ID</u>	<u>Consultee Name</u>	<u>Representation Type</u>
07 / 00011	The Theatres Trust	Commenting

Comment:

Our Ref.: RF/4762

Community Infrastructure Levy

Thank you for your email of 14 January consulting The Theatres Trust on the Draft Charging Schedule for the Community Infrastructure Levy.

We note in section 6 on page 13 that sui generis uses will be zero rated, but that you may wish to charge at a later stage. Theatres are sui generis due to the unique nature of their use, access requirements, and construction. Theatres make a positive contribution to the provision of cultural infrastructure in an area and their development makes a positive net contribution to that area's infrastructure.

Theatre uses are generally unable to bear the cost of CIL for viability reasons. The Theatres Trust recommends either the setting of a nil rate, the application of charitable or discretionary reliefs, applying D1/D2 rates where differential rates are proposed, or recycling the charge to the theatre development where a single rate is proposed.

We note the exemptions for charities at para.7.1 and would add that most developments of theatre buildings will be led by charity landowners, developers or will be charities that have material interests in the land or property. Given that most theatres are charities we strongly recommend that note is made of the relief available to charitable institutions as defined in regulation 41 of the Community Infrastructure Regulations (2010). This will enable charitable landowner and developers of theatres to make an application for charitable relief according to regulation 47.

<u>Rep ID</u>	<u>Consultee Name</u>	<u>Representation Type</u>
13 / 00082	Bedfordshire Rural Communities Charity	Commenting

Comment:

Dear Sir / Madam

Please consider the following comments/ questions from BRCC's GI Team on the CIL PCDS Consultation

1.2 - We would like to see Green Infrastructure specifically identified as an area that can be funded by CIL.

2.6 - How will CBC ensure a clear and open process for determining exactly how CIL funds will be allocated to 'themes' (Education/ Transport etc) and specific projects within those themes? Will CIL contributions be shared on a pro-rata basis across all themes; or those of a particular relevance to the contributing development? Where funds are secured and allocated for, as an example, Open Space under Green Infrastructure; how will it be decided exactly where it will be spent? - will open spaces not owned / managed by CBC have equal rights/ likelihood of receiving the funds?

Within the Technical Note, projects for Countryside Access under Leisure have been/ will be identified by CBC's CAS. Do other organisations (T/PC's, 3rd sector charitable trusts etc) have an equal voice / ability to access the funds? (As an aside, how does 'countryside access' under leisure differ from 'access' and 'open space' under green infrastructure?)

Green Infrastructure has benefitted from locally raised and spent S106 contributions for a number of years and we are concerned with the proposed changes that there are dangers that Green Infrastructure will be viewed as a lower priority and also that locally generated funds will be diverted to other areas, with little or no benefits to residents of new and affected communities. We would welcome assurances that GI will not become a poor relation.

Kind Regards

Cliff

Cliff Andrews □ Green Infrastructure Team Leader

<u>Rep ID</u>	<u>Consultee Name</u>	<u>Representation Type</u>
12 / 00214	Hertfordshire County Council	Commenting

Comment:

With regards to the CIL (draft charge schedule) - my colleagues, Jacqueline Nixon and Alex Stevens will respond to this at a later date.

<u>Rep ID</u>	<u>Consultee Name</u>	<u>Representation Type</u>
09 / 00033	Clerk to Sundon Parish Council	Commenting

Comment:

Page 5 Paragraph 2.5 The parish Council supports point 3 but is not clear how and when funding would be made available.

Page 13 Paragraph 7.1 The Parish Council considers the points on exemption should be clarified and made part of the planning application.

As many of the points depend on the outcome of the Development Strategy consultation the Parish Council has no other comments to make at this time.

<u>Rep ID</u>	<u>Consultee Name</u>	<u>Representation Type</u>
11 / 00003	Environment Agency	Commenting

Comment:

COMMUNITY INFRASTRUCTURE LEVY (CIL) CHARGING SCHEDULE

Thank you for consulting us on the above CIL Charging Schedule. Having examined the document we would like to make the following comments

We do not currently have any projects within our medium term plan. However, we wish to be consulted on any review of this schedule and its evidence base.

We recognise that there is flood risk to properties in Leighton Buzzard. Due to new modelling indicating a reduction in the flood risk in Leighton Buzzard, the flood alleviation scheme which we had previously proposed is unlikely to be financially viable. We are investigating alternative options that could reduce flooding to properties in Leighton Buzzard.

We are aware that your Authority's flood risk function have aspirations to reduce flood risk to properties in Leighton Buzzard. Therefore we suggest that discussions take place within your Authority in your dual role as Local Planning Authority and Lead Local Flood Authority, to establish whether a scheme can be undertaken using CIL or another form of developer funding as a mechanism.

<u>Rep ID</u>	<u>Consultee Name</u>	<u>Representation Type</u>
10 / 01427	Central Bedfordshire and Luton JLAF Secretary	Commenting

Comment:

Central Bedfordshire and Luton Joint Local Access Forum welcome the identification of the "green infrastructure" deficit of £74 million as an "essential" item of need.

However, Green Infrastructure is not mentioned as an area for funding in para 1.2 so the forum would like to see Green Infrastructure added to the list of infrastructure that CIL can fund.

CIL will be an important source of funding to enable the delivery of CBC's Outdoor Access Improvement Plan (OAIP). The forum looks forward to contributions being secured to ensure that key projects in the OAIP take place.

Yours faithfully

Steve Bumstead

Steve Bumstead

<u>Rep ID</u>	<u>Consultee Name</u>	<u>Representation Type</u>
09 / 00028	Clerk to Leighton Linslade Town Council	Commenting

Comment:

Q1

Are the proposed residential areas appropriate?

It appears that land east of Leighton Linslade falls within Category C which attracts a £45 per square metre rate when compared to the remainder of Leighton Linslade (and its hinterland) which attracts a £225 per square metre rate. What assurances can be given that the proposed £45 charge is reasonable and capable of delivering the commensurate and appropriate level of community infrastructure in order to support this urban extension? Leighton Linslade Town Council would raise serious objections to a development devoid of the necessary and appropriate levels of community benefits be it open space (and its subsequent maintenance) or leisure facilities for example. Can CBC provide assurances that the S106 mechanism is sufficiently robust to deliver on-site infrastructure given what is considered to be a low CIL charge.

Q2

Are the proposed residential charge rates reasonable?

It appears that land east of Leighton Linslade falls within Category C which attracts a £45 per square metre rate when compared to the remainder of Leighton Linslade (and its hinterland) which attracts a £225 per square metre rate. What assurances can be given that the proposed £45 charge is reasonable and capable of delivering the commensurate and appropriate level of community infrastructure in order to support this urban extension? Leighton Linslade Town Council would raise serious objections to a development devoid of the necessary and appropriate levels of community benefits be it open space (and its subsequent maintenance) or leisure facilities for example. Can CBC provide assurances that the S106 mechanism is sufficiently robust to deliver on-site infrastructure given what is considered to be a low CIL charge.

Q3

Do you agree with the approach to the non-residential charge rates?

LLTC seeks to safeguard its town centre thereby introducing a 0 rate for town centre comparison retail is considered appropriate.

Q4

Do you think the Council's proposed charge rates strike an 'appropriate balance' between revenue generation and economic viability?

As the Development Strategy makes clear, the presumption should be in favour of sustainable development. Whilst every reasonable endeavour should be made to encourage housing and employment development, development should not come forward at 'any cost' leaving a future legacy. We as a council will not accept a financial legacy which places a burden upon this council and its residents.

Q5

Would you like to make any further comments on the Preliminary Draft Charging Schedule or evidence base provided?

Leighton Linlade Town Council seeks assurance that the introduction of CIL will in no way compromise the level of funding that would otherwise have been received through the S106 process. Despite the best endeavours of CBC Officers and for reasons out of their control, residents have become frustrated at the time it has taken for community infrastructure projects to have been delivered. The case in point is community facilities at Sandhills, Leighton Buzzard. We as a council will not accept this position again.

Paragraph 1.1 makes clear that CIL is imposed on the grant of planning permission and becomes due for payment on the commencement of building works. However, paragraph 9.4 goes on to state that CBC is minded to offer an instalments policy in order to support viability. Should CBC decide to opt for an instalment approach, what assurance can be offered that much needed community infrastructure comes forward sooner rather than later in order to support newly created communities? This is of particular importance to the urban extension proposed to the east of the town. A failure to deliver in a timely fashion will not be acceptable to this council or indeed its residents.

A S106 is prescriptive in terms of where monies are spent i.e. targeted at meeting the demand generated by a development, CIL offers CBC flexibility in terms of where a proportion of that money is spent. What involvement will town and parish councils (from which that money has been derived) have in the distribution of this money? Moreover, could monies collected from a development specific to this parish be spent elsewhere within the unitary authority area or indeed on a sub-regional basis?

At paragraph 2.5 you state that a capped 15% proportion of CIL revenue will be available to parish and town councils from development in their areas. How does this percentage compare to the monies received through a S106 agreement? What assurance can be given that the town or parish council will be able to receive this money in its entirety and what tests have to be met in order for that money to come down? Will it simply be at the discretion of CBC as to when and how much of that money is handed down?

Continuing at paragraph 2.5, you state that the Council may utilise up to 5% of revenue received to meet its costs in administering the tax. This percentage is generous and therefore, what assurances can be given that this money is not diverted to other CBC budgets?

Given that Social Housing Schemes will be devoid of paying CIL contributions, how will this likely shortfall in CIL monies be met given that housing of whatever type will generate demand for services? Does this mean that a development with a higher percentage of social housing has less to spend on infrastructure projects when compared to a development with a lower percentage of social housing?

<u>Rep ID</u>	<u>Consultee Name</u>	<u>Representation Type</u>
13 / 00084	Natural England	Commenting

Comment:

Re: Central Bedfordshire Community Infrastructure Levy

Thank you for your consultation on the above, which was received by Natural England on the 14 January 2013.

Natural England is a non-departmental public body. Our statutory purpose is to ensure that the natural environment is conserved, enhanced, and managed for the benefit of present and future generations, thereby contributing to sustainable development.

Natural England is not a service provider, nor do we have detailed knowledge of infrastructure requirements of the area concerned. However, we note that the National Planning Policy Framework Para 114 states 'Local planning authorities should

set out a strategic approach in their Local Plans, planning positively for the creation, protection, enhancement and management of networks of biodiversity and green infrastructure.' We view CIL as playing an important role in delivering such a strategic approach.

As such we advise that the council gives careful consideration to how it intends to meet this aspect of the NPPF, and the role of the CIL in this. In the absence of a CIL approach to enhancing the natural environment, we would be concerned that the only enhancements to the natural environment would be ad hoc, and not deliver a strategic approach, and that as such the local plan may not be consistent with the NPPF.

Potential infrastructure requirements may include:

? Access to natural greenspace.

? Allotment provision.

? Infrastructure identified in the local Rights of Way Improvement Plan.

? Infrastructure identified by any Local Nature Partnerships and or BAP projects.

? Infrastructure identified by any AONB management plans.

? Infrastructure identified by any Green infrastructure strategies.

? Other community aspirations or other green infrastructure projects (e.g. street tree planting).

? Infrastructure identified to deliver climate change mitigation and adaptation.

? Any infrastructure requirements needed to ensure that the Local Plan is Habitats Regulation Assessment compliant

We hope that you find this information useful. For any correspondence or queries relating to this consultation only, please contact Jamie Melvin using the details given below.

<u>Rep ID</u>	<u>Consultee Name</u>	<u>Representation Type</u>
07 / 00025	Clerk to Arlesey Town Council	Commenting

Comment:

Qu.1 - Are the proposed residential areas appropriate?

- If referring to charging map Area A,B & C, why is Arlesey in a mid-rate area as opposed to Area A (higher rate)?

Qu.2 - Are the proposed residential rates reasonable? - Yes on the surface. Agree with lower rates / exemptions as stated.

Qu.3 - Do you agree with the approach to the non-residential charge rates? - yes

Qu.4 - "appropriate balance" between revenue generation and economic viability? - Again in general agreement.

Qu.5 - further comments - It is important that under CIL revenue generated from development in an area or community is earmarked for infrastructure support in that specific area; and not elsewhere in the Central Beds hinterland.

<u>Rep ID</u>	<u>Consultee Name</u>	<u>Representation Type</u>
13 / 00086	Bedfordshire & Luton Community Foundation	Commenting

Comment:

Bedfordshire and Luton Community Foundation

We are the local Community Foundation making grants to local communities and charities. Using private, business and public funds we make investments and then use the income of these investments to make grants to communities and charities. We work with 3000 local and community groups in Bedfordshire and Luton and business partners include Whitbread; Neville Construction; Cawleys; G Casino and London Luton Airport amongst others. For beneficiaries, we act as a 'catalyst of social change' to support health, education and other charitable projects and for donors, enable a more strategic and effective approach to corporate social responsibility and achieving positive social outcomes. Since being formed in 2001, the Foundation has made more than 700 grants to 580 groups, with total sums given adding up to over £2.5 million. In an average year, we can see that more than 12,500 individuals benefit from direct support and some 75,000 from indirect support via one of our grants. We are part of a network of 54 community foundations in the UK holding £500M as at March 2013 with almost 500 new funds set up in 2012/13. Nationally over 20,000 grants were made totalling £52.1M.

Local Context

We recognise that the Central Bedfordshire Council's commitment to sustainable growth of housing and employment and recognise the challenges that brings as well as the opportunities that can be developed for the benefit of all. We anticipate that the Community Infrastructure Levy will have a significant impact in the local area due to the scale of housing and employment growth intended between now and 2031. Although some development is covered by existing planning permission and s106, much will not be. We would anticipate that the Community Infrastructure Levy would be involved in the developments north of Houghton Regis, North of Luton, East of Leighton Buzzard and the Wixams, as well as at smaller developments across the local authority area. We therefore are keen to add value to this significant income for the authority and infrastructure in the area.

Community Infrastructure Levy

We understand that this locally charged land development tax was introduced through the 2008 Planning Act and sets fixed charges for developers according to the size and nature of the development. It is to be used to fund a wide range of infrastructure including transport; education facilities; leisure and cultural centres as well as community safety and health and social care. We recognise the infrastructure gaps identified by the Council in the Schedule. Bedfordshire and Luton Community Foundation welcome the proposals to ensure the planning system is being used effectively to deliver the wider community benefits alongside the physical housing or business space. We also understand that Community Infrastructure Levy has to be

used on increasing or protecting the community infrastructure and that 15% will be available to parish and town councils, rising to 25% where a neighbourhood plan is in place.

Proposal

We believe that Bedfordshire and Luton Community Foundation could offer a number of benefits to the Community Infrastructure Levy process in Central Bedfordshire. The scale of the benefits would clearly be related to the scale of the investment but even looking at small percentages of total levy, benefits could include:

- 1) By investing the money ongoing income could be received after the initial payment
- 2) Ongoing income would remain ring fenced for local people – either at Central Bedfordshire level or more locally depending on the terms of the fund
- 3) Local benefit would be maximised by allowing those funds not immediately utilised to be invested for income to be allocated for grants to support local communities
- 4) It would broaden the range of infrastructure that could be supported
- 5) Local control would be retained and transparency can be maintained and upheld
- 6) It would allow for greater ongoing participation and community involvement to be developed in new or extended communities
- 7) Flexibility of how the money is used to support local infrastructure

Using a small percentage of the overall levy, we set out a number of options for the Council to consider with BCLF offering a cost effective and efficient fund management and grant administration system. We would seek to create an endowed fund, the income from this asset being used to provide revenue funding for local community groups in the area of benefit. This could see, for example:

- 1) Parish and town councils could set up funds for their community with BCLF and then use these on an ongoing basis to support community infrastructure in their community
- 2) The Council could top slice the 15% - perhaps 1-2%- to set up an endowed fund to support ongoing social and community infrastructure projects
- 3) The Council could develop new endowed funds for new local communities which would support community development and local governance
- 4) Funds could be targeted to benefit particular sectors including education, green spaces, health and social care or other key areas of the infrastructure gap

In a nearby Local Authority, a major housing association has confirmed that it will be providing CIL in the sum of £100,000 to the LA and this has been allocated to spend on revenue projects in a Participatory Budgeting programme for the area. There are new and innovative ways of looking at the use of CIL already, and the Foundation is keen to work with you to bring new ways of supporting the community in to being that will reflect positively on both our organisations.

We recognise that the consultation on the Preliminary Draft Charging Schedule for Community Infrastructure Levy in Central Bedfordshire closes on Monday 25th February 2013 but also that this is the first part of a long adoption process to April 2014.

We would welcome the opportunity to meet to discuss the opportunities for this approach at your earliest convenience.

<u>Rep ID</u>	<u>Consultee Name</u>	<u>Representation Type</u>
12 / 00469	O'Neill Homes Ltd	Objecting

Comment:

Representation on CBC Draft CIL Charging Schedule

1. O'Neill Homes wishes to object in the strongest terms to the Preliminary Draft Charging Schedule (PDCS). The proposed charging rates for Areas A and B of £225 per m² and £150 per m² respectively would result in a huge increase in the costs associated with development, to the extent that if adopted, they would inevitably result in most schemes being made unviable.
2. There can be no justification for such a high level of charging. Paragraph 29 of the 2012 CIL Guidance makes it clear that 'in proposing a levy rate(s) charging authorities should show that the proposed rate (or rates) would not threaten delivery of the relevant Plan as a whole. If the current rates proposed get adopted there is no chance of the planned housing in CBC's Development Plan being built as landowners would have no incentive to bring land forward.
3. Both the PDCS and the supporting evidence base in the Three Dragons Viability Study acknowledge that the average S106 contribution CBC has received from developments over the past three years equates to around £75 per m² for residential development. It is also accepted that as CIL is not intended to entirely replace S106 Agreements, and there will still be site specific requirements for infrastructure to be delivered through the latter, on average only the first £35 of the CIL charge would be in lieu of contributions previously obtained through S106 Agreements.
4. Therefore, realistically there could be a further £40 per m² of costs in site specific S106 requirements on top of the CIL charging rate. This would mean the real costs to developments would be around £265 per m² and effectively a 3.5 times increase on the current average costs under the S106 regime.
5. On a per plot basis, £75 per m² across an average scheme equates to around £6,500

- £9,000 per dwelling, something acknowledged in the Viability Study. Even when assuming that the affordable housing contributes little or no value to the scheme and this cost is borne only by the private market housing, the cost only rises to around £11,000 - £14,000 per private dwelling (assuming the policy target of 35% affordable housing has always been achieved, which is not in reality the case on many recent schemes). At a CIL rate of £225 per m² the cost per plot would be nearer to £25,000 per dwelling on an average scheme and this would rise even higher once the site specific S106 costs are added on top.

6. The Viability Study (paragraph 5.5) acknowledges that there has been little change in either land or house values in Central Bedfordshire over the past three years. In proposing the charging rates in the PDCS, the Council has completely disregarded this fact and appears to be just expecting development schemes to be able to absorb the huge increase in costs it is proposing through CIL.

7. Developers are unlikely to be willing or able to reduce their required profit levels significantly given the risks involved, particularly in the current market and with banks still very cautious about the circumstances in which they will lend money. Therefore, the obvious effect of the increase in development cost brought about by CIL is a significant decrease in land values. Given the current likely costs associated with these CIL charging rates, this is likely to result in a reduction in land values to the extent that landowners will be put off from bringing their land forward for development. This would have obvious and major implications for the delivery of much needed new housing in Central Bedfordshire, which is a fundamental plank of the emerging Development Strategy.

8. To put the extent that this increase is unjustifiable in context, Bedford Borough Council, which immediately adjoins Central Bedfordshire, has just finished consulting on a PDCS. The highest charging rate it is proposing for residential development is £125 per m² and the lowest £40. North Hertfordshire District Council, another adjoining authority, is currently out to consultation on its PDCS and is proposing an upper charging rate of £120 per m² for residential development. Given that average land values in Central Bedfordshire are broadly similar to those in Bedford Borough and lower than those in North Hertfordshire there can be no basis for CBC to propose a charging rate for the majority of its area of around £100 per m² higher than the highest rate in neighbouring authorities.

11. The high charging rates currently proposed have clearly been put forward in an attempt to plug the infrastructure funding gap identified in the Infrastructure Schedule with the table within the PDCS suggesting that the entire funding gap is to be met by development.

12. Paragraph 7 of the 2012 CIL Guidance and Regulation 14 of the CIL Regulations make it clear that local authorities should aim to strike what appears to them to be an appropriate balance between the desirability of funding infrastructure from the levy and the potential effects of the imposition of CIL on the economic viability of development across its area. In proposing the charging rates it is, CBC appears to be looking solely at the plugging the infrastructure funding gap without giving consideration to the implications on the viability of development.

13 On a specific point, paragraph 2.14 of the Viability Study suggests that in the testing undertaken by Three Dragons it has been assumed that contributions towards off-site education are picked up through CIL. However, in the notes under the Infrastructure Funding Gap Table in the PDCS it states that education is currently shown unfunded but is likely to be met by future S106 negotiations. Given that education contributions are nearly always by far the highest cost in a S106 Agreement, this discrepancy could add further to financial impact on developments.

NB No paragraphs 9. or 10. submitted.

<u>Rep ID</u>	<u>Consultee Name</u>	<u>Representation Type</u>
12 / 00073	Bletsoes	Commenting

Comment:
see attached letters.

<u>Rep ID</u>	<u>Consultee Name</u>	<u>Representation Type</u>
10 / 00147	O & H Properties Ltd	Commenting
Comment: see attached letter / questionnaire on behalf of O & H Properties only		

<u>Rep ID</u>	<u>Consultee Name</u>	<u>Representation Type</u>
07 / 00008	Bedfordshire Police Authority	Commenting
Comment: see attached questionnaire		

<u>Rep ID</u>	<u>Consultee Name</u>	<u>Representation Type</u>
07 / 00002	Wm Morrisons Supermarkets PLC	Objecting
Comment: see attached letter dated 20.02.2013		

<u>Rep ID</u>	<u>Consultee Name</u>	<u>Representation Type</u>
13 / 00069	The Co-operative Estates	Objecting
Comment: see submitted letter dated 25.02.13		

<u>Rep ID</u>	<u>Consultee Name</u>	<u>Representation Type</u>
10 / 00636	Savills	Commenting
Comment: see letter dated 21st February 2013 and 25 page submission on behalf of the following consortium of Housebuilders and landowners: Bloor Homes Central Beds Estates Martin Grant Homes Persimmon Homes Taylor Wimpey Wilson Family		

<u>Rep ID</u>	<u>Consultee Name</u>	<u>Representation Type</u>
12 / 00001	WGY Planning and Design	Commenting
Comment: see letter dated 25.02.2013		

<u>Rep ID</u>	<u>Consultee Name</u>	<u>Representation Type</u>
10 / 00206	Aragon Land and Planning LTD	Objecting
Comment:		

Town and Country Planning Act 1990 As Amended
Community Infrastructure Levy (CIL)
Preliminary Draft Charging Schedule (PCDS)

This is a representation for the objection to the Community Infrastructure Levy (CIL)
The charge rate is excessive for Area A and B it seems an anomaly for the urban extensions to pay such a low rate when the strategic sites are predicated on the basis of needing and delivering key infrastructure. It is not clear why Area B is a lower amount than Area A. Essentially the rural areas and the settlements within Central Bedfordshire have a good level of infrastructure provision and the figures as presented seem inequitable. It is not clear why Arlesey is a special case to be allocated to Area B. The allocations for this area should deliver key infrastructure and it is unclear why a justification exists for the lesser amount for this area. If anything the area of a Flitwick and Ampthill area should fall within Area B.
Specifically on care and elderly persons dwellings they should be excluded from making any contributions. The categories and notes suggest that the exemption is only made on based schemes that have care, however care through a remote means or electronic management should also qualify.
In additional residential schemes of Good or Excellent BREEAM rating should be excluded from the CIL due to the increased

costs of achieving these design standards.

□ It is also imperative that CIL is not applied to institutions that provide education or community facilities when they are developing facilities to improve the education services.

The Council currently have a substantial reserve of s106 monies that need to be balanced into the assessment of the CIL requested. This does not appear to have been taken into account.

The funding gap is not clear as to why broadband should fall to the development industry in Central Beds to rectify. It is not clear why this is essential

It is considered that the changes do not provide an appropriate balance, between revenue generation and economic viability, far from it.

<u>Rep ID</u>	<u>Consultee Name</u>	<u>Representation Type</u>
08 / 02886	Phillips Planning Services	Objecting

Comment:

1. The proposed introduction of a CIL is simply the introduction of a development tax. As such its imposition would be directly antithetical to the Government and nation's overriding requirement to achieve growth in the economy. The introduction of a CIL would be politically and economically suicidal.

2. The Council have failed to demonstrate the need for CIL compared to ongoing use of S.106 negotiations and has failed to demonstrate a transparent and open framework for assessing the need for infrastructure, its standards and its costs.

3. The consultation is flawed since it fails to set out clearly the consequences of adopting a CIL compared to S.106 obligations; fails to define the limits of CIL compared to ongoing use of S.106 obligations and fails to relate infrastructure requirements to development. The consultation is bogged down in detail to the disbenefit of the more important matters.

4. A CIL would be inflexible compared to S.106 obligations because no opportunity would arise for reconsideration and recalculation to take account of changing economic circumstances. The comment in the Annex to the report, page 108 by Three Dragons that 'the advantages of the opportunity to negotiate S.106 agreements (sic) can also be seen as a potential disadvantage', illustrates the biased approach to the issues. It is not a disadvantage if circumstances change and regeneration thereby allows development to proceed to the benefit of the economy and society.

<u>Rep ID</u>	<u>Consultee Name</u>	<u>Representation Type</u>
10 / 00147	O & H Properties Ltd	Objecting

Comment:

see letter / questionnaire dated 24 February 2013 on behalf of both parties

These representations are made by David Lock Associates on behalf of Old Road Securities (ORS) and O&H Properties (O&H) in response to consultation on the above document.

General Comments

Background to representations

ORS and O&H are jointly promoting the Wixams Southern Extension, which currently carries a draft allocation under Policy 63 of the Central Bedfordshire Development Strategy (January 2013). The Policy 63 land is identified for development of up to 500 dwellings and the delivery of a Country Park. O&H and ORS are currently undertaking joint masterplanning work for this site and site MA3, which together will provide an extension to the Wixams of 1500 dwellings, known as Wixam Park.

Given the strategic nature of their land interests at Wixam Park, O&H and ORS have reviewed the CIL Preliminary Draft Charging Schedule and its implications for strategic development. It is with reference to this site(s) that these representations are submitted.

Implications of CIL for development

Our main objective therefore is to ensure that the implications of CIL for the development of strategic sites are fully considered with regard to development costs, viability and the delivery of key infrastructure.

This is to ensure that the CIL Charging Schedule supports and incentivises new development, as required by Paragraph 175 of the National Planning Policy Framework (NPPF).

To date, developer contributions for strategic development have been delivered through s106 agreements. This ensures appropriate on-site supporting infrastructure to be identified and delivered, usually by the developer, either in response to certain triggers within the planning permission and/or at such time that is considered appropriate to add value to serviced development parcels. As you will be aware, this has proven to be an effective way of delivering the appropriate infrastructure for a development to make it acceptable in planning terms and ensuring that essential on-site and potentially, wider off-site infrastructure, is delivered when required in relation to the phasing of development.

Importantly, there are planning mechanisms in place to review and, if necessary, adjust the timing and nature of s106 contributions throughout the life of the consent in response to changing circumstances, should both parties agree that this would result in more effective delivery.

We are therefore concerned at the level of CIL set for strategic scale development, whether this be in one of the 'identified' locations on the charging Map or coming forward elsewhere in the district during the life of the Development Plan.

Fundamental concerns

On this basis, our fundamental concern with the imposition of a CIL charge for strategic development sites is that CIL will remove a flexible, site specific and bespoke framework which at present allows developers, local planning authorities and other key stakeholders to work together to jointly design, deliver and review key infrastructure requirements.

We are concerned that it will instead impose a rigid tariff on development for which local planning authorities are to be the sole delivery agents and the developer has no remit to object to a change in priority or circumstance which may affect what funds are to be spent or when that spending will take place. For strategic sites, this may affect the ability of the site to be fully implemented (for example, if necessary infrastructure previously agreed to mitigate the development is not delivered by the Council).

Recognising that the imposition of CIL per se is not optional for local planning authorities but is a national requirement, we have attempted to suggest how Central Bedfordshire Council could work within the limits imposed by the Community Infrastructure Levy Regulations 2010 (as amended) (the Regulations) to deliver the most appropriate infrastructure-funding solution for the particular development and infrastructure characteristics of its district.

Our comments below relate to each of the questions posed in the online questionnaire.

Q1. Are the Proposed Residential Areas appropriate?

We do not consider that the proposal for differential charging areas based on the proposed charging area map is either justified or appropriate.

Area A - which extends over the majority of the district, and covers a wide variety of settlements, several housing market areas and includes significant variances in land value/house prices - is all subject to the highest CIL rate regardless of significant variances in values from settlement to settlement.

If a differential CIL charge is to be applied geographically (in relation to variances in house prices and therefore expected residual land values), then it needs to more accurately reflect variations in values from settlement to settlement. Values in settlements such as Marston Moretaine are likely to be considerably different from those in settlements such as Milton Bryan, for example. Paragraph 27 of the DCLG CIL Guidance Note (Dec 2012) supports this approach, where 'fine grained sampling of a higher percentage of total sites' is used to estimate the boundaries of particular zones.

More critically, rather than the different areas being a robust reflection of the values apparent within the district, it appears that the CIL charging map is being used by the Council as a policy tool to further restrict any new development outside the 'allocated' sites in the emerging Development Strategy.

There are two fundamental errors with this approach:

Firstly, CIL should not be used as a planning policy tool to direct or unduly restrict otherwise acceptable development when judged against national and local planning policy: its purpose is to 'strike an appropriate balance between the desirability of funding infrastructure from the levy and the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area' (Reg 14 of the CIL Regulations; paragraph 7 of the CIL Guidance). This is particularly relevant when the emerging Central Bedfordshire Development Strategy has not yet been tested at Examination, and the distribution of allocated development sites may well vary in the adopted plan. As it stands, the approach to CIL pre-judges the outcome of the Examination into the Development Strategy and the adoption of the plan.

Secondly, the emerging Development Strategy relies upon at least 1,500 new homes coming forward on unallocated sites (as windfall sites or through Neighbourhood Plans). The sweeping over of the district by the Area A category of CIL will effectively preclude many small developments from coming forward on viability grounds in all but the very highest value areas (where new development itself is likely to be resisted by local communities who will not support any further development, in Neighbourhood Plans or otherwise).

We therefore suggest that, should an area based approach be retained, that a more robust analysis of each settlement is undertaken to inform a more accurate reflection of what level of CIL development within that settlement can sustain. A table of settlements should be drawn up which fall into each category (A or B), in a similar manner to defining the settlement hierarchy as part of a local plan. This clear and well defined approach has already been taken by the adjoining authority Bedford Borough. This is a logical approach to the application of CIL zones, however, such an approach should ensure that settlements are categorised based on a robust and detailed assessment of residual land values.

Treatment of Strategic Urban Extensions

Whilst we support the proposal that sustainable urban extensions should be subject to a lower CIL rate than other forms of residential development (for the reasons set out in the Viability Study and the Draft CIL Schedule), this should apply to all the urban extensions in the district, not just those in the south.

Again, we would prefer to see the urban extensions listed in the Charging Schedule rather than defining the extent of these on a map. Development proposals (especially those of a small scale or piecemeal nature) coming forward within the identified strategic urban extensions would be unfairly advantaged by a low CIL payment, whereas otherwise sustainable development proposals coming forward outside those strategic allocations (which may well have specific infrastructure or other costs) would be doubly restrained.

The definition of an urban extension seems to be a little unclear. Whilst the viability study (which provided the evidence base for the justification of the proposed CIL levels) tested urban extensions of 3,000 and 6,000 units, the size of urban extensions identified on the Charging Area Map is greater than these ranges and yet is not specified in the Charging Schedule. Each of the urban extensions will have its own very specific development needs (mitigation, infrastructure, design requirements etc), many of which will be required to be funded and implemented by the developer. By far the most appropriate way of securing this infrastructure provision is through s106 agreements.

We therefore suggest that, on the basis of the infrastructure required to come forward as part of the allocated urban extensions (which has been well documented through the drafting of the emerging Development Strategy), that a differential rate is set for the urban extensions.

Omission of Wixams Southern Extension

As the Charging Schedule currently stands, with precise geographical areas for the strategic sites with draft allocations, the Wixams Southern Extension (Policy 63) and site MA3, which together are allocated for an urban extension of c.1,500 units, would be subject to a CIL rate of £225/sq.m. This level of CIL does not assist in meeting the Council's Development Strategy objectives which is the principal planning tool for delivering the much needed growth in the district.

Whilst we consider that a differential rate should be applied to strategic sites, if this approach is not pursued, it is essential in any case, that MA3 and Policy 63 are recognised for their strategic nature and either included in Area C, which the other strategic sites are subject to, or subject to a differential rate. They should not be included within Area A as it is fundamental that their strategic scale is reflected in their CIL charging rate.

In summary, we recommend that the justification for the variation in charging levels by geographical zone is reviewed and made more robust, and that the drawing of boundaries around allocated sites as currently shown on the map is also reviewed and amended in the Draft Charging Schedule.

Q2. Are the proposed residential charge rates reasonable?

We are somewhat at a loss to understand the justification for setting CIL rates for Central Bedfordshire which are over twice that proposed in charging schedules of surrounding districts (including Bedford and North Herts).

Whilst we have reviewed the Viability Report which accompanies the draft CIL document, we cannot readily translate the values set out in that document with the resultant charge rates which are proposed. We also note that, without exception, the Council has selected the top end of the range suggested by the viability consultant, and for Area B has exceeded the top end of the range by a considerable margin, selecting a charge level of £150/sq.m against a recommended range of £75-£100/sq.m (see paragraph 6.9 of the Viability report), choosing to justify the higher charge by selecting a lower benchmark land value, even though this 'would be considerably below the values at which land for residential development is currently coming forward and would require some adjustment of expectations in the land market' (paragraph 6.10). We do not view this a 'reasonable and balanced' approach as advocating by the Regulations and guidance, and do not consider that this stance will hold up under scrutiny at Examination.

House prices and land values in surrounding districts - including Bedford and North Herts – are similar to those of Central Beds. However, the proposed charging schedules for Bedford range from £120 in the highest value areas to £40 as a minimum CIL, and for North Herts are set at £120/sq.m for general residential and £80/sq.m for lower value residential (which importantly, includes areas on the periphery of Luton).

We are therefore extremely concerned at the very high level of CIL proposed for residential development within Central Bedfordshire, and assert that as currently drafted, is not a fair or reasonable charge to levy when considered and tested against other evidence locally.

Q3. Do you agree with the approach to the non-residential charge rates?

Again, the Council have selected to introduce a higher charge than that suggested in the viability study. The Viability Study

demonstrates that small convenience stores are significantly less viable than larger retail outlets, but given the reliance in the Development Strategy on urban extensions (with local centres), it is this type of retail which will be sought in order to secure an element of self-containment and reducing the need to travel for day to day needs. It is therefore unreasonable for these small convenience stores - many of whom will be sought at an early stage of development before a full catchment population is in place to support their trade - to be liable to the same rate (£100/sqm) as much larger outlets of close to 2,500 sq.m floorspace.

We recommend that in order to not threaten the viability or delivery of these essential facilities in its large urban extensions and elsewhere, the Council adopt the suggested rate of £65/sqm for small convenience stores.

Q4. Do you think the Council's proposed charge rates strike an 'appropriate balance' between revenue generation and economic viability?

For the reasons set out in response to question 2 above, we do not consider that an appropriate balance has been struck between revenue generation and economic viability, and is therefore contrary to Regulation 14 of the CIL Regulations and paragraph 23 of the 2012 CIL guidance.

Would you like to make any further comments on the Preliminary Draft Charging Schedule or evidence base provided?

Development phasing is an important tool to ensure that necessary infrastructure is implemented when required but so that no one phase is deemed unviable due to the level of infrastructure that has to be delivered. Phasing therefore should also apply to CIL payments to ensure that each phase of a development is deliverable, and one large CIL payment is not required at the outset of the development, which could seriously impact upon the financial viability of the whole scheme and delay a start on site.

We therefore support the Council's proposal in paragraph 9.4 to introduce an instalments policy as part of the CIL at the next stage of consultation, recognising that an instalments policy for the payment of CIL would assist delivery of development.

<u>Rep ID</u>	<u>Consultee Name</u>	<u>Representation Type</u>
12 / 00565	Willis Dawson Holdings Ltd	Commenting

Comment:
see 14 pp submission including Turner Morum appendix

<u>Rep ID</u>	<u>Consultee Name</u>	<u>Representation Type</u>
07 / 00251	Cranfield University	Commenting

Comment:
see letter dated 22.02.2013

<u>Rep ID</u>	<u>Consultee Name</u>	<u>Representation Type</u>
12 / 00147	Optimis Consulting	Commenting

Comment:
see 8pp Consultation response

<u>Rep ID</u>	<u>Consultee Name</u>	<u>Representation Type</u>
13 / 00067	Robinson and Hall	Commenting

Comment:
see emails dated 25.02.2013 and 13.08.2012 from Mr David Jones

<u>Rep ID</u>	<u>Consultee Name</u>	<u>Representation Type</u>
07 / 00167	Warmingtons	Objecting

Comment:
Qu 1 Are the proposed residential areas appropriate? - No; probably too large

Qu 2 Are the proposed residential charge rates reasonable - No; too high

Qu 3 Non-residential - Too high generally

Qu 4 Appropriate balance? - No; economic viability needs more emphasis

Qu 5 Further comments? - There is a clear danger that levies will be set too high generally and stifle economic feasibility of projects - if levies are too great, they will stop developments happening, which is bad for everybody.

<u>Rep ID</u>	<u>Consultee Name</u>	<u>Representation Type</u>
12 / 00166	Sainsbury's Supermarket Ltd	Objecting
Comment: see letter dated 25.02.2013 from Sean McGrath		

<u>Rep ID</u>	<u>Consultee Name</u>	<u>Representation Type</u>
13 / 00093	Jones Lang LaSalle	Commenting
Comment: see completed questionnaire		

<u>Rep ID</u>	<u>Consultee Name</u>	<u>Representation Type</u>
12 / 00765	Thomas Eggar LLP	Objecting
Comment: see 6pp letter and schedule 1 appendix dated 18.02.2013 from Carl Dyer		

<u>Rep ID</u>	<u>Consultee Name</u>	<u>Representation Type</u>
13 / 00094	Gladman Developments	Commenting
Comment: see letter dated 25.02.2013 from Russell Spencer and 9pp letter of same date from GL Hearn on behalf of Gladmans.		

<u>Rep ID</u>	<u>Consultee Name</u>	<u>Representation Type</u>
07 / 00207	SEMK Consortium	Commenting
Comment: see 8 pp letter dated 21.02.2013 from David Jackson, Director		

<u>Rep ID</u>	<u>Consultee Name</u>	<u>Representation Type</u>
13 / 00042	The Bedford Estates	Commenting
Comment: see letter dated 25.02.2013 and completed questionnaire from Tim Northey.		

<u>Rep ID</u>	<u>Consultee Name</u>	<u>Representation Type</u>
09 / 00020	Clerk to Dunstable Town Council	Commenting
Comment: see letter dated 01.03.2013		
