

CIL Preliminary Draft Charging Schedule Consultation

2 July 2013 – 13 August 2013

Respondents

Response No	Respondent	Organisation	Representing	Date of response	Request to be informed of Draft Charging Schedule consultation
1.	Stephen Nelson/Janice Burgess	Highways Agency	Dept of Transport	04/07/13	n/a
2.	Anne Damerell	Staines Town Society	Staines Town Society	24/07/13	
3.	Daniel Di-Lieto/Dennis Pope	Nathaniel Lichfield & Partners	British Airways	30/07/13	Yes
4.	Kath Harrison	Surrey County Council	SCC	07/08/13	
5.	Vic Smith	Crime Prevention Design Advisor	Surrey Police	09/08/13	Yes
6.	Cheryl Brown	Runnymede Borough Council	Runnymede BC	13/08/13	
7.	Gordon Freeman	Spelthorne Natural History Society	Spelthorne Natural History Society	13/08/13	Yes
8.	Alan Doyle	LOSRA	LOSRA	13/08/13	
9.	Jon Wallsgrove			13/08/13	Yes
10.	Ziyad Thomas	The Planning Bureau Ltd	McCarthy & Stone Retirement Lifestyles Ltd and Churchill Retirement Living Ltd	13/08/13	
11.	Muriel Bankhead			13/08/13	Yes
12.	David Keene	David Lock Associates	The Jockey Club	13/08/13	
13.	Michael Bottomley	Deloitte Real Estate	Universities Superannuation Scheme Ltd	13/08/13	Yes
14.	Brian Conlon	Environment Agency	Environment Agency	19/09/13	

Summary of Representations

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1.	Highways Agency	HA concerned with proposals that have potential to impact on the safe and efficient operation of the SRN. No objection.	Noted.
2.	Staines Town Society	Consider that the principles are sound and the methodology reasonable. Agree need to keep charges under regular review (para 8.3) and have flexibility to respond to market changes.	<p>Although the Council is committed to keeping the charging schedule under review through its annual monitoring processes it must follow all the statutory procedures to introduce any new charge and it will not therefore be practical to review charges other than on a three year basis as envisaged in para 8.3.</p> <p>The review itself could take a significant period (up to a year or so). Whilst it would be informed by the Council's monitoring it would not follow the annual monitoring cycle. It would more likely be reconsidered at a point where market and / or other viability influences (such as relevant Government or local policy changes) produced a significantly altered context for considering the charge setting.</p>
		There must also be flexibility to add new items to the list of infrastructure requirements in 3.6 as needs are clarified.	Infrastructure requirements will be updated as information becomes available. The Regulation 123 list which sets out the infrastructure likely to be funded from the levy will be updated as necessary, subject to appropriate local consultation.

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3.	British Airways	1. Agrees that the evidence base is appropriate	Noted.
		2. Agrees it would be inappropriate to levy CIL on B1(offices) & B8(warehouses) based on the evidence base.	Noted.
		3. Would encourage investment in improving public transport to Heathrow and suggest it is defined as 'essential'.	Noted. The Council has reflected the current priority arising from Surrey County Council highways and transport spending programme. These priorities are under review and will be updated as appropriate.
		4d. Agrees with nil charge for offices, commercial and other uses.	Noted. The nil charge is based on current viability work and may be reviewed in due course when the charging schedule is formally reviewed.
		7. Disagrees with statement on funding priorities. BA would seek to encourage that priority be given to Highways & Transport schemes which would improve the connectivity of and to Heathrow Airport. Schemes should be essential rather than desirable.	Noted. See response to above.
4.	SCC	No specific comments on CIL but note that meetings are being arranged to update information on education and transport services in order to refine information on infrastructure funding. SCC is also collaborating on Staines Movement Study	Noted. SBC welcomes any updating of infrastructure requirements relating to education and transport which will ensure that information on funding is the most up to date available.
5.	Surrey Police	1-4a. Not in a position to comment on the methodology process.	Noted

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		4b. Disagrees with approach and CIL rates for purpose built student accommodation. Unsure why this has been singled out and treated differently. Considers that the impact of this type of development is far less than any other form of development.	Given the proximity to Spelthorne is it considered that in future there could be demand for purpose built student development in the borough. The viability study suggests that such development could support a charge of the order proposed. It is consistent with the Council's evidence for this development use and is within the range of charges proposed for residential development that provides no contribution to affordable housing needs.
		<p>4c & 4d. Disagrees with the proposed nil rate for retail, offices and commercial development on the grounds that all such development requires some form of infrastructure and are concerned developments causing the need are exempt from contributing towards a solution.</p> <p>Considers that expansion of the Elmsleigh Centre as referred to in the Viability Study (para 4.1.2.5) should provide the infrastructure required to support and encourage prospective customers and staff.</p>	<p>The introduction of CIL breaks the direct link between development and the need to provide infrastructure. Charging levies need to be set at levels which do not make overall development within an area unviable. The viability study has demonstrated that, based on current and any short-term projected assumptions, undue additional delivery risk would be placed on office, commercial and some retail developments if an additional cost, in the form of CIL, were to be imposed.</p> <p>Where a development requires mitigation or creates specific infrastructure requirements which would need to be in place to facilitate the particular development, the Council may still secure improvements through the mechanism of Section 106 obligations (subject to the limitations on the use of s.106 agreements in accordance with the CIL Regulations).</p>

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		5. Not in a position to comment on different zones proposed.	Noted.
		6. Supports the introduction of an instalments policy and have no issues with such a policy.	Noted. The operation of an instalments policy can have a positive viability effect at the project delivery stage.
		7. Disagrees with the identified funding priorities and the IDP and the draft Regulation 123 list. Suggests that a growing population will place greater demands on policing services at a cost equal to £18.50 per dwelling per annum. Other additional costs relating to community safety would be CCTV some of which needs replacing now. It is also suggested that CIL can be used for culture and sports and there is no mention of improvements which could be a factor for the future such as supporting the Arts Centre at Lower Sunbury Sports Centres (Staines or Sunbury)	The suggested areas for funding tend to be revenue items or a mix of revenue and capital projects to provide new infrastructure. It is not considered that the items referred to could be appropriately included at present in the IDP or Reg 123 list although the Council will keep these matters under review.
		8. Considers that the Planning Act 2008 provides a wide definition of infrastructure that can be funded by the levy.	The IDP provides the basis for identifying infrastructure schemes which require capital funding and this is used as the basis for setting priorities in the Reg 123 list.
6.	Runnymede BC	Agree that Spelthorne has presented an appropriate evidence base to support the rates proposed. No further comments at this stage.	Noted.
7.	Spelthorne Natural History Society	Raises queries concerning the application and administration of the charge.	The mechanics of the CIL charging are not for local interpretation. The Council has to operate the charge in accordance with the CIL

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			<p>Regulations, which prescribe its basis. The charging rate applies to the total floorspace of an eligible development less any floorspace previously existing on the site which is lost. Payment of the levy becomes liable on commencement of a relevant development but may be subject to phased payments if the Council adopts an instalments policy.</p>
		<p>Queries whether S106 agreements will be restricted to more site specific requirements and how existing agreements such as that currently operating for Staines Moor would be affected.</p> <p>Also concerned as to whether mineral excavation, waste disposal & recycling facilities would be subject to CIL or S106.</p>	<p>Legislative changes require S106 obligations to be much more site specific so that they can no longer be used to fund general infrastructure. The introduction of CIL will not affect any existing S106 agreements, subject to restrictions on the pooling of contributions. Such agreements will continue to be used for ensuring appropriate mitigation for minerals related development.</p> <p>CIL receipts may be spent on infrastructure in accordance with the Council's priorities and therefore may be used in the future to help deliver open space or recreation facilities.</p> <p>CIL only applies to buildings into which people normally go, thus CIL cannot apply to mineral and waste development. The same is likely to apply to a large extent in respect of waste disposal and recycling facilities, and the Council considers that those are, in themselves, a form of necessary infrastructure.</p>

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8.	LOSRA (numbers relate to comments set out in representation letter)	1. Seek clarification on exemptions from CIL.	The exemptions listed by LOSRA are those provided by the Regulations. CIL is only chargeable at the set rate on the net increase in floorspace of a relevant development and therefore will not be chargeable on a change of use where there is no net gain in floorspace.
		2. Seek clarification on CIL charging where one use (eg residential) replaces a different use (eg educational).	Existing floorspace counts against the new floorspace to provide a net figure regardless of the nature of the existing use.
		3. Seek clarification on flexibility of CIL and whether it will be applied in all situations.	CIL is a fixed charge per sq. metre based on net floorspace and is not negotiable. There are, however, provisions for Discretionary Relief in certain circumstances should the Council decide to offer a scheme for exceptional relief. Under the principles governing CIL it is accepted that not all development may be viable; the rates are set at levels that will avoid adding undue risk to development overall, in accordance with the guidance.
		4. Seek clarification on how “areas affected by development “ will be defined for the purposes of the local authority spending “a significant proportion” (15%) of CIL receipts.	It is anticipated that the government will publish further guidance on this matter.
		5. Endorses statement confirming protection of the green belt and areas liable to flood and requests that it should be widened to include Protected Urban Open Space, SSSIs and SNCIs.	Para 3.3 in the PDCS is merely a statement of fact to set the context for new development coming from the urban areas. No changes to confirm the protection afforded by statute or national or local policy are necessary in the

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			context of CIL which cannot, in any event, be used as a tool for reinforcing other wider purposes.
		6. Proposes that a pedestrian/cycle bridge over the Thames at Sunbury should be included in the list of projects set out in the IDP as an “uncosted” proposal.	The IDP has been prepared specifically for the purposes of CIL to identify a funding gap in relation to essential projects associated with the growth arising from the implementation of the Core Strategy. The Council recognises the work that is currently being undertaken to promote this particular scheme and that in time it may be demonstrated that this project could provide an alternative river crossing thereby promoting modal shift. However, the project does not at present form any part of the highway authority’s cycle strategy and there is no certainty as to its implementation. It would therefore be inappropriate to include such a speculative project in the IDP at present.
		7. Considers that the introduction of a differential rate of an extra £100/sqm in all three charging zones for developments of fewer than 15 dwellings is too heavily biased against smaller developments.	For CIL purposes, in assessing the viability across a broad range of development types (in accordance with the evidence criteria set out in the Government’s Guidance) it is necessary to consider the application of all the Council’s relevant planning policies to the full. Thus for sites of 15 dwellings or more the Council’s full 50% of affordable housing (AH) policy has to be factored into the consideration of viability to inform the CIL rate(s) setting. This factor very significantly affects the viability of developments

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			<p>over the AH policy threshold (15+ dwellings) in terms of their ability to contribute to CIL as well. For sites of fewer than 15 dwellings there is no policy requirement to provide any affordable housing. Similarly that has to be factored into the viability assessment, so that the schemes of fewer than 15 dwellings produce notably stronger viability outcomes than those with 50% affordable housing. Consistently this and the consultant's other viability assessments show the impact of affordable housing to be much greater than that from CIL. In Spelthorne's particular circumstances, this means that the scope for the sub-AH threshold sites to bear a higher level of CIL charge and remain viable is therefore greatly enhanced. This is a key characteristic that the Council can now reflect on following the Government's recent clarification that it will confirm the scope to set differential CIL rates by reference to the scale of development.</p> <p>It is not accepted that there is any bias against smaller sites. On the contrary, the Council's CIL proposals, if confirmed, will act in a way that has the effect of redressing to some extent the significant viability advantage that the smaller sites currently have by virtue of the nil AH requirements that they attract under current policy.</p>

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		It is suggested that the Council is going against government guidance on self-build and is discriminating against small developments	The Council recognises that there may be some particular characteristics associated with self-build developments and is aware that the government has proposed to put in place measures to exempt relevant projects that will meet the criteria.
		8. Question why hotels should be exempt from CIL.	Hotels and other commercial developments are not exempt from CIL but have been assessed in the viability study as developments which, based on realistic assumptions at the current time, are often on the margins of viability at best as stand-alone uses, and any level of charge would reduce their viability and add undue development risk; a similar position as found in the commercial (B use classes) at the current time. For this reason, at this time a zero levy has been set. This position could change in the future as the charging rates are reviewed for subsequent updates of the Charging Schedule.
		9. Question why purpose built student accommodation should be subject to CIL.	Student accommodation is a form of development that the viability study shows to have a good level of viability - similar to that for mid-range residential development with no affordable housing requirements. It would be expected to fall within the definition of development liable for CIL unless it is developed by a Charity (and is therefore subject to exemption from the charge under the Regulations). The viability study shows that

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			<p>typical purpose built student accommodation could support the level of charge proposed. If this form of development comes forward in the Borough, schemes could be of a significant scale and (subject to the exemption for development by charities) it would not be appropriate or consistent with the evidence for this to be subject to a nil charge. Although not directly relevant to the CIL charges, the Council considers this to be a form of housing which creates infrastructure requirements.</p>
		<p>10. Agree that the cumulative impacts of development should be taken into account in relation to developer contributions.</p>	<p>Noted. The viability study has been undertaken in a way that reflects this, as do the proposed charging rates, particularly given that under the principles of CIL it is not expected that all developments will be viable.</p>
		<p>11. Suggest that it would be desirable for the Council to provide more detail on health care requirements in the Borough in the IDP.</p>	<p>The former PCT and the new NHS North West Surrey Clinical Commissioning Group which became operative on 1 April 2013 has so far not provided sufficient details of its future plans for inclusion in the IDP. The Council is committed to keeping under review all infrastructure requirements and will through regular contact with infrastructure providers ensure that any firm proposals are properly reflected in the schedules. Whilst any future projects could be supported by CIL funding, in the absence of any clear programme at present, it is not possible to provide more information in the IDP.</p>

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9.	Jon Wallsgrove	1. The evidence base does not seem to make any reference to self-build residential properties which are a particular characteristic of Spelthorne. Their viability has not therefore been considered.	<p>The Council has no specific information on this type of development or the scale of activity within the Borough and has not therefore included this development type within the viability study.</p> <p>Self-build projects are not distinguished within the planning process at present. Whilst the Council acknowledges that self-build projects can have particular characteristics (e.g. in terms of funding) in many respects they can be difficult to treat separately from a one-off speculative build as a valuable development is being created and could be sold at any point. This is not considered to be a distinct development use.</p> <p>However, the government has considered the characteristics of self-build development and following consultation on its proposed CIL reforms looks set to confirm its proposals to exempt genuine self-build dwellings from the liability to pay CIL. This would override any local Council's position and, subject to confirmation, means that in any event the Council would take no further action on considering the viability of self-build development.</p>
		2. Considers that the omission of evidence on self-build dwellings from the viability study means that the derived rates are wrong.	The viability study uses generalised costs across a range of development types to ascertain viability and thus the ability of different types of development to support a charging levy. The omission of one specialised form of residential

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			<p>development does not affect the overall conclusions of the viability study.</p> <p>Following the Government's confirmation that it will be possible to set differential CIL rates by reference to scale of development, further work has been carried out to add to the Council's information on, and review of, smaller scale housing developments (those that are not required to provide affordable housing). The further viability review work (additional sensitivity tests) confirms the Council's proposed CIL charging rates to be appropriate.</p> <p>See also comments above on self-build housing.</p>
		<p>3. Disagrees that the rates proposed represent an appropriate balance between funding infrastructure and maintaining the overall viability of development. Considers that large commercial developments in the north of the borough are profitable but are not proposed to be liable for CIL although they cause the need for infrastructure investment.</p>	<p>The viability study has clearly demonstrated that based on appropriate current assumptions, office and commercial and some retail developments would not be sufficiently viable to bear additional development risk through the imposition of further development costs in the form of CIL.</p> <p>The Council will monitor the operation of CIL on an annual basis and has stated that it will review its charging schedule after three years. This will provide the opportunity to adjust the levy according to changes in viability for particular development types, if applicable at the time of review.</p>

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		4a. Disagrees with rates for residential development. Small developments, which tend to be by small local businesses or individual home owners attract a punishingly high rate of CIL charge, particularly in the south of the borough.	<p>The viability study considered the viability of small residential developments as well as larger ones and concluded that in general terms, in accordance with the CIL principles and guidance, they were capable of supporting a charge at the levels proposed.</p> <p>Action</p> <p>Additional review work has been undertaken to consider the particular characteristics of small developments (see Viability Addendum Dec 2013). This concludes that no variation in the rate for small developments is justified or necessary.</p>
		4b. Disagrees with rates for purpose built student accommodation which is very profitable for developers but very expensive for students.	Noted. The charging rate proposals for this development use reflect its viability and the evidence of that; a finding common to other local authority areas where the consideration of CIL charging on purpose built students' housing has been relevant.
		4c. Supports proposed retail charging rate.	Noted.
		5. Considers that the riverside areas of Staines are some of the most expensive in the borough but are in a lower charge zone. Much of Sunbury has some of the cheapest and affordable family housing within the M25 and so the high CIL rates (equating to 20% of construction costs) will unfairly affect prices and stifle development.	The charging zones have been informed by a comprehensive viability study based on an established research and review methodology used to support a number of CIL charging schedules to date. This uses appropriate comparative data so as to recognise and take account of the essential price variations (values

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			patterns) across the borough but considering the prospects for new development and in a way that necessarily avoids over complication. It is recognised and acknowledged within the Council's approach that there will always be price differentials within each zone; and often on a very localised basis. CIL is not expected to follow all such variations. The charging levy is set to ensure that the development generally across the Borough does not become unviable but also on the basis that there may be instances where some individual schemes remain or become unviable due to specific circumstances.
		6. Supports introduction of an instalments policy	Noted.
		7. Disagrees that the council has correctly identified funding priorities in the IDP and draft Reg. 123 list.	Noted although no reason is provided by the respondent.
		8. Additional Comments (as numbered by respondent)	
		1. At a time when the country needs to encourage growth and jobs it is completely counter-productive to put heavy taxes on construction when the construction sector tends to lead the economy out of a recession. This will kill off any development in Spelthorne by making both residential and commercial development financially unviable. There is a myth put out that the tax will just be taken off the site value, so that	These comments are noted but not accepted. The Government has introduced CIL largely as a replacement for S.106 so that all Local Authorities need to put CIL charging in place, set at appropriate rates informed by viability evidence, in order to ensure that so far as possible new development is also supported by the required infrastructure. Whilst CIL will only contribute a proportion of the overall

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		<p>it is a tax on gaining planning permission. This is false. Changes in the building regulations (for sustainable development) over the last few years have increased construction costs by about 20% (according to govt. figures) but this extra cost has not reduced land prices, it has just increased property sale prices (if the market will take the extra price), or stopped the development happening. There is no reason to believe the CIL tax will not do the same.</p>	<p>infrastructure needs, without this most development would not support those needs. Within certain parameters developers' returns are fixed and it is inevitable that in order to see their land coming forward the land prices will need to reflect these and other planning requirements. CIL is based on these principles; set at a level where a reasonable developer's return and land value can be supported.</p>
		<p>2. For small residential developments the profit margins are so low that it has always been Govt and Spelthorne policy to not require affordable housing on small sites (less than 14 dwellings). The CIL proposal completely reverses this policy. The small developments will be taxed the highest. This will make small developments unviable. This is particularly bizarre in Spelthorne where there are very few sites of any size and the vast majority of development would normally be in small developments by local contractors (para 13).</p>	<p>There is no evidence to suggest that the profit margins on small developments are as stated; schemes do not proceed without sufficient risk-reward which is judged according to circumstances. At the current time, the Council's policy on affordable housing does not impact on smaller developments, so that relatively these support a stronger viability position than the larger sites. The CIL proposals will create some balancing of this effect, but will by no means create a financial burden equivalent to that produced by the application of the 50% affordable housing policy; the sensitivities involved in some smaller developments are acknowledged but are not necessarily unique.</p>
		<p>3. Spelthorne has always had a good reputation for being one of the most popular areas for self build homes, and has traditionally had more self build homes than almost any borough in the</p>	<p>Within a viability appraisal, a lower construction cost would result in improved viability. The Council considers that there are factors associated with self-build viability. For example</p>

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		<p>country. "Plotlands" areas of self build homes are even protected in Spelthorne's Planning policies (EN2 and EN9). In my road in Sunbury on Thames nearly half the properties have been self built in the last 10-15 years. The proposals particularly target the areas popular for self builders, i.e. the southern part of the borough. Here the tax is proposed as £160/sq.m. Self build construction tends to cost between £800 and £1000/sq.m. (compared with £1200 - £1500/sq.m. for construction by developers) because of the labour and time put in by the self build owners. This means that the CIL tax on self build homes will be 16% to 20%!</p>	<p>in a true self-build, by definition there is no formal developer's profit requirement; effectively a cost which brings the developer-led scenario down relative to a self-build view too. However, although all homes create requirements on infrastructure, the Government's proposals look set to exempt true self-building from CIL charges, thus removing the consideration of viability in any event.</p>
		<p>4. The extortionate tax on self builders is made even worse by the payment mechanism. Self builders tend to use their savings to commence construction, then borrow money based on the increased value as they proceed through construction. The requirement appears to be that they will have to pay their 20% tax before they commence. This will be disastrous for the cash flow of self builders. The tax seems to be targeted to prevent people from building their own homes.</p>	<p>See above comments. The Council is likely to consider putting in place a CIL payment instalments policy to alleviate such issues as far as practically possible; these issues are understood but also affect other forms of development in some way.</p> <p>The Government's proposals look set to exempt true self-building from CIL charges, thus removing the consideration of viability in any event.</p>
		<p>5. A further factor in the illogicality of attacking small developments and in particular self builders is that such small developments tend to use local tradesmen and SME small contractors. These are</p>	<p>See comments above on small developments.</p>

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		<p>jobs for local people and small businesses within Spelthorne, whereas the large developments you want to help with the CIL tax are large national organisations who will ship in labour from all over Britain and buy building products or ready made kit homes from all over Europe. It is the Council's job to help local business and create local jobs, not to put them at a disadvantage.</p>	
		<p>6. You propose to zero rate office and industrial development in the north of the Borough around Heathrow and Feltham. There is huge demand for such property around Heathrow and it is very profitable. According to the Press, the recent Govt think tank appeared to propose the redevelopment of large areas of Govt property in Feltham for a huge combined public sector centre. So why is such commercially viable development to be subsidised in these tax proposals?</p>	<p>See comments above on commercial development.</p>
		<p>In conclusion, your tax proposals seem to subsidise large commercial and govt developments which would proceed regardless of tax incentives, yet the attack small local businesses, tradesmen, home owners and self builders who are the life blood of the borough. Self builders should be zero rated. Ministers recently announced that they intended to zero rate self builders for CIL, and Spelthorne should take the lead on this.</p>	<p>See comments above on self build housing and the Governments proposals to exempt.</p>

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10.	McCarthy & Stone Retirement Lifestyles Ltd and Churchill Retirement Living Ltd	<p>Consider that the imposition of CIL will constrain land supply and will especially impact the delivery of retirement developments which, by their nature need to be located close to town and local centres where high existing use values prevail. It is considered that the emerging CIL rate should accurately assess the development of specialist accommodation for the elderly in the Borough and should not prohibit such development at a time when there is an existing and urgent need for it.</p> <p>It is not correct to assume that a general needs apartment scheme is comparable to a retirement apartment scheme as there are a number of key differences which will affect the land value that can be produced by each. A number of key areas where appraisal inputs specific to retirement housing differ markedly from conventional housing are listed and include, communal areas, sales rates, empty property costs and build costs.</p> <p>It is also suggested that consideration should be given to the timing of CIL payments and an allowance for payment by instalments. It is considered that at the earliest, part payment on first occupation would be fairer and would reduce unnecessary financial costs on the developer. This should then be phased depending on occupation levels.</p>	<p>The Council considers that the imposition of CIL based on its proposals will not constrain land supply and that the approach, based on appropriate evidence, will not disproportionately affect the retirement housing sector or any particular part of that. The Council's view, supported by the robust evidence of its consultants and informed by their recent CIL experience, is that differentiating for retirement / sheltered housing would potentially offer an advantage to the sector or particular parts of it when in fact this forms part of a very wide spectrum of housing schemes that are all different and all potentially have a range of characteristics that could point to variant appraisal assumptions and viability outcomes to some degree. The Council considers that if differential treatment were proposed for this form of residential development then potentially the developers of other housing forms could ask for the same, and the setting-up of CIL could move away from the simple principles that it is intended to follow. Otherwise, inequities could result. The CIL as proposed has a proportionate effect on the developers of varying scheme types, with the only differentials proposed being by locality according to general values patterns and also linked to the affordable housing policy threshold.</p>

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		<p>Given the extent of projected housing need for older person's accommodation it is paramount that Spelthorne's CIL recognises the potential shortcomings of providing a uniform CIL rate for all forms of residential development. It is suggested that either a bespoke CIL rate is prepared for sheltered housing and other forms of specialist accommodation, or that the CIL charge is restricted to the saleable areas of these forms of development.</p>	<p>The Council and its consultants acknowledge that some characteristics of such schemes are different from typical non age-restricted housing, and has appropriately reflected the broad characteristics of such schemes in looking at a range of representative development scenarios.</p> <p>The assumptions used for the relevant scenarios reflect the differences seen by the consultants across a range of site specific cases involving similar schemes, bearing in mind that an overview is appropriate for the purpose. The areas covered by bespoke assumptions include increased communal areas and adjusted sales rates and marketing costs compared with most other flatted developments. Appropriate BCIS build costs assumptions were used. Empty property costs were factored-in, although in the consultants' experience these are rarely claimed in viability submissions by developers of other schemes types. These are set out in the viability study. The scenarios, envisaged site types / land values are considered to be appropriate to inform the view necessary for the CIL. In essence the assumptions were based on taking an overview of "real life" assumptions from a number of similar schemes.</p> <p>There are considered to be balancing factors to the added costs areas, including the often</p>

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			<p>premium-level sales values and the typically reduced extent of external works</p> <p>Whilst the Council also acknowledges the role for elderly persons housing as part of the overall mix, it is not considered that any marginally improved viability from a lowered CIL rate in respect of retirement housing developments would notably alter the prospects of delivering the plan as a whole. As with the wider application of CIL to all development types, any individual non-viability of schemes is not prejudicial to the whole plan picture that the CIL is set with reference to. There is no evidence, past or present, to suggest that the level of schemes of this nature likely to come forward in Spelthorne is by itself critical to the plan delivery overall.</p>
11.	Muriel Bankhead	<p>1. The DSP CIL Viability Study report acknowledges that pricing varies significantly down to street level. The methodology of averaging out these levels does not accurately cater for all types of development and location. The values are based on flawed research: VOA and the Land Registry prices are based on transaction data i.e. the properties that were for sale during the analysis period. Even when averaged across an area this will not reflect the composition of existing property values, much less the scope for a development on a small site which may have specific economic challenges</p>	<p>Whilst in practice property values vary within very short distances, and even within sites, and site / development characteristics are highly variable so that the specifics are usually different from site to site, the consideration of the CIL necessarily involves a higher level of overview. This responds to the Council's area as a whole and the main distinctive characteristics, if there are any, within it.</p> <p>The viability study methodology, including the various areas of research, are established and sound, having supported a number of adopted</p>

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		<p>e.g. access difficulties.</p> <p>This flaw is further magnified by the fact that the number of transactions during the period in question was 7% lower than the previous year.</p> <p>The other set of information included is 'asking prices' from Rightmove. Properties seldom sell for the asking price, (or ever) and the difference between asking price and actual sale price will be higher during periods of low transaction volumes.</p>	<p>CIL charging schedules to date. The work is based on principles established and tested over a considerable period of time. A range of adjustments to marketing price information are considered so that, although the market has moved on since the research period, the Council's information is based on realistic assumptions made to inform the appropriate level of overview.</p>
		<p>2. The evidence has not been correctly interpreted or applied, particularly in relation to the proposed differential charging by zones (See also 5 below).</p> <p>The DSP CIL Viability Study argues that it is not viable to provide affordable housing with <14 dwellings (para 14) developments, as they cannot afford charges beyond the £0-60 per sq m. range. By para 16 that has been reversed as DSP proposes to charge an extra £100 per sq m for developments not comprising affordable housing, despite the fact that the same data suggests that it is not viable.</p>	<p>Whilst the Council does not have to follow the viability evidence slavishly (it should seek to reach the right local balance between infrastructure needs and viability after considering its evidence base), the approach is consistent with the evidence that shows the significant impact of the affordable housing policy on schemes of 15 or more dwellings.</p> <p>The viability study is not an affordable housing viability study, but in any event it does not argue that it is not viable for schemes of fewer than 15 dwellings to support affordable housing. Rather it identifies the significant impact of affordable housing once that takes effect at and beyond the current policy threshold of 15 dwellings.</p> <p>The viability study refers to £0/sq. m CIL in the lower value areas only in the event of no</p>

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		<p>3. The Preliminary Draft Charging Schedule (PDCS) report is contradictory, unfair and illogical. On the one hand the government wants CIL charging to have a 'positive economic effect and support the development of the area' (P2.10), but on the other hand it is penalising small developments with <14 dwellings.</p> <p>The Dixon Searle Partnership (DSP) CIL Viability Study informs us that most of the developments in Spelthorne are below the affordable housing threshold i.e. <14 dwellings (para 13). This is particularly the case in the zone with the highest proposed charge – Shepperton and Sunbury.</p> <p>Larger developments (15+) units using S106 agreements may still negotiate the rates depending on specific viability, while for smaller developments the rate is fixed. This creates an inequity in charging by size of development.</p> <p>It is unlikely that communities will more 'readily</p>	<p>differentiation being possible for the affordable housing policy as affects different scales of development. With that form of differential due to be confirmed as possible by the Government, it is appropriate for the Council to reflect in its CIL approach the significant difference that the policy threshold makes; and so to differentiate either side of 14 dwellings.</p> <p>The positive effect of the CIL refers to the ability to create a level of certainty around the delivery of at least some of the required infrastructure to support development and therefore the housing and economic growth of the Borough. As above, this is considered in balance with the viability aspects.</p> <p>It is important to note that CIL will become the Council's main vehicle for supporting community infrastructure other than that required due to site specifics (with substantial s.106 requirements on top of CIL normally required only for larger developments and usually those much larger than defined by the affordable housing threshold). The affordable housing threshold and proposed CIL charging differential linked to that, does not affect the use of CIL and s.106. CIL, which is always non-negotiable and is expected to apply to all sites in Spelthorne.</p> <p>Noted, but not considered to be relevant to the</p>

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		<p>accept growth' (2.1) when most people have an expectation that other taxation (National Insurance, Income tax, VAT, Vehicle Excise Duty etc) funds health, education and transport costs already.</p> <p>This new local taxation will severely impact on small local developers who also contribute to the local economy. Many to my knowledge only do not have the investment potential to handle a development of 1-5 units, or separately a handful of individual developments. Two out of seven stakeholders voiced concerns about the impact of the smallest developments, but his has not been fully considered. It would be preferable is smaller developments, say <5 dwellings were made exempt. This could be measured in both the number of dwellings and floor area to avoid encouraging 'millionaire's row' syndrome - larger houses than is in keeping with the local area.</p>	<p>introduction of CIL</p> <p>It is acknowledged that CIL will influence scheme viability; however this does not come on top of, but is instead of, most s.106 requirements. The differential approach proposed reflects the fact that under current policy unusually the smaller schemes make no contribution towards meeting the Borough's considerable affordable housing needs. Whilst the policy basis may change in future, without fully balancing the large affordable housing policy impact on larger sites, the proposed CIL approach reflects to some degree the considerable differential that that creates. It is not accepted that, at the rates proposed, and associated with the absence of affordable housing viability impact, the proposed differential charging will impact unfairly on smaller schemes and developers.</p>
		<p>4a. There should be a flat rate rather than zonal charging. This discriminates across Spelthorne, and actively discourages smaller developments that the communities prefer.</p> <p>The rate is too high compared to Elmbridge at £125 per sq. m., often regarded as one of the</p>	<p>The zonal charging approach reflects the general values patterns from north to south, as will be associated with new build housing and driving variable viability.</p> <p>With respect to any high-level view of other Councils' charging rates, appropriate</p>

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		wealthiest boroughs.	comparisons must be made. The Council's viability consultants also dealt with Elmbridge Borough on its CIL. That Borough has a range of characteristics so that it also includes mixed values areas but on a less clear geographical basis. It should be noted that affordable housing policies, the impact of which is generally more significant than CIL, affect all Elmbridge housing developments. In common with many others, that Council does not have a high affordable housing threshold so that all schemes contribute subject to viability considerations; smaller schemes are expected to contribute to affordable housing as well as to CIL at £125/sq. m. The approach needs to be considered in the context of the local characteristics and policies etc.
		4b. There is no reason why student accommodation should be exempt.	Student accommodation has not been exempted.
		4c. Agrees the proposed rates for retail development.	Noted.
		4d. Key development areas have been overlooked in Staines and around Heathrow. They should be able to sustain a fair share of contributing to CIL.	See comments above on commercial development: (Representation Ref 5 Surrey Police). Based on current and any short-term projected assumptions undue additional delivery risk would be placed on office, commercial and some retail developments if an additional cost, in the form of CIL, were to be imposed. In the circumstances relevant to considering CIL, this could be

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		<p>The reduced rates for Hotels represents a loophole for exploitation, as Elmbridge Borough Council has already discovered, after introducing CIL last April.</p>	<p>considered prejudicial to the Council's strategy and delivery in terms of the economic growth of the area.</p> <p>It is not accepted that the current proposals represent any form of loophole; as above regard has been had to the appropriate viability overview and the findings associated with the usual marginal, at best, nature of this form of development typically, when considered on its own.</p>
		<p>5.</p> <ul style="list-style-type: none"> • The actual variation in pricing does not seem sufficiently great to justify this level of differential charging across Spelthorne. • Elmbridge is a neighbouring borough, which is fairly relatively similar in composition. It has a flat charging rate for residential properties, and it is lower at £125 per sq m. • The proposed zones wrongly defined. In many of the Values tables, Laleham is shown as the most expensive area yet excluded from the highest charging zone, defined as Shepperton and Sunbury. • The lack of clear link between the charging zones and the rates proposed suggest that the differential charging is political. 	<p>One of the characteristics in Spelthorne is that some of the property values moving northwards in the Borough are at levels such that the viability findings supported by those pointed to a differential approach being considered the most appropriate. That approach both seeks to limit reasonably the impact in the areas where that is more typically a factor and to reflect the typically greater capacity to support viability moving south. The viability outcomes do not provide a linear effect, hence the CIL rates variation, because broadly speaking the cost of development does not vary significantly by location for a similar scheme type, whereas the values do.</p> <p>The level of development and expected contribution to the overall extent of planned growth is also relevant to the consideration of the</p>

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		<ul style="list-style-type: none"> • One of the areas with the most Commercial development potential, around Heathrow is allocated the lowest charging rate. • It might also be argued that the mid rate for Staines would ease the cost of developing the Knowle Green area, which would only benefit the landowner, which happens to be Spelthorne Borough Council. 	<p>CIL; not just variable values and viability. The viability evidence is considered in the context of the amount and likely distribution of new housing. The CIL principles require that lines have to be drawn on a map when a differential approach is used, so that there may be imperfections with those lines but they represent the key characteristics.</p>
		<p>6. This instalments policy plainly makes sense, but still places a high burden in terms of cash flow, particularly for small developers. Following the recession the greatest problem experienced by small local developers was cash flow. Bank loans were more expensive and less available than previously.</p> <p>It would be preferable for this charge to be payable when the developer realises a sale, rather than during the construction phase, which carries the risk that some developments may be mothballed, which is never a desirable outcome for the community or for the local economy.</p>	<p>The Regulations allow for the adoption of an instalments policy and the Council is prepared to consider such a policy which could in particular ease the burden on small builders. Whilst the general points about cashflow are acknowledged, there also needs to be a balance with seeking increased certainty and consistency about the timing of payments in order to support the infrastructure delivery. It is considered that any instalments policy would still need to be based on the commencement of development rather than on the point of sale.</p>
		<p>7. The approach through Sunbury down Green Street is frequently blocked in the rush hour, making it impassable for local residents wishing to reach the Surgery in Green Street. This is exacerbated by the Surgery Policy that requires</p>	<p>Noted. This is a detailed highways proposal dealing with an existing problem which has not been evaluated or costed by the highway authority. It is not considered appropriate to include in the IDP at this stage although if</p>

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		<p>patients to attend to secure an appointment, and return at a later time, doubling the journeys made to the Surgery traffic on Green Street. Improvements to the railway bridge on Green Street would ease congestion approaching the M3 / A 308 roundabout, as it would allow a greater number of vehicles to enter the queuing section immediately before the traffic lights, and would then allow more vehicles to pass through the lights when on green.</p> <p>Additional flood relief measures for the Chertsey to Hampton Court stretch of the river. A number of schemes upstream have made the flood risk greater in the Spelthorne borough. The Environment Agency often claim that the area is too built up for additional measures, but simple measures like dredging and channel clearance would help.</p>	<p>brought forward by the highway authority in the future as a project linked to growth in the area it could still be eligible for CIL funding.</p> <p>It is acknowledged that strategic flood defence measures could be eligible for funding from CIL in the future and the IDP and Reg 123 list will be amended to reflect the response from the Environment Agency (Representation Ref 14)</p> <p>Action</p> <p>Update IDP with latest information on the Lower Thames Scheme provided by the EA and amend draft Reg 123 list to include “strategic flood defence measures”.</p>
		<p>8. Overall it seems likely that the differential charging by zone will expose Spelthorne to criticism on a number of levels. There have already been observations that this must be derived from or to meet some other policy objective. The actual charging rates are also questionable, for being either too high or too low.</p>	<p>The Council has set proposed charges having regard to the variations in viability across the whole Borough. It considers that the differential charges represent the fairest means of applying CIL.</p>

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		<p>A flat rate is the simplest approach.</p> <p>As this proposal will not be re-examined for three years, Spelthorne risks the loss of a lot of development if it sets CIL at levels that will discourage development, and therefore fail to meet the Government's object to maintain the viability of development growth.</p>	<p>The proposed charges have to be based on current viability assessments and cannot be based on any forecast of how economic circumstances might change. The review period is not considered to be unreasonable having regard to the processes set out in the regulations.</p>
12.	Jockey Club	<p>Development proposals for Kempton Park Racecourse are currently at an early stage but a major residential scheme will require considerable supporting infrastructure. Most significant would be major improvements to the Sunbury Cross roundabout. No provision is made for this element in the IDP or draft Reg123 list. The most likely source of funding for a highway improvement of this nature will be via a S106 agreement because of its site specific nature. There are other major development proposals emerging which may rely on the highway improvements to Sunbury Cross and which should also properly contribute its funding.</p> <p>The PDCS currently proposes three different levy rates by reference to geographical zones. It is considered that there is justification for the creation of a further zone where the levy rate would reflect the very considerable potential S106 obligations. Strongly suggest that the PDCS</p>	<p>Noted. The site is within the Green Belt and any future proposals will need to be assessed against current planning policies. It would be inappropriate to speculate on the future of this site and set out special arrangements for it in respect of CIL.</p> <p>Given the current Green Belt status of this site and the speculative nature of proposals for residential development it would be inappropriate in the context of CIL to consider any special consideration for this site in relation to this charging schedule.</p>

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		should recognise that provision may need to be made for a separate charging zone to be established for future major development areas in a future review of the document	
13.	USS Ltd	Notes and welcomes the split rate approach for residential development which acknowledges the impact of providing affordable housing on sites of 15 or more dwellings. However, USS considers that the proposed residential rates would still have an impact on the viability of residential schemes. Smaller residential developments would be less able to absorb additional costs and rates set at this level are likely to have a negative impact on the viability of small residential schemes.	It is acknowledged that there will be a level of viability impact from CIL charging, and this would be the case at any rate; as with any other additional cost. However, the charging rate proposals are set at modest proportions of gross development (sales) values or overall schemes costs and are judged to be appropriate.
		Welcomes the proposed nil rate for offices, commercial and other uses.	Noted, although as noted above, the nil charge is based on current viability work and may be reviewed in due course when the charging schedule is formally reviewed.
14.	Environment Agency	Concerned that flood risk infrastructure is not listed on the Reg 123 list and that consequently CIL monies would not be available to be spent on flood risk infrastructure. Would like to encourage the Lower Thames Scheme to be included to enable CIL contributions to be made to this major flood alleviation project. As an alternative the Council may wish to consider the more generic term of “strategic flood defence measures” in its Reg 123 so that CIL monies can be allocated towards flood defence spending as appropriate in	The Council is aware that the Lower Thames Scheme is a major item of infrastructure which has significant funding requirements. However, at present these costs relate to the whole scheme rather than those affecting Spelthorne specifically and a detailed breakdown is not available. CIL may or may not be an appropriate means of part funding this particular major project although, in recognition of flood defence being a major issue in the Borough, it would be appropriate to include “strategic flood defence

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		<p>the future.</p> <p>The section in the IDP on the Lower Thames Flood Alleviation Scheme needs to be updated in terms of “future requirements“ and “costs and funding”.</p>	<p>measures” in the draft Reg 123 list</p> <p>Action</p> <p>Include reference to “strategic flood defence measures” in Reg 123 list.</p> <p>Agreed that the section on the Lower Thames Scheme in the IDP needs to be updated</p> <p>Action</p> <p>Update IDP with latest information on the Lower Thames Scheme provided by the EA</p>