

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	The Hodnet Estate	Mr
First Name	Leverhulme Estates	Neil
Last Name	c/o Strutt & Parker LLP	Culkin
Job Title (where relevant)		Head of Planning
Organisation (where relevant)		Strutt & Parker LLP
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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 Inspector's judgement as to their relevance.

All representations will be considered by the Inspector 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 Inspector.

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)	●
c) No: please treat my representation as a Written Representation (note that equal weight will be given by the Inspector 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	
b) Yes <i>(please detail using continuation sheets if necessary)</i>	Due to the reasons set out below (i.e. answers to Q3, Q4, Q5 Q6, Q9 and Q10) we consider that the Charging Schedule has not duly regarded Paragraph 211 of the Planning Act 2008 which states that in setting rates, a charging Authority must have regard to 'matters relating to the economic viability of development.' This is also supported by Section 14 of the CIL Regulations.

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	<p>Related to our response to Q10, the Charging Schedule does not set out the allowance for payment of CIL rates by installments; a process which is permitted under the Planning Act 2008 'regulations may make provision for payment by instalments,' and should be adopted by the Authority at the very least, to allow for more schemes to be viable.</p>
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(b) Appropriate Available Evidence

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

The evidence base does not consider key Local Development Framework background evidence. This includes the Strategic Housing Market Assessment (2009), the 'Analysis of Development Demographic and Economic Trends' (2010) or the 'Shropshire Viability Report' (2010).

Moreover, the evidence base has not taken account of key rural reports which highlight that 'costs for smaller rural schemes are higher' and 'private sector housing construction remains very slow in many rural areas' (Commission for Rural Communities Rural Economies Intelligence, 2010). Overall the study outlines that the 'combination of poor market conditions, a lack of lending, financial uncertainty and planning spending cuts has left all sectors in rural housing delivery finding conditions difficult.'

We consider the Draft Charging Schedule to be premature in its timing which fails to take account of the radical planning changes being proposed by the forthcoming Localism Bill. Namely, the Charging Schedule is contrary to the government's aim of increased local democracy and neighbourhood planning (Bill 161 2010-11, House of Commons).

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

Paragraph 4.36 of the Viability Study confirms that a large number of residential sites will not be viable. The suggestion is that these will have to be treated as 'exceptional'. Quite clearly where it is known that a large number of sites won't be viable they cannot be exceptional. It means that the rate has been set too high, therefore providing evidence as to why the Levy rate should be set at a lower level.

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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”?

See comments in response to Q3.

(c) Regard to the Statutory Guidance

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)

We disagree with the proposal that residential developments in the rural area will be required to pay £80/sqm CIL contribution.

This approach will render rural residential schemes unviable for developers, thereby reducing the level of new houses built in rural areas, which indeed includes a significant proportion of the Authority.

To illustrate, the proposed Levy fails to recognise that rural developments are often subject to additional costs and restrictions for developers in relation to Listed Buildings and conversion schemes. Therefore, as well as further dissuading developers from investing in rural housing projects, the proposed Levy will potentially put more historical buildings at risk.

We feel it prudent to set out that the proposed Central London CIL rates are only £50/m², £35/m² and 20/m² (Proposals for a Mayoral Community Infrastructure Levy Preliminary Draft Charging Schedule, January 2011), and therefore considering the significantly higher land values and potential return for developers in comparison to rural Shropshire, it is difficult to rationalise the Authority's decision to set a significantly higher CIL rate.

The Authority does not consider the CIL charging rates which are proposed by adjoining Authority's. We feel it of considerable importance to propose a charging rate which are in tune with neighbouring authorities, otherwise development will be inevitably be displaced to nearby Authorities where CIL rates are lower. As no adjoining Authorities have yet put forward their Draft Charging Schedules, we feel that the Authorities Schedule is premature in its publication.

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The Charging Schedule reasons that this higher level of contribution is required in rural areas to maintain their future sustainability. Although we recognise the importance of infrastructure in maintaining sustainable communities, this strategy overlooks the contributions that new, young families migrating into rural settlements makes to sustainability, and in particular the continued presence of local services. This is a pattern which will certainly be disrupted by the Charging Schedule. By potentially undermining the viability of rural residential schemes, this will result in a reduced stock of reasonably priced dwellings and a decrease of new families moving into such locations. Therefore, we consider this strategy may do more to reverse the sustainability of rural settlements, than improve their future survival.

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

The geographical extent of the urban Levy Charging Zone should include Community Hubs and namely Hodnet; taking into account their importance to the localised and wider community and rural economy and indeed the similarity with some of the identified 'urban zones' in terms of relative size, and local services/amenities (e.g. Craven Arms).

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

Agree and support the proposals set out

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)?

We object to the proposed nil level of contributions from commercial and leisure development schemes. Although there may be some commercial and leisure developments which would not be viable under a set Levy rate, we consider that a proportion would be, and indeed would be more viable than rural residential schemes under the proposed rate of £80/sqm. This is based on recent successful projects within nearby Local Authorities such as Wrexham's Eagle's Meadow which is currently operating at near full capacity. In recognition and in line with fairness and transparency, the Authority should set a sensible CIL Levy rate which allows for the majority of commercial/leisure developments to still remain viable, whilst allowing for exceptions to be excused from such contributions on grounds of viability.

As a consequence, the proposed levy rate of £80/sqm for rural areas should be lowered.

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

Payment of the Levy should be required after the development is completed and once it is occupied, not at the commencement of development. The latter strategy which is proposed by the Authority will be unachievable by many developers as developers rarely see return on investments until completion and more commonly not until the development is wholly occupied. This strategy will require developers to secure lending from banks 'up front' which, considering the current financial climate, is doubtful.

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.