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Mr Andy Mortimer
Policy Manager
Shropshire Council
Development Services
Shirehall
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Dear Mr Mortimer

CIL – Draft Charging Schedule – Consultation

Further to your letter of 16th March advising that the Council has prepared a Draft Charging Schedule we wish to make the following representations. From this office we manage approximately 160 let residential properties and other land in Shropshire extending to approximately 3,000 acres.

- 1. In 2008, in the CIL bill before Parliament, it was stated that “the Government is adamant that the new proposals must not deter development”.

Pre-recession, when the legislation was conceived, the charges may have been applied without detriment to the building industry or housing market. That is clearly no longer the case and any charge will deter development. The proposal therefore fails to meet the Governments expressed intent.

May we suggest that any charging be scrapped or postponed for a period of at least five years?

- 2. The rationale to charge different rates for urban and rural developments is illogical, discriminatory and open to challenge.
- 3. We have looked at the Council’s list of items to which CIL may be applied (£385.5m) and the funding “gap” identified. We are of the opinion that it is little more than a “wish list” without their being evidence that the expenditure is required or desired. Items such as cycle ways are “non-essential” expenditure and imposition of a CIL tax to raise funds for this kind of “optional” spend is inappropriate.
- 4. The paper gives no indication of how soon after collection CIL monies will be spent nor whether the collection, administration and application of CIL will be cost effective – it could cost more to collect than it raises.

5. Our final point relates to the management of this Estate. Over time we would like to update and increase our housing stock by building on Estate land to provide houses for rent. Even without the cost of land, building to rent is marginally viable at the level of rents achieved in our area. The imposition of CIL at +/- £10,000 per unit, on top of planning, building regulations fees, providing utilities and satisfying highways requirements, makes building to rent totally unviable without subsidy.

Where a development is "not for sale" i.e. does not raise any cash from which to pay CIL – we would like to see IL deferred until a property is sold (or subject to a Section 106 Agreement that the property will be available for rent in perpetuity).

It is safe to say we will not be undertaking any "new build" to which CIL is applied at the level indicated and will defer any investment until it is removed.

As ever, when it comes to regulation, one size never fits all and we urge the Council to be more flexible in its approach to the application of CIL. It should either be, at best, scrapped or, at worst, deferred for at least five years. Even if the Council decides to keep CIL, the Draft Charging Schedule should be abandoned until the economy recovers, if indeed it does.

Yours sincerely