

Shropshire Levy Draft Charging Schedule: Representations Form



Community Infrastructure Levy
Draft Charging Schedule

Representations Form

Please return to:

Planning Policy Team, Shropshire Council, Shirehall, Abbey Foregate, Shrewsbury, Shropshire, SY2 6ND, preferably by email to

BY 21st April 2011

1. Personal Details*

**If an agent is appointed, please complete only the Title, Name and Organisation boxes below but complete the full contact details of the agent in 2.*

2. Agent's Details (if applicable)

Title	Mr	
First Name	CHRISTOPHER	
Last Name	JONES	
Job Title (where relevant)	N/A	
Organisation (where relevant)	N/A	
Address Line 1		
Line 2		
Line 3		
Post Code	SHROPSHIRE	
Telephone Number		
E-mail Address (where relevant)		

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Matters on which representations may be made

The purpose of the examination is to consider whether the Draft Charging Schedule meets the following statutory tests in accordance with sections 212(4) and 221 of the Planning Act 2008:

- (a) That the charging authority has complied with the requirements of the Planning Act 2008 and the CIL Regulations;
- (b) That the charging authority has used appropriate available evidence to inform the draft charging schedule;
- (c) That the charging authority has had regard to the Statutory Guidance, "Charging setting and charging schedule procedure guidance" (March 2010).

Representations must relate to these matters. Other matters may be outside the scope of the examination and will be subject to the Examiner's judgement as to their relevance.

All representations will be considered by the Examiner as written representations. In addition, any persons or organisations making representations have the right to be heard in person at the examination, should they choose to appear. The examination will take the format of a hearing, using an informal 'round table' format under the direction of the Examiner.

Q1. Please indicate whether you wish to be present at the Hearing

a) Yes	
b) Possibly: to be decided at a later date and confirmed with the Council in May / June (we will write to you to confirm)	Probably to ensure my points are communicated to the inspector.
c) No: please treat my representation as a Written Representation (note that equal weight will be given by the Examiner to written representations)	

(a) Procedural and Legal Points

Q2. Do you wish to make representations regarding matters of technical compliance with the Planning Act 2008 or the CIL Regulations?

a) No	NO
b) Yes <i>(please detail using continuation sheets if necessary)</i>	

(b) Appropriate Available Evidence

Q3. Do you have any representations regarding the evidence that has been used to inform the Draft Charging Schedule?

(please detail using continuation sheets if necessary)

The studies commissioned by Shropshire Council (The Shropshire Council Affordable Housing Viability Study and the CIL Viability Study) both carried out by Fordham Research are fundamentally flawed as their rationale for basing both CIL and Affordable Housing Contributions for **Single Plot Sites** are based on **ONE SITE**, that of a Barn Conversion at Bank Farm, Tibberton and don't account for the higher cost of land values which **always** accompany single/ double plot developments. There is no economy of scale on these sites, and likewise **all the costs have to be recouped** from the sale price of the property leading to even higher property prices. The remainder of the study is based on a medium sized site in Craven Arms that offers economies of scale, this site forms the whole basis of the charging schedules as it has merely been **unrealistically** scaled down to fit small and single plot sites.

Is it essential, that if Shropshire Council are going to levy all single / double plot open market housing, for both CIL and Affordable Housing, that a study of all single and double plot dwellings which have been recently been built in Shropshire is produced to determine viability. By Shropshire Councils own admission 60% of development in Shropshire has been provided by very small sites, so why have these not formed the basis of the study? – A policy based on a SINGLE example is not reasonable or in any way accurate.

As an example a developer will pay in the order of £440K / ha which equates to around £44.5K per 1000square metres, the equivalent single plot site will average around £150K per 1000 square metres, this basic arithmetic does not seem to have been taken into account anywhere in the studies or throughout policymaking, yet Shropshire Council are proposing a whopping £27, 160 tax comprised as follows for a Band D Market Dwelling of 110 square metres.

Community Infrastructure Levy	8,800
Affordable Housing Contribution	18,360
Total Tax payable	27,160

This is not an acceptable situation on small schemes, they will not be viable, in fact the The Affordable Housing Viability Study makes this very point in relation to combined Affordable Housing and CIL contributions on page 57, para 7.15 and 7.16.

It is fine for policy makers to try and justify that all development contributes

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to both CIL and Affordable Housing Contributions as 60% of development in Shropshire has previously been on single and small sites, but the arithmetic just does not add up and will ultimately lead to less small scale development especially in Rural areas with a knock on effect of fewer jobs created by very small builders and developers and higher property prices.

Grant Shapps (Housing Minister) recently announced as part of the Community Right to Build that he wanted to encourage Self Building as a way to owning your own home, Shropshire Council have gone some way to help this by removing the CIL from Self Build affordable housing below 100square metres, but if a market house is needed at 110 - 120 square metres which is only a three bed roomed band D property – the tax is levied at the full rate of £27,160. **This in no way encourages people to build and since the whole ethos of self building is to try and provide a better home on a limited budget is blatantly unfair and unreasonable, THIS POINT HAS NOT BEEN CONSIDERED, COMMUNICATED OR CONSULTED UPON IN PRODUCING THE CIL CHARGING SCHEDULE.**

Finally, PPS3 gives guidance that 15 open Market dwellings should be the threshold for Affordable Housing Contributions to become payable, whilst I accept that this figure should be lower for both CIL and Affordable Housing, contributions for one - two open market units on small sites is not acceptable for the reasons outlined above.

Q4. Do you have any representations regarding the Council's interpretation or use of the evidence?

(please detail using continuation sheets if necessary)

Shropshire Council invited comments on the threshold levels for which contributions become payable at the outset of the Core Strategy Consultations. 54% of respondents objected to contributions on small sites citing viability as a major concern, for the reasons pointed out above, in Q3, sadly all comments have been ignored.

Shropshire Council have repeatedly used the flawed evidence from Fordham Research (as Q3) to further the goal of a unrealistically high CIL and Affordable Housing contribution. Furthermore the council is expecting the CIL Contribution to be met by landowners

lowering land prices rather than the homebuyer paying more for the property – this is pure speculation, with absolutely NO national or local evidence submitted to support it or to justify the fact that home prices will not rise because of the CIL - Someone will have to absorb the 27K and it is most likely to be the homebuyer.

Q5. Do you have any other representations regarding the statutory test, “That the charging authority has used appropriate available evidence to inform the draft charging schedule”?

(please detail using continuation sheets if necessary)

From the points I have outlined above it is very clear that where single plot and small sites are concerned, the council could and should do more to justify the charging schedule.

Appropriate evidence of a local study of the viability of single and small sites has not been undertaken to inform the draft charging schedule.

The evidence is not appropriate as it:

- Is not realistic or accurately reflects viability on single or small sites
- Relies on speculation of Landowners reducing land prices
- Does not guarantee that house prices will not rise because of it.

(c) Regard to the Statutory Guidance

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Q6. Do you have any comments on the proposed Levy rates for residential development, of £40/m² in Shrewsbury, the towns and key centres and £80/m² in the rural area?

(NB. Comments relating to charging zones should be addressed in Q7 and comments relating to affordable housing should be addressed in Q8)

(please detail using continuation sheets if necessary)

The rates are in no way fair to development where economies of scale are not prevalent, by the councils own admission on very small developments viability will be affected, how can this policy ever help to increase the number of houses in rural areas on e.g. small windfall sites of less than 3 dwellings ?

The policy is a **disaster** for self builders who may just want to build a modest size market home of 110m² who will now face a tax bill of around 27K (with affordable housing contribution) The council really needs to rethink this policy urgently, **consult upon** and give some incentive for the people of Shropshire.

Q7. Do you have any comments on the boundary line between the two Charging Zones?

(please detail using continuation sheets if necessary)

No

Q8. Do you have any comments on the proposed nil Levy rate for affordable housing?

(please detail using continuation sheets if necessary)

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It should be nil as this is charged by an excessive section 106 contribution which also does not bear any reality on being fair or reasonable for small developments or self builders.

Q9. Do you have any comments on the proposed Levy rates for any other type of development (commercial, industrial, employment, retail, hotels, residential institutions, assembly and leisure, agricultural or other uses)?

(please detail using continuation sheets if necessary)

It is unfair to expect residential development to subsidise all businesses, whilst I agree with the nil rate band for employment premises, I cannot see any reason to exclude Agriculture and leisure from paying some levy as particularly agriculture can have a huge negative effect on the local infrastructure, e.g. highways.

Q10. Do you have any other comments relating the Council's Charging Schedule?

(please detail using continuation sheets if necessary)

Fair for large developments, not fair or reasonable, ill conceived, with little supporting evidence, and much speculation to back up charges for small developments.

Very little consultation with the public, particularly for self builders and homeowners constructing extensions – I doubt whether people outside of the building industry are even aware of these proposals.

Totally unfair or reasonable for self builders and may even be contrary to emerging government policy on community right to build – the whole process should be put on hold until the government gives clear guidance on what it is planning to do.

The council has not been clear on applying the CIL to domestic extensions and has certainly not carried out any consultation with the public to this effect.

A complete re- think needs to happen regarding contributions for affordable housing and CIL from very small sites, a threshold needs to be established based on a proper evidence base of actual development costs of very small sites and not on **ONE** example of a **SINGLE PLOT DEVELOPMENT** that bears no similarity to the majority of single / double plot sites in Shropshire.

Living in a rural area is much more expensive than living in an urban area, the policy which is currently been finalised will do little to encourage affordable living, job creation, and affordable market housing development in Rural areas from small sites.

Comments on other matters

Please note that comments on the Accompanying Notes or any other matters that do not form part of the Charging Schedule will not be considered in the examination, but will be included as part of the responses to the concurrent consultation on the Developer Contributions Supplementary Planning Document. This includes comments on the types of infrastructure on which the CIL may be spent in the future.