

Dear Helen,

**Community Infrastructure Levy: Final Draft Charging Schedule**

I refer to the Council's letter (ref:06879) dated 16<sup>th</sup> March inviting representations on the above mentioned document and confirm I would like the option to appear at the Examination. Please treat my previous response to the document (see attached) as Persimmon's formal written representation.

As I highlighted in the attached Persimmon Homes generally support the introduction of CIL and its intentions to create a simpler, fairer, more transparent and predictable system of standard charges, capable of unlocking additional funding for infrastructure. However I am still very keen to receive a response on the points I raised which centre around the lack of clarity shown in relation to the requirements of the regulations.

Please can you please confirm your approach on this very fundamental procedural matter and please let me know when I can expect a response?

Thank you for your time

Kind Regards,

**Simon Miller MRTPI**  
**Land Buyer**  
Persimmon Homes North West  
30-34 Crofts Bank Road  
Urmston, Manchester  
M41 0UH  
07912667767

Ms H Howie  
Communities & Housing Team  
Shropshire Council  
Shirehall  
Abbey Foregate  
Shrewsbury  
Shropshire SY2 6ND

14 February 2011

Dear Ms Howie,

Community Infrastructure Levy Preliminary Charging Schedule

Thank you for providing the opportunity to comment on your draft documents. This letter is the formal representation made on behalf of Persimmon Homes and Charles Church. As you will be aware, Persimmon Homes has land interests in sustainable locations in the area covered by the DPD, and have a keen interest in developing well designed family housing that will assist in meeting the specific needs of the Shropshire housing market areas.

General Comments

Persimmon Homes generally support the introduction of CIL and its intentions to create a simpler, fairer, more transparent and predictable system of standard charges, capable of unlocking additional funding for infrastructure. However it is our view that CIL will only achieve this if Councils take a pragmatic stance on its application and factor in viability on a site by site basis. It will also be essential for the Council to apply the Levy and s106 contributions in a fair and transparent way which avoids duplication and increased development costs.

Despite positive margins going forward on newly acquired sites operating margin on sites bought pre credit crunch still (and will continue to over the medium term) to run at a negative margin. Recent results from the large PLCs show margins of between 3 and 6%. It is important for the UK housebuilding industry to recover margins on sites going forward to assist with the recovery of the housing market and the economy as a whole.

On page 4 you have stated the Levy may be reduced for developments already contributing to affordable housing or other matters via a section 106 agreement, and where the developer can demonstrate the scheme is not viable. Persimmon supports this pragmatism and considers that it will be vital in order to deliver the much needed housing across the County.

However because the Council have chosen this path of open book accounting it will be crucial that it is prepared to assess the submitted viability within a reasonable two week period in order to avoid unnecessary, and costly delays.

There is also no mechanism mentioned in any of the documents that enable CIL contributions to be paid back to the developer if not spent within 3 years. Could you please clarify the Council's position on this matter?

### Procedural Matters

On cross checking the approach taken by the Council with the CIL guidance document<sup>1</sup> you forwarded to me, I am somewhat confused by the Council's approach and kindly request you to clarify matters.

The guidance specifies a CIL infrastructure funding target should be identified with accompanying evidence of a funding gap. The role of this is to illustrate that the CIL target is justifiable given local infrastructure need and is based on appropriate evidence.

On perusal of your charging schedule and the Shrewsbury area place plan it is clear that there is a broad list of infrastructure identified, however there is no specified funding target and evidence of a funding gap. The examination for adoption of the Levy will test that the evidence is sufficient to confirm the funding gap and total target you propose to raise through CIL. I would therefore have expected this information to be made explicit in the charging schedule or place plan. Could you please respond and confirm your approach on this very fundamental procedural matter.

Moreover without clear evidence of the funding target and gaps it will be impossible to assess over time whether the CIL target is still justifiable and appropriate.

I trust this makes our position clear, our main concern is the lack of clarity shown in relation to the requirements of the regulations and I look forward to your response to the issues I have raised.

I would also be grateful to be kept informed of progress on the document and how our concerns and those of others will be taken on board.

Yours sincerely,

**Simon Miller MRTPI**  
**Land Buyer**  
Persimmon Homes North West  
[Simon.miller@persimmonhomes.com](mailto:Simon.miller@persimmonhomes.com)

<sup>1</sup>Community Infrastructure Levy Guidance- Charge setting and Charging schedule procedures