

Russell, Mark

From: Gareth Kitchen [REDACTED]
Sent: 27 April 2016 09:52
To: _WEB_Local Plan
Subject: CIL consultation

Hi,

The proposed non-negotiable flat rate system seems like a good idea.
To me the existing S108 system has always seemed opaque and ripe for abuse.

Directing a quarter of the levy to parishes with Neighborhood-Parish Plans in place is welcomed as this will ensure local involvement and democratic accountability.

Thanks
Gareth Kitchen

Russell, Mark

From: Wendy Fey [REDACTED]
Sent: 27 April 2016 10:23
To: _WEB_Local Plan
Subject: Funding infrastructure

This is a very sensible proposal, so much simpler than the old complex system. I am very much in favour.

Wendy Fey (Bisley Road)

Sent from my iPad

Russell, Mark

From: Website.Email
Sent: 29 April 2016 09:40
To: _WEB_Local Plan
Subject: Consultation response from website

Follow Up Flag: Follow up
Flag Status: Flagged

Consultation response from website

Name: Colin Vickery

[REDACTED]

Message:

I do not agree with the proposal to raise money for whatever purpose through a tax on development if the use of this money is not required as a consequence of the development. In my opinion it would be unfair and inappropriate.

Russell, Mark

From: Eastington Parish Council [eastingtonparishcouncil@gmail.com]
Sent: 11 May 2016 08:54
To: _WEB_Local Plan
Subject: Re: Public consultation on Community Infrastructure Levy and Planning Obligations Supplementary Planning Document

Eastington Parish Council note that there is no mention of the 15% / 25% of CIL to be given directly to parish councils in the Consultation documents, nor how the payments will be made when an instalment plan is adopted.

regards
Julie

Mrs J Shirley BSc(Hons) FILCM
Parish Clerk - Eastington Parish Council
Tel: 01453 799616

From: Local.Plan@stroud.gov.uk
Sent: Wednesday, 27 April, 2016 3:24 PM
To: PARISH.COUNCILS@stroud.gov.uk
Subject: Public consultation on Community Infrastructure Levy and Planning Obligations Supplementary Planning Document

Dear Town and Parish Councils,

**Public consultation on Community Infrastructure Levy (CIL) Draft Charging Schedule
Public consultation on Draft Planning Obligations Supplementary Planning Document (SPD)**

Stroud District Council is proposing to change the way that infrastructure related to new development is funded in the future.

The Council is planning to introduce a Community Infrastructure Levy (CIL) by 2017. The Government's intention is that CIL will provide a fairer, faster and more certain and transparent system than planning obligations which can cause delay as a result of lengthy negotiations. As CIL is chargeable for every development (e.g. a single dwelling) rather than confined to major schemes (as with existing legal agreements) it is likely to increase substantially the financial resources available to councils to pay for future infrastructure. In addition, 15% of all CIL collected (and 25% if a Neighbourhood Plan is in place) will be given directly to the parish council in which the development is located to provide the community infrastructure considered necessary by that council.

Whilst CIL will remove the need for most planning obligations, they will still be required to provide for affordable housing and on-site infrastructure.

A Community Infrastructure Levy Draft Charging Schedule for Stroud District has now been prepared. This sets out the Council's approach to CIL, the proposed CIL rates by type of development and a draft list of the infrastructure to be funded or part-funded through CIL.

A draft Planning Obligations SPD has also been produced which sets out the types of infrastructure, including affordable housing, which will continue to be funded or part funded through planning obligations (e.g. S.106 legal agreements).

The Council would like to receive your views on these draft documents. Public consultation on both of these documents will take place from **Wednesday 27 April 2016** to **Wednesday 8 June 2016**. Representations are invited by **5pm on Wednesday 8 June 2016**. All comments received by the deadline will be considered. Late representations cannot be accepted.

The document and supporting information can be viewed via the Council's website www.stroud.gov.uk/CILconsultation Alternatively, hard copies can be viewed at the District Council offices, at town and parish council offices open to the public and at public libraries within the District, during normal opening hours.

Representations should be made in writing, either via the Council website www.stroud.gov.uk/CILconsultation or by email to local.plan@stroud.gov.uk or sent to: **CIL consultation, The Planning Strategy Team, Stroud District Council, Ebley Mill, Westward Road, Stroud, GL5 4UB.**

All comments regarding the CIL Draft Charging Schedule will be submitted to the examiner who will consider the Draft Charging Schedule later in 2016.

All comments regarding the Planning Obligations SPD will be considered by the Council before a final SPD is approved later in 2016.

For any further enquiries, please contact the Planning Strategy Team on 01453 754143 or by email.

Regards,

**Planning Strategy Team
Stroud District Council
01453 754143**

www.stroud.gov.uk
local.plan@stroud.gov.uk

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Russell, Mark

From: Paul Cottington [Paul.Cottington@nfu.org.uk]
Sent: 11 May 2016 15:06
To: _WEB_Local Plan
Cc: Alex Stevens; William Frazer
Subject: SW NFU CIL response
Attachments: SW NFU repsonse - Stroud District Council - CIL - May 2016.docx

Dear Sir or Madam

Please find attached the SW NFU response to the Stroud District Local Plan consultation on CIL charges.

Many thanks

Paul Cottington LLM, MSc, MIEEM

SW Environment Adviser
NFU in the South West

Agriculture House, Pynes Hill, Rydon Lane, Exeter, Devon, EX2 5ST
tel: 01392 440713
mob: 07779 257378

The voice of British farming - www.nfuonline.com



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NFU, Registered in England No. 245E



CIL Consultation
The Planning Strategy Team,
Stroud District Council,
Ebley Mill,
Stroud,
Gloucestershire,
GL5 4UB

Your ref: CIL
Our ref: CILstroud16
Email: Paul.cottington@nfu.org.uk
Direct line: 01392 440700
Date: 11th May 2016

Dear Sir/Madam

**Planning Policy – Stroud District Council
Community Infrastructure Levy**

I write as the Environment and Land Use Adviser with the National Farmers' Union in the South West with particular interest in planning and economic development in rural areas. The National Farmers' Union in the South West represents 10,500 farmer and grower members in the region and we write with regard to the Stroud District Local Plan Community Infrastructure Levy on behalf of our membership

With a rapidly growing population, the pressures on land-use are greater than ever before and in a time of food shortage and rising costs for consumers; farmers need to become more productive.

Furthermore, after a long period of poor investment in the industry due to low farming returns, we are now seeing a rise in commodity prices; this along with the rising value of land has meant that farmers are now in a better position to invest in their farming enterprises. Farmers will be seeking permission, for instance, for new, larger agricultural buildings, creating new housing for succession, retirement and expansion of businesses and diversification with a view to increasing their productive capacity to expand to keep up with today's markets and economy.

Farmers also need to respond to regulatory changes. The new Nitrate Vulnerable Zones, for example, will require farmers to store slurry for longer periods over the winter months and this will require much larger slurry tanks and lagoons to be constructed over the next two to three years.

In the Community Infrastructure Levy – Preliminary Draft Charging Schedule; Agriculture is not included therefore not having a set charge. To ensure a clear and fair charging schedule we suggest that the following wording is used for Agriculture, Agriculture Tied Houses and Barn Conversions.

| Development type | Proposed CIL rate per Sq. m. |
|---|-------------------------------------|
| Agricultural Buildings, Agriculture Tied Housing and Barn Conversions | £0 |

“3.21 CIL is to be charged against all net gain in floorspace, and thus the liability to pay CIL can fall on development that benefits from permitted development rights, and thus in its own right does not require planning permission.....In the circumstances of Agricultural

development this has the potential to capture buildings such as Hay Barns, Livestock sheds, Agriculture Tied Houses and Barn Conversions the development of which has no viability. For this reason it is proposed to set agricultural at £0.”


Currently in the Community Infrastructure Levy for dwelling houses will incur a charge of between £0 and £80 per square metre; given the importance of agriculture within this rural area there should be an exemption (zero rating) for all agriculture, agriculturally tied buildings and any barn conversions.

For agriculture to become sustainable in the future it will be essential that developments including all agriculture buildings and structure's, agriculturally tied buildings and any barn conversions are able to gain planning permission easily and without any additional costs.

We look forward to seeing the final draft with the changes made as stated above.

Could any further consultation documents produced in the future be forward to me with a view to what would hopefully be mutually beneficial input on behalf of the agricultural/land owning sector.

Yours sincerely



Paul Cottingham MSc, LLM
SW Environment and Land Use Adviser

Russell, Mark

From: Gov Affairs Temp [GovAffairsTemp@woodlandtrust.org.uk]
Sent: 20 May 2016 11:24
To: _WEB_Local Plan
Cc: Justin Milward
Subject: Public consultation Stroud CIL and SPD
Attachments: Woodland Trust response to Stroud District Council CIL Draft Charging Schedule and Planning Obligations SPD 1 May 2016.docx

Dear Sir/Madam

Please find attached the Woodland Trust response to you CIL and SPD public consultation

Many thanks

Ian Lings

The Woodland Trust is a charity registered in England (No. 294344) and in Scotland (No. SC038885).

A non-profit making company limited by guarantee.

Registered in England No. 1982873.

Registered Office: Kempton Way, Grantham, Lincolnshire, NG31 6LL.

<http://www.woodlandtrust.org.uk>



Woodland Trust comments: Stroud District CIL Draft Charging Schedule and Planning Obligations 2016

Community Infrastructure Levy (CIL) Draft Charging Schedule

Green Infrastructure

Whilst green infrastructure and natural greenspace is being acknowledged with your draft Regulation 123 lists for Stroud District, trees and woodland specifically should also be acknowledged. Stroud District has an above average proportion of ancient woodland at 4.62% compared to a Great Britain average of 2.40%, therefore, it is vital that this natural resource is absolutely protected.

The CIL regulations confirm the definition of infrastructure in the Planning Act 2008, section 216, specifying that 'open spaces' and 'flood defences' are eligible items to be included with a Community Infrastructure Levy (CIL). Sustainable Alternative Natural Green Space (SANGS) should also be acknowledged as being infrastructure requirements to be taken into account with your Draft Regulation 123 List, trees and woodland specifically should also be acknowledged.

Although Stroud is your main town and the focal point for development before other main town centres, such as Cam and Dursley, there is a wealth of natural interest and accessible green space that should also be protected and enhanced throughout your borough, and this is taken into account already with your adopted Local Plan (2015). For example, Policy ES8 (Trees, hedgerows and woodlands) acknowledges ancient woodland as a key component of your County's biodiversity. The Woodland Trust would suggest the Draft Regulation 123 List with your CIL also acknowledges trees and woodland as being part of green infrastructure provision, and is therefore amended so that it can be taken into account more effectively.

The National Policy Planning Framework (NPPF) states that Local planning authorities should set out a strategic approach in their Local Plans, planning positively for the creation, protection, enhancement and management of networks of biodiversity and green infrastructure. (DCLG, March 2012, para 114). In relation to both s106 and CIL, woodland creation should therefore be a key element of green infrastructure provision and natural open space. Tree planting can deliver a wide range of benefits for local communities, in both a rural and urban setting, and this is strongly supported by current national planning policy. The Woodland Trust believes that woodland creation is especially important because of the unique ability of woodland to deliver across a wide range of benefits – see our Report *The Economic Benefits of Woodland* - . <https://www.woodlandtrust.org.uk/mediafile/100523043/RR-WT-060315-economic-benefits-woodland.pdf>

The Town and Country Planning Act 1990, as amended, sets out the duties of the local planning authority when it is considering planning applications. Section 70(2) states that:

“In dealing with such an application the authority shall have regard to the provisions of the development plan, so far as material to the application, and to any other material considerations.”

Section 197 requires the local planning authority:

“To ensure whenever it is appropriate that, in granting planning permission for any development, adequate provision is made by the imposition of conditions for the preservation or planting of trees,”

To make such orders (Tree Preservation Orders) under Section 198 as appear to the authority to be necessary in connection with the grant of such permission, whether for giving effect to such conditions or otherwise”.

In addition the Natural Environment and Rural Communities Act 2006 places a duty on local authorities to have regard to the conservation of biodiversity in exercising their functions.

Woodland creation also forms a significant element of the Government Forestry Policy Statement (Defra Jan 2013): ‘We believe that there is scope for increasing England’s woodland cover significantly to deliver economic, social and environmental benefits. We want to see significantly more woodland in England. We believe that in many, although not all, landscapes more trees will deliver increased environmental, social and economic benefits. We particularly want to see more trees and woodlands in and around our towns and cities and where they can safeguard clean water, help manage flood risk or improve biodiversity’.

Also, although strategic flood risk measures and sustainable drainage systems are being taken into account, the role which trees and woods, planted in appropriate locations, can play in alleviating certain types of flooding and improving water quality should also be acknowledged with your Regulation 123 List. The Woodland Trust believes that trees and woodlands can deliver a major contribution to resolving a range of water management issues. They offer opportunities to make positive water use change whilst also contributing to other objectives, such as biodiversity, timber & green infrastructure - see the Woodland Trust publication Woodland actions for biodiversity and their role in water management <http://www.woodlandtrust.org.uk/mediafile/100083927/Woodland-actions-for-biodiversity-and-their-role-in-water-management.pdf> Also our Slowing the Flow report published this year should also be taken into account <http://www.woodlandtrust.org.uk/mediafile/100188521/lga-flood-report.pdf>

The water-related services that trees can provide should also be acknowledged with your Regulation 123 List. Trees in the right place can support reducing flood risk, stabilizing river banks, reduce nitrate levels in groundwater as well as reducing agricultural diffuse pollution in waterbodies. Therefore, investigating the potential for natural approaches to flood risk management, including the planting of trees and hedgerows and ensuring planning is made aware of the role trees can play in terms of reducing flood risk when considering any threat to existing trees and woods with proposed development, and especially the role of trees in SuDS schemes, should be taken into account. Also, the Woodland Trust can provide guidance where trees and woods can also be acknowledged with land management and site screening for retained allocations in Stroud District, and also for new development.

Therefore in conclusion, the Woodland Trust would suggest the Draft Regulation 123 List with your CIL also acknowledges trees and woodland as being part of green infrastructure provision, and is therefore amended so that it can be taken into account more effectively to read:

‘ Provision of open space, green space, new woodland creation, leisure and recreation.’

Draft Planning Obligations SPD

Whilst woodlands are being acknowledged as being part of green infrastructure contributions, and this is supported, the Woodland Trust would like this category to also include trees and woodland. Woodland has an ability to deliver most of the benefits of other types of natural greenspace but also has some important additional benefits for local people. Woodland can accommodate significant numbers of people without them feeling crowded, it can absorb pollutants and produce oxygen to purify the area, it can provide a pleasant and cool area for recreation in times of hot weather and there is increasing evidence that walking in woodland makes people feel good and can even deliver improvements to mental and physical health. There is evidence that in streets which have trees along them, house prices can be significantly higher than in streets without trees (Forestry Commission: The Case for Trees. 2010) [http://www.forestry.gov.uk/pdf/eng-casefortrees.pdf/\\$FILE/eng-casefortrees.pdf](http://www.forestry.gov.uk/pdf/eng-casefortrees.pdf/$FILE/eng-casefortrees.pdf).

Creating woodland with developer contributions can also be good from the perspective of maintenance. Research by the Woodland Trust and outlined in our report "Trees or Turf", has shown that the management costs of woodland in urban area are significantly less than the costs of equivalent areas of short mown grass. This report can be found on our website at: <https://www.woodlandtrust.org.uk/mediafile/100083921/trees-or-turf-report.pdf>

. Therefore, inclusion of small areas of woodland in larger developments or using developer contributions to create woodland offsite can be very cost effective in terms of ongoing management for your local authority, and this should also be taken into account with your Planning Obligations SPD.

Also, given that trees and woods can deliver a wide range of green infrastructure benefits for place making for local communities, in both a rural and urban setting, and this is strongly supported by current national planning policy, the Woodland Trust would like to see a specific paragraph added supporting woodland creation as a key planning obligation tool to deliver green infrastructure.

We also consider that the Council has a statutory duty to protect trees and promote tree planting in an Open Space Study. **Section 197 of the Planning Act (1990)** states:

197. Planning permission to include appropriate provision for preservation and planting of trees.

'It shall be the duty of the local planning authority – to ensure, whenever it is appropriate, that in granting planning permission for any development adequate provision is made, by the imposition of conditions, for the preservation or planting of trees.'

The **National Planning Policy Framework (NPPF)** also supports the need for more habitat creation by stating that: *'Local planning authorities should: set out a strategic approach in their Local Plans, planning positively for the creation, protection, enhancement and management of networks of biodiversity and green infrastructure'*, (DCLG, March 2012, para 114). Also para 117 states that: *'To minimise impacts on biodiversity and geodiversity, planning policies should:....promote the preservation, restoration and re-creation of priority habitats, ecological networks and the protection and recovery of priority species populations, linked to national and local targets, and identify suitable indicators for monitoring biodiversity in the plan'*.

Creating a great place for living: Defra's strategy to 2020 (Defra, EA, NE, FC Jan 2016) contains the aspirations -

- Increased biodiversity, improved habitat and expanded woodland areas.
- 11 million trees planted.

The **England Biodiversity Strategy** which makes it clear that expansion of priority habitats like native woodland remains a key aim - *'Priority action: Bring a greater proportion of our existing woodlands into*

sustainable management and expand the area of woodland in England', (*Biodiversity 2020: A strategy for England's wildlife and ecosystems services*, DEFRA 2011, p.26).

A reading of these policies in the National Planning Policy Framework together with the England Biodiversity Strategy indicates that habitat expansion, like native woodland creation, should form a high priority with your Charging Schedule and Planning Obligations.

Woodland creation also forms a significant element of the **Government Forestry Policy Statement** (Defra Jan 2013): '*We believe that there is scope for increasing England's woodland cover significantly to deliver economic, social and environmental benefits. We want to see significantly more woodland in England. We believe that in many, although not all, landscapes more trees will deliver increased environmental, social and economic benefits. We particularly want to see more trees and woodlands in and around our towns and cities and where they can safeguard clean water, help manage flood risk or improve biodiversity*'.

Other benefits of tree planting include –

Urban heat island: Trees and woods can reduce the impact of the 'urban heat island effect' which occurs when hard surfaces in summer act as giant storage heaters, absorbing heat during the day and releasing it at night. Dramatic summer temperature differences of as much as 10°C between London and its surrounding areas have been recorded, which in turn exacerbate the symptoms of chronic respiratory conditions. Projections suggest this problem will get markedly worse. A study by the University of Manchester has shown that increasing tree cover in urban areas by 10% could decrease the expected maximum surface temperature in the 2080s by up to 4°C.

Air quality: Trees further improve air quality through the adsorption of particulates from vehicle emissions and other sources - such that it has been estimated that doubling the tree cover in the West Midlands alone would reduce mortality as a result of poor air quality from particulates by 140 people per year. (Stewart, H., Owen S., Donovan R., MacKenzie R., and Hewitt N. (2002). *Trees and Sustainable Urban Air Quality*. Centre for Ecology and Hydrology, Lancaster University). The Woodland Trust has also published a new report on how trees can specifically help improve air quality - see our **Urban Air Quality publication** - <http://www.woodlandtrust.org.uk/publications/2012/04/urban-air-quality/> .

Water management - flooding: Throughout the UK winter is predicted to be wetter and summers drier and there is also a predicted increase in the frequency of very heavy rainfall. Trees can reduce the likelihood of surface water flooding, when rain water overwhelms the local drainage system, by regulating the rate at which rainfall reaches the ground and contributes to run off. Slowing the flow increases the possibility of infiltration and the ability of engineered drains to take away any excess water. This is particularly the case with large crowned trees. Research by the University of Manchester has shown that increasing tree cover in urban areas by 10 % reduces surface water run-off by almost 6%. This is particularly relevant to your two headings 'Our Water – Flood Risk (p.9) and 'Our Water Quality' on p.10. see the Woodland Trust's **Trees in our Towns** publication - <http://www.woodlandtrust.org.uk/publications/2012/12/trees-in-our-towns/>

Good examples of local planning policy in this regard are provided by –

Adoption of the Dudley Revised Planning Obligations SPD - June 2015

84. Harm to the Nature Conservation value of a site will be resisted by planning policy. There are some sensitive locations in the Borough that are protected where mitigation/compensation measures would be avoided, and therefore development resisted. For example, it would not be possible to mitigate the loss of, or replace, ancient woodland

Shropshire Council: Site Allocations and Management of Development (SAMDev) Plan - Adoption Dec 2015

MD2 Sustainable Design

Further to Policy CS6, for a development proposal to be considered acceptable it is required to:

5. Consider design of landscaping and open space holistically as part of the whole development to provide safe, useable and well-connected outdoor spaces which respond to and reinforce the character and context within which it is set, in accordance with Policy CS17 and MD12 and MD13, including.

i. Natural and semi-natural features, such as, trees, hedges, woodlands, ponds, wetlands, and watercourses, as well as existing landscape character, geological and heritage assets

iv. ensuring that ongoing needs for access to manage open space have been provided and arrangements are in place for it to be adequately maintained.

The Woodland Trust would therefore like to see an additional paragraph inserted to Green Infrastructure to read: “Development proposals will be expected to provide for appropriate tree planting to benefit recreation & amenity, health & wellbeing and water flow & quality as well as wildlife and landscape.”

Other Comments on CIL Draft Charging Schedule and Draft Planning Obligations SPD

Whilst monitoring and enforcement is being acknowledged with your Draft CIL and SPD, this is only being acknowledged as being necessary every so often, such as every three years. Both the CIL and SPD should also acknowledge the value of monitoring which fits in with your Local Plan and the implementation of your planning policies and enables an assessment of their effectiveness. As a Local Planning Authority you are required to publish an Annual Monitoring Report (AMR) to assess the effectiveness of policies and guidance that forms part of the local development plan. The NPPF supports the need for more habitat creation by stating that: ‘*Local planning authorities should: set out a strategic approach in their Local Plans, planning positively for the creation, protection, enhancement and management of networks of biodiversity and green infrastructure*’, (DCLG, March 2012, para 114). Also para 117 states that: ‘*To minimise impacts on biodiversity and geodiversity, planning policies should:....promote the preservation, restoration and re-creation of priority habitats, ecological networks and the protection and recovery of priority species populations, linked to national and local targets, and identify suitable indicators for monitoring biodiversity in the plan*’.

Monitoring is being taken into account with your Local Plan (2015), but effective monitoring also needs to be put in place with your CIL, so as to highlight any effective delivery. Therefore, maintaining a high quality natural environment should also be defined as a measurable objective of a planning obligation and your CIL Charging Schedule as well, such as woods and trees and canopy cover. Local Planning Authorities should identify suitable indicators for monitoring the plan, and ‘net gain’ should be identified as something that should be measured with a Charging Schedule. Therefore, measuring indicators such as development within the Green Belt and planning decisions that affect climate change and the impact

of a development on the landscape, should also be taken into account with the monitoring of your CIL Charging Schedule and SPD Planning Obligations for Stroud District Council relating to sustainable building and places.

Please do not hesitate to get in touch with me if you have any queries arising from this response.

Yours sincerely,

Ian Lings

Local Planning Support Volunteer

Russell, Mark

From: Tracy Organ [REDACTED]
Sent: 24 May 2016 15:10
To: _WEB_Local Plan
Subject: Community Infrastructure Levy and Planning Obligations

Comments for the Consultation:

The CIL exemption for **Self Builders** must be upheld as specified in the government's Planning Practice Guidance.

(Having said this, there might be a case for requiring larger self-build homes e.g. over 250sqm (which are less likely to be sustainable) to make a contribution.)

As per the recent Court of Appeal judgement, Planning Obligation payments (s.106) should not be levied against **Self Builders** (as opposed to Developers who make a profit).

Self Builders should be supported and encouraged to create high-quality, sustainable homes; not deterred or penalised by yet another tax. Significant tax revenues are already generated directly and indirectly by land transactions and are also generated by the employment of construction contractors and purchases from local suppliers.

SDC could do much more to encourage the sustainable self-building of homes for local people. As of today (24th June 2016) there are no results when 'self build' or similar terms are searched on the council's website and there is no link to access a formal Self Build Register so that residents can express their interest.

Please acknowledge receipt of this email and redact my personal details when publishing - thank you.

Mrs T Organ

Russell, Mark

From: Sue Bailey [clerk@wotton-under-edge.com]
Sent: 25 May 2016 11:28
To: _WEB_Local Plan
Subject: response to consultation on CIL Draft Charging Schedule

Hi
I am sending you the response below from Wotton-under-Edge Town Council on the above consultation.

We suggest that for Strategic Sites identified in the Local Plan, the CIL rate should not be £0/m2 but an agreed amount to allow Parish and Town Councils to use their part of the CIL to increase facility within their parishes affected by the said developments.

Regards
Sue Bailey



Clerk to the Council: Ms Sue Bailey (BA Hons, CILCA, MILCM)



*Town Council Offices, Civic Centre, 2 Gloucester Street, Wotton-under-Edge, Gloucestershire, GL12 7DN
Tel: 01453 843210 Fax: 01453 845055 Email: clerk@wotton-under-edge.com
Website: www.wotton-under-edge.com Office Hours: Monday, Wednesday, Friday 9am to 12.30pm
Wotton-under-edge Town Trust Reg Charity No.203466*

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Russell, Mark

From: Sheral Gardner [sheral.gardner@stroudtown.gov.uk]
Sent: 25 May 2016 14:32
To: _WEB_Local Plan
Cc: Helen Bojaniwska
Subject: Public consultation on Community Infrastructure Levy and Planning Obligations Supplementary Planning Document

Dear Sirs

Stroud Town Council has the following views on the draft documents:

- We recommend Annex 2 – Social infrastructure, should include facilities for burial grounds and related infrastructure.
- The infrastructure requirements identified in the Neighbourhood Development Plan should be mentioned
- The reference to older peoples housing in Table 1 on page 5 was not clear. Could this be explained and defined

Kind regards

Sheral Gardner

Assistant Town Clerk, Stroud Town Council, Thanet House, 58 London Road, Stroud GL5 2AD
Mon-Thurs 9.00am-5.00pm
Tel: 01453 762817
www.stroudtown.gov.uk

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Russell, Mark

From: Everitt, Helen [Helen.Everitt@severntrent.co.uk]
Sent: 01 June 2016 09:50
To: _WEB_Local Plan
Subject: RE: Public consultation on Community Infrastructure Levy and Planning Obligations Supplementary Planning Document

Follow Up Flag: Follow up
Flag Status: Flagged

Dear Sir/Madam,

Thank you for the opportunity to comment on your consultation.

We have no specific comments in relation to this consultation at this time, with regards to the implications of calculating the CIL, the cost for providing water and waste water infrastructure is by a combination of developer and Severn Trent contributions via customer charges as established by legislation and agreed by Ofwat. Costs for water and waste water therefore need not be included in the CIL.

Regards

Helen Everitt
Growth and Water Efficiency Analyst
Environmental Planning and Strategy
growth.development@severntrent.co.uk

From: Local.Plan@stroud.gov.uk [mailto:Local.Plan@stroud.gov.uk]
Sent: 27 April 2016 15:16
Subject: Public consultation on Community Infrastructure Levy and Planning Obligations Supplementary Planning Document

Dear Sir/Madam,

Public consultation on Community Infrastructure Levy (CIL) Draft Charging Schedule
Public consultation on Draft Planning Obligations Supplementary Planning Document (SPD)

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Whilst CIL will remove the need for most planning obligations, they will still be required to provide for affordable housing and on-site infrastructure.

A Community Infrastructure Levy Draft Charging Schedule for Stroud District has now been prepared. This sets out the Council's approach to CIL, the proposed CIL rates by type of development and a draft list of the infrastructure to be funded or part-funded through CIL.

A draft Planning Obligations SPD has also been produced which sets out the types of infrastructure, including affordable housing, which will continue to be funded or part funded through planning obligations (e.g. S.106 legal agreements).

The Council would like to receive your views on these draft documents. Public consultation on both of these documents will take place from **Wednesday 27 April 2016 to Wednesday 8 June 2016**. Representations are invited by **5pm on Wednesday 8 June 2016**. All comments received by the deadline will be considered. Late representations cannot be accepted.

The document and supporting information can be viewed via the Council's website www.stroud.gov.uk/CILconsultation Alternatively, hard copies can be viewed at the District Council offices, at town and parish council offices open to the public and at public libraries within the District, during normal opening hours.

Representations should be made in writing, either via the Council website www.stroud.gov.uk/CILconsultation or by email to local.plan@stroud.gov.uk or sent to: **CIL consultation, The Planning Strategy Team, Stroud District Council, Ebley Mill, Westward Road, Stroud, GL5 4UB.**

All comments regarding the CIL Draft Charging Schedule will be submitted to the examiner who will consider the Draft Charging Schedule later in 2016. All comments regarding the Planning Obligations SPD will be considered by the Council before a final SPD is approved later in 2016.

For any further enquiries, please contact the Planning Strategy Team on 01453 754143 or by email.

Regards,

**Planning Strategy Team
Stroud District Council
01453 754143**

www.stroud.gov.uk
local.plan@stroud.gov.uk

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Russell, Mark

From: Raakhee Patel [Raakhee.Patel@sportengland.org]
Sent: 01 June 2016 14:42
To: _WEB_Local Plan
Subject: Stroud District Local Plan: CIL Draft Charging Schedule (April 2016)_Sport England comments

Follow Up Flag: Follow up
Flag Status: Flagged

Dear Sir / Madam,

Thank you for consulting Sport England on the above local plan document.

In order to provide an informed response, Sport England has considered the Council's CIL Draft Charging Schedule (April 2016) alongside the Draft Planning Obligations SPD (April 2016), which will be referenced in the response.

As the Council will be aware, once CIL is in place, no more obligations may be collected in respect of a specific infrastructure project or a type of infrastructure through a Section 106 agreement, if five or more obligations for that project or type of infrastructure have already been entered into since 6 April 2010, and it is a type of infrastructure that is capable of being funded by the levy.

The Council's CIL Regulation 123 list sets out what CIL will be spent on. It is understood sports infrastructure will be funded or part funded through CIL. Whilst it is good that the Council are seeking CIL to fund sports provision, Sport England would recommend that the CIL Regulation 123 list should state specifically what is needed and this should be underpinned by a robust need and evidence base. **It is noted that the Stroud District Local Plan is not underpinned by a robust and up-to-date assessment of need for sport. The Council need to remedy this to ensure a sound local plan.**

Paragraph 73 of the NPPF requires local authorities to undertake a robust and up to date assessment of need for outdoor and indoor sports provision and to use the assessment to identify specific need, deficiencies/surpluses in both quantity and quality within their area and therefore understand what provision is required. Sport England would highly recommend that the Council undertake a playing pitch strategy (PPS) as well as assessing the needs and opportunities for sporting provision. Sport England provides comprehensive guidance on how to undertake both pieces of work:

Playing Pitch Strategy

<http://www.sportengland.org/facilities-planning/planning-for-sport/planning-tools-and-guidance/playing-pitch-strategy-guidance/>

Built Sports Facilities

<https://www.sportengland.org/facilities-planning/planning-for-sport/planning-tools-and-guidance/assessing-needs-and-opportunities-guidance/>

Sport England believes that providing the right facilities in the right place is central to enabling people to play sport and maintain and grow participation. An assessment of need will provide a clear understanding of what is required in an area, providing a sound basis on which to develop policy, and make informed decisions for sports development and investment in facilities. It is essential that the evidence of sporting needs and priorities is fed into the Council's Draft Planning Obligations SPD (April 2016) and the CIL Regulation 123 list.

Due to the pooling restrictions in place, the Council will need to think strategically and plan effectively for sports infrastructure delivery in the future, linking development sites with specific projects to meet identified sporting needs. This will enable the Council to take a proactive approach to ensure the most effective use of planning obligations and CIL together to help meet the needs of the existing and new population.

Sport England therefore recommends that the CIL Draft Charging Schedule clarifies that:

- a. Confirmation that S106 agreements will be used to secure new sports facilities needed to meet new demand arising from development for sports facilities (indoor and outdoor) where not already sought through the CIL (e.g. CIL may be used to fund a new leisure centre to meet growth in demand for swimming pools BUT S106's would be used to fund all outdoor sport).

If you would like to discuss any of the above comments further or require any additional information or advice please contact me via the details below.

Yours Sincerely,

Raakhee Patel
Planner

T: 07801049881
M: 07801049881
F: 020 7383 5740
E: Raakhee.Patel@sportengland.org



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Russell, Mark

From: Jones, Tessa R [tessa.jones@environment-agency.gov.uk]
Sent: 03 June 2016 13:51
To: _WEB_Local Plan
Subject: EA response to the CIL and Planning Obligations SPD Consultation
Attachments: SV-2010-104083-SD-02-IS1-L01 - Stroud CIL and Planning Obligations SPD.pdf




Dear Sir/Madam,

Please find attached our comments in relation to the above consultation.

Kind regards,

Tessa Jones

*Planning Advisor
Sustainable Places
Environment Agency - Shropshire, Herefordshire, Worcestershire and Gloucestershire Area*

 722 4381 (Jabber - 51700) / 02030251700
 tessa.jones@environment-agency.gov.uk
 Riversmeet House, Northway Lane, Tewkesbury, Gloucestershire, GL20 8JG

Please note: the Environment Agency have updated their climate change allowances for planners. See [Flood risk assessments: climate change allowances](#).



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Planning Strategy Team
Stroud District Council
Ebley Mill
Westward Road
Stroud
GL5 4UB

Our ref: SV/2010/104083/SD-
02/IS1-L01

Date: 03 June 2016

Dear Sir/Madam

Consultation on the Community Infrastructure Levy (CIL) Draft Charging Schedule (April 2016) and Draft Planning Obligations Supplementary Planning Document (SPD) (April 2016)

I refer to your email dated 27 April 2016, the Draft Planning Obligations SPD and CIL Draft Charging Schedule, which we received on 27 April 2016.

As you are aware, we have previously provided comments in respect of the CIL Preliminary Draft Charging Schedule consultation on 9 April 2014 (letter reference SV/2010/104083/OR-02/IS1-L01).

CIL Draft Charging Schedule:

Part 11, Section 216(2) of the Planning Act 2008 (as amended) specifies that CIL can be used to fund a wide range of infrastructure, including flood defences and open space. Paragraph ID 25-071-20140612 of the National Planning Practice Guidance (PPG) is clear that the levy is intended to focus on the provision of new infrastructure. However, the levy can also be used to increase the capacity of existing infrastructure or to repair failing infrastructure, if that is necessary to support development.

We note Annex 2 (Indicative Draft Regulation 123 List) of the draft Schedule, clearly defines what CIL and Planning Obligation (Section 2016 (s106) payments are used for. We welcome the inclusion of Green Infrastructure and Strategic Flood Risk Measures in respect of both.

Flood Mitigation Measures

It is important that the term 'strategic flood risk measures' is used here in a broad sense. For example this could also include 'Flood Warning Service provision (maintenance, forecasting, warning and modelling)' all of which can support the provision of flood risk infrastructure.

We note reference is made to 'improvements to Severn Estuary flood defences'. We recommend this is re-worded to ensure is it applicable to all strategic flood defences / mitigation, not just flood defences along the Severn Estuary.

Environment Agency
Newtown Industrial Estate (Riversmeet House) Northway Lane, Tewkesbury, Gloucestershire, GL20 8JG.
Customer services line: 03708 506 506
www.gov.uk/environment-agency

Cont/d..

Essentially we are keen to ensure that the term ‘flood risk measures’ are taken to have a wider meaning of ‘flood risk management infrastructure’ so as to include not just ‘hard’ defences, but also things like maintenance, forecasting, warning and modelling etc. – i.e. all those things that are required to make the hard defences and general management of flood risk happen. We feel the wording in the Annex 2 may need some alteration to reflect this.

Green Infrastructure

We consider the inclusion of Water Framework Directive (WFD) waterbody improvements would be appropriate here. Under the WFD there are requirements to enhance waterbodies through development, and ensure that development does not lead to deterioration in waterbodies. Many waterbodies in Stroud District are currently below Good Ecological Status and therefore failing their WFD targets to achieve Good Status by 2027. Enhancements can take the form of water quality improvements by installing Sustainable Drainage Systems (SuDS), fisheries improvements by removing redundant structures from watercourses and improving the general habitat of watercourse and their bank-sides. As such we consider it is appropriate to ensure these WFD elements of GI are included within the CIL 123 List.

Draft Planning Obligations SPD:

We note it is your Council’s intention to continue to use s106 agreements to fund infrastructure projects needed to mitigate those matters directly related to site specific issues.

Flood Alleviation

We note Part 2, Section 3 of the SPD outlines types of contributions associated with Flood Risk Alleviation and Drainage Methods. This primarily relates to surface water drainage.

With reference to our Medium Term Plan (6 year plan) for Flood Alleviation Schemes (FAS) we have nine projects listed relevant to your Council’s area:

- **Cam (River Cam) property level protection;**
- **Cambridge, Gloucestershire Flood Alleviate Scheme;**
- **Quedaley, River Severn, Dimore outfall repairs;**
- **Dudbridge (River Frome/Stroud Water Canal/Nailsworth Stream), property level protection;**
- **Gloucester to Tewkesbury (River Severn), property level protection;**
- **Nailsworth (Nailsworth Stream/Miry Brook/Horsely Brook), property level protection;**
- **River Severn, Upper Framilode Flood Alleviation Scheme;** and
- **Slimbridge Culvert Improvements.**

In addition to new schemes, planning obligations should consider the retention of existing publically funded FAS such as the cost of ongoing maintenance and deployment (where relevant). The existing FAS have been constructed to protect existing properties from flooding and should not be used to enable new development. However, in cases where a new development is reliant on an existing FAS it can be considered necessary, directly related and reasonable for a planning obligation to secure a proportionate sum towards the significant costs of maintaining, storing and operating (where relevant) the FAS. We would be happy to discuss a methodology and to provide examples for calculating costs for an existing scheme with you.

Flood Warning Service – We would also recommend that a planning obligation could

be used to secure developer contributions towards our flood warning system where a development is dependent on this service i.e. for flood evacuation and management. We generally recommend a contribution of £1,000 per new dwelling towards our flood warning system. Non-residential schemes would be advised on an individual basis.

We would like to comment that in the absence of contributions, the cost of flood warning and any 'maintenance, rebuild, or structural alterations' of FAS would potentially place an increased burden on the public purse. It may also place additional burden/ risk to life on the emergency services and/or any rescuers.

Other Areas for Planning Obligations

Contaminated Land - we would identify monitoring and remediation requirements as relevant to the forthcoming SPD. Groundwater planning obligations may be required to ensure that remediation works are carried out and where relevant, to require notification of any significant unsuspected contamination encountered during development. For example, this can include an agreement for monitoring of groundwater which cannot be dealt with using planning conditions i.e. in some circumstances there will be a need for the developer to provide continued and/or off site groundwater and surface water monitoring and any further remediation measures required (after planning conditions have been discharged) as part of a planning obligation. This is likely to have a cost implication.

I trust that this information is of use to you at this time. Please do not hesitate to contact us to discuss further if necessary.

Yours faithfully

Mrs Tessa Jones
Senior Planning Advisor

Direct dial 02030 251700

Direct e-mail tessa.jones@environment-agency.gov.uk

Russell, Mark

From: Philip Staddon [philipstaddon@blueyonder.co.uk]
Sent: 03 June 2016 16:58
To: _WEB_Local Plan; Russell, Mark
Subject: CIL Consulation - response of Bathurst Ltd
Attachments: Stroud CIL - Response of Bathurst Ltd..pdf

Importance: High

Follow Up Flag: Follow up
Flag Status: Flagged

Mark / Local Plan team,

Please find attached a response to the CIL consultation. I would be grateful if you would confirm safe receipt.

Kind regards,

Phil

Philip Staddon BSc, Dip, MBA (Distinction), MRTPI.
Managing Director - PJS Development Solutions Ltd.
Tel 01452 546169 / 07923 697833
E: philipstaddon@blueyonder.co.uk
Web: www.pjs-development-solutions.co.uk



www.pjs-development-solutions.co.uk

Tel: 01452 546169 / 07923 697833

Email: philipstaddon@blueyonder.co.uk

Mr. Mark Russell
CIL Consultation
The Planning Strategy Team
Stroud District Council
Ebley Mill
Westward Road
Stroud
GL5 4UB

3 June 2016

Dear Mr. Russell,

Stroud District Community Infrastructure Levy (CIL) – Consultation on Draft Charging Schedule – Response of Bathurst Ltd.

Thank you for the opportunity to comment on the Council's Draft Charging Schedule and its associated evidence base.

Bathurst Ltd is a mature and seasoned developer / landowner, with interests across the Stroud district. Its largest current development proposal is the strategic mixed-use development allocation at NE Cam, known as Millfields.

A comprehensive Outline planning application for a development fully in accordance with the Local Plan allocation, under Policy SA3, was lodged in December 2015 and is awaiting determination (S.15/2804/OUT).

Bathurst Ltd offers the following responses to the CIL consultation:

1. Support for the £0 CIL charge on strategic sites (including Millfields)
Bathurst Ltd supports the approach of setting CIL at £0 on strategic sites. These sites are heavily burdened with enabling and infrastructure costs. They are critical to new housing and employment delivery in the district. They cannot sustain additional infrastructure burdens if they are to successfully deliver the homes and job opportunities set out in the Local Plan.

2. 'North East Cam Strategic Allocation (SA3) Infrastructure Position Statement'

This statement, included in the Council's evidence base, has not been previously seen by Bathurst Ltd. It is not an agreed document. It is out of date and contains many inaccuracies, including matters not previously discussed with Bathurst Ltd.

3. The Council's viability evidence

Whilst we support the £0 rate on strategic sites, we are puzzled by the Council's evidence base and concerned that it may paint a rosier picture than the reality on strategic sites.

At the Preliminary DCS stage, the Council's viability evidence indicated that none of the strategic sites could achieve viability at, or even close to, the benchmark land value. This was even so when affordable housing costs were removed in their entirety i.e. 0% affordable housing content.

However, at this current DCS stage, the Council's evidence now indicates that all strategic sites can achieve viability with full 30% affordable housing. It is difficult to understand this dramatic turnaround in modelled viability in such a short space of time. This is particularly so on SA 3, where known infrastructure costs have increased.

As the Millfields site is subject to a proposed £0 CIL, we have not undertaken a forensic analysis of the Council's viability modelling. However, we are unclear whether the heavy (and additional) enabling costs associated with large strategic sites have been factored in to the appraisals. Often termed the 'Harman' costs, these are estimated (in the Harman Report) to be in the order of £17k – £23k per plot.

4. Millfields infrastructure requirements

Bathurst Ltd's approach to the SA 3 development has been Development Plan led. Bathurst Ltd contributed to the Local Plan process and awaited adoption of the Plan prior to lodging its application. Bathurst Ltd assumed this would give certainty around S.106 obligations. It has worked diligently through the 'shopping list' under SA 3 and will deliver virtually everything asked.

However, Bathurst Ltd's experience is that substantial new S.106 requests and demands are now being made. These include requests to fund police stations, health facilities, ecological mitigation for the river Severn Estuary (over 5 kilometres away), the construction of employment development (irrespective of occupier demand) and, potentially, a contribution to a motorway junction upgrade (M5 - J.14).

None of these infrastructure demands were set out in Policy SA3, nor are they fully reflected in the Council's CIL viability modelling.

5. The Regulation 123 list

Bathurst considers that the R.123 list is vague and generalised and does not give the precision and transparency required. For strategic sites, the S.106 infrastructure requirements should be limited to those clearly set out in the site-specific Local Plan policy (SA 3 for Millfields).

The Regulation 123 list should pick up, with clarity and precision, other projects, rather than adding them to already heavily burdened strategic schemes, which are critical to the delivery of the Local Plan. Bathurst Ltd consider that the list should certainly include projects like any M5 / J.14 upgrade, which has never previously been identified as a requirement linked to the Millfields development (Millfields has a negligible impact on the junction).

Bathurst Ltd remains supportive, in principle, of the Council's endeavours to introduce a CIL regime. In many ways, our concerns set out above just underline and emphasise the case for a £0 CIL on the strategic sites. However, it is important that the above concerns are noted and that the Council responds to them.

It is quite possible that the Council may be able to provide full responses and clarifications, which may address some or all of Bathurst Ltd's concerns. We encourage and welcome such a dialogue. However, it is important that Bathurst Ltd records these matters.

We trust the Council will carefully consider these views and respond accordingly.

Yours sincerely,

P. Staddon

Philip Staddon BSc, Dip, MBA (Distinction), MRTPI

Managing Director – PJS Development Solutions Ltd

Russell, Mark

From: Fleming, Hayley (NE) [Hayley.Fleming@naturalengland.org.uk]
Sent: 06 June 2016 11:47
To: _WEB_Local Plan
Subject: Public consultation on Community Infrastructure Levy and Planning Obligations Supplementary Planning Document
Attachments: 184599-Planning Obligations SPD, Stroud.pdf; 184595-CIL, Stroud.pdf
Follow Up Flag: Follow up
Flag Status: Flagged

Dear Sir/Madam

Please find NE's responses attached, confirming no comments.

Kind regards,

Hayley Fleming

Lead adviser – Planning (Tewkesbury, Cheltenham, Gloucester & Stroud)
Sustainable Development Team
South Mercia Area
Natural England

Natural England, County Hall, Spetchley Road, Worcester WR5 2NP

Tel: 020802 60955
Mob: 07769947717

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<http://www.naturalengland.org.uk/>

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From: Local.Plan@stroud.gov.uk [<mailto:Local.Plan@stroud.gov.uk>]
Sent: 27 April 2016 15:16
Subject: Public consultation on Community Infrastructure Levy and Planning Obligations Supplementary Planning Document

Dear Sir/Madam,

**Public consultation on Community Infrastructure Levy (CIL) Draft Charging Schedule
Public consultation on Draft Planning Obligations Supplementary Planning Document (SPD)**

Stroud District Council is proposing to change the way that infrastructure related to new development is funded in the future.

The Council is planning to introduce a Community Infrastructure Levy (CIL) by 2017. The Government's intention is that CIL will provide a fairer, faster and more certain and transparent system than planning obligations which can cause delay as a result of lengthy negotiations. As CIL is chargeable for every development (e.g. a single dwelling) rather than confined to major schemes (as with existing legal agreements) it is likely to increase substantially the financial resources available to councils to pay for future infrastructure. In addition, 15% of all CIL collected (and 25% if a Neighbourhood Plan is in place) will be given directly to the parish council in which the development is located to provide the community infrastructure considered necessary by that council.

Whilst CIL will remove the need for most planning obligations, they will still be required to provide for affordable housing and on-site infrastructure.

A Community Infrastructure Levy Draft Charging Schedule for Stroud District has now been prepared. This sets out the Council's approach to CIL, the proposed CIL rates by type of development and a draft list of the infrastructure to be funded or part-funded through CIL.

A draft Planning Obligations SPD has also been produced which sets out the types of infrastructure, including affordable housing, which will continue to be funded or part funded through planning obligations (e.g. S.106 legal agreements).

The Council would like to receive your views on these draft documents. Public consultation on both of these documents will take place from **Wednesday 27 April 2016 to Wednesday 8 June 2016**. Representations are invited by **5pm on Wednesday 8 June 2016**. All comments received by the deadline will be considered. Late representations cannot be accepted.

The document and supporting information can be viewed via the Council's website www.stroud.gov.uk/CILconsultation Alternatively, hard copies can be viewed at the District Council offices, at town and parish council offices open to the public and at public libraries within the District, during normal opening hours.

Representations should be made in writing, either via the Council website www.stroud.gov.uk/CILconsultation or by email to local.plan@stroud.gov.uk or sent to: **CIL consultation, The Planning Strategy Team, Stroud District Council, Ebley Mill, Westward Road, Stroud, GL5 4UB.**

All comments regarding the CIL Draft Charging Schedule will be submitted to the examiner who will consider the Draft Charging Schedule later in 2016.

All comments regarding the Planning Obligations SPD will be considered by the Council before a final SPD is approved later in 2016.

For any further enquiries, please contact the Planning Strategy Team on 01453 754143 or by email.

Regards,

**Planning Strategy Team
Stroud District Council
01453 754143**

www.stroud.gov.uk
local.plan@stroud.gov.uk

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Date: 06 June 2016
Our ref: 184595
Your ref: None.



The Planning Strategy Team
Stroud District Council
Ebley Mill
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local.plan@stroud.gov.uk

Hornbeam House
Crewe Business Park
Electra Way
Crewe
Cheshire
CW1 6GJ
T 0300 060 3900

BY EMAIL ONLY

Dear Sir/Madam

Community Infrastructure Levy Supplementary Planning Document (SPD)

Thank you for your consultation on the above dated 27 April 2016, which was received by Natural England on the same date.

Natural England is a non-departmental public body. Our statutory purpose is to ensure that the natural environment is conserved, enhanced, and managed for the benefit of present and future generations, thereby contributing to sustainable development.

Our remit includes protected sites and landscapes, biodiversity, geodiversity, soils, protected species, landscape character, green infrastructure and access to and enjoyment of nature.

Whilst we welcome this opportunity to give our views, the topic of the Supplementary Planning Document does not appear to relate to our interests to any significant extent. We therefore do not wish to comment.

Should the plan be amended in a way which significantly affects its impact on the natural environment, then, please consult Natural England again.

Strategic Environmental Assessment/Habitats Regulations Assessment

A SPD requires a Strategic Environmental Assessment only in exceptional circumstances as set out in the Planning Practice Guidance [here](#). While SPDs are unlikely to give rise to likely significant effects on European Sites, they should be considered as a plan under the Habitats Regulations in the same way as any other plan or project. If your SPD requires a Strategic Environmental Assessment or Habitats Regulation Assessment, you are required to consult us at certain stages as set out in the Planning Practice Guidance.

Please send all planning consultations electronically to the consultation hub at consultations@naturalengland.org.uk.

We really value your feedback to help us improve the service we offer. We have attached a feedback form to this letter and welcome any comments you might have about our service.

Yours faithfully

Hayley Fleming
Lead adviser – Planning
South Mercia Area Team

Russell, Mark

From: Simon Tofts [Simon.Tofts@Bluecedarhomes.co.uk]
Sent: 06 June 2016 15:59
To: _WEB_Local Plan
Subject: Stroud District Local Plan: CIL Draft Charging Schedule
Attachments: Stroud CIL Rep 2 060616.pdf

Follow Up Flag: Follow up
Flag Status: Flagged

Dear Sir or Madam

Please find attached representations in respect of the Stroud District Local Plan: CIL Draft Charging Schedule. Please confirm receipt of this email.

Regards

Simon Tofts

Planning Manager

T: 01454 201166
M: 07739 787999

Simon.Tofts@Bluecedarhomes.co.uk

www.bluecedarhomes.co.uk



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Our Ref: ST/SDCCILRep2

6 June 2016

The Planning Strategy Team
Development Services
Stroud District Council
Ebley Mill
Stroud
Gloucestershire
GL5 4UB



Dear Sir or Madam

Re: Representations to Stroud District Local Plan: CIL Draft Charging Schedule Public Consultation

I refer to the Stroud District Local Plan CIL Draft Charging Schedule Public Consultation and wish to make a number of representations. These Submissions are made on behalf of Blue Cedar Homes, a private retirement homes specialist operating in the South West of England. This representation follows on from an earlier one made in relation to the same document, which was submitted on 9 April 2014.

The Government updated paragraph 21 of the National Planning Policy Guidance (NPPG) only several days ago (Saturday 21 March 2015), putting a greater emphasis on Councils making provision for the changing needs of older residents. Indeed, the guidance stresses that older people have a wide range of different housing needs, ranging from suitable and appropriately located market housing through to residential institutions (Use Class C2).

I note that within the Proposed CIL Charging Rates set out on page 5, the CIL rate for older persons housing is excluded. As a retirement house builder, this rate is very much supported by Blue Cedar Homes.

In addition following a Court of Appeal decision, the Government issued guidance set out in the NPPG, on 19 May 2016 which states that;

"There are specific circumstances where contributions for affordable housing and tariff style planning obligations (section 106 planning obligations) should not be sought from small scale and self-build development. This follows the order of the Court of Appeal dated 13 May 2016, which give legal effect to the policy set out in the Written Ministerial Statement of 28 November 2014 and should be taken into account.

These circumstances are that;

- ***contributions should not be sought from developments of 10-units or less, and which have a maximum combined gross floorspace of no more than 1000sqm***

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TEL: 01454 201166

www.bluecedarhomes.co.uk



- ***in designated rural areas, local planning authorities may choose to apply a lower threshold of 5-units or less. No affordable housing or tariff-style contributions should then be sought from these developments. In addition, in a rural area where the lower 5-unit or less threshold is applied, affordable housing and tariff style contributions should be sought from developments of between 6 and 10-units in the form of cash payments which are commuted until after completion of units within the development. This applies to rural areas described under section 157(1) of the Housing Act 1985, which includes National Parks and Areas of Outstanding Natural Beauty”***

As such, this recent guidance should be taken into account in the Council's CIL Charging Schedule.

I trust the above comments can be considered in the Stroud District Local Plan CIL Draft Charging Schedule Public Consultation. Please will you keep me notified of developments throughout the preparation process?

Yours sincerely

A handwritten signature in black ink that reads "S. Tofts".

Simon Tofts
Planning Manager

Email: simon.tofts@bluecedarhomes.co.uk

Russell, Mark

From: Jo Barber - Minchinhampton Parish Council [minchparish@btconnect.com]
Sent: 07 June 2016 09:20
To: _WEB_Local Plan
Subject: CIL Consultation response
Attachments: CIL letter two june 16.docx

Dear Planning Strategy team,

Please find attached a letter from Minchinhampton Parish Council after its consideration of your CIL Draft Charging Schedule.

As we are almost on deadline please also acknowledge receipt?

Many thanks,

Jo Barber

Clerk MPC

MINCHINHAMPTON PARISH COUNCIL
The Trap House, West End
Minchinhampton GL6 9JA

Tel: 01453 731186

e-mail: minchparish@btconnect.com

Planning Strategy Team
Stroud District Council
Ebley Mill
STROUD
Glos GL5 4UB

7th June, 2016

Dear Sirs,

Re: CIL Draft Charging Schedule Consultation

The latest meeting of Minchinhampton Parish Council received your above mentioned CIL charges consultation and, after a lengthy discussion, it was agreed to write to you to express members' serious concerns about this process.

Firstly because parish councils are usually on a monthly meetings cycle we strongly object to the rushed timescale of such an important consultation. Allowing only a six week window enabled this council – and I suspect many others - only one opportunity to table your somewhat complex consultation for discussion among its members. We wish you to also please note that not all parish councils enjoy the regular attendance of their district councillors, who can hopefully be questioned on the implications of these charging changes.

Additionally councillors were worried CIL would raise the cost of new housing, and that in a broader context it would be a tax on construction since the contributions proposed by yourselves appeared in general to be higher than the current – and continuing – Section 106 contributions.

Parish councils are generally composed of lay people, with only a basic understanding of planning law and methodology. Requesting an opinion on the basis of a detailed 24-odd page document, without adequate signposts to key issues, can only add to confusion./p.t.o

Further, this council was of the opinion that a seminar or similar information session should have been arranged, perhaps just for clerks and interested councillors, in order that the changes and their implications could be more fully explained.

Yours faithfully,

Jo Barber
Clerk

Russell, Mark

From: Consultation [Consultation@tetlow-king.co.uk]
Sent: 07 June 2016 10:39
To: _WEB_Local Plan
Cc: Amanda Donaldson; Amanda Williams; Ben Cane; Colin Bloodworth; Dan Haines; James Bradbury (james.bradbury@stonewater.org); Jo Curson (Jo.Curson@greensquaregroup.com); Joanna Davoile (joanna.davoile@sovereign.co.uk); John Owen (GreenSquare); Jonathan Layzell (jonathan.layzell@stonewater.org); Laurence Clarke (Laurence.Clarke@greensquaregroup.com); Lesley Metcalf (lesley.metcalf@sovereign.org.uk); Lynda Lines (lynda.lines@stonewater.org); Martyn Blackman (martyn.blackman@asterhomes.co.uk); Phil Stephens (phil.stephens@sovereign.org.uk); Phillippa Yeates (phillippa.yeates@stonewater.org); Ryan Hosken (ryan.hosken@guinness.org.uk); Stephen Lodge (stephen.lodge@guinness.org.uk); Stroud, Pippa
Subject: CONSULTATION ON THE COMMUNITY INFRASTRUCTURE LEVY DRAFT CHARGING SCHEDULE AND DRAFT PLANNING OBLIGATIONS SUPPLEMENTARY PLANNING DOCUMENT
Attachments: 0911-14.M5 CIL DCS & Planning Obs SPD.pdf

Please find attached letter in respect of the above.

Regards.

Elaine Elstone
Secretary
TETLOW KING PLANNING
Unit 2, Eclipse Office Park, High Street, Staple Hill, Bristol BS16 5EL



Tel: 0117 9561916 Fax: 0117 9701293
Website: www.tetlow-king.co.uk



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CIL Consultation
The Planning Strategy Team
Stroud District Council
Ebley Mill
Westward Road
Stroud
GL5 4UB

Date: 7 June 2016

Our Ref: SL M5/0911-14

By email only:
local.plan@stroud.gov.uk

Dear Sir or Madam

RE: CONSULTATION ON THE COMMUNITY INFRASTRUCTURE LEVY DRAFT CHARGING SCHEDULE AND DRAFT PLANNING OBLIGATIONS SUPPLEMENTARY PLANNING DOCUMENT

We represent the **South West HARP Planning Consortium** which includes all the leading Housing Association Registered Providers (HARPs) across the South West. Our clients' principal concern is to optimise the provision of affordable housing through the preparation of consistent policies that help deliver the wider economic and social outcomes needed throughout the South West region.

Court of Appeal Judgement

In July 2015 West Berkshire and Reading Councils were successful in challenging the Written Ministerial Statement by CLG which required no affordable housing contributions on smaller developments of ten homes or fewer or on sites of 1,000 square metres or less (the "10-unit threshold"). Those sections of the Planning Practice Guidance (PPG) setting out guidance on this were subsequently quashed by that decision.

However, CLG appealed this decision in the Court of Appeal and on 11 May 2016 that court allowed all four grounds of the appeal. Following this judgement the PPG has been updated to reinstate that guidance, including:

- An exemption from providing affordable housing and other tariff-style contributions on schemes of 10-units or less;
- An optional exemption from affordable housing contributions on schemes of 5 units or less in designated rural areas – including National Parks and Areas of Outstanding Natural Beauty; and
- The *vacant building credit* offering financial credit for bringing a vacant building back into use.

The two Councils (West Berkshire and Reading Borough) have indicated that they may challenge the Court of Appeal's decision in the Supreme Court. It will be important for the Council to consider the impact of the reinstatement of the PPG guidance on its policy, including the CIL Charging Schedule and Planning Obligations SPD, particularly as the judgement clarifies that guidance set out by the Government is a material consideration to which decision makers must determine how much weight to give. As such it ought normally to be considered inappropriate to require affordable housing, though local plan thresholds may be given more weight in the consideration of individual applications where a local authority has an adopted plan policy supported by up to date evidence.

Housing and Planning Act 2016: Starter Homes

The Council will also be aware that the Housing and Planning Act 2016 contains the introduction of Starter Homes; regulations are expected to be published this summer following the recent *Technical Consultation on Starter Homes Regulations* (March 2016). The consultation document proposed a

uniform requirement of 20% provision on all sites of 10 units or more, or 0.5 hectares. The Council will need to respond to these Regulations, possibly through a review of the Local Plan, and commensurate changes to the Planning Obligations SPD once published.

CIL Viability Update

The March 2016 Viability Update is based on Local Plan Policy CP9 which sets a 30% affordable housing target on development sites of at least four dwellings or the site area is at least 0.16ha. We note that the Viability Update acknowledged the potential for the PPG section on the affordable housing requirement being reinstated, but that the viability appraisal did not evaluate the Levy in this context. As the PPG is a material consideration in determining planning applications the assumptions used to set the proposed levy will need to be reconsidered in light of the Court of Appeal judgement and the weight to be given to the Local Plan Policy CP9.

The conclusion that older people's housing should attract a nil rate for CIL is fully evidenced, and therefore supported.

CIL Draft Charging Schedule

CIL Charging Rates

In light of our comments on the Court of Appeal judgement, the proposed CIL rates should be reviewed in the context of the affordable housing threshold guidance being reinstated in the PPG and the weight that may be given to this against the Local Plan Policy CP9.

Older People's Housing

As per our comment on the Viability Update, the exclusion of older people's housing from the levy is supported. It would however be helpful for the Charging Schedule to clarify that this covers age-restricted housing of both C2 and C3 Use Classes, as care can be provided in both.

Instalments Policy

We support the inclusion of an Instalments Policy in the DCS.

Discretionary Relief Policy

As outlined in our previous representation dated April 2014 (reference M5/0911-09), the introduction of discretionary relief for exceptional circumstances remains important. This does not strictly necessitate the entire CIL charge being afforded relief, but rather that the amount necessary to make development viable is discounted. This is important because exceptional circumstances can arise on all sites, irrespective of size. It is evident that in some instances a cross-subsidy mechanism is required to bring forward development; the market housing required for this should be the minimum to make the development viable. However, if CIL is required to be paid on the market element of a scheme, this may alter the number of market units required to bring development forward, resulting in the perverse situation of potentially requiring additional units to fund CIL. Experience with HARP developments elsewhere in the South West has highlighted the importance of needing discretionary relief to avoid schemes stalling.

Review and Monitoring

We support the review mechanism in the DCS which will be implemented every three years or if local house prices fluctuate by more than 10%.

Draft Planning Obligations SPD

Monitoring

The Council should not be seeking to introduce a monitoring fee, as set out at **paragraphs 7.1-7.2** of the draft SPD. Whilst the CIL Guidance does not provide any specific guidance on monitoring and administration fees, a High Court judgement (Oxfordshire County Council v CLG, CALA Land Management Ltd. and Others, 2015) decided that this envisaged that these costs would be met out of the authority's own budget. It is unreasonable to seek to cover the Council's monitoring costs through an additional fee to the developer and this should be removed.

Affordable Housing Definitions

The definition of affordable housing set out at **paragraph 1.0** is incorrect; not all affordable housing is retained *in perpetuity*, nor is this what is intended by the definitions set out at Annex 2 of the NPPF. It is only affordable housing delivered on rural exception sites that is intended to be retained *in perpetuity* as these homes are delivered to meet specific needs in areas where housing would not normally be permitted. It is important that the definitions set out in this SPD either copy those in the NPPF or reflect these accurately and so this paragraph should be amended.

Similarly, the statement at **paragraph 1.6** that applicants need to demonstrate that lenders will fund intermediate affordable housing "*where any doubt exists*" is an unnecessary hurdle for a planning application. Housing Associations will already have been through their own rigorous administrative processes to proceed with individual applications, and it would be appropriate to remove this guidance.

Housing Need

In addition to parish housing surveys, it is important to note that developer-led housing surveys are also equally valid evidence of housing need; this should be reflected in **paragraph 1.8**, particularly as this has been recognised at **paragraph 1.28**.

Sites of Less Than Four Dwellings

As with our comments on the CIL Draft Charging Schedule it is important to consider the impact of the Court of Appeal judgement on the operation of planning obligations and Section 106 Agreements. In particular the requirement at **paragraph 1.11** that a financial contribution will be sought from schemes of 1-3 dwellings will likely be challenged by developers. Should the Council still seek financial contributions from small schemes it will be important to robustly justify this in the context of the PPG threshold.

Dwelling Size

The Council cannot introduce minimum dwelling sizes through this SPD. The introduction of the National Technical Space Standards in 2015 which introduced (optional) minimum space standards for all housing tenures of all sizes, permits local authorities to introduce those standards only, and only through a Local Plan policy. **Paragraph 1.25**, and the later **paragraph 1.44** bullet point reference to space standards, should be removed.

Loss of Employment Land

This guidance is out of step with Government policy set out in the NPPF and PPG which are explicit that land allocated or designated as employment space should not be protected in the long term "*where there is no reasonable prospect of a site being used for that purpose*" and applications for alternative uses should be treated on their merits "*having regard to market signals and the relative need for different land uses to support sustainable local communities*" (paragraph 22, NPPF). **Paragraphs 1.26-1.27** should be removed.

We would like to be consulted on further stages of the Community Infrastructure Levy, the Planning Obligations SPD and other publications by Stroud District Council, by email only to consultation@tetlow-king.co.uk. Please ensure that the **South West HARP Planning Consortium** is retained on the planning policy database, with **Tetlow King Planning** listed as their agents.

Yours faithfully



SEAN LEWIS MPlan
ASSISTANT PLANNER
For and On Behalf Of
TETLOW KING PLANNING

sean.lewis@tetlow-king.co.uk

Cc: Aster Group
GreenSquare Group
Guinness Partnership
Sovereign Housing Association
Stonewater

Pippa Stroud – Housing Department

Russell, Mark

From: Website.Email
Sent: 07 June 2016 11:23
To: _WEB_Local Plan
Subject: Consultation response from website

Follow Up Flag: Follow up
Flag Status: Flagged

Consultation response from website

Name: Rodborough Parish Council

Email: clerk@rodborough.gov.uk

Message:

Rodborough Parish Council is in agreement with this proposal

Russell, Mark

From: Website.Email
Sent: 07 June 2016 12:14
To: _WEB_Local Plan
Subject: Consultation response from website

Consultation response from website

Name: Woodchester Parish Council

Email: clerk@woodchesterparish.org.uk

Message:

Councillors welcomed the guidance and agreed it was important that Stroud District Council adhere to point 4.2 in the SPD, consulting with Parish Councils and having regard for a Parish Plan. Councillors agreed with the types of contributions set out in Part 2 of the document. The proposal for early consultation was welcomed. There was no mention in the document of the 15%/25% contribution which will be made to Parish Councils and how that process will operate. More guidance on this would be appreciated.

Russell, Mark

From: MEDLIN, Jonathan [Jonathan.Medlin@gloucestershire.gov.uk]
Sent: 07 June 2016 19:32
To: _WEB_Local Plan
Cc: EXCELL, Simon; EDWARDS, Claire; THOMAS, Sophie; Russell, Mark
Subject: Stroud CIL DCS Consultation
Attachments: GCC Stroud CIL DCS response.docx

Dear Sir/Madam,

GCC Response to Stroud CIL DCS Consultation

Thank you for the opportunity comment on the Draft Charging Schedule and the accompanying documents:

- Viability analyses;
- An updated Infrastructure Delivery Plan (IDP);
- An updated draft Planning Obligations SPD;
- A draft Regulation 123 List.

This is an officer response based on the attached report covering various infrastructure areas for which GCC has responsibility. This was reported to the Lead Cabinet Member. The sections below respond generally to the DCS, and comment on specific areas of infrastructure delivery, as well as the IDP and draft Reg123 List.

General Comments to the [Stroud DCS CIL](#):

- There is currently no assurance that County Council infrastructure will be funded through CIL. It is recognised that the necessary arrangements sit outside of the CIL Charging Schedule process. To ensure delivery, the arrangements are critical to the County Council in supporting the introduction of CIL as well as infrastructure. Good practice in two-tier authorities is emerging; GCC will work with the districts – the Charging Authorities - to ensure mutually beneficial arrangements are in place for county infrastructure.
- County Council-provided infrastructure (e.g. highways, transport, education, libraries) is a significant component of the overall infrastructure requirement. The IDP suggests that County infrastructure accounts for 70% - 80% of all costed infrastructure. This would historically be secured through s106 planning obligations.
- GCC and Stroud DC should now expedite the CIL governance arrangements. Stroud DC will be both the Charging Authority and Collecting Authority. As with other emerging CIL charging schedules, there needs to be a mechanism in place to ensure sufficient monies are passed to GCC in a timely fashion to ensure county infrastructure delivery.
- Joint working arrangements are required in the form of an agreement to enable and ensure continued delivery. A proportion of the administration fee (up to 5% of CIL monies) should also be paid to GCC to fund these.
- The approach to Strategic Sites – securing infrastructure through s106 agreements - is welcomed. It has been shown elsewhere that delivery in-kind (e.g. the provision of a primary school) secured through a s106 agreement is a more efficient way of dealing with large scale developments. This allows CIL monies to be secured from the wider range of smaller scale developments, and spent in accordance with the Reg 123 List.

Comments on the [Infrastructure Delivery Plan](#):

- GCC has been involved in the updating of the Stroud IDP.
- Whilst it provides the broad overview sufficient for CIL preparation purposes, infrastructure costs are likely to be higher than those in the IDP which can only be a snapshot in time. The latest version relates to 2014.
- There are some significant gaps in the IDP which are listed as 'being investigated'.
- The funding gap totals ~£93m, of which at least £50m (53%) is County Council infrastructure. The proportion of the **total infrastructure costs** which is county infrastructure is 70% to 80%.

- The recent updating of infrastructure requirements for the strategic sites is welcomed. These position statements provide a greater level of understanding and certainty on infrastructure provision at the strategic sites which account for much of Stroud District's growth.

Comments on the [draft Planning Obligations SPD](#):

- The draft Planning Obligations SPD is welcomed. It will provide greater transparency and understanding of the process. It has extensive cross referencing to the [GCC Local Developer Guide](#) which sets out GCC's approach to securing planning obligations.
- A number of specific items which are routinely secured through s106 agreements should also feature within the SPD. These are explained in the comments below covering "specific GCC Infrastructure Areas".
- Inclusion of further cross referencing to the Local Developer Guide: with reference to libraries and archives is required. Section 6 of the draft SPD covers "Health and Social Facilities" – which includes libraries. However, this should be made explicit, and the GCC approach embedded within the Stroud SPD.

Comments on [Regulation 123 List](#):

- GCC has been involved in the development of the draft Reg 123 List, and welcomes ongoing dialogue regarding future CIL expenditure.
- The indicative Reg123 List is appended to this report. The suggested approach in the Reg 123 List is supported by GCC because it provides a balance between securing contributions from a wider range of small sites, whilst enabling strategic sites to provide infrastructure through s106.

Specific GCC Infrastructure Areas:

Transport and Highways

- The Reg 123 could reference specific schemes of strategic transport infrastructure which can be funded through CIL. Being more specific will assist GCC provision of highways and transport infrastructure where these cannot be secured through s106 planning obligations, or would require more than 5 pooled contributions to deliver.
- The reference that providing site access to a highway, etc. will continue to be covered through s106 arrangements is welcomed.
- Travel Planning will need to be secured through appropriate planning obligations. This should be referenced in the Reg123 List and within the Planning Obligations SPD.

Education

- Schools are often required in urban areas where there is no land for expansion or for provision of schools and there is a challenge to accommodate growth. Where this occurs, provision in-kind is preferred.
- Provision in-kind is acceptable under the CIL regime, and through the approach suggested in the DCS for strategic sites, this will be applied in Stroud District. As an indication, a primary school is required to service a development of ~600 dwellings. GCC preference is that these are provided in kind at this scale.
- The draft Planning Obligations references the GCC Local Developer Guide which is welcomed.

Waste

- Waste infrastructure is included within the IDP. It totals ~£94m, and is shown as fully funded. A query has been raised.
- The Reg 123 List includes reference to expenditure of CIL monies on waste infrastructure where appropriate. This is welcomed.

Archaeology and Ecology Services

- It is anticipated that site-specific mitigation will continue to be secured through s106 planning obligations and conditions.
- Where infrastructure (as defined in the legislation) is required it should be capable of being funded through CIL – e.g. Green Infrastructure – it should be secured. The approach in the DCS allows this, as well as on-site specific mitigation to be secured through s106 agreements.

Libraries & Archives

- Libraries and archives are considered as community facilities, which is listed within the Reg 123 List. This is welcomed.

Public Health

- The inclusion of Health and Wellbeing infrastructure within the Reg 123 List, and the suggested approach, is welcomed.

I hope the above comments are useful. I would welcome the opportunity to discuss governance arrangements with you at your earliest convenience; this could usefully be presented to the Examination as a matter fully resolved and provide some additional assurance that infrastructure will be delivered. Please feel free to get in touch should you have any queries.

Jonathan Medlin
S106 Officer - Economic Development and Strategic Planning
Gloucestershire County Council
Shire Hall, Westgate Street, Gloucester
GL1 2TH

Tel: 01452 425013
Email: jonathan.medlin@gloucestershire.gov.uk

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| | |
|------------------------------|--|
| SUBJECT | Lead Cabinet Member Meeting |
| | Stroud District Council Community Infrastructure Levy (CIL) –Draft Charging Schedule |
| DATE | 6 June 2016 |
| PURPOSE OF REPORT | TO UPDATE ON THE STROUD DISTRICT COUNCIL CIL PROCESS, AND RESPONSE TO THE CONSULTATION |
| ACTIONS REQUIRED | Note the progress and response |
| RESOURCE IMPLICATIONS | An officer-level response has been prepared resourced from existing budgets across various services. |
| CIRCULATION | LCM Meeting Members and Shadows |

Summary Recommendations

That the points of this briefing note are duly noted.

Background:

Stroud District Council prepared a CIL Preliminary Draft Charging Schedule (PDCS) for consultation in February 2014. The PDCS is the first stage consultation in the process. The Stroud Local Plan was adopted in November 2015, and a CIL Draft Charging Schedule (DCS) has now been prepared and is published for consultation **until 8 June 2016**. Representations to the DCS are those heard by an independent examiner, likely to be in summer/autumn 2016, with a CIL operational by winter 2016. The suggested GCC officer response is set out below.

Alongside the DCS, Stroud District Council has also published:

- Viability analyses – which underpin the DCS;
- An updated Infrastructure Delivery Plan (IDP) which demonstrates a significant infrastructure funding gap;
- An updated draft Planning Obligations SPD which explains how the s106 regime will operate once CIL is operational;
- A draft Regulation 123 List – the list which states the infrastructure on which CIL monies can be spent.

Officer level comments have been collected from relevant service areas, and provided below. Submission of representations to the DCS stage will allow GCC the right to appear at the subsequent examination in public.

In summary, the CIL rates (as £ per square metre) are:

- The rate for most residential development is £80/m². For a typical 3 to 4 bed family house this equates to ~£8,000 per dwelling. Within the Stroud Valley area, it is not considered currently viable to secure CIL payments.
- For strategic sites, infrastructure will continue to be provided through s106 planning obligations. The link to the draft Planning Obligations SPD is therefore important.
- Supermarkets and retail warehouses are the only other type of use which are considered viable for supporting a CIL payment at present, at £75/m².

General Comments to the [Stroud DCS CIL](#):

- Financial contributions to GCC infrastructure secured through s106 have averaged ~£2.5m p.a. in Stroud District. Provision in kind significantly increases this. There is currently no assurance that

County Council infrastructure will be funded through CIL. It is recognised that the necessary arrangements sit outside of the CIL Charging Schedule process.

- However, to ensure delivery, the arrangements are critical to the County Council in supporting the introduction of CIL as well as infrastructure. Good practice in two-tier authorities is emerging; GCC will work with the districts – the Charging Authorities - to ensure mutually beneficial arrangements are in place for county infrastructure.
- County Council-provided infrastructure (e.g. highways, transport, education, libraries) is a significant component of the overall infrastructure requirement. The IDP suggests that County infrastructure accounts for 70% - 80% of all costed infrastructure. This would historically be secured through s106 planning obligations.
- GCC and Stroud DC should now expedite the CIL governance arrangements. Stroud DC will be both the Charging Authority and Collecting Authority. As with other emerging CIL charging schedules, there needs to be a mechanism in place to ensure sufficient monies are passed to GCC in a timely fashion to ensure county infrastructure delivery.
- Joint working arrangements are required in the form of an agreement to enable and ensure continued delivery. A proportion of the administration fee (up to 5% of CIL monies) should also be paid to GCC to fund these.
- The approach to Strategic Sites – securing infrastructure through s106 agreements - is welcomed. It has been shown elsewhere that delivery in-kind (e.g. the provision of a primary school) secured through a s106 agreement is a more efficient way of dealing with large scale developments. This allows CIL monies to be secured from the wider range of smaller scale developments, and spent in accordance with the Reg 123 List.

Comments on the [Infrastructure Delivery Plan](#):

- GCC has been involved in the updating of the Stroud IDP.
- Whilst it provides the broad overview sufficient for CIL preparation purposes, infrastructure costs are likely to be higher than those in the IDP which can only be a snapshot in time. The latest version relates to 2014.
- There are some significant gaps in the IDP which are listed as 'being investigated'.
- The funding gap totals ~£93m, of which at least £50m (53%) is County Council infrastructure. The proportion of the **total infrastructure costs** which is county infrastructure is 70% to 80%.
- The recent updating of infrastructure requirements for the strategic sites is welcomed. These position statements provide a greater level of understanding and certainty on infrastructure provision at the strategic sites which account for much of Stroud District's growth.

Comments on the [draft Planning Obligations SPD](#):

- The draft Planning Obligations SPD is welcomed. It will provide greater transparency and understanding of the process. It has extensive cross referencing to the [GCC Local Developer Guide](#) which sets out GCC's approach to securing planning obligations.
- A number of specific items which are routinely secured through s106 agreements should also feature within the SPD. These are explained in the comments below covering "specific GCC Infrastructure Areas".
- Inclusion of further cross referencing to the Local Developer Guide: with reference to libraries and archives is required. Section 6 of the draft SPD covers "Health and Social Facilities" – which includes libraries. However, this should be made explicit, and the GCC approach embedded within the Stroud SPD.

Comments on [Regulation 123 List](#):

- GCC has been involved in the development of the draft Reg 123 List, and welcomes ongoing dialogue regarding future CIL expenditure.
- The indicative Reg123 List is appended to this report. The suggested approach in the Reg 123 List is supported by GCC because it provides a balance between securing contributions from a wider range of small sites, whilst enabling strategic sites to provide infrastructure through s106.

Specific GCC Infrastructure Areas:

Transport and Highways

- The Reg 123 could reference specific schemes of strategic transport infrastructure which can be funded through CIL. Being more specific will assist GCC provision of highways and transport infrastructure where these cannot be secured through s106 planning obligations, or would require more than 5 pooled contributions to deliver.
- The reference that providing site access to a highway, etc. will continue to be covered through s106 arrangements is welcomed.
- Travel Planning will need to be secured through appropriate planning obligations. This should be referenced in the Reg123 List and within the Planning Obligations SPD.

Education

- Schools are often required in urban areas where there is no land for expansion or for provision of schools and there is a challenge to accommodate growth. Where this occurs, provision in-kind is preferred.
- Provision in-kind is acceptable under the CIL regime, and through the approach suggested in the DCS for strategic sites, this will be applied in Stroud District. As an indication, a primary school is required to service a development of ~600 dwellings. GCC preference is that these are provided in kind at this scale.
- The draft Planning Obligations references the GCC Local Developer Guide which is welcomed.

Waste

- Waste infrastructure is included within the IDP. It totals ~£94m, and is shown as fully funded. A query has been raised.
- The Reg 123 List includes reference to expenditure of CIL monies on waste infrastructure where appropriate. This is welcomed.

Archaeology and Ecology Services

- It is anticipated that site-specific mitigation will continue to be secured through s106 planning obligations and conditions.
- Where infrastructure (as defined in the legislation) is required it should be capable of being funded through CIL – e.g. Green Infrastructure – it should be secured. The approach in the DCS allows this, as well as on-site specific mitigation to be secured through s106 agreements.

Libraries & Archives

- Libraries and archives are considered as community facilities, which is listed within the Reg 123 List. This is welcomed.

Public Health

- The inclusion of Health and Wellbeing infrastructure within the Reg 123 List, and the suggested approach, is welcomed.

Recommendation:

That the Lead Cabinet Members duly note the summary of the officer comments proposed to be made to the Stroud District Council CIL DCS.

CONTACT

Jonathan Medlin

Annex1

Stroud CIL DCS Rates

| Table 1: Proposed CIL Rates | |
|---|---|
| Type of Development | CIL Rates £ per square metre New additional floorspace |
| Residential (excluding older peoples housing) <ul style="list-style-type: none"> • Sites within the Stroud Valley area (see Annex 1 map) • Strategic sites identified in the Local Plan • All other sites | <p>£0/m2</p> <p>£0/m2 on the basis that developers are required to meet their own site infrastructure costs and these costs are as set out in the CIL Viability Study</p> <p>£80/m2</p> |
| Supermarkets and Retail Warehouses | £75/m2 |

Stroud CIL DCS Reg 123 List

Annex 2: Indicative Draft Regulation 123 List

| | |
|--|---|
| Infrastructure to be funded, or part funded, through CIL | <i>Infrastructure to be funded through S.106 obligations; S.278 of the Highways Act; other legislation or through planning condition</i> |
| Education Early years, primary and secondary school schemes (covering ages 2-19)(excluding new primary schools required by strategic site allocations) | <i>New primary schools at strategic site allocations</i> |
| Social infrastructure Social infrastructure, including community facilities, sports, recreational, play infrastructure, youth provision, public realm, art and cultural facilities (excluding on site provision) | <i>On site provision at strategic site allocations (including at Hunts Grove Local Centre and West of Stonehouse Local Centre) and at other development sites</i> |
| Transport Transport infrastructure including highway improvement schemes, cycling and walking infrastructure and public transport (excluding specific mitigation works on, or directly related to, a development site) | <i>Highway access arrangements and development specific mitigation works, on site cycling and walking routes, on-site traffic calming, on-site bus stops and shelters at strategic site allocations and other development sites</i> |
| Canal infrastructure Infrastructure associated with improving or re-opening the Stroudwater Navigation, the Thames and Severn Canal or the Gloucester & Sharpness Canal including towpaths | |
| Green infrastructure The creation, improvement and maintenance of accessible natural greenspace and river corridors, for biodiversity and flood risk enhancements (excluding on site provision) | <i>On site provision at strategic site allocations and other development sites</i> |

| | |
|--|---|
| <p>Strategic flood risk measures Improvements to Severn Estuary flood defences, river corridors and restoration of canal network for flood risk enhancements including the RSuDS scheme and as set out in the Stroud Valleys Initiative (excluding on site provision)</p> | <p><i>On site management and disposal of surface water, including sustainable drainage systems (SuDS) at strategic site allocations and other development sites</i></p> |
| <p>Emergency Services (Police, Fire and Ambulance)</p> | |
| <p>Health and wellbeing infrastructure</p> | <p><i>Sites for surgeries at strategic site allocations (including at Hunts Grove Local Centre and West of Stonehouse Local Centre)</i></p> |
| <p>Renewable energy infrastructure</p> | |
| <p>Strategic waste and recycling infrastructure Provision of household waste recycling and waste management facilities (excluding on site collection facilities)</p> | <p><i>On site collection facilities and waste reduction initiatives</i></p> |

Russell, Mark

From: THOMAS, Sophie [Sophie.Thomas@gloucestershire.gov.uk]
Sent: 08 June 2016 09:52
To: MEDLIN, Jonathan; _WEB_Local Plan
Cc: EXCELL, Simon; EDWARDS, Claire
Subject: RE: Stroud CIL DCS Consultation

Hi Jonathan,

This is very informative thank you and referring to your first general comment on the Stroud DCS that;

'there is currently no assurance that County Council infrastructure will be funded through CIL.....' is a very important one.

Looking at other two tier authorities good practise (I am waiting to hear from Devon CC) and working with our districts is critical I agree, and I would be happy to join you in any dialogue with the districts to discuss governance arrangements. Whilst we have the Legal Agreements database to specifically record financial obligations in individual agreements, there will need to be a system in place that records CIL monies received and spent and scoping how we do this and what systems could be used is now very timely.

We know the spending of CIL monies is less restricted, unlike the S106 system where by we are the trustees of developers contributions, which should only be spent in accordance with the terms of the agreement. However, to have a system in place that records CIL receipts from the different districts and spend by GCC enables monitoring and analysis, to measure the effectiveness of CIL and the delivery of infrastructure and to make changes and improvements as appropriate.

Happy to work with you on this,
Thanks,
Sophie

Sophie Thomas
S106 Monitoring Officer - Economic Development and Strategic Infrastructure
Gloucestershire County Council
Shire Hall, Westgate Street, Gloucester
GL1 2TG

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Go to www.gloucestershire.gov.uk to find information on any County Council service. It couldn't be easier to find information instantly and in some cases apply for services on line.

From: MEDLIN, Jonathan
Sent: 07 June 2016 19:32
To: 'local.plan@stroud.gov.uk'
Cc: EXCELL, Simon; EDWARDS, Claire; THOMAS, Sophie; 'mark.russell@stroud.gov.uk'
Subject: Stroud CIL DCS Consultation

Russell, Mark

From: Hugh Lacey [hlacey@pioneerps.co.uk]
Sent: 08 June 2016 14:13
To: _WEB_Local Plan
Subject: Stroud Draft CiL Charging Schedule Consultation April 16
Attachments: Stroud_CIL draft charging schedule_Representations_June 16.pdf

Please find attached submissions on behalf of Robert Hitchins Ltd in respect of the Council's draft CiL Charging schedule.

Please can you confirm safe receipt.

Regards

Hugh

Stroud District Council

Response to Stroud District CIL Draft Charging Schedule Consultation, April 2016

Prepared by:
Pioneer Property Services Ltd

On behalf of:
Robert Hitchins Ltd

26th May 2016

EXECUTIVE SUMMARY

- The Council's viability evidence base (including the 2016 study which relies on previous assessments) does not robustly demonstrate that 30% affordable housing plus CIL and other s106 contributions (as yet not fully quantified) will be deliverable, particularly on large Greenfield sites in the District.
- Detailed comments submitted on behalf of Robert Hitchins Ltd in response to both the Local Plan and draft CIL process have repeatedly raised concerns regarding the viability and Infrastructure Development Plan evidence base. These concerns are not explored in the examining Local Plan Inspector's report and remain valid concerns that should be addressed in detail as part of the CIL Examination if reasoned conclusions are to be reached.
- The 2016 Viability Study assumes open market value uplifts since 2013 significantly in excess of those suggested by Land Registry sold newbuild house price data for the same period.
- The IDP Oct 2014 acknowledges that not all section 106 costs have yet been determined - therefore these cannot be accurately reflected within the viability evidence base
- There is a continued lack of clarity in the Council's Indicative Draft Regulation 123 List in respect of how s106 obligations and CIL will interact on non-allocated strategic and non-Stroud Valley sites
- The 2016 Viability Study assumption of £1k per dwelling non-affordable housing post CIL s106 costs is completely unreliable – essential / critical infrastructure costs are suggested by the IDP to be likely to exceed £55m (net of CIL and allocated strategic site s106 contributions). Given pooling restrictions the Council are likely to focus on non-allocated large Greenfield sites to meet the bulk of these costs through s106.
- The draft Planning Obligations SPD confirms that an array of s106 obligations will still be sought from sites post CIL. Post CIL s106 costs are likely to be at least £10k per dwelling particularly on large Greenfield sites.
- A reliance on artificially high values and artificially low costs combined with a lack of sensitivity testing renders the 2016 Viability Study just as unreliable as its predecessors.
- The evidence base fails to review past rates of affordable housing delivery achieved without public subsidy, to inform the monitoring of adopted affordable housing targets and the likely additional pressures that will be placed on sites by the inclusion of the proposed CIL charges.
- Data suggests that an average 69% of affordable housing provided over 5 years on Section 106 schemes has been provided with an input of grant funding and an average of just 8% of all housing completions (market and affordable) have been provided without grant on s106 sites.
- Ahead of a realistic assessment of viability, given the existing and now adopted Local Plan policy burdens, the delivery of a CIL charge of £80 per square metre on

sites outside of the Stroud Valley / non-allocated strategic sites (particularly where these are large greenfield sites) is not robustly demonstrated to be viable. Indeed, at 30% affordable housing a CIL charge of any level is unlikely to be viable on large Greenfield sites (as is already accepted to be the position in respect of the allocated strategic sites). The Council can expect these matters to impact on the overall level of housing delivery and on the ability for applicants to provide the level of affordable housing and infrastructure s106 contributions sought.

1. INTRODUCTION

- 1.1 This report has been prepared by Pioneer on behalf of Robert Hitchins Limited (a key landowner in the Stroud District) to comment on the Stroud District Council (“the Council”) April 2016 draft Community Infrastructure Levy Charging Schedule and the associated evidence base.
- 1.2 This response should be read in conjunction with representations (and accompanying ‘Infrastructure and Viability evidence Base Review’ report dated the 9th April 2014) submitted by Pioneer on behalf of Robert Hitchins Limited in respect of the Preliminary Draft Charging Schedule in April 2014. These are attached for reference at Annex 1.

2. LOCAL AUTHORITY EVIDENCE BASE

2.1 Infrastructure Delivery Plan / Revised Preliminary Draft Community Infrastructure Levy Charging Schedule

- 2.1.1 The national guidance and statutory context in which proposed CIL charging schedules should be considered is set out in detail in representations (and an accompanying 'Infrastructure and Viability evidence Base Review' report dated the 9th April 2014) submitted by Pioneer on behalf of Robert Hitchins Limited in respect of the Preliminary Draft Charging Schedule in April 2014. This remains an appropriate commentary on the framework in which the current Draft CIL Charging Schedule should be considered. The updated aspects of the Council's evidence base are considered below, and this response also reflects that the Local Plan has now been adopted.
- 2.1.2 In summary, as has previously been noted, in accordance with the 2008 Planning Act local authorities 'must have regard', in line with the approach set out within Community Infrastructure Levy ("CIL") Regulations, to the 'actual and expected costs of infrastructure' and 'to the economic viability of development'.¹
- 2.1.3 The 2008 Planning Act requires that charging authorities submitting a draft Charging Schedule for examination also submit a signed declaration confirming, among other things, that 'the charging authority has used appropriate available evidence to inform the draft charging schedule'.²
- 2.1.4 The above aspects of the 2008 Planning Act are built upon in CIL Regulation 14³ – this requires that the charging authority 'must strike an appropriate balance between' funding infrastructure from the levy (having regard to the 'actual and expected estimated total cost of infrastructure') and the 'potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area'.
- 2.1.5 The CIL Regulations as amended, significantly, remove the ability of the charging authority to 'aim to' strike 'what appears to charging authority to be' an appropriate balance between funding through the CIL and the impact on economic viability of development in an area. It is noted that the most recent Infrastructure Delivery Plan 'Refresh Version' of October 2014 ("IDP Oct 2014") still refers to the pre-2014 amendment version of Regulation 14.⁴

¹ Part 11, Section 211 (2), 2008 Planning Act

² Part 11, Section 212 (4), 2008 Planning Act

³ The Community Infrastructure Levy Regulations 2010, as amended (2014)

⁴ page 206, IDP Oct 2014

- 2.1.6 The IDP Oct 2014 describes infrastructure delivery planning as an ‘iterative process’ and that ‘further work’ including additional consultation with infrastructure providers and developers and additional infrastructure modelling will be required to enable a refined understanding of requirements, costs and funding /delivery mechanisms.⁵
- 2.1.7 As such a ‘project tracker’ is referred to as having been prepared to accompany the IDP Oct 2014 and it is emphasised that this will need to be kept up to date and read alongside the IDP.⁶ It is noted that additional infrastructure requirement Position Statements have been published by the Council in respect of Strategic Allocations for which planning permission is yet to be obtained (April 2016) . It is also apparent from the IDP Oct 2014 that additional work on the assessment of infrastructure requirements compared to that available at the Preliminary Draft CIL Charging Schedule consultation stage.
- 2.1.8 However, it is unclear that this additional work provides an up to date project tracker position in respect of the level of infrastructure required to serve all development planned in the District, including that needed to support new development on non-allocated strategic sites.
- 2.1.9 An over-arching up to date ‘Project Tracker’ would assist with clarifying the current position (i.e. post October 2014), particularly in terms of essential / critical infrastructure requirements, costs and delivery mechanisms without which it will not be possible to deliver the new Stroud Local Plan (adopted November 2015). In the absence of this the concern remains that the Council are not in a position to strike an ‘appropriate balance’ when setting the CIL charges.
- 2.1.10 The IDP Oct 2014 acknowledges that not all costs are included in the modelling, including site specific transport and flood risk management costs (which can be considerable). The concern remains that the high level IDP Oct 2014 is unable to provide the Council with a fine grained understanding of the costs associated with planned developments as set out in the NPPG.
- 2.1.11 These costs are likely to need to be funded by developer contributions through CIL or s106 payments if the planned level of housing is to be supported by the necessary infrastructure and be deliverable. These costs have a crucial bearing on understanding the viability of schemes in the District, particularly when combined with the costs associated with providing affordable housing in line with adopted targets. Where these costs are not accurately

⁵ page 1, IDP Oct 2014

⁶ page 1, IDP Oct 2014

reflected within viability evidence and the planning contribution burdens placed on developments are consequently unrealistically high developments will be likely to stall or fail completely to proceed.

2.1.12 Where these matters are not robustly assessed and it remains unclear how essential infrastructure items will be funded (i.e. either through CIL payments or obligations / conditions) the concern remains that developers may end up paying for the same item of infrastructure twice. It is not clear that the indicative draft Regulation 123 List fully identifies the scope of site specific planning obligations likely to apply, particularly to non-allocated / windfall sites, or sets out how CIL/s106 contributions will interact with each other on sites such as this with double dipping being avoided.

2.1.13 Whilst the nil CIL charge on allocated strategic sites resolves the double dipping issue on these sites, this will not be the case in respect of windfall sites (or 'other development sites') for which there is less clarity. The lack of clarity in terms of what developers will be required to pay for and through which route is contrary to advice within the NPPG which warns against even 'perceived 'double dipping'.⁷

2.1.14 The evidential basis of the approach taken within the indicative draft 123 List is not transparently explained within the IDP Oct 2014 evidence base. There is no information in the evidence base on an overarching updated Project Tracker (referred to extensively within the IDP Oct 2014) which clarifies this matter.

2.1.15 The National Planning Policy Guidance ("NPPG") CIL section goes on to state that:

"When a charging authority introduces the levy, section 106 requirements should be scaled back to those matters that are directly related to a specific site, and are not set out in a regulation 123 list."

and that:

"When the levy is introduced (and nationally from April 2015), regulation 123 limits the use of planning obligations. An agreement entered into for the purposes of section 106 may contain more than one planning obligation to which regulation 123 relates.

Where the regulation 123 list includes a generic type of infrastructure (such as 'education' or 'transport'), section 106 contributions should not be sought on any

⁷ paragraph 2 ID 23b-002-20140306, NPPG

specific projects in that category. Site-specific contributions should only be sought where this can be justified with reference to the underpinning evidence on infrastructure planning which was made publicly available at the charging schedule examination.

The charging authority's proposed approach to section 106 contributions should be set out at examination and should be based on evidence. Where a regulation 123 list includes project-specific infrastructure, the charging authority should not seek any planning obligations in relation to that infrastructure"

(Paragraph: 097 Reference ID: 25-097-20140612).

The NPPG also cautions that:

"Where the levy is in place for an area, charging authorities should work proactively with developers to ensure they are clear about the authorities' infrastructure needs and what developers will be expected to pay for through which route. There should be not actual or perceived 'double dipping' with developers paying twice for the same item of infrastructure."

(Paragraph: 094 Reference ID: 25-094-20140612)

As such, where infrastructure items are listed as being funded through both s106 and CIL it is unclear that this complies with Regulation 123 as described within the CIL section of NPPG.

2.1.16 It is not clear that the above concerns have been fully explored in the Local Plan examining Inspector's report, with the focus being upon the delivery of infrastructure by strategic sites – the Inspector states that 'viability and site-specific circumstances will be considered when determining the scale and nature of infrastructure provision' but CIL charges, once set, will not be flexible. With this in mind the Council will need to be flexible when negotiating affordable housing contributions or other site specific s106 contributions and, in the context of the 30% affordable housing policy, the viability of seeking a CIL payment of £80 psqm for 'all other sites' for residential development needs to be carefully considered.

2.1.17 It remains a significant concern that even at the stage of consulting upon a draft CIL Charging Schedule, it is questionable that the Council will be able to 'strike an appropriate balance' between ensuring that the necessary infrastructure is funded (i.e. to enable the planned level of development to take place at all) and the impact of this upon the viability of

development (including in respect of how obligations such as affordable housing may need to reduce from levels aspired to by the Council in order to ensure that planned development can proceed.)

2.1.18 The IDP defines ‘regional infrastructure’ costs as projects with:

“...wider geographic area implications than Stroud District but which must happen to enable the delivery of growth within the District and beyond.”

(page 17, IDP Oct 2014)

The IDP defines ‘critical infrastructure’ as projects ‘*which must happen to enable the delivery of growth within Stroud District*’ and essential items as ‘*projects that are required if growth is to be achieved in a timely and sustainable manner*’.⁸

2.1.19 If the level of development planned in the Stroud Local Plan is to be achieved during the Plan period (i.e. 11,400 new homes between 2006 – 2031 with an outstanding total of up to 3,615 new homes suggested at page 23 of the Local Plan to be provided between April 2015 and 2031 – i.e. over broadly 16 years) it is clear that regional critical, critical and essential infrastructure items will have to be provided, and thus sourcing funding will be a requirement as opposed to an option.

2.1.20 It is unclear how much of the infrastructure has already been secured through the delivery of the completed development or through existing planning permissions / schemes on site. However, the IDP Oct 2014 ‘low’ scenario⁹ suggests the following regionally critical, critical and essential item funding gap (i.e. total excluding any identified funding and ‘desirable’ infrastructure costs):

| | |
|----------------------------------|----------------------|
| Education | = £21.5m |
| Emergency Services | = £11.9m |
| Flood / Waste Water | = £1m |
| Healthcare | =£6.3m |
| Recreation / Sports / Open Space | = £4.2m |
| Transport / Public Realm | = £16.1m |
| TOTAL | = <u>£61m</u> |

⁸ page 17, IDP Oct 2014

⁹ page 17, IDP Oct 2014

The above is slightly higher under the 'high' revised growth strategy. The IDP Oct 2014 suggests that the CIL rates proposed (suggested by the Council based on their viability assessment to be viable in conjunction with 30% affordable housing) of £80 psqm on 'other sites' gives a CIL income of £5.2m.¹⁰ This leaves a gap of £55.8m of critical and essential infrastructure which the Council will presumably need to address in a large part through s106 obligations if the scale of development envisaged in the Local Plan is to be delivered.

- 2.1.21 This equates to £4.9k per dwelling if distributed across planned residential development as a whole and assuming it is to be sought through s106 planning obligations. Furthermore, the cost per dwelling would be higher than £5k per market dwelling (i.e. given that schemes will be subject to a 30% affordable housing requirement and this tenure is excluded from CIL payments – assuming 7980 of the overall housing delivery to comprise of market housing a total cost per dwelling of c.£7k would theoretically apply.
- 2.1.22 In practice, given pooling restrictions and the need for this infrastructure to enable planned development, the Council are likely to seek to place the burden of providing this infrastructure upon large Greenfield and strategic sites across the Stroud area; the cost per dwelling on these sites would therefore be significantly greater than £5k - £7k per dwelling.
- 2.1.23 The draft Planning Obligations Supplementary Planning Document (April 2016) confirms that planning obligations (for education, flood risk alleviation, green infrastructure, social and health infrastructure, transport, waste and recycling and public realm / art) are likely to still be sought from sites post CIL adoption, particularly on larger schemes. The draft SPD does not provide information on the likely costs per dwelling.
- 2.1.24 The absence of CIL charges on certain types of residential development on the basis of viability will further increase the residual burden to be borne by other large Greenfield sites in the District.
- 2.1.25 Unless significant amounts of alternative funding sources are identified the essential / critical infrastructure items (which do not include any costs associated with delivering affordable housing) will have to be funded through a mix of CIL and s106 if the level of development proposed in the Stroud Local Plan is to be deliverable / provided as sustainable development in accordance with national guidance.

¹⁰ page 209, IDP Oct 2014

- 2.1.26 If the level of housing planned for is undeliverable and a 5 year housing land supply shortfall / backlog as a result of under provision arises the housing policies in the Stroud Local Plan will quickly be rendered out of date.
- 2.1.27 Equally, it is of concern that despite that it is yet to be robustly demonstrated that the critical and essential infrastructure items are deliverable that the Local Plan has been found to be sound.
- 2.1.28 A clear assessment of how costs will impact upon sites through s106 post CIL is therefore not provided in the IDP or other background evidence, suggesting that, despite the Local Plan Inspector's conclusions, viability modelling undertaken to date is unlikely to be able to reflect a realistic assessment of such costs, particularly where such matters are not sensitivity tested. The viability evidence base is considered in more detail below.
- 2.1.29 Additional work remains vital to assess the impact of the infrastructure requirements associated with development in the District, the costs of these requirements, and how this affects scheme viability. Currently there appears to remain a lack of clarity in terms of whether the CIL and section 106 contributions sought (as set out in the draft Regulation 123 List) will interact with one another in a way that accords with the NPPG and the underpinning CIL Regulation 123.
- 2.1.30 The need for refinement to the IDP estimation of infrastructure costs and how items will be funded (and the unavoidable impact that this will have upon any economic viability modelling) should be considered in the context of CIL Regulation 14¹¹ and the requirement that the charging authority 'must strike an appropriate balance between' funding infrastructure from the levy (having regard to the 'actual and expected estimated total cost of infrastructure') and the 'potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area'.
- 2.1.31 The CIL Regulations are therefore explicit: the imposition of CIL charges must not compromise the economic viability of development in an area (i.e. jeopardising the delivery of the level of development planned for within Local Plans).
- 2.1.32 To ascertain what will be an 'appropriate balance' in terms of the CIL charges to be levied having regard to the potential effects on the economic viability of development and other sources of funding in the area, a local authority will need to have a robust understanding of the level of infrastructure that will be essential to enable the planned supply of housing /

¹¹ The Community Infrastructure Levy Regulations 2010, as amended (2014)

employment land to come forwards in an area. The IDP identifies what are termed to be ‘critical’ and ‘essential’ items without which presumably development will be unable to proceed sustainably.

2.1.33 When plan making local authorities are required by the NPPF to draw on ‘adequate, up-to-date and relevant evidence’ with strategies for housing, employment and other land uses being integrated and ‘taking full account of relevant market and economic signals’.¹²

2.1.34 The NPPF is clear that the:

“...sites and scale of development identified in the plan should not to be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened.”

The impact of costs associated with ‘any requirements’ including affordable housing, standards, and infrastructure (including through CIL), will need to be assessed to ensure that these do not preclude the provision of:

“...competitive returns to a willing land owner and willing developer to enable the development to be deliverable.”

(paragraph 173, page 41)

The cumulative impact on development in a Local Authority area of both proposed and existing local standards / policies ‘that support the development plan’ should be assessed so as not to put the:

“...implementation of the plan at serious risk, and should facilitate development throughout the economic cycle.”

(paragraph 174, page 42)

In paragraph 175 the NPPF states that:

“Where practical, Community Infrastructure Levy charges should be worked up and tested alongside the Local Plan. The Community Infrastructure Levy should support and incentivise new development...”

(paragraph 175 – emphasis added)

¹² Paragraph 158, page 38, NPPF

2.1.35 The NPPF goes on to emphasise the importance of ensuring:

“...that there is a reasonable prospect that planned infrastructure is deliverable in a timely fashion. To facilitate this, it is important that local planning authorities understand district-wide development costs at the time Local Plans are drawn up. For this reason, infrastructure and development policies should be planned at the same time, in the Local Plan. Any affordable housing or local standards requirements that may be applied to development should be assessed at the plan-making stage, where possible and kept under review.”

(paragraph 177 – emphasis added)

2.1.36 The NPPG CIL Section states that:

“A charging authority should be able to explain how their proposed levy rate or rates will contribute towards the implementation of the relevant Plan (the Local Plan in England, Local Development Plan in Wales, and the London Plan in London), and support development across their area.”

(Paragraph: 019 Reference ID: 25-019-20140612 – emphasis added)

2.1.37 Given that it is inappropriate for a CIL Examination to question the validity of infrastructure planning already set out within an adopted Plan¹³ it is extremely important that the process of developing Local Plan policies and CIL approaches are undertaken concurrently (in line with the NPPF paragraph 175) to ensure that an appropriate balance between the necessary level of CIL funded infrastructure and Plan requirements is struck, and that this evidentially demonstrated to be the case.

2.1.38 Whilst CIL charges should be set to take into account other development costs arising out of plan policies and economic viability, it would fail to reflect the objectives of the NPPF when read as a whole to take the view that a single proposed policy requirement (i.e. such as a draft local authority wide affordable housing target) is of overriding importance, and something to be provided at all costs and at the expense of essential levels of infrastructure funding through the CIL.

2.1.39 The NPPG CIL Section sets out that local authorities should focus on strategic sites and ‘sites where economic viability is likely to be most significant’ avoiding imposing burdens upon development set at the margins of viability are re-iterated within the online national

¹³ Paragraph: 017 Reference ID: 25-017-20140612

planning practice guidance. Whilst the nil CIL charge on allocated strategic sites reflects this, other large developments that come forwards as windfall sites outside of the Stroud Valley area will be subject to significant burdens in terms of the CIL charge and where pooled s106 contributions are sought by the Council in an attempt to remedy the critical / essential infrastructure item funding gap.

- 2.1.40 This will be of increased pertinence where the Council finds itself unable to identify a 5 year housing land supply / unable to deliver housing in accordance with housing requirement targets and in line with the objective of significantly boosting overall housing supply.
- 2.1.41 The NPPG confirms that policies may need to be ‘revised as part of a dynamic process’¹⁴ – it is not stated that policy requirements (including for affordable housing) should be rigidly adhered to at the expense of being able to deliver an appropriate balance of infrastructure in an area where economic viability is problematic and regardless of the impact upon the ability to deliver planned levels of sustainable development.
- 2.1.42 The NPPG states that viability assessments should be based on current costs and values, and not be based upon expectations of future increases in values ‘at least for the first five years of the plan period’.¹⁵ Planning obligations should reflect local viability and local authorities should be flexible to ensure that development is not stalled¹⁶ – CIL charges will be statutory requirements and unable to flex unless formally reviewed. Thus, it is clear from the NPPG that planning obligations and CIL charges should be appropriately and concurrently set at the outset having regard to economic viability if the delivery of Development Plans is not to be threatened.
- 2.1.43 Land values are considered in the online national planning practice guidance and this confirms that values are to be informed by ‘comparable, market based evidence wherever possible’,¹⁷ and competitive returns are defined as those which a ‘reasonable land owner’ would be willing to accept. The competitive return to landowners and developers will vary ‘significantly’ according to project size and risk.¹⁸
- 2.1.44 The NPPG states that when plan making land values should reflect emerging policy and CIL charges, although it is clear that to accord with the NPPF these emerging policy and CIL requirements will themselves need to be informed by viability assessment to ensure that landowners remain incentivised to sell. It should not simply be assumed that land

¹⁴ Paragraph: 005 Reference ID: 10-005-20140306

¹⁵ Paragraph: 008 Reference ID: 10-008-20140306

¹⁶ Paragraph: 010 Reference ID: 10-010-20140306

¹⁷ Paragraph: 014 Reference ID: 10-014-20140306

¹⁸ Paragraph: 015 Reference ID: 10-015-20140306

owners will accept ever reducing land values to reflect emerging policies and CIL charges – such an approach is a circular argument unlikely to deliver the NPPF objectives. Where Local Plan policies and accompanying CIL charges are based on this rhetoric the Council is likely to struggle to deliver housing in line with their housing requirement targets or to deliver the critical and essential infrastructure needed to support these targets.

2.2 Past Delivery of Affordable Housing

2.2.1 Previously, information on s106 receipts and affordable housing provision was set out within Appendix 2 of the Council’s 2014 CIL Viability Study, although this did not appear to distinguish between the level of affordable housing provided with and without grant funding. The March 2016 CIL Viability Update (“2016 VS”) states that an updated review of this has been provided separately¹⁹ although the location of this assessment is unclear.

2.2.2 However, it is possible to undertake a review of housing supply data for the period 2010/11 to 2014/15 referring to publicly available data. This suggests that only a limited proportion of overall affordable housing completions in the District have been completed on Section 106 sites without the input of any grant funding:

| | Overall Affordable Housing Completions (CLG Live Table 1011) | Overall Housing (net) Completions (CLG Live Table 122) | Section 106 Affordable Housing Completions with Nil Grant Funding (CLG Live Table 1011) | Nil Grant Funding Section 106 Affordable Housing as a % of All Affordable Housing Completions | Nil Grant Funding Section 106 Affordable Housing as a % of All Housing Completions |
|---------|--|--|---|---|--|
| 2010/11 | 60 | 270 | 14 | 23% | 5% |
| 2011/12 | 50 | 400 | 21 | 42% | 5% |
| 2012/13 | 160 | 410 | 37 | 23% | 9% |
| 2013/14 | 128 | 480 | 46 | 36% | 10% |
| 2014/15 | 134 | 570 | 45 | 34% | 8% |

The above data suggests that an average of 31% of all affordable housing provided over the 5 years reviewed has been delivered on Section 106 schemes with nil grant funding input, and just an average of 8% of all housing completions have been affordable housing provided on s106 sites without grant.

2.2.3 It is apparent that on average 69% of affordable housing during the period reviewed has been provided with an input of grant funding as opposed to resulting from s106 nil grant funded contributions.

¹⁹ paragraph 9.9, 2016 VS

- 2.2.4 Given that the Homes and Communities Agency 2015-18 Affordable Housing Prospectus and the 2016 to 2021 Shared Ownership and Affordable Homes Programme make it clear that going forwards nil grant funding is likely to be allocated to provide affordable housing through section 106 schemes, the above suggests that delivering a 30% level of affordable housing on such schemes is extremely unlikely to be achievable in the foreseeable future.
- 2.2.5 Thus, the imposition of such a requirement (as is applied through the adopted Stroud Local Plan) in conjunction with other s106 contributions upon sites will endanger the ability to deliver the scale of housing development proposed through the Submission draft Local Plan.
- 2.2.6 Furthermore, these low levels of nil grant funded s106 affordable housing contributions pre-date the additional burden of CIL for non-allocated strategic sites and sites outside of the Stroud Valley. There is therefore significant concern that CIL and affordable housing are being proposed at unrealistic levels.

2.3 Viability Evidence Base

- 2.3.1 Charging authorities are required to demonstrate with viability evidence that proposed CIL charges will not threaten the delivery of the scale of development and sites identified within the Development Plan.
- 2.3.2 The Council's viability evidence base includes a Local Plan Viability Study ("LPVS") prepared by HDH Planning and Development Ltd and published in July 2013, a CIL Viability Study (also prepared by HDH Planning and Development Ltd) and published in January 2014 ("2014 VS"), and most recently a March 2016 CIL Viability Update ("2016 VS").

LPVS and 2014 VS

- 2.3.3 Detailed comments (prepared by Pioneer and submitted by Pegasus on behalf of Robert Hitchins Ltd) on the LPVS were submitted to the Council in October 2013 as an appendix to representations on the Pre-Submission Draft Local Plan Core Policy CP9 'Affordable Housing'. Detailed comments were also prepared by Pioneer and submitted on behalf of Robert Hitchins Ltd in response to the Preliminary Draft Charging Schedule consultation in early April 2014 (April 2014 CIL Reps").
- 2.3.4 These comments are re-attached as Annex 1 and for ease of reference and conclude that a review of the LPVS suggests that where a 30% level of affordable housing along with various standards in excess of Building Regulations are sought in Stroud this will result in

viability having to be assessed on a site by site basis, frustrating the release of land for housing, restricting economic growth and contrary to the requirements of the NPPF for the cumulative impact of policies to reflect economic realities based on current costs and values at the Plan making stage.

2.3.5 The review of the 2014 VS concluded that where a 30% level of affordable housing is sought from strategic and large Greenfield sites in the District this is likely to frustrate the release of land for housing, prevent economic growth, and be contrary to the NPPF requirement for the cumulative impact of policies to reflect economic realities based on current costs and values at the Plan making stage.

2.3.6 Unfortunately, the examining Local Plan Inspector does not explore the concerns raised in any detail in their report, placing an emphasis upon the ability for the viability of sites to be tested on a site by site basis. However, the issues raised on behalf of Robert Hitchins Ltd regarding the assumptions applied in the Viability evidence base remain valid concerns. Robert Hitchins Ltd is a major land owner and stakeholder in the District and wider Housing Market Area and is experienced in promoting and bringing sites to market; as such, the concerns raised in this and previous consultations should be carefully considered ahead of adopting the proposed CIL charges.

2016 VS

2.3.7 The 2016 VS is a high level strategic assessment of viability and it will be necessary to have regard to site specific circumstances for the typologies reviewed when determining application proposals. Whilst it is a high level assessment it remains crucial for cost, revenue and benchmark land value threshold assumptions to be accurately reflected within the modelling, particularly where large Greenfield sites will be burdened with significant site specific infrastructure costs in addition to any CIL and affordable housing requirements.

2.3.8 The 2016 VS confirms that the updated assessment draws on the Local Plan Viability Study (i.e. the LPVS) and describes the LPVS as the 'root' document 'setting out the detailed methodology and assumptions used.'²⁰ The 2016 VS makes reference to the numerous areas of disagreement between consultees and HDH Planning and Development (i.e. the viability evidence base author); it is apparent that many of these concerns remain unaddressed in the 2016 VS. Whilst the 2016 VS refers to the previous LPVS and 2014 VS having been considered during the Local Plan Examination, this is of little comfort to

²⁰ paragraph 1.6, 2016 VS

consultees given that the Local Plan Inspector's report fails to grapple with many of the concerns raised.

Density

2.3.9 Concerns remain regarding the density assumptions in the 2016 VS (as detailed at paragraph 2.2.32 of the April 2014 CIL reps – see Annex 1).

Market Housing Values

2.3.10 The 2016 VS applies updated price assumptions (set out in Appendix 6 to the 2016 VS). However, it is unclear that the values (which range between £2,150 and £3,400 per square metre for the sites tested and reflect analysis of new build asking prices as opposed to sold house prices and excluding the cost of any incentives offered to purchasers) reflect those actually being achieved on developments. Concerns regarding the HDH value assumptions have previously been brought to the attention of HDH through feedback provided by Robert Hitchins Ltd.²¹

2.3.11 A comparison of the sales values within Appendix 6 of the 2016 VS and those applied within the LPVS for sites 6 to 20 (the descriptions of which appear to be broadly comparable) suggest the following uplifts in values (between 2013 and 2016:

| | | Stonehouse | | | Stroud | | | Cam | | Dursley | Wootton under-edge | Nailsworth | Mirchinghampton | Frampton | Stroud | Thrupp |
|------------------------------|-----------|------------|--------|--------|--------|---------|---------|---------|---------|---------|--------------------|------------|-----------------|----------|---------|---------|
| | | Site 6 | Site 7 | Site 8 | Site 9 | Site 10 | Site 11 | Site 12 | Site 13 | Site 14 | Site 15 | Site 16 | Site 17 | Site 18 | Site 19 | Site 20 |
| | 2013 LPVS | £2,300 | £2,250 | £2,300 | £2,600 | £2,600 | £2,400 | £2,000 | £2,450 | £2,150 | £2,500 | £2,600 | £2,600 | £2,300 | £2,150 | £2,150 |
| £ per Sqm | 2016 VS | £2,750 | £2,700 | £2,800 | £3,000 | £2,600 | £2,700 | £2,550 | £2,600 | £3,050 | £3,350 | £3,050 | £3,050 | £2,700 | £2,450 | £2,450 |
| Purported Value increase (£) | | £450 | £450 | £500 | £400 | £0 | £300 | £550 | £150 | £900 | £150 | £450 | £450 | £400 | £300 | £300 |
| Purported Value increase (%) | | 19.6% | 20.0% | 21.7% | 15.4% | 0.0% | 12.5% | 27.5% | 6.1% | 41.9% | 17.3% | 17.3% | 17.3% | 17.4% | 14.0% | 14.0% |

2.3.12 A review of Land Registry price paid data for new build homes across the District as a whole suggests an overall average uplift in values of 6.3% between 2013/14 and 2015/16.²² This is significantly less than the uplift in values suggested between the 2013 LPVS and 2016 VS (which average out at 17.5% and extend up to c.42% in Dursley). The uplift in values looks to exceed that which has actually occurred in respect of newbuild sold house prices in the District. The average increase of 6% looks to be more appropriate.

2.3.13 The modelling undertaken by HDH is extremely sensitive to any amendment to values and costs assumptions. Where such matters are not demonstrably agreed with key

²¹ Email to Mr Simon Drummond-Hay at HDH from Mr Andrew Hill at Robert Hitchins Ltd dated 16th May 2013

²² May 2013 to February 2014 = average new build sold house price of £242,999 compared to May 2015 to February 2016 = average new build sold house price of £258,270

Stakeholders and reliance is placed on artificially high values and artificially low costs, such that a 30% affordable housing target alongside CIL payments are suggested to be viable, as reality comes to bear there is likely to be a significant negative impact on the Council's ability to deliver the level of overall housing proposed through the emerging Local Plan.

2.3.14 Whilst the 2016 VS, as with its predecessor, is a high level study it is essential that the modelling reflects 'real world' circumstances and that sensitivity testing is presented (and made available publicly) taking variations in costs / values into account to enable the Council to reach an informed decision before seeking to set policies and CIL payments.

Affordable Housing Values

2.3.15 The 2016 VS assumes a revenue for Intermediate housing for sale of 65% of open market values, but suggests in Table 3.10 that this could be as high as 90% of open market value where 80% shares in equity are sold.

2.3.16 There is no assessment of the price at which Social Rented dwellings would be sold, with the assessment assuming all rented affordable housing to be in the Affordable Rent tenure. This is acknowledged in the reasoned justification to Stroud Local Plan Policy CP9 (paragraph 4.16) and as such future affordable housing proposals can reasonably expect to reflect that nil Social Rent will be sought.

2.3.17 The 2016 VS touches on rent reductions introduced in the 2015 Summer Budget and acknowledges that these will result in reduced affordable housing values. The 2016 VS appears to suggest that these reductions will be counteracted by the introduction of Starter Homes via the Housing and Planning Act 2016 (enacted in May 2016 subsequent to the 2016 VS publication) – the 2016 VS refers to Starter Homes having a value to the developer of 80% of open market values compared to the 65% assumed for Intermediate housing for sale.

2.3.18 However, this fails to reflect that the Council may seek a reduced proportion of Intermediate housing for sale on sites as a result of the statutory requirement for the inclusion of 20% Starter Homes on reasonably sized sites – as acknowledged in the 2016 VS Table 3.10 values in excess of 80% of open market value could conceivably be achieved on Intermediate housing for sale where equity shares of 70% to 80% are sold, but the replacement of these units with Starter Homes would result in lower overall revenues to the developer.

- 2.3.19 In particular, it is misleading to simply refer to the 80% of open market value associated with Starter Homes when considering what the revenue to the developer will be. In fact, unlike with Shared Ownership and other forms of Intermediate housing for Sale provided via a Registered Provider, with Starter Homes the risk to the developer is significantly greater. Rather than getting a reliable payment from a Registered Provider (who then has to market the dwellings etcetera) the developer will have to sell the product directly to the eligible purchaser along with all the risks that this entails.
- 2.3.20 Furthermore, unlike market housing for sale there are restrictions on who is eligible to purchase a Starter Home and, as yet, there are no clear exit options (such as cascade arrangements) identified within the Planning and Housing Act 2016 or associated consultation draft Regulations should insufficient demand prove to exist for this product. The developer faces the uncertainty of being able to sell these products adding increased levels of risk.
- 2.3.21 The provision of Starter Homes may also impact upon the saleability of developers' existing product portfolio, particularly in respect of products aimed at first time buyers (including where the developer runs their own incentive scheme for such purchasers) but which enables revenues to be realised in excess of that which will be possible from a Starter Home.
- 2.3.22 To reflect these risks (which are less pertinent to traditional affordable housing tenures) the return that will be sought by developers on Starter Homes will need to align with that sought on open market housing (i.e. 20% on value) as opposed to the generally accepted affordable housing 6% on cost. Once this is taken into account it is apparent that the revenue streams that developers will realise through Starter Homes may be worse, or at least no better, than that achievable on traditional affordable housing products. Where there is any reduction in the provision of Intermediate affordable housing for sale in lieu of the inclusion of Starter Homes these impacts will be likely to reduce, not improve, scheme viability.
- 2.3.23 These concerns should be taken into consideration within the Council's assessment of viability and re-consulted upon ahead of finalising proposed CIL charges for Independent Examination.

Planning Obligations

- 2.3.24 The 2014 VS refers to the LPVS assumption of a section 106 contribution per dwelling of £2,500 although the evidential basis of this assumption is unclear.²³ The 2014 VS reduces this assumption to £1,000 per dwelling (except in respect of allocated strategic sites²⁴) suggesting that this reflects the scaling back of section 106 obligations as a result of the introduction of CIL.²⁵ This assumption is maintained despite significant concerns having been raised within the April 2014 CIL Reps about this assumption.
- 2.3.25 It remains unclear exactly how the LPVS £2,500 per dwelling figure was derived, and whilst a list of section 106 payments received historically is included at Appendix 2 to the 2014 VS it is not summarised to transparently identify how this information has been used to inform the pre- and post CIL section 106 obligation assumptions per dwelling. Additional clarity is not provided within the 2016 VS and this apparently arbitrary assumption continues to be applied.
- 2.3.26 It is therefore evidentially unclear that either the £2,500 or the reduced £1000 per dwelling section 106 assumption (to reflect the introduction of CIL) is sufficient. Based on their experience as major landowners Robert Hitchens Ltd maintains²⁶ that the assumption is unlikely to be sufficient to cover even the site specific section 106 costs associated with the provision of public open space let alone any other site specific costs which will remain applicable regardless of the CIL.
- 2.3.27 Analysis at paragraphs 2.1.18 to 2.1.20 above suggests that a significant critical and essential infrastructure funding gap will remain post CIL adoption and that given the essential / critical nature of this infrastructure the Council are likely to need to seek to bridge much of this gap through pooled s106 contributions. Where this additional cost is distributed over planned housing delivery levels as a whole a cost per dwelling of £5k - £7k is suggested. However, in practice, given pooling restrictions the need to comply with CIL Regulations and the need for funding for this infrastructure to be secured to enable planned development to proceed, the Council is likely to seek to place the burden of providing this infrastructure upon large Greenfield and strategic sites across the Stroud area (i.e. including on unallocated sites); the cost per dwelling on these sites would therefore be significantly greater than £5k - £7k per dwelling. In reality post CIL s106 burdens, particularly on large Greenfield sites will be likely to be at least £10k per dwelling.

²³ pages 56 to 57, LPVS and page 38, 2014 VS

²⁴ Table 5.2, 2014 VS

²⁵ paragraph 4.57, 2014 VS

²⁶ See the concerns set out in the April 2014 CIL Reps attached at Annex 1

2.3.28 Furthermore, if schemes are subject to section 106 costs in excess of £1,000 per dwelling, in combination with CIL payments and affordable housing contributions this will clearly have a significant impact upon viability. Where the proposed CIL charges are applied and section 106 contributions as a result of Plan policy requirements are sought in excess of this £1,000 per dwelling contribution these will not have been demonstrated to be viable in accordance with NPPF requirements.

2.3.29 This is of significant concern given that any increase over the VS 2016 per dwelling s106 obligation contribution assumption is likely to result in a significant reduction in the number of sites that would be viable where these are subject to a £80 per square metre CIL charge. The 2016 VS, as the 2014 VS before it, does not sensitivity test to reflect the impact of any increased section 106 contribution costs, and as already stated, an increase in costs will have a significant impact on the viability assessment outputs.

2.3.30 Other assumptions in respect of which concerns / comments apply are:

- i) Contingencies – as in the VS 2014 the 2016 VS applies a 5% assumption for brownfield sites and 2.5% for all other sites despite consultation responses suggesting the same assumption should be applied to all sites.²⁷ The 2014 and 2016 VS assumption that only brownfield sites are likely to incur in excess of 2.5% contingency costs is unrealistic and fails to reflect the complexity of many non-brownfield sites, including larger complex phased Greenfield sites. The 2016 gives no evidential basis for the contingency level applied.
- ii) The 2016 VS assumes a 20% of Gross Development Value developer profit²⁸ – in recessionary or poor markets the return required by developers will be greater, i.e. in excess of 25% especially on large sites and in lower priced areas – the assumption applied within the 2016 VS does not reflect this. This point was similarly made in response to the 2014 VS without addressing the concerns raised.

Furthermore, the 2016 VS makes no allowance for holding costs despite acknowledgment in the 2014 VS that sites will not generate an income immediately.²⁹ The 2016 and 2014 VS approach does not reflect the advice within the NPPG which confirms that area wide viability assessments should reflect historic costs associated with brownfield, phased or complex sites.

²⁷ pages 37 and 38, 2016 VS

²⁸ page 35, 2016 VS

²⁹ paragraph 4.84, 2014 VS

- iii) The 2016 VS Build Cost assumptions should be reviewed regularly: anecdotal evidence suggests that material and labour costs are rising steeply - these increases are unlikely to be reflected in BCIS data due to the delay between real time activity and the publication of the data. The BCIS data does not include on plot external costs and the 1.5% uplift applied by the 2016 VS is insufficient. This should reasonably be applied at 10 to 15% in addition to the 20% included for wider (off-plot) site costs.

Land Value Benchmark

2.3.31 The land value viability thresholds (against which modelled Residual Land Values are compared) within the 2016 VS are as those set out within the 2014 VS and the previous LPVS. In Chapter 6 the LPVS (and this is carried forwards into the 2014 and 2016 VS) a gross viability threshold of £380,000 per hectare is assumed for the large Greenfield sites. This is derived by taking a £25,000 per hectare agricultural land value, uplifting it by 20% to £30,000 and then adding a premium of £350,000.³⁰

2.3.32 However, concerns remain that this fails to accurately reflect the values that will be necessary if 'willing' land owners are to be incentivised to release land for housing development. Significant concerns regarding this assumption were raised in detail within the representations prepared by Pioneer and submitted on behalf of Robert Hitchins Ltd to the Pre-Submission Draft Local Plan in October 2013 and are also set out in the April 2014 CIL Reps (please see Appendix 1 to Annex 1 below paragraphs 4.8 to 4.21).

2.3.33 The 2016 VS provides additional information on Threshold Land Values ("TLV") within Table 5.1. The data within this table is described as providing the 'price paid in £/ha' and being based on a search for each development site of 10 or more dwellings sold over the last few years and granted planning permission / with a resolution to grant subject to s106. The 2016 VS does not make it clear whether or not the sale was pre- or post- a planning permission or a resolution to grant being achieved. However, a review of the £/Ha paid for sites in 2014 and 2015 suggests an average of c.£1.2m per hectare. It is therefore confusing that the 2016 VS goes on to state that the data supports the £380k per hectare TLV used in the modelling if land owners have achieving in the region of £1.2m per hectare on average.

2.3.34 Furthermore, the TLV assumption is not supported by the residual residential land values for the nearest comparable location (suggested as explained at paragraph 4.11 of Annex 1

³⁰ paragraph 4.72, 2014 VS and also applied in the 2016 VS modelling

Appendix 1 below to be Bristol) suggested by 2011 VOA bulk residential land values³¹ for permitted Greenfield sites of £2.1 million per hectare. Whilst this data is now old it provides a useful context within which the 2016 VS land value data can be placed. It suggests that land values have already fallen or been suppressed; it is unlikely that landowners will be incentivised to sell their land for housing where policy and CIL burdens seek to erode it any further. Lands can be held for generations and vendors may seek to wait for an improved return.

2.3.35 The application of a £1.2m per hectare TLV to the agricultural land Greenfield sites in Table 7.2 (i.e. sites 1 to 3, 5, 9, 10, 13, 17 and 18) suggests that the residual land values for all but one of these eight sites falls below this TLV.

2.3.36 This suggests that continuing to apply the Local Plan 30% affordable housing target to large Greenfield sites in the District is unlikely to facilitate development in accordance with the NPPF. In this respect it is questionable that the Council's current proposed Policy and CIL requirements will enable the scale of development proposed within the draft Local Plan to be realised.

2.3.37 The impact of the approach in the 2016 VS is already commented upon in Annex 1 (page 24 onwards) – the concerns raised there continue to apply to the 2016 VS which retains the 2014 VS position in respect of land value thresholds. These concerns do not appear to have been dealt with in any detail in the report of the examining Local Plan Inspector.

³¹ taking into account affordable housing and developer contributions and assuming no abnormal constraints

3. CONCLUSION

- 3.1 CIL Regulation 14³² requires that the charging authority ‘must strike an appropriate balance between’ funding infrastructure from the levy (having regard to the ‘actual and expected estimated total cost of infrastructure’) and the ‘potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area’.
- 3.2 To ascertain what will be an ‘appropriate balance’ in terms of the CIL charges to be levied having regard to the potential effects on the economic viability of development and other sources of funding in the area, a local authority will need to have a robust understanding of the level of non-site specific infrastructure that will be essential to enable the planned supply of housing / employment land to come forwards in an area.
- 3.3 Without this essential infrastructure, development will be physically unable to proceed, and the ability to viably deliver the scale of development and sites set out within Local Authorities’ Local Plans will be threatened contrary to the National Planning Policy Framework.
- 3.4 It is welcomed that nil CIL charges are proposed in respect of allocated strategic sites in the District. However, given the:
- IDP Oct 2014 acknowledgment that not all section 106 costs have yet been determined (and therefore cannot be reflected within any viability evidence which should be informed by the draft IDP),
 - continued lack of clarity in the Indicative Draft Regulation 123 List in respect of how s106 obligations and CIL will interact on non-allocated strategic and non-Stroud Valley sites ,
 - the failure of the Council to ensure that the draft IDP reviews past rates of affordable housing delivery achieved without public subsidy, to inform the monitoring of adopted affordable housing targets and the likely additional pressures that will be placed on sites by the inclusion of the proposed CIL charges,

it is unclear how the draft CIL Charging Schedule can be considered to be soundly based or an appropriate balance have been reached by the Council. It is clear that where CIL rates are set at a level that fails to reflect the full burdens likely to be placed upon sites then the level of s106 planning obligations that sites will be able to bear will be restricted. This is

³² The Community Infrastructure Levy Regulations 2010, as amended (2014)

likely to result in increased viability based negotiations on a site by site basis to determine reduced affordable housing contributions and other s106 infrastructure contributions (which will continue to apply in addition to any CIL charge). This leads to delays in development and could even stifle housing delivery.

- 3.5 There will be an increased emphasis upon the need for the Council's adopted affordable housing targets and other planning obligation requirements to be applied flexibly post CIL adoption. A review of CLG affordable housing completion data suggests that on average 69% of affordable housing during the period reviewed has been provided with an input of grant funding as opposed to resulting from s106 nil grant funded contributions. Furthermore, these low levels of nil grant funded s106 affordable housing contributions pre-date the additional burden of CIL for non-allocated strategic sites / sites outside of the Stroud Valley. There is therefore significant concern that CIL and affordable housing are being proposed at unrealistic levels, particularly in respect of larger greenfield sites.
- 3.6 A review of the 2016 VS (along with the previous review of the LPVS and 2014 VS attached at Annex 1) suggests that the application of the 30% affordable housing target in conjunction with a CIL charge on large greenfield sites is likely to result in viability pressures. These pressures may frustrate the release of land for housing and prevent economic growth contrary to the NPPF requirement for the cumulative impact of policies to reflect economic realities based on current costs and values at the Plan making stage.
- 3.7 Landowners are likely to seek to obtain a residual land value in line with wider market expectations where land achieves a residential permission. Robert Hitchins Limited are a key landowner in the District and consider the £380,000 per gross hectare benchmark value applied by the LPVS/2014 VS to determine viability to be insufficient to secure the release of land in a quantity that will enable planned housing targets to be met and 5 year housing land supplies to be maintained. This concern has been expressed on behalf of Robert Hitchins Ltd in previous representations submitted in respect of the LPVS and 2014 VS.
- 3.8 In addition to the above, it is of significant concern that the 2016 VS continues to draw questionable conclusions regarding: the costs that are likely to be associated with the various Local Plan policy requirements that will be sought via s106, the sales values that are likely to be achieved, and various other modelling assumptions.
- 3.9 The examining Local Plan Inspector has made it clear in their report that the Local Plan affordable housing target will need to be applied flexibly to reflect site viability concerns;

depending upon the level at which the CIL charge is set affordable housing contributions may have to flex downwards to reflect the additional pressures upon sites where these are not fully reflected in the high level 2016 VS modelling. However, where the adopted Local Plan affordable housing target proves to be higher than can be realistically achieved this may lead to delays in delivery where many of the sites coming forwards need to be subject to viability testing and prolonged local authority negotiations.

- 3.10 This stifling of delivery is not in line with the overarching national guidance objectives and CIL charges need to be set at a level that will avoid this. There is a danger that where affordable housing targets are set unrealistically high that local authorities will fail to secure sufficient contributions for critical and essential infrastructure (i.e. because the level at which CIL charges can viably be adopted and the scope for s106 infrastructure contributions is constrained as a result of the emphasis on affordable housing delivery). This is of significant concern, as without the 'appropriate balance' being struck (as required in CIL Regulations) there will be insufficient infrastructure in place to deliver not only affordable housing but housing overall.
- 3.11 For the draft CIL Charging Schedule to be sound the concerns raised in this report need to be re-visited and addressed in co-operation with key Stakeholders.
- 3.12 A realistic assessment of economic viability is required and this should not assume Starter Homes to improve economic viability. Despite the recent adoption of the Local Plan, a Local Plan policy review may need to be proposed where necessary in respect of policy burdens (particularly high cost requirements such as Affordable Housing) to ensure the deliverability of the emerging Local Plan and to assist with providing sufficient funds to assist with addressing essential infrastructure through CIL charges. Ongoing accurate monitoring of housing and infrastructure delivery will be crucial and should be responded to without delay where overall delivery does not enable the scale of development envisaged in the Local Plan.
- 3.13 Ahead of a realistic assessment of viability, given the existing and now adopted Local Plan policy burdens, the delivery of a CIL charge of £80 per square metre on sites outside of the Stroud Valley / non-allocated strategic sites (particularly where these are large greenfield sites) is not robustly demonstrated to be viable. Indeed, at 30% affordable housing a CIL charge of any level is unlikely to be viable on large Greenfield sites (as is already accepted to be the position in respect of the allocated strategic sites). The Council can expect these matters to impact on the overall level of housing delivery and on the ability for applicants to provide the level of affordable housing and infrastructure s106 contributions sought.

4. ANNEX 1



Please complete and return this form by 9th April 2014.



Planning Strategy Team, Stroud District Council,
Ebley Mill, Westward Road, Stroud, Glos. GL5 4UB



e: local.plan@stroud.gov.uk w: www.stroud.gov.uk/consult



01453 754143 for Local Plan queries

Give us your views about:

- The information contained within the Preliminary Draft Charging Schedule and the supporting evidence.

Introduction

The Council is an advanced stage of producing the Stroud District Local Plan. This will identify the growth required within the District to meet needs up to 2031. In order to plan positively for future growth, a level of infrastructure is needed to support development. The Preliminary Draft Charging Schedule sets out the Council's current position regarding the Community Infrastructure Levy (CIL) as one of the mechanisms to facilitate and pay for necessary infrastructure provision.

Consultation

This consultation is the first formal stage of the Council's preparation of a CIL Charging Schedule. Once adopted, the Schedule will set a standardised rate which varies only by types of development or geographical location within the District. Funds collected through CIL must be spent on infrastructure required to support development in the area. The rates proposed may change as a result of this consultation. We therefore welcome your views on the proposed rates and the evidence that supports them.

The consultation is carried out in accordance with Regulation 15 of the Community Infrastructure Levy Regulations 2010, as amended.

Comments should be submitted by **9th April 2014** via the Council's online consultation portal www.stroud.gov.uk/consult, or by returning the comments form by email to local.plan@stroud.gov.uk or in writing to:

**The Planning Strategy Team,
Development Services,
Stroud District Council,
Ebley Mill,
Stroud,
Gloucestershire,
GL5 4UB**

Comments are welcomed on all aspects of this document whether we have specifically set out a question relating to the point or not.

This document is supported by the **CIL Viability Study: An Annex to Stroud Local Plan Viability Study (Jan 2014)** and **Infrastructure Delivery Plan, Consultation Draft (July 2013)**. Comments received in this period will be taken into account in preparing subsequent versions of the CIL Charging Schedule for consultation, examination by an independent examiner and adoption.

Part A: Your details

Thank you for taking part. Please fill out this section with your personal information. Your details won't be used for any purpose other than this consultation, and to help us keep you up to date with progress if you want us to. Please note we will not process any anonymous responses.

Your name

Title Name

Company name / organisation (if relevant):

Client name/organisation you are representing (if relevant):

Your address

Your phone number
(This will not be made
publically available)

Your email address
(This will not be made
publically available)

Equalities Monitoring

Due to the nature of this consultation, responses will need to be made available for an inspector, therefore we have chosen not to ask for any equalities monitoring details directly on the response form.

However Stroud District Council is still committed to equal opportunities for our services therefore should you wish to inform us of this information please visit the online questionnaire at:
<http://consultation.stroud.gov.uk/policy-and-review/2c0a7dde>.

Providing us with this information will enable us to monitor the profile of people who use our services and help us ensure they are accessible to everyone.

Do you consent to having your response published on the Councils Consultation portal?

Yes

Q1. Do you think the evidence for the suggested rates is justified and robust?

Yes No

Please read the following summary in conjunction with **the attached 'Infrastructure and Viability Evidence Base Review'** prepared by Pioneer on behalf of Robert Hitchins Limited in response to this consultation.

In summary, for the draft CIL Charging Schedule to be rendered sound the concerns raised in the attached report need to be re-visited and addressed with additional work being undertaken by the Council in co-operation with key Stakeholders. This work will need to provide a full review of infrastructure requirements alongside a realistic assessment of economic viability. As a result of this additional work reductions should be proposed where necessary to policy burdens (particularly high cost requirements such as Affordable Housing) to ensure the deliverability of the emerging Local Plan and assist with providing sufficient funds to assist with addressing essential infrastructure through CIL charges.

Q2. *Do you agree with the different approaches for commercial development, compared to housing development?*

Yes No

Unless the evidence base concerns raised within the attached 'Infrastructure and Viability Evidence Base Review' (prepared by Pioneer on behalf of Robert Hitchins Limited) in response to this consultation are resolved it is not possible to conclude that the commercial development approaches taken in terms of the proposed CIL charges are appropriate.

Please see the summary provided in response to question 1 above and **the attached 'Infrastructure and Viability Evidence Base Review'** report.

Q3. *Is CIL set at the right level, bearing in mind the economic viability of developments as set out in the CIL Viability Study?*

Yes No

Please see the summary provided in response to question 1 above and the **attached 'Infrastructure and Viability Evidence Base Review'** report.

Q4. *Can more detail be provided on the infrastructure funding deficit?*

Yes No

Please read the following summary in conjunction with **the attached 'Infrastructure and Viability Evidence Base Review'**, and section 2.1 of that report in particular, prepared by Pioneer on behalf of Robert Hitchins Limited in response to this consultation.

A robust understanding of the required infrastructure and how this is to be prioritised and funded is necessary to enable a valid assessment of economic viability to be undertaken and an appropriate balance struck between addressing infrastructure needs, providing proposed policy requirements and facilitating (as opposed to jeopardising) the scale of development proposed through the emerging Local Plan. The evidence published by the Council does not demonstrate that the approach proposed will enable this.

Q5. *Do you have any comments on the Indicative S106 list and the proposed split between infrastructure to be provided through CIL and S106?*

Yes No

Please read in conjunction with **the attached 'Infrastructure and Viability Evidence Base Review'** prepared by Pioneer on behalf of Robert Hitchins Limited in response to this consultation:

A clear emphasis is placed in the CIL 2014 Guidance upon local authorities preparing a 123 List and publishing this for consideration alongside draft CIL Charging Schedules, and this is also advised within the Council's 2014 Viability Study. However, the Council's draft Charging Schedule acknowledges that costs and delivery strategies for the infrastructure necessary to enable strategic sites to be developed are yet to be identified.

Where these matters are not robustly assessed and it remains unclear how essential infrastructure items will be funded (i.e. either through CIL payments or obligations / conditions) there is valid concern that developers may end up paying for the same item of infrastructure twice. This would be contrary to CIL Regulations (as acknowledged within the draft CIL Charging Schedule) and the lack of clarity in terms of what developers will be required to pay for and through which route is contrary to advice within the NPPG which warns against even 'perceived 'double dipping'.

It is of significant concern that even at the stage of consulting upon a draft CIL Charging Schedule, it is questionable that the Council are in a position to be able to 'strike an appropriate balance' between ensuring that the necessary infrastructure is funded and the impact of this upon the viability of development understood (including in respect of how obligations such as affordable housing may need to reduce from levels aspired to by the Council in order to ensure that planned development can proceed.)

Q6. *Do you agree with the suggested approach to introduce an instalments policy?*

Yes No

It is agreed that in principle the Council should introduce an instalments policy. However, an appropriate approach can only be developed once the concerns raised in response to the other questions in this form and set out in detail in **the attached 'Infrastructure and Viability Evidence Base Review'** (prepared by Pioneer on behalf of Robert Hitchins Limited in response to this consultation) are addressed.

Q7. *Do you believe that Stroud District Council should implement a discretionary relief policy?*

Yes No

It is agreed that in principle the Council should introduce a discretionary relief policy. However, an appropriate approach can only be developed once the concerns raised in response to the other questions in this form and set out in detail in **the attached 'Infrastructure and Viability Evidence Base Review'** (prepared by Pioneer on behalf of Robert Hitchins Limited in response to this consultation) are addressed.

Q8. *Do you agree that Stroud District Council should review CIL: every three years; or if there is*

increase in building requirements past Part L of the current Building Regulations and Code for Sustainable Homes Level 4?

Yes No

It is agreed that as a matter of principle the Council should review CIL charges on a regular basis and it is a requirement within the current CIL Guidance that CIL is revisited by local authorities where changes occur that are likely to impact upon economic viability.

The frequency of any such review beyond that proposed will therefore be informed by any such changes. Changes that will trigger a review should not be limited to Building Regulation or Code for Sustainable Homes.

However, any approach can only be developed once the concerns raised in response to the other questions in this form and **set out in detail in the attached 'Infrastructure and Viability Evidence Base Review'** (prepared by Pioneer on behalf of Robert Hitchins Limited in response to this consultation) are addressed. It is crucial that the initial CIL introduce is founded on robust evidence, which currently is not considered to be the case.

Thank you for taking the time to fill in this comments form.

Comments will be collated to help Stroud District Council to move forward to the next stages in the production of the Community Infrastructure Levy.

Stroud District Council

Infrastructure and Viability Evidence Base Review

Prepared by:
Pioneer Property Services Ltd

On behalf of:
Robert Hitchins Ltd

9th April 2014

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1. INTRODUCTION

- 1.1 This report has been prepared by Pioneer on behalf of Robert Hitchins Limited (a key landowner in the Stroud District) to review the infrastructure and viability evidence base informing the Stroud District Council (“the Council”) draft Community Infrastructure Levy Charging Schedule and draft 2014 Stroud Local Plan.
- 1.2 The following section of this report reviews the statutory context in which CIL rates should be set, alongside the requirements within national guidance pertinent to both the setting of CIL rates and new Local Plan policy. The third section reviews the approach taken in the Council’s viability evidence, and the final section draws conclusions.

2. STROUD DISTRICT COMMUNITY INFRASTRUCTURE LEVY REVIEW

2.1 Statutory and Policy Context

- 2.1.1 Local authorities are empowered through Section 206 of the 2008 Planning Act (as a 'charging authority') to charge a Community Infrastructure Levy ("CIL"). In accordance with the 2008 Planning Act local authorities 'must have regard', in line with the approach set out within CIL Regulations, to the 'actual and expected costs of infrastructure' and 'to the economic viability of development'.¹
- 2.1.2 The 2008 Planning Act requires that charging authorities submitting a draft Charging Schedule for examination also submit a signed declaration confirming, among other things, that 'the charging authority has used appropriate available evidence to inform the draft charging schedule'.²
- 2.1.3 The above aspects of the 2008 Planning Act are built upon in CIL Regulation 14³ – this requires that the charging authority 'must strike an appropriate balance between' funding infrastructure from the levy (having regard to the 'actual and expected estimated total cost of infrastructure') and the 'potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area'.
- 2.1.4 This reflects the CIL Regulations as amended (and which came into force on the 24th of February 2014); these, significantly, remove the ability of the charging authority to 'aim to' strike 'what appears to charging authority to be' an appropriate balance between funding through the CIL and the impact on economic viability of development in an area.
- 2.1.5 The 2014 CIL Regulations are therefore explicit: the imposition of CIL charges must not compromise the economic viability of development in an area (i.e. jeopardising the delivery of the level of development planned for within Local Plans).
- 2.1.6 It is apparent that to be able to strike the above balance the local authority (i.e. charging authority) will have to know the actual and estimated total cost of infrastructure requirements in the area and to undertake an assessment of the impact of economic viability upon development in the area.
- 2.1.7 The 2008 Planning Act and the CIL Regulations (as amended) make no reference in Regulation 14 to suggest that CIL charges are of secondary importance to any other single

¹ Part 11, Section 211 (2), 2008 Planning Act

² Part 11, Section 212 (4), 2008 Planning Act

³ The Community Infrastructure Levy Regulations 2010, as amended (2014)

planning requirement, such as affordable housing. As such, when determining what is an 'appropriate balance' the CIL Regulations do not suggest that CIL charges should be reduced to enable local authorities full affordable housing preferences to be met through developer contributions, as opposed to vice versa, particularly where the Council is yet to adopt an NPPF compliant Local Plan affordable housing policy.

- 2.1.8 Furthermore, to ascertain what will be an 'appropriate balance' in terms of the CIL charges to be levied having regard to the potential effects on the economic viability of development and other sources of funding in the area, a local authority will need to have a robust understanding of the level of non-site specific infrastructure that will be essential to enable the planned supply of housing / employment land to come forwards in an area – without this infrastructure development will be physically unable to proceed, and the ability to viably deliver the scale of development and sites set out within Local Authorities' Local Plans will be threatened contrary to the National Planning Policy Framework ("NPPF" - published on the 27th of March 2012).
- 2.1.9 'Community Infrastructure Levy Guidance' published by the Department for Communities and Local Government in April 2013 is listed as a document that has been replaced as a result of the publication of the online National Planning Practice Guidance ("NPPG"). This is as a result of amended CIL Regulations having come into force on the 24th of February 2014 as a consequence of which new 'Community Infrastructure Levy Guidance' ("CILG") has also been published by the Government (February 2014).
- 2.1.10 The NPPG states that whilst 'the principles for understanding viability set out in this document will also be relevant for Community Infrastructure Levy evidence collection' there is also 'separate guidance on viability and charge setting' for the CIL. The NPPG also includes a link to the CILG on the CLG website.⁴ Whilst this is currently directed to the 2013 Community Infrastructure Levy Guidance, where local authorities have published their draft CIL Charging Schedule after the 24th of February 2014 (such as in Stroud) these will be examined on the basis of the 2014 Regulations and CILG.
- 2.1.11 The CILG confirms that 'Charging schedules should be consistent with, and support the implementation of, up-to-date relevant Plans' (i.e. in England this means Local Plans), and makes it clear that the NPPF should be taken into consideration.⁵

⁴ paragraph 003 ID: 10-003-20140306, NPPG

⁵ pages 12, 13 and 14, CILG

2.1.12 The NPPF places ‘significant weight’ on ‘the need to support economic growth through the planning system’⁶ and seeks to ‘boost significantly’ housing supply.⁷ Where Local Authorities are unable to ‘demonstrate a five-year supply of deliverable housing sites’ the NPPF states that relevant policies in respect of housing supply will be rendered out of date.

2.1.13 When plan making local authorities are required by the NPPF to draw on ‘adequate, up-to-date and relevant evidence’ with strategies for housing, employment and other land uses being integrated and ‘taking full account of relevant market and economic signals’.⁸ Local Authorities should take account of changing market conditions when reviewing both new obligations and revisions to existing obligations taking a flexible approach to ‘prevent planned development being stalled’.⁹

2.1.14 The NPPF is clear that the:

“...sites and scale of development identified in the plan should not to be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened.”

The impact of costs associated with ‘any requirements’ including affordable housing, standards, and infrastructure (including through CIL), will need to be assessed to ensure that these do not preclude the provision of:

“...competitive returns to a willing land owner and willing developer to enable the development to be deliverable.”

(paragraph 173, page 41)

The cumulative impact on development in a Local Authority area of both proposed and existing local standards / policies ‘that support the development plan’ should be assessed so as not to put the:

“...implementation of the plan at serious risk, and should facilitate development throughout the economic cycle.”

(paragraph 174, page 42)

In paragraph 175 the NPPF states that:

⁶ Paragraph 19, page 6, NPPF

⁷ Paragraph 47, page 12, NPPF

⁸ Paragraph 158, page 38, NPPF

⁹ Paragraph 205, page 47, NPPF

“Where practical, Community Infrastructure Levy charges should be worked up and tested alongside the Local Plan. The Community Infrastructure Levy should support and incentivise new development...”

(paragraph 175 – emphasis added)

2.1.15 The NPPF goes on to emphasise the importance of ensuring:

“...that there is a reasonable prospect that planned infrastructure is deliverable in a timely fashion. To facilitate this, it is important that local planning authorities understand district-wide development costs at the time Local Plans are drawn up. For this reason, infrastructure and development policies should be planned at the same time, in the Local Plan. Any affordable housing or local standards requirements that may be applied to development should be assessed at the plan-making stage, where possible and kept under review.”

(paragraph 177 – emphasis added)

2.1.16 This is built upon within the Viability section of the NPPG which encourages the preparation of CIL Charging Schedules in tandem with local authorities Local Plans,¹⁰ with local authorities having a ‘comprehensive and consistent understanding of viability across their areas.’¹¹

2.1.17 The CILG re-confirms¹² the Government’s objective that CIL charges ‘are expected to ‘have a positive economic effect’ on development in a local authority area, and clarifying the meaning of ‘an appropriate balance’ sets out that this requires local authorities to balance securing ‘additional investment to support development’ with the ‘potential effect’ upon development viability.

2.1.18 Further guidance is provided within the CILG on the approach to be taken by local authorities to infrastructure planning. The CILG makes it clear that:

“Charging authorities must identify the total cost of infrastructure they wish to fund wholly or partly through the levy.”

(page 14, CILG)

¹⁰ paragraph 004 ID 10-004-20140306 and paragraph 18 ID 12-018-20140306, NPPG

¹¹ paragraph 004 ID 10-004-20140306, NPPG

¹² page 12, CILG

Before such decisions can take place the CILG confirms that the charging authority needs to consider based on 'appropriate evidence' i) what additional infrastructure is actually required within an area to support development and ii) what other sources of funding are available.¹³ The 'aggregate funding gap' should be evidenced thus demonstrating the 'need to put in place' CIL charges.¹⁴

2.1.19 Within the Local Plan section of the NPPG it is emphasised that local authorities need to be 'realistic about what can be achieved and when (including in relation to infrastructure)'. Not only does this necessitate the identification of sufficient housing land, but it also requires local authorities to identify 'what infrastructure is required and how it can be funded and brought on stream at the appropriate time' without putting the viable delivery of development at risk.¹⁵

2.1.20 The NPPG goes on to say that:

"The Local Plan should make clear, for at least the first five years, what infrastructure is required, who is going to fund and provide it, and how it relates to the anticipated rate and phasing of development."

(paragraph 18, ID 12-018-20140306, NPPG)

If critical elements of the required infrastructure are uncertain in terms of their deliverability the Local Plan 'should address the consequences of this, including possible contingency arrangements and alternative strategies'.¹⁶

2.1.21 Given that it is inappropriate for a CIL Examination to question the validity of infrastructure planning already set out within an adopted Plan,¹⁷ it is extremely important that the process of developing Local Plan policies and CIL approaches are undertaken concurrently (in line with the NPPF and the accompanying NPPG) to ensure that an appropriate balance between the necessary level of CIL funded infrastructure and Plan requirements is struck, and that this is evidentially demonstrated to be the case.

2.1.22 This requires economic viability evidence to be prepared.¹⁸ Evidence should also be prepared and provided regarding the contributions achieved through s106 agreements 'in recent years' (including affordable housing).¹⁹

¹³ page 14, CILG

¹⁴ page 14, CILG

¹⁵ paragraph 18 ID 12-018-20140306, NPPG

¹⁶ paragraph 18 ID 12-018-20140306, NPPG

¹⁷ page 14, CILG

¹⁸ page 15, CILG

2.1.23 The 'Planning Obligations' section of the NPPG re-iterates the need to ensure that the combined cost impacts of Planning Obligations, Conditions, highways requirements and CIL charges do not threaten the deliverability of the scale of development identified in the Local Plan.²⁰

2.1.24 The NPPG also states that where CIL is in place local authorities should work 'proactively' with developers to ensure the infrastructure requirements and 'what developers will be expected to pay for' and 'through which route' is clear. Crucially, the NPPG states that:

"There should be not actual or perceived 'double dipping' with developers paying twice for the same item of infrastructure."

(paragraph 2 ID 23b-002-20140306, NPPG)

2.1.25 Clearly, without the necessary level of infrastructure, development will be unable to proceed and growth in line with Local Plan strategies will be threatened. Whilst CIL charges must be set to take into account other development costs arising out of plan policies²¹ and economic viability maintained, it is insufficient to simply take the view that a single proposed policy requirement (i.e. such as a draft local authority wide affordable housing target) is of overriding importance, and something to be provided at all costs and at the expense of essential levels of infrastructure funding through the CIL.

2.1.26 Indeed, the CILG also confirms that where a CIL is charged 'section 106 requirements should be scaled back to those matters that are directly related to a specific site'²² – a district wide blanket affordable housing target that fails to robustly reflect sub-markets and, in respect of large strategic allocations, site specific infrastructure costs, is unlikely to facilitate housing delivery and economic growth. Without the necessary levels of infrastructure the ability to deliver all forms of development will be put at risk, making adopted or draft Plans inconsistent with the NPPF and of reduced weight.²³

2.1.27 When considering the approach to economic viability the CILG confirms that various valuation models and methodologies can be applied,²⁴ and, whilst placing an emphasis upon consistency, the NPPG confirms that there is no one 'single approach' to the assessment of viability.²⁵

¹⁹ page 15, CILG

²⁰ paragraph 2 ID 23b-002-20140306, NPPG

²¹ paragraph 29, CILG

²² paragraph 87, CILG

²³ paragraph 215, NPPF

²⁴ page 16, CILG

²⁵ paragraph 002 ID 10-002-20140306

2.1.28 When assessing viability the CILG sets out that ‘an appropriate range of types of sites’ across the area should be ‘directly’ sampled, and emphasises that ‘the focus should be ‘in particular’ on strategic sites upon which the relevant Plan relies and on sites where economic viability was likely to be problematic (i.e. brownfield sites). Setting charges at the margin of economic viability should be avoided, and a buffer or margin should be included. Differential rates may need to be set although this may necessitate finer grained sampling.²⁶

2.1.29 The CILG states that:

“A realistic understanding of costs is essential to the proper assessment of viability in an area.”

(page 17, CILG)

and goes on to state that:

“If the evidence shows that the area includes a zone, which could be a strategic site, which has low, very low or zero viability, the charging authority should consider setting a low or zero levy rate in that area. The same principle should apply where the evidence shows similarly low viability for particular types and/or scales of development.”

The focus on strategic sites and avoiding imposing burdens upon development set at the margins of viability are re-iterated within the NPPG. However, the NPPG also confirms that draft policies may need to be ‘revised as part of a dynamic process’²⁷ – it is not stated that draft policy requirements (including for affordable housing) should be rigidly adhered to at the expense of being able to deliver an appropriate balance of infrastructure in an area where economic viability is problematic.

2.1.30 It is clear that where draft Local Plans and CIL charges are being developed alongside one another both proposed policy requirements and CIL charges should reasonably be reviewed and set at levels that facilitate sustainable development. Whilst the CIL Examination cannot re-open issues already addressed through the examination of Plan policy, the NPPF and NPPG make it clear that Plans can and should be reviewed in whole or in part as necessary. Where it is apparent that a local authority will be unable to fund essential infrastructure items to enable planned development in the area to proceed such a

²⁶ page 16, CILG

²⁷ paragraph 005 ID10-005-20140306, NPPG

review would be likely to be necessary, and draft Plan Policies are likely to need reconsideration.

2.1.31 The NPPG states that viability assessments should be based on current costs and values, and not be based upon expectations of future increases in values ‘at least for the first five years of the plan period’.²⁸ Planning obligations should reflect local viability and local authorities should be flexible to ensure that development is not stalled – CIL charges will be statutory requirements and unable to flex unless formally reviewed.²⁹ Thus, it is clear from the NPPG that planning obligations and CIL charges should be appropriately and concurrently set at the outset having regard to economic viability if Development Plans are to be deliverable.

2.1.32 Land values are considered in the NPPG and this confirms that values are to be informed by ‘comparable, market based evidence wherever possible’, and to reflect emerging policy requirements and obligations³⁰ – this should, therefore, reasonably include the impact on land values sought by landowners where sites are allocated in Plan policy or planned for allocation through emerging Plan policy.

2.1.33 Competitive returns are defined as those which a ‘reasonable land owner’ would be willing to accept. The competitive return to landowners and developers will vary ‘significantly’ according to project size and risk.³¹

2.1.34 The NPPG states that when plan making land values should reflect emerging policy and CIL charges, although it is clear that to accord with the NPPF (which provides the overarching national planning policy approach) these emerging policy and CIL requirements will themselves need to be informed by viability assessment to ensure that landowners remain incentivised to sell. It should not simply be assumed that land owners will accept land values reduced to reflect emerging policies and CIL charges – a circular argument such as this is unlikely to deliver the NPPF objectives.

2.1.35 The CILG sets out Government expectations in respect of local authorities preliminary draft charging schedules:

The preliminary draft charging schedule should go beyond broad proposals for the levy. It should be based on evidence about the infrastructure needs of the area and the ability of development in that area to fund that infrastructure in whole or in part.

²⁸ paragraph 008 ID10-008-20140306, NPPG

²⁹ paragraph 010 ID10-010-20140306, NPPG

³⁰ paragraph 014 ID10-014-20140306, NPPG

³¹ paragraph 015 ID10-015-20140306, NPPG

Providing sufficient detail at the preliminary draft stage will reduce the need for later amendments.”

(page 19, CILG)

and goes on to state that:

“It is good practice for charging authorities to also publish their draft infrastructure lists and proposed policy for the associated scaling back of section 106 agreements at this stage, in order to provide clarity about the extent of the financial burden that developments will be expected to bear so that viability can be robustly assessed. The list now forms part of the ‘appropriate available evidence’ for consideration at the examination.”

(page 20, CILG – emphasis added)

As such, it is apparent that until a local authority provides a transparent presentation of what items are to be included within a Regulation 123 List, and the proposed approach to scaling back s106 obligations is clearly identified, it will not be possible to robustly assess economic viability.

2.1.36 Clarity on how items will be funded is central to being able to assess the viability of the approach proposed and the CILG makes it clear that, whilst amendments may subsequently be made to the Regulation 123 List, items should not be removed simply to enable these to be sought through s106 obligations, and where an alteration to the List results in a significant change to the viability on the basis of which a Charging Schedule was examined then the CIL set will need to be reviewed.³²

Summary

2.1.37 CIL Regulation 14³³ requires that the charging authority ‘must strike an appropriate balance between’ funding infrastructure from the levy (having regard to the ‘actual and expected estimated total cost of infrastructure’) and the ‘potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area’.

2.1.38 To ascertain what will be an ‘appropriate balance’ in terms of the CIL charges to be levied having regard to the potential effects on the economic viability of development and other sources of funding in the area, a local authority will need to have a robust understanding of

³² page 53, CILG

³³ The Community Infrastructure Levy Regulations 2010, as amended (2014)

the level of site and non-site specific infrastructure that will be essential to enable the planned supply of housing / employment land to come forwards in an area.

2.1.39 Without this essential infrastructure development will be physically unable to proceed, and the ability to viably deliver the scale of development and sites set out within Local Authorities' Local Plans will be threatened contrary to the National Planning Policy Framework.

2.2 Local Authority Evidence Base

Background Documents

2.2.1 The Council have published an 'Infrastructure Delivery Plan Consultation Draft' ("draft IDP" – July 2013). This is intended to inform both the development of the District Local Development Plan and a CIL Charging Schedule.³⁴

2.2.2 The draft IDP states that:

"Core projects are those items of infrastructure that are considered of fundamental importance to support development at a strategic location in Stroud District and the Local Plan may be found 'unsound' if reasonable prospect of provision cannot be demonstrated."

(page 171, draft IDP)

The draft IDP also states that:

"Transport Infrastructure planning is viewed as essential to ensuring spatially well located and planned new development and is key to delivery of the Stroud Local Plan."

However, despite this the draft IDP goes on to state that:

"The County Council has confirmed that there is currently no up to date strategic highways model covering Stroud District allowing for a quantitative highways assessment of the Local Plan development scenarios."

(page 129, draft IDP)

2.2.3 In addition to gaps in the Council's understanding of transport infrastructure requirements the draft IDP also states that in respect of secondary education 'Further assessment work is required to assess capacity and demand in more detail and recommend the best means for accommodating students'.³⁵

2.2.4 There are also various other references throughout the draft IDP to a need for further assessment and the draft IDP concludes that in respect of core infrastructure 'further

³⁴ page 1, draft IDP

³⁵ page 180, draft IDP

assessment work is required to understand infrastructure requirements at each of the strategic locations in more detail'.³⁶

- 2.2.5 The draft IDP does not appear to reflect the claim set out within the 2014 CIL Viability Study that 'the Council have taken a decision not to pursue the West of Stonehouse site further'.³⁷ Where this strategic site is not progressed it will impact upon the overall infrastructure burden (through section 106 or CIL) that may be applicable to other sites in the District and be necessary to enable development to take place.
- 2.2.6 Despite these clear gaps in the assessment of the level of infrastructure (and therefore in the understanding of the likely associated costs and means by which this essential infrastructure will be funded) the Council has prepared a draft CIL Charging Schedule. The draft Charging Schedule also acknowledges that the Council is yet to publish a Regulation 123 List – whilst an 'indicative' list is provided at Annex 2 of the draft CIL Charging Schedule work on this is described as ongoing and subject to change.³⁸
- 2.2.7 A clear emphasis is placed in the CILG upon local authorities preparing a 123 List and publishing this for consideration alongside draft CIL Charging Schedules, and this is also advised within the Council's 2014 Viability Study.³⁹ However, the Council's draft Charging Schedule also acknowledges that costs and delivery strategies for the infrastructure necessary to enable strategic sites to be developed are yet to be identified.⁴⁰
- 2.2.8 Where these matters are not robustly assessed and it remains unclear how essential infrastructure items will be funded (i.e. either through CIL payments or obligations / conditions) there is valid concern that developers may end up paying for the same item of infrastructure twice.
- 2.2.9 This would be contrary to CIL Regulations (as acknowledged within the draft CIL Charging Schedule) and the lack of clarity in terms of what developers will be required to pay for and through which route is contrary to advice within the NPPG which warns against even 'perceived 'double dipping'.⁴¹
- 2.2.10 It is of significant concern that even at the stage of consulting upon a draft CIL Charging Schedule, it is questionable that the Council will be able to 'strike an appropriate balance' between ensuring that the necessary infrastructure is funded and the impact of this upon

³⁶ page 182, draft IDP

³⁷ paragraph 4.7, Stroud 2014 CIL Viability Study

³⁸ page 4, draft CIL Charging Schedule

³⁹ paragraphs 7.22 and 7.38, Stroud District Council 2014 CIL Viability Study

⁴⁰ page 5, draft CIL Charging Schedule

⁴¹ paragraph 2 ID 23b-002-20140306, NPPG

the viability of development understood (including in respect of how obligations such as affordable housing may need to reduce from levels aspired to by the Council in order to ensure that planned development can proceed.)

- 2.2.11 Without a robust understanding of the potential costs that will be imposed upon development through CIL, obligations or conditions, it is not possible to objectively assess the impact upon viability. Where a robust assessment of viability is not provided proposed CIL charges and Local Plan policy requirements cannot be soundly based.
- 2.2.12 The IDP Update sets out that it is outside the role of consultants to make decisions around the prioritisation of infrastructure'. Instead it professes to provide a 'framework of infrastructure tiers' to aid the Council in reaching such decisions.⁴²
- 2.2.13 Whilst such matters should be agreed through a process of consultation with key infrastructure providers, this process should logically be undertaken prior to the completion of the draft CIL Charging Schedule to ensure that the Charging Schedule is based on an IDP that accurately reflects infrastructure requirements and likely funding sources (including transparently identifying how infrastructure items which are essential to enabling the scale of development proposed within the Local Development Plan will be prioritised).
- 2.2.14 As the draft IDP is unable to provide a full assessment of the likely costs, prioritisation and funding sources in respect of essential infrastructure items it is unclear that it can robustly inform the Local Development Plan, the draft CIL Charging Schedule or the supporting viability evidence (furthermore, the July 2013 Local Plan Viability Study was published at the same time as the draft IDP and it is therefore difficult to see how that viability assessment - prepared to inform the development of Local Plan policies - can be said to have been able to draw on a robust assessment of the likely costs of infrastructure to development).
- 2.2.15 The IDP Update, which should be prepared to inform both draft Local Plan policies as well as CIL rate setting, does not appear to robustly review the level of planning obligations achieved historically - it appears to rely solely on a 2011 CIL Viability Study estimation of potential receipts (i.e. estimated prior to the partial assessment of potential infrastructure costs set out in the draft IDP) and a 'review of proposed and established CIL rates in other

⁴² page 171, draft IDP

Local Authority areas'.⁴³ This is of significant concern particularly with regards to affordable housing delivery.

2.2.16 Further information on s106 receipts and affordable housing provision is set out within Appendix 2 of the Council's 2014 CIL Viability Study, although this does not appear to distinguish between the level of affordable housing provided with and without grant funding.

2.2.17 However, it is possible to undertake a review of housing supply data for the period 2010/11 to 2012/13 referring to publicly available data. This suggests that only a limited proportion of Section 106 affordable housing completions in the District have been completed without the input of any grant funding:

| | Overall Affordable Housing Completions (CLG Live Table 1011) | Overall Housing (net) Completions (CLG Live Table 122) | Section 106 Affordable Housing Completions with Nil Grant Funding (CLG Live Table 1011) | Nil Grant Funding Section 106 Affordable Housing as a % of All Affordable Housing Completions | Nil Grant Funding Section 106 Affordable Housing as a % of All Housing Completions |
|---------|--|--|---|---|--|
| 2010/11 | 60 | 270 | 14 | 23% | 5% |
| 2011/12 | 50 | 400 | 21 | 42% | 5% |
| 2012/13 | 160 | 410 | 37 | 23% | 9% |

The above data suggests that an average of 29% of all affordable housing provided over the 3 years reviewed has been delivered on Section 106 schemes with nil grant funding input.

2.2.18 In the 2012/13 period, whilst the overall level of affordable housing is suggested to have increased, it is apparent that 77% of these dwellings have been provided with an input of grant funding as opposed to resulting from s106 nil grant funded contributions.

2.2.19 Furthermore, on average between 2010/11 and 2012/13 a total of 360 dwellings were completed overall (market and affordable) of which (on average) 24 were provided as affordable housing through s106 contributions without grant funding input – i.e. 7%. This position is not reflected within either the draft IDP or Appendix 2 to the 2014 CIL Viability Study.

2.2.20 Given that the 2011-15 Homes and Communities Agency Framework document and the 2015-18 Affordable Housing Prospectus make it clear that going forwards nil grant funding is likely to be allocated to provide affordable housing through section 106 schemes, the above suggests that delivering a 30% level of affordable housing on schemes is extremely

⁴³ pages 11 and 12, draft IDP

unlikely to be achievable in the foreseeable future, and certainly within the early part of the Development Plan.

2.2.21 Thus, the imposition of such a requirement upon sites key to the Council's housing land supply assumptions will endanger the ability to deliver the scale of housing development proposed through the Submission draft Local Plan.

2.2.22 Furthermore, these low levels of nil grant funded s106 affordable housing contributions pre-date the additional burden of CIL. There is therefore significant concern that CIL and affordable housing are being proposed at unrealistic levels.

Summary

2.2.23 Given the:

- draft IDP acknowledgment that not all section 106 costs have yet been determined (and therefore cannot be reflected within any viability evidence which should be informed by the draft IDP),
- failure of the Council to establish anything more than 'a working assumption subject to change' in terms of a Regulation 123 List ahead of the viability evidence and draft CIL Schedule publication,
- the failure of the Council to ensure that the draft IDP robustly assesses the full impact on infrastructure requirements (i.e. including non-site specific requirements) of an altered development distribution scenario (i.e. excluding the development of land West of Stonehouse as suggested by the 2014 CIL Viability Study), and,
- the failure of the Council to ensure that the draft IDP reviews past rates of affordable housing delivery achieved without public subsidy, to inform the development of Plan policy,

without further work being undertaken by the Council to inform policy approaches and CIL charges, it is unclear how the emerging Local Plan or the draft CIL Charging Schedule can be considered to be soundly based. The draft IDP does not reflect the advice provided within the CILG or its predecessor.

Viability Evidence

2.2.24 As established in this report above, Charging authorities are required to demonstrate with viability evidence that proposed CIL charges will not threaten the delivery of the scale of development and sites identified within the Development Plan.

2.2.25 The Council's viability evidence base includes a Local Plan Viability Study ("LPVS") prepared by HDH Planning and Development Ltd and published in July 2013 and a more recent CIL Viability Study (also prepared by HDH Planning and Development Ltd) and published in January 2014 ("2014 VS"). Together these provide the most recent assessment of Local Plan policy and CIL viability in the district.

LPVS

2.2.26 Detailed comments (prepared by Pioneer and submitted by Pegasus on behalf of Robert Hitchins Ltd) on the LPVS were submitted to the Council in October 2013 as an appendix to representations on the Pre-Submission Draft Local Plan Core Policy CP9 'Affordable Housing'.

2.2.27 These comments are re-attached as Appendix 1 to these representations for ease of reference and conclude that a review of the LPVS suggests that where a 30% level of affordable housing along with various standards in excess of Building Regulations are sought in Stroud this will result in viability having to be assessed on a site by site basis, frustrating the release of land for housing, restricting economic growth and contrary to the requirements of the NPPF for the cumulative impact of policies to reflect economic realities based on current costs and values at the Plan making stage. These concerns are likely to be increased by the application of an additional burden through the proposed CIL charges.

2014 VS

2.2.28 The 2014 VS describes itself as 'an annex' to the LPVS and states that the LPVS 'methodology, assumptions' and consultation process 'form the basis' of the 2014 VS.⁴⁴ However, whilst the 2014 VS refers to having made various adjustments in response to the consultation process, it suggests that no objections were made to the methodology or fundamental assumptions during the 6 week consultation on the Pre-submission Local Plan (ending in October 2013).⁴⁵

⁴⁴ paragraph 1.2, 2014 VS

⁴⁵ paragraph 1.8, 2014 VS

- 2.2.29 However, this is inaccurate – significant concerns were expressed in respect of key assumptions, including as the land value thresholds against which Residual Land Values (“RLV”) in the LPVS are compared (please see the excerpt of representations submitted attached at Appendix 1 to this report). Despite this, the 2014 VS assumptions remain as proposed through the LPVS.
- 2.2.30 The 2014 VS states that it models 2 strategic site locations (Hunts Grove and North East of Cam – excluding the LPVS assessed West of Stonehouse strategic site) and 16 standard sites (with village, town edge, infill and rural / Valley Bottom typologies) as per the earlier LPVS.⁴⁶ The assessment of sites at strategic locations is therefore extremely limited despite that the NPPG and CILG both seek that the deliverability of strategic sites is focussed upon when preparing Plan policies and CIL Charging Schedules.
- 2.2.31 The 2014 VS is a high level strategic assessment of viability and it will be necessary to have regard to site specific circumstances for the typologies reviewed when determining application proposals. Whilst it is a high level assessment it remains crucial for cost, revenue and benchmark land value threshold assumptions to be accurately reflected within the modelling, particularly where strategic sites will be burdened with significant site specific infrastructure costs in addition to any CIL and affordable housing requirements.
- 2.2.32 In terms of dwelling density the 2014 VS confirms that it does not ‘exactly follow’ density assumptions applied in the Council’s SHLAA.⁴⁷ This calls into question whether the density assumptions in the SHLAA enable the Council to draw robust conclusions as to the level of overall housing that can potentially be delivered from the sites assessed (and hence contribute to meeting the Council’s housing delivery targets).
- 2.2.33 The 2014 VS applies the same price assumptions applied within the LPVS (Chapters 4 and 5) and suggests that these ‘were tested through the consultation process’. However, as stated at paragraph 4.5 of representations prepared by Pioneer and submitted on behalf of Robert Hitchins Ltd to the Pre-Submission Draft Local Plan in October 2013 it is unclear that the values (which range between £2,200 and £2,300 per square metre for the strategic sites tested), described in the LPVS as having been amended (albeit apparently without further consultation) as a result of concerns raised, reflect an appropriate position.
- 2.2.34 It is unclear whether the majority of those consulted (including landowners) considered these values to be accurate. Given the locations of allocated strategic land in the District

⁴⁶ See Tables 4.1 and 4.3 and paragraph 4.7 of the 2014 VS

⁴⁷ paragraph 4.3, 2014 VS

values at this level are considered to be unlikely to be achievable; concerns regarding the HDH value assumptions have previously been brought to the attention of HDH through feedback provided by Robert Hitchins Ltd.⁴⁸

2.2.35 The modelling undertaken by HDH is extremely sensitive to any amendment to values and costs assumptions. Where such matters are not demonstrably agreed with key Stakeholders and reliance is placed on artificially high values and artificially low costs such that an aspired 30% affordable housing alongside CIL payments is suggested to be viable, as reality comes to bear there is likely to be a significant negative impact on the Council's ability to deliver the level of overall housing proposed through the emerging Local Plan. Whilst the 2014 VS is a high level study it is essential that the modelling reflects 'real world' circumstances and that sensitivity testing is presented (and made available publicly) taking variations in costs / values into account to enable the Council to reach an informed decision before seeking to set policies and CIL payments.

2.2.36 The 2014 VS confirms that it assumes that all rented housing is provided for Affordable Rent at 80% of local market rents. However, it also assumes that 'because a typical Affordable Rent unit will be new, it will command a premium rent that is a little higher than equivalent older private sector accommodation'.⁴⁹ However, it is unclear that this reflects the reality of the assumptions that Registered Providers ("RP") will apply when calculating the level of revenue they will pay for Affordable Rented dwellings.

2.2.37 The 2014 VS assumes that developers will achieve 70% of open market values for Intermediate Sale products. The evidential basis for this is acknowledged to be scant.⁵⁰ The VS does not suggest that it has based the 70% conclusion on information provided by Registered Providers operating in the area – as with the Affordable Rent assumption additional work should be undertaken (such as contacting Registered Providers) to ensure an accurate assumption is being applied.

2.2.38 The accuracy of this assumption is of particular importance given that the VS assumes a 50% Intermediate tenure split proportion in its baseline modelling,⁵¹ and thus will have a significant impact on the revenues in the VS appraisals and the viability outputs.

2.2.39 The 2014 VS refers to the LPVS assumption of a section 106 contribution per dwelling of £2,500 although the evidential basis of this assumption is unclear.⁵² The 2014 VS reduces

⁴⁸ Email to Mr Simon Drummon-Hay at HDH from Mr Andrew Hill at Robert Hitchins Ltd dated 16th May 2013

⁴⁹ paragraph 4.12, 2014 VS

⁵⁰ paragraph 4.17, 2014 VS

⁵¹ pages 47, 52, and 53, 2014 VS

this assumption to £1,000 per dwelling (except in respect of strategic sites⁵³) suggesting that this reflects the scaling back of section 106 obligations as a result of the introduction of CIL.⁵⁴

2.2.40 However, it is unclear exactly how the LPVS £2,500 per dwelling figure was derived, and whilst a list of section 106 payments received historically is included at Appendix 2 to the 2014 VS it is not summarised to transparently identify how this information has been used to inform the pre- and post CIL section 106 obligation assumptions per dwelling. It is therefore evidentially unclear that either the £2,500 or the £1000 per dwelling section 106 assumption (to reflect the introduction of CIL) is sufficient. Based on their experience as major landowners Robert Hitchins Ltd considers that the assumption is unlikely to be sufficient to cover even the site specific section 106 costs associated with the provision of public open space let alone any other site specific costs which will remain applicable regardless of the CIL.

2.2.41 The lack of clarity in the 2014 VS is perhaps unsurprising given that the Council are yet to firm up a Regulation 123 List or to robustly identify what items are considered to be section 106 contributions and which will be sought through CIL charges (please see the concerns set out in the section above reviewing the Council's draft IDP).

2.2.42 Whilst a list of infrastructure is provided within the draft IDP to justify the introduction of a CIL charge⁵⁵ the draft IDP acknowledges that additional work is required to assess the full extent of likely site specific and transport and education infrastructure requirements, and the Council have yet to confirm how items will be prioritised. This suggests that it is not possible for the 2014 VS to reflect the site specific costs likely to apply to sites and therefore draw a robust conclusion on a viable CIL charge / Local Plan policy burden combination.

2.2.43 Furthermore, if schemes are subject to section 106 costs in excess of £1,000 per dwelling, in combination with CIL payments and affordable housing contributions this will clearly have a significant impact upon viability. Where the proposed CIL charges are applied and section 106 contributions as a result of Plan policy requirements are sought in excess of this £1,000 per dwelling contribution these will not have been demonstrated to be viable in accordance with NPPF requirements.

⁵² pages 56 to 57, LPVS and page 38, 2014 VS

⁵³ Table 5.2, 2014 VS

⁵⁴ paragraph 4.57, 2014 VS

⁵⁵ Table 48, draft IDP

- 2.2.44 Indeed, it is noted that the majority of Policy requirements are suggested to have either a nil additional cost over and above the base assumptions within the 2014 VS or to be dealt with via the CIL charge.
- 2.2.45 Concerns regarding the policy cost burden were raised at pages 51 to 53 of representations prepared by Pioneer and submitted on behalf of Robert Hitchens Ltd to the Pre-Submission Draft Local Plan in October 2013 (please see Appendix 1 below). It is unclear that the LPVS assessment robustly reflects the real cost of the proposed Plan policy requirements. Whilst an allowance appears to be made for Lifetime homes and Public Art costs assuming that all other Policy items are included as CIL / have a nil additional cost is unrealistic and it remains unclear that the section 106 cost assumptions will be sufficient.
- 2.2.46 This is of significant concern given that any increase over this £1000 per dwelling section 106 contribution (£2500 per dwelling for strategic sites) is likely to result in a significant reduction in the number of sites that would be viable within 2014 VS Tables 5.1 and 5.2 where these are subject to a £80 or even £60 per square metre CIL charge. The 2014 VS does not sensitivity test to reflect the impact of any increased section 106 contribution costs, and as already stated, an increase in costs will have a significant impact on the viability assessment outputs.
- 2.2.47 Simply including flexibility in Policy wording to enable the viability impact of these costs to be tested on a site by site basis without demonstrating that the requirements will avoid threatening the deliverability of planned development is insufficient and contrary to the NPPF.
- 2.2.48 Other assumptions in respect of which concerns / comments apply are:
- i) Contingencies – the 2014 VS applies a 5% assumption for brownfield sites and 2.5% for all other sites despite consultation responses suggesting the same assumption should be applied to all sites.⁵⁶ The 2014 VS assumption that only brownfield sites are likely to incur in excess of 2.5% contingency costs is unrealistic and fails to reflect the complexity of many non-brownfield sites, including larger complex phased Greenfield sites.
 - ii) The 2014 VS assumes a 20% of Gross Development Value developer profit⁵⁷ – in recessionary or poor markets the return required by developers will be greater, i.e.

⁵⁶ paragraphs 4.54 to 4.56, 2014 VS

⁵⁷ paragraph 4.66, 2014 VS

in excess of 25% especially on large sites and in lower priced areas – the assumption applied within the 2014 VS does not reflect this.

Furthermore, the 2014 VS makes no allowance for holding costs despite acknowledging that sites will not generate an income immediately.⁵⁸ The 2014 VS approach does not appear to reflect the advice within the NPPG which confirms that area wide viability assessments should reflect historic costs associated with brownfield, phased or complex sites.

- iii) The 2014 VS Build Cost assumptions should be reviewed regularly: anecdotal evidence suggests that material and labour costs are rising steeply - these increases are unlikely to be reflected in BCIS data due to the delay between real time activity and the publication of the data.

Land Value Benchmark

2.2.49 The land value viability thresholds (against which modelled Residual Land Values are compared) within the 2014 VS are as those set out within the LPVS. In Chapter 6 the VS 2013 (and this is carried forwards into the 2014 VS) assumes a gross £380,000 viability threshold per hectare for all of the strategic sites. This is derived by taking a £25,000 per hectare agricultural land value, uplifting it by 20% to £30,000 and then adding a premium of £350,000.⁵⁹

2.2.50 However, it is unclear that this accurately reflects the values that will be necessary if 'willing' land owners are to be incentivised to release land for housing development. Significant concerns regarding this assumption were raised in detail within the representations prepared by Pioneer and submitted on behalf of Robert Hitchins Ltd to the Pre-Submission Draft Local Plan in October 2013 (please see Appendix 1 below paragraphs 4.8 to 4.21).

2.2.51 Instead of making the real-world assumption that a land owner will wish to maximise their return as a function of the proposed end use of the site and to secure as large a proportion of gross development value as possible the 2013 and 2014 VS proceed on the false premise that a 'premium' over existing use will be sufficient thus enabling them to determine the level of the premium with the over-arching objective that land values must be driven down to accommodate CIL charges and the other obligations sought.

⁵⁸ paragraph 4.84, 2014 VS

⁵⁹ paragraph 4.72, 2014 VS

2.2.52 Such circular logic allows the 2014 VS and earlier LPVS to dictate what such a premium will be irrespective of the value of the development on the land or the location of such land and, thus, it is inevitable that their determination of viability is an artificial exercise and it cannot be said that it will, as recommended by the Local Housing Delivery Group:-

“...provide high level assurance that the policies within the plan are set in a way that is compatible with the likely economic viability of development needed to deliver the plan.”⁶⁰

2.2.53 To suggest that land owners will calculate the value of an asset with reference to its current use rather than its contribution to potential development value is self-evidently naïve and completely undermines the analysis in the 2013 and 2014 VS. No owner-occupier would sell an individual dwelling on such a basis and the imposition of an arbitrary ‘premium’ as a benchmark value is unlikely to incentivise landowners to willingly release sites.

2.2.54 The benchmark values set out have been called into question through previous consultation responses and cannot be regarded as representing the views of landowners, assume that landowners will accept land values being driven down to accommodate CIL, and are based on similarly flawed assumptions made in the earlier LPVS study. In particular, whether the LPVS/2014 VS application of a gross⁶¹ £380,000 per hectare residual land value threshold is appropriate for complex strategic and phased greenfield sites across the District is clearly questionable. It is not robustly demonstrated that these thresholds will represent enough of an uplift to incentivise or enable the release of such land for housing development.

2.2.55 Landowners are likely to seek to obtain a residual value in line with wider market expectations where land achieves a residential permission, and the £380,000 per gross hectare land value benchmark will be insufficient for many. This will particularly be true of sites which are included within the Council's SHLAA as being deliverable (i.e. available, suitable and achievable) and which are either allocated or proposed for allocation for residential development.

2.2.56 The LPVS low land value benchmark is not supported by the residual residential land values for the nearest comparable location (suggested as explained at paragraph 4.11 of Appendix 1 below to be Bristol) suggested by 2011 VOA bulk residential land values⁶² for permitted Greenfield sites of £2.1 million per hectare.

⁶⁰ Viability Testing Local Plans: Advice for Practitioners' August 2012

⁶¹ Development appraisal summaries at Appendix 1 to the 2014 VS suggest this to be a gross per hectare assumption

⁶² taking into account affordable housing and developer contributions and assuming no abnormal constraints

- 2.2.57 Simply i) setting unrealistic targets and relying on site by site viability testing to exhort maximum levels of affordable housing provision, and, ii) concluding that landowners will have to accept reduced land values to reflect the contributions sought by the Council (i.e. to reflect 'at least 30%' affordable housing and any CIL or s106 contributions) is disingenuous.
- 2.2.58 With this in mind, and in the absence of a robust and thorough review having been undertaken by the LPVS / 2014 VS author to determine what is likely to represent an realistic uplift to incentivise landowners in the area to release land in the District for residential development, it is entirely reasonable to apply a sense check to the outputs of the 2014 VS.
- 2.2.59 This can be done by comparing the residual land values modelled in respect of large greenfield sites to the £2.1 million per hectare permitted residual residential land value referenced within the LPVS on the basis of VOA residual residential greenfield land value data (albeit this should not be inferred to represent the maximum land value threshold that may be appropriate when assessing viability at a site specific level).
- 2.2.60 The 2014 VS Tables 5.1 and 5.2 summarise the outputs of the baseline appraisals undertaken to inform the 2014 VS assuming scaled back section 106 contributions for the modelled sites on the basis of non-site specific infrastructure costs being dealt with by way of CIL charges – assuming 30% affordable housing in a 50/50 Affordable Rent and Intermediate tenure split, and a £1000 (Table 5.1) / £2500 (Table 5.2) per dwelling site specific section 106 cost.
- 2.2.61 Table 5.1 suggests that at 30% affordable housing when the net residual land values are compared to the £2.1 million per hectare VOA residential residual bulk land value (as opposed to the artificially low benchmark applied in the LPVS and 2014 VS) none of the large sites (100 dwellings plus) would produce viable residual land values even at £20 per square metre CIL Charges / £1000 per dwelling section 106 contribution.
- 2.2.62 The situation in Table 5.2 in respect of the strategic sites is suggested to be less viable still. Even at half of the £2.1 million per hectare benchmark the larger Greenfield sites in Table 5.1 and the strategic sites in Table 5.2 would not be viable.
- 2.2.63 This suggests that continuing to apply a 30% affordable housing target to these or any other larger Greenfield site in the District is unlikely to facilitate development in accordance with the NPPF. In this respect it is questionable that the Council's current proposed Policy

and CIL requirements will enable the scale of development proposed within the draft Local Plan to be realised.

Summary

- 2.2.64 The above review of the 2014 VS (along with the previous review of the LPVS attached at Appendix 1 below) suggests that where a 30% level of affordable housing is sought from strategic sites in the District this is likely to frustrate the release of land for housing, prevent economic growth, and be contrary to the NPPF requirement for the cumulative impact of policies to reflect economic realities based on current costs and values at the Plan making stage.
- 2.2.65 Landowners are likely to seek to obtain a residual land value in line with wider market expectations where land achieves a residential permission. This will particularly be true of sites which are included within the Council's SHLAA and which are either allocated or proposed for allocation for residential development or which are situated within a strategic location for development – Robert Hitchins Limited are a key landowner in the District and consider the £380,000 per gross hectare benchmark value applied by the LPVS/2014 VS to determine viability to be insufficient to secure the release of such land. This concern has been expressed on behalf of Robert Hitchins Ltd in previous representations submitted in respect of the LPVS.
- 2.2.66 In addition to the above, it is of significant concern that the cost of specific planning obligations remains to be fully assessed and that the 2014 /LPVS appear to draw questionable conclusions regarding the costs that are likely to be associated with the various proposed emerging Local Plan policy requirements, and the values that are likely to be achieved.

3. CONCLUSION

- 3.1 CIL Regulation 14⁶³ requires that the charging authority ‘must strike an appropriate balance between’ funding infrastructure from the levy (having regard to the ‘actual and expected estimated total cost of infrastructure’) and the ‘potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area’.
- 3.2 To ascertain what will be an ‘appropriate balance’ in terms of the CIL charges to be levied having regard to the potential effects on the economic viability of development and other sources of funding in the area, a local authority will need to have a robust understanding of the level of non-site specific infrastructure that will be essential to enable the planned supply of housing / employment land to come forwards in an area.
- 3.3 Without this essential infrastructure, development will be physically unable to proceed, and the ability to viably deliver the scale of development and sites set out within Local Authorities’ Local Plans will be threatened contrary to the National Planning Policy Framework.
- 3.4 Given the:
- draft IDP acknowledgment that not all section 106 costs have yet been determined (and therefore cannot be reflected within any viability evidence which should be informed by the draft IDP),
 - failure of the Council to establish anything more than ‘a working assumption subject to change’ in terms of a Regulation 123 List ahead of the viability evidence and draft CIL Schedule publication,
 - the failure of the Council to ensure that the draft IDP robustly assesses the full impact on infrastructure requirements (i.e. including non-site specific requirements) of an altered development distribution scenario (i.e. excluding the development of land West of Stonehouse as suggested by the 2014 CIL Viability Study), and,
 - the failure of the Council to ensure that the draft IDP reviews past rates of affordable housing delivery achieved without public subsidy, to inform the development of Plan policy,

without further work being undertaken by the Council to inform policy approaches and CIL charges, it is unclear how the emerging Local Plan or the draft CIL Charging Schedule can

⁶³ The Community Infrastructure Levy Regulations 2010, as amended (2014)

be considered to be soundly based. The draft IDP does not reflect the advice provided within the CILG or its predecessor.

- 3.5 The above review of the 2014 VS (along with the previous review of the LPVS attached at Appendix 1 below) suggests that where a 30% level of affordable housing is sought from strategic sites in the District this is likely to frustrate the release of land for housing, prevent economic growth, and be contrary to the NPPF requirement for the cumulative impact of policies to reflect economic realities based on current costs and values at the Plan making stage.
- 3.6 Landowners are likely to seek to obtain a residual land value in line with wider market expectations where land achieves a residential permission. This will particularly be true of sites which are included within the Council's SHLAA and which are either allocated or proposed for allocation for residential development or which are situated within a strategic location for development – Robert Hitchins Ltd are a key landowner in the District and consider the £380,000 per gross hectare benchmark value applied by the LPVS/2014 VS to determine viability to be insufficient to secure the release of such land. This concern has been expressed on behalf of Robert Hitchins Ltd in previous representations submitted in respect of the LPVS.
- 3.7 In addition to the above, it is of significant concern that the cost of specific planning obligations remains to be fully assessed and that the 2014 /LPVS appear to draw questionable conclusions regarding the costs that are likely to be associated with the various proposed emerging Local Plan policy requirements. There are also significant concerns regarding the values assumed within the 2014 VS that schemes will achieve.
- 3.8 The modelling undertaken by HDH is extremely sensitive to any amendment to values and costs assumptions. Where such matters are not demonstrably agreed with key Stakeholders and reliance is placed on artificially high values and artificially low costs such that an aspired 30% affordable housing alongside CIL payments is suggested to be viable, as reality comes to bear there is likely to be a significant negative impact on the Council's ability to deliver the level of overall housing proposed through the emerging Local Plan. Where artificial costs and values are applied in combination with unrealistic land value thresholds the reliability of a conclusion that suggests it is possible to deliver 30% affordable housing and CIL payments is called still further into question.
- 3.9 Whilst the 2014 VS is a high level study it is essential that the modelling reflects 'real world' circumstances and that sensitivity testing is presented (and made available publicly) taking

variations in costs / values and land value thresholds into account to enable the Council to reach an informed decision before seeking to set policies and CIL payments.

- 3.10 The Government's online planning practice resource makes it clear that Plan policies should be robustly tested in terms of their economic impact upon the deliverability of housing, and that it will not be appropriate to set an unachievable affordable housing target necessitating viability testing on a site by site basis for the majority of developments.
- 3.11 In view of the concerns that have been raised in respect of the Council's draft IDP and viability evidence base it is unclear that the emerging Local Plan and / or the draft CIL Charging Schedule can be considered to be justified, effective or consistent with national guidance, or in accordance with statutory regulation.
- 3.12 In this respect it is pertinent to note that where the economic viability of policy requirements is not robustly demonstrated examining Inspectors are likely to raise concerns, which, if unaddressed, may result in Plans being found unsound.
- 3.13 This matter has recently been considered by the examining Inspector's on the Wiltshire Core Strategy (which proposes a 40% affordable housing target) – in a letter to the Council the Inspector expresses concerns that :

"...the figure of 40% is not justified adequately by the evidence base, particularly the Affordable Housing Viability Assessment"

(page 3, Letter from Wiltshire Core Strategy Examining Inspector to Wiltshire Council, dated 2nd December 2013)

and that:

"...the CS approach to affordable housing does appear to risk the delivery of key elements of the plan."

(page 4, Letter from Wiltshire Core Strategy Examining Inspector to Wiltshire Council, dated 2nd December 2013)

The Inspector considers that the Policy cannot be rendered sound through the removal of the affordable housing target as the Inspector remains:

"...conscious of the need to avoid the ineffective burden of individual site negotiations on the majority of schemes which come forward."

(page 4, Letter from Wiltshire Core Strategy Examining Inspector to Wiltshire Council, dated 2nd December 2013)

As such, the Inspector confirmed that the Policy needed to be amended to include a realistic affordable housing target informed by robust viability evidence; it is insufficient to simply require testing on a site by site basis.

Recommendation

For the draft CIL Charging Schedule (and the emerging Local Plan) to be sound the concerns raised in this report need to be re-visited and addressed with additional work being undertaken by the Council in co-operation with key Stakeholders.

This work will need to provide a full review of infrastructure requirements alongside a realistic assessment of economic viability. As a result of this additional work reductions should be proposed where necessary to policy burdens (particularly high cost requirements such as Affordable Housing) to ensure the deliverability of the emerging Local Plan and assist with providing sufficient funds to assist with addressing essential infrastructure through CIL charges.

APPENDIX 1

Comments on the July 2013 Local Plan Viability Assessment Submitted as 'Appendix 2', Section '4.' to Representations in Respect of the Pre-Submission Draft Local Plan Consultation September 2013 (prepared by Pioneer on behalf of Robert Hitchins Ltd and submitted by Pegasus Group).

- 4.1 The 'Local Plan Viability Study' ("LPVS") has been prepared by HDH Planning and Development Ltd and was published in August 2013. The following paragraphs provide an overview of concerns arising out of the approach taken within the document to the assessment of viability.
- 4.2 The first concern is that the LPVS has been advanced and published as part of the Pre-submission draft Local Plan evidence base (therefore apparently as a final version) after just one consultation event having taken place. It is not apparent that a draft LPVS was circulated to Stakeholders for review and comment before publication in this apparent final form, despite the acknowledgement within the report that the author expected that 'further events will be held as the process continues'.⁶⁴
- 4.3 However, the draft Local Plan is now at the pre-submission stage and therefore, unless the Examining Inspector is of a mind to request that a more thorough consultation process takes place prior to the Examination proceeding to ensure that the Pre-submission draft Local Plan policies accord with the NPPF objectives in terms of viability and deliverability, it is unrealistic to suggest that the Council will have sufficient time or motivation to undertake the 'further events' referred to prior to the Independent Examination of the Pre-submission draft policies taking place. The latter scenario is cause for significant concern.
- 4.4 Based on sites within the Council's Strategic Housing Land Availability Assessment the LPVS appraises various scheme typologies which result in 16 scenarios.⁶⁵ A further four strategic sites are also assessed.⁶⁶ The LPVS acknowledges that it is a 'high level' strategic assessment of viability, as such it will be necessary to have regard to site specific circumstances for the typologies reviewed when determining application proposals; the LPVS outputs should not be applied inflexibly.
- 4.5 The LPVS refers to various house price data sources and states that prices are based on current values.⁶⁷ The prices are acknowledged to vary across the District and differential

⁶⁴ paragraph 1.6, LPVS

⁶⁵ Table 9.4, LPVS

⁶⁶ paragraph 9.22, LPVS

⁶⁷ paragraph 4.41, LPVS

values are concluded on this basis. The LPVS acknowledges that during the consultation process concerns were raised that the sales values assumed were too high, particularly on strategic sites. The LPVS states that it has therefore adjusted values downwards for inclusion within the viability modelling. However, it is not apparent that these values have been re-consulted upon prior to the finalisation of the LPVS and therefore whether these values represent an appropriate input.

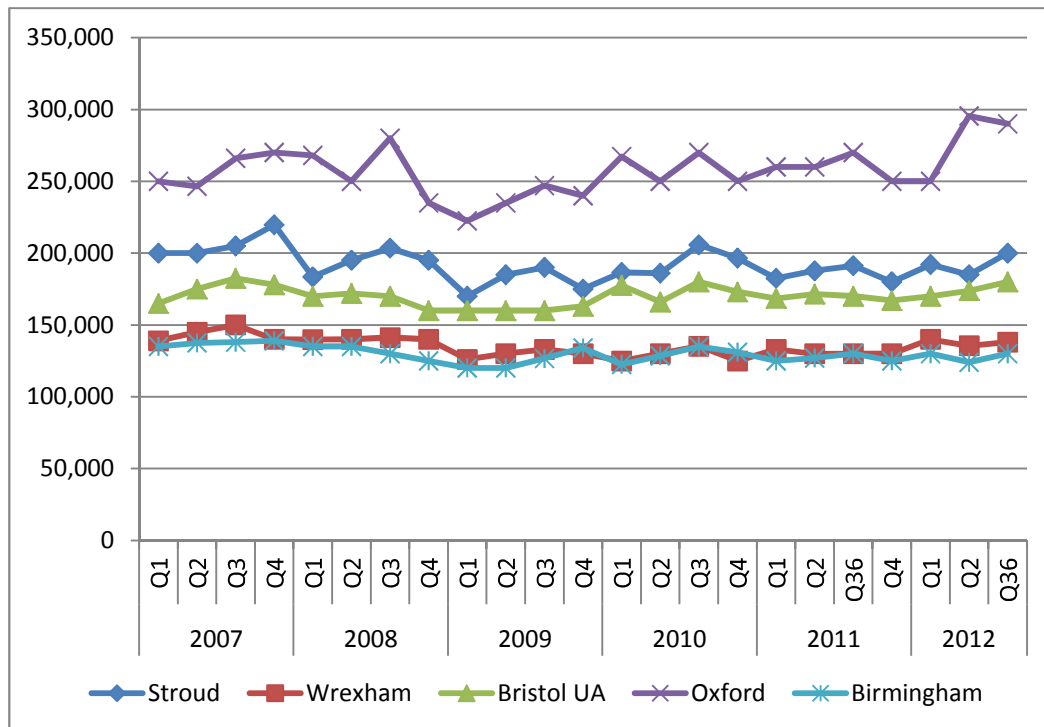
- 4.6 When determining the likely revenues that would be realised by developers for the affordable housing element of proposals the LPVS assumes that developers will achieve 70% of open market values for Intermediate Sale products. The evidential basis for this is acknowledged to be scant.⁶⁸ This level is likely to be over optimistic and between 60% and 65% is more likely to reflect the reality of what Registered Providers are prepared to pay for these products in the current market.
- 4.7 The LPVS does not suggest that it has based the 70% conclusion on information provided by Registered Providers operating in the area – additional work should be undertaken (such as contacting Registered Providers) to ensure an accurate assumption is being applied. The accuracy of this assumption is of particular importance given that the LPVS assumes a 50/50 Affordable Rent / Intermediate tenure split in its baseline modelling, and thus will have a significant impact on the revenues in the LPVS appraisals and the viability outputs.
- 4.8 Whilst the LPVS refers to house prices differing across the District and reflects this in the values applied within its modelling, no such distinction appears to be explored in terms of the land value thresholds concluded within Chapter 6 of the LPVS. It is therefore unclear that the land value thresholds will reflect the wider location based differences that may occur (and which are suggested to exist in terms of house prices).
- 4.9 The LPVS derives land value thresholds in Chapter 6 against which Residual Land Values derived through the appraisals undertaken are compared. The LPVS assumes a net £800,000 residential land value per hectare. However, it is unclear that this accurately reflects the values that will be necessary if ‘willing’ land owners are to be incentivised to release land for housing development.
- 4.10 The LPVS refers to Valuation Office Agency bulk land per hectare values for areas and, despite acknowledging that Bristol, Oxford and then Birmingham are closest to the District of Stroud geographically (and which are valued at between £1.2 and £4 million per hectare), then suggests that Wrexham (which is valued at £850,000 per hectare and is

⁶⁸ paragraph 4.38, LPVS

geographically and contextually dissimilar to Stroud District) has similar house prices and represents a 'relevant reference point'.

4.11 However, a review of median house prices for the local authority areas within the VOA broad locations referred to in the LPVS suggest the following patterns since the market peak at 2007:

Comparison of Median House Prices 2007 to 2012



Source: Live Table 582 - Housing market: median house prices based on Land Registry data, by district, from 1996 (quarterly)1-5

The above comparison suggests that Bristol is likely to be most similar to Stroud District in terms of housing market characteristics, and it is also the closest in terms of geographical proximity. VOA 2011 bulk residential land values for Bristol are £2.1 million per hectare – significantly in excess of the £850,000 relevant to Wrexham.⁶⁹

4.12 The 2011 VOA figures reflect affordable housing and planning gain costs in line with market expectations for the locality in question. Bristol City Council currently has affordable housing targets of between 30% and 40% in an adopted Core Strategy⁷⁰ and whilst an earlier Local Plan did not specify a percentage target, through a 'Planning Advice Note 12: Affordable Housing' Bristol City Council sought up to 30% affordable housing.

⁶⁹ Table 6.1, LPVS
⁷⁰ adopted June 2011

- 4.13 Whilst, as in Stroud District, the proportion of affordable housing that has been achieved on grounds of viability through developer contributions in Bristol may not equate to the level aspired to by the City Council, the residual land value outputs provided within the VOA Property Market Report are arguably likely to be broadly comparable to Stroud District (which aspires to an 'at least 30%' affordable housing target in the Pre-submission draft Local Plan).
- 4.14 The LPVS suggests that the VOA figures reflect the inclusion of Homes and Communities Agency grant funding, which is now extremely limited. However, the LPVS does not quantify the likely impact on the VOA values of lower grant levels, and equally the VOA Property Market Report does not identify whether or not an element of grant funding is included in the published land values.
- 4.15 Furthermore, any such purported reduction in the VOA residual figures (as a result of reduced grant funding and / or increased affordable housing targets / introduction of CIL) has to be weighed against the fact that there are reported (i.e. Knight Frank) to have been increases in land values (as at June 2013) across England and Wales (and outside of Prime Central London) since 2011 of between 1.4% and 1.6%.⁷¹
- 4.16 Whilst information is not available in the Knight Frank report at a District / regional level it is reasonable to suggest that without in depth research having been undertaken by the author of the LPVS (including vigorous consultation with stakeholders) it would be inappropriate to assume an arbitrary reduction to the VOA residual residential land valuations – the commentary on the sources reviewed at paragraphs 6.12 and 6.13 of the LPVS is particularly vague and suggests only superficial attempts to derive an appropriate residential land value. The LPVS conclusion in paragraph 6.15 that a £800,000 per hectare residential land value is appropriate for the District of Stroud is clearly questionable, as is the unexplained level of decrease applied to derive a £400,000 per hectare gross residential land value.
- 4.17 Of further concern is the approach taken in the LPVS to what is likely to represent an appropriate land value benchmark against which to compare agricultural and 'paddock' greenfield land. Based on paragraphs 6.18 and 6.19 of the LPVS it is not confirmed that the uplifted Existing Use Value values (to which a 20% uplift and £350,000 premium are added in paragraph 6.26 – i.e. suggesting £380,000 per hectare for agricultural land and £410,000 per hectare for paddock land) have been agreed with stakeholders (including key

⁷¹ Knight Frank Residential Research Residential Development Land Index, Quarter 2 2013 Report, page 2

landowners) attending the single consultation event, or through any subsequent interviews / surveys undertaken by the author.

- 4.18 It is not robustly demonstrated that this (or that the 20% uplift applied to the Industrial Existing Use Value) will represent enough of an uplift to incentivise the release of such land for housing development.
- 4.19 The LPVS acknowledges the 'Manor Shinfield' appeal decision (which supports an approach that would see landowners obtaining a share in the uplift in the unfettered land value achieved over and above the Existing Use Value as a result of obtaining a residential permission), but without reasoned explanation negates to undertake sensitivity testing applying viability thresholds derived using this approach.
- 4.20 In particular, VOA data suggests a residual residential land value (i.e. taking into account affordable housing and developer contributions and assuming no abnormal constraints) for permitted greenfield sites of 0.5 hectares or more of £2.1 million for the nearest comparable location (i.e. Bristol). Landowners may therefore be likely to seek to obtain a residual value in line with wider market expectations where land achieves a residential permission, and the £380,000 to £410,000 per hectare uplift over Existing Use Value may be insufficient. This will particularly be true of sites which are included within the Council's SHLAA as being deliverable (i.e. available, suitable and achievable) and which are allocated for residential development.
- 4.21 Simply i) setting unrealistic targets and relying on site by site viability testing to exhort maximum levels of affordable housing provision, and, ii) concluding that landowners will have to accept reduced land values to reflect the contributions sought by the Council (i.e. to reflect 30% affordable housing and any CIL or s106 contributions) is disingenuous. As noted by Knight Frank:

"The planning system remains a form of barrier to development however. As the National Planning Policy Framework (NPPF) beds in, a time-consuming trend for 'planning by appeal' has emerged. Developers and housebuilders also remain concerned about the Community Infrastructure Levy (CIL), and policymakers may need to be aware that this additional charge for developers could act as a partial brake on development activity."

(Knight Frank Residential Research Residential Development Land Index, Quarter 2 2013 Report, page 2)

Cumulative burdens which act to reduce land values and / or returns below levels acceptable to a willing land owner and a willing developer will impact negatively on overall housing delivery and economic growth contrary to Government objectives.

- 4.22 With this in mind, and in the absence of a robust and thorough review having been undertaken by the LPVS author to determine what is likely to represent an appropriate uplift to incentivise landowners in the area to release land in Stroud District for residential development, it is entirely reasonable to apply a sense check to the outputs of the LPVS modelling of greenfield sites of 0.5 hectares or more by comparing the residual land values of these to the VOA benchmark residual residential land values for Bristol (i.e. £2.1 million per hectare).
- 4.23 Table 10.2 summarises the outputs of the baseline appraisals undertaken to inform the LPVS – assuming 30% affordable housing in a 50/50 Affordable Rent and Intermediate tenure split and £2,500 per dwelling CIL / s106 contributions.
- 4.24 Table 10.2 suggests that at 30% affordable housing:
- none of the 5 brownfield sites appraised are viable when compared to the Industrial land value benchmark (i.e. £480,000 per hectare)
 - **none of the greenfield sites appraised are viable when compared to the VOA residential land value benchmark of £2.1 million per hectare**
 - only 4 of the greenfield sites appraised would be viable when compared to the LPVS preferred residential land value benchmark of £960,000 per hectare (i.e. £800,000 plus 20%), and,
 - only 4 of the greenfield sites appraised would be viable when compared to the VOA residential land value benchmark for Wrexham of £850,000 per hectare.
- 4.25 Table 10.3 summarises the outputs of the baseline appraisals undertaken to inform the LPVS assuming a range of between 0% to 30% affordable housing in a 50/50 Affordable Rent and Intermediate tenure split and £2,500 per dwelling CIL / s106 contributions.

4.26 Table 10.3 suggests that:

- when compared to the Industrial land value benchmark (i.e. £480,000 per hectare) two of the 5 brownfield sites appraised cannot support any affordable housing, two can support 10% affordable housing, and one can support 20%
- **none of the greenfield sites appraised can support any level of affordable housing when compared to the VOA residential land value benchmark of £2.1 million per hectare**
- when compared to the LPVS preferred residential land value benchmark of £960,000 per hectare (i.e. £800,000 plus 20%):
 - 5 of the 11 greenfield sites appraised would not be able to support any level of affordable housing,
 - 4 of the 11 would be viable at 30% affordable housing,
 - 1 would be viable at 20% affordable housing, and,
 - 1 would be viable at 10%
- when compared to the VOA residential land value benchmark for Wrexham of £850,000 per hectare:
 - 4 of the 11 greenfield sites appraised would not be able to support any level of affordable housing,
 - 4 of the 11 greenfield sites appraised would be viable at 30% affordable housing,
 - 2 would be viable at 20% affordable housing, and,
 - 1 would be viable at 10%
- A 100% Affordable Rent tenure worsens all of the viability outputs.

4.27 Table 10.4 summarises the outputs of the baseline appraisals undertaken to inform the LPVS assuming 30% affordable housing in a 50/50 Affordable Rent and Intermediate tenure split and £1000 per dwelling s106 contributions plus CIL payments ranging from nil to £100 per square metre.

4.28 Table 10.4 suggests that at 30% affordable housing and reduced £1000 per dwelling s106 contributions:

- when compared to the Industrial land value benchmark (i.e. £480,000 per hectare) 4 of the 5 brownfield sites appraised are unviable even with a nil CIL contribution, and 1 is viable at a nil CIL contribution,
- **none of the greenfield sites appraised are viable when compared to the VOA residential land value benchmark of £2.1 million per hectare even with a nil CIL contribution and reduced £1000 per dwelling s106 contributions,**
- when compared to the LPVS preferred residential land value benchmark of £960,000 per hectare (i.e. £800,000 plus 20%) only 4 of the greenfield sites appraised would be viable across the range of CIL contributions, with the remaining 7 sites not viable even with a nil CIL contribution and reduced £1000 per dwelling s106 contributions, and,
- when compared to the VOA residential land value benchmark for Wrexham of £850,000 per hectare only 4 of the greenfield sites appraised would be viable across the range of CIL contributions, 2 sites are suggested to be viable with a nil CIL contribution, and the remaining 5 sites are not viable even with a nil CIL contribution and reduced £1000 per dwelling s106 contributions.

4.29 The LPVS also summarises modelling assuming altered build costs and house prices. However, the NPPF and the accompanying draft online guidance in respect of viability makes it clear that regard should be given to current costs and values when assessing viability impacts.

4.30 Three strategic sites are appraised by the LPVS in respect of the residential development elements. At a 30% level of affordable housing provision split as 50% Affordable Rent and 50% Intermediate housing (and including £2,500 per unit for CIL / s106), Table 10.7 suggests that none of the three strategic sites are suggested to be viable, with residual land values that all fall substantially below the £380,000 per hectare LPVS viability threshold (let alone the Bristol VOA residential residual land value of £2.1 million per hectare, the £960,000 LPVS residential land value threshold per hectare, or the lowest VOA residential residual land value referred to in the LPVS of £850,000 per hectare).

- 4.31 Table 10.8 shows the results of testing the three strategic sites against affordable housing targets ranging from 0% to 30% - all three of the sites remain below the viability threshold. Similarly, under the different scenarios tested within Tables 10.9 to 10.11 (which vary infrastructure and cost and price assumptions) none of the residual land values exceed the £380,000 per hectare viability threshold. Whilst the LPVS suggests that ‘assurances’ have been provided to the Council that the sites are developable ‘in the context of the Local Plan’, it is acknowledged that supporting viability assessment has not been provided. It is therefore uncertain, given the residual land values modelled within the LPVS, that these sites will realistically proceed at 30% affordable housing alongside the cumulative economic impact of the various other policy requirements.
- 4.32 In Chapter 8 the LPVS sets out Pre-submission draft Local Plan policies and seeks to explain how the economic impact of these has been accounted for within the viability modelling assumptions.
- 4.33 Included in these policies is Pre-submission draft Policy CP7. The LPVS purports there to be two costs associated with this proposed policy, the first of which can be resolved through the ‘normal’ design and access statement (i.e. therefore suggesting no additional costs would be incurred and will already be covered through fee assumptions etcetera) and the second relates to the provision of ‘lifetime accommodation’ for which the LPVS assumes all homes to be built to Lifetime Homes Standards at an assumed cost of £1000 per dwelling.⁷²
- 4.34 In response to the first cost suggested by the LPVS, given the lack of clarity in terms of the specific obligations / conditions the Council would seek to impose through Pre-submission draft Policy CP7 (see section 2.1 of the March – May 2013 representations prepared by Pioneer) it is unclear how the LPVS has successfully managed to ensure that the full economic impact of the policy has been modelled. The Pre-submission draft Policy wording and explanatory text clearly requires further refinement.
- 4.35 Presumably the Council seeks to impose through the Pre-submission draft Policy a requirement beyond that which would be required of a scheme through normal planning practices or Building Regulations otherwise there would be no point in including the policy in the first place – the full costs associated with this policy therefore need to be clarified and accounted for within the Council’s viability evidence base (similar concerns apply in respect of the LPVS assessment of Pre-submission draft Policy CP8,⁷³ Pre-submission draft Policy

⁷² paragraphs 8.7 and 8.9, LPVS

⁷³ paragraph 8.11, LPVS

CP14,⁷⁴ Pre-submission draft Policy CP11,⁷⁵ Pre-submission draft Policy ES6,⁷⁶ and Pre-submission draft Policy CP5 points 1 to 5⁷⁷ - it is unclear that the potential costs of requirements and standards imposed through these policies has been robustly accounted for within the LPVS).

4.36 When considering the impact of the second cost imposed through Pre-submission draft Policy CP7 (assumed by the LPVS to be a requirement for dwellings to be constructed to Lifetime Homes standards) the Council may wish to have regard to the 'Housing Standards Review' ("HSR") consultation paper published by the Department for Communities and Local Government in mid-August 2013.

4.37 The Impact Assessment accompanying the HSR suggests the following costs associated with providing housing to Lifetime Homes Standards based on work undertaken by EC Harris:

Extra Over Costs of Lifetime Homes Per Dwelling

| | Lifetime Homes Works Cost | Additional Space Requirement Costs | Process and Administration Costs | Total Extra Over Costs of Lifetime Homes |
|-----------------|---------------------------|------------------------------------|----------------------------------|--|
| 2 bed apartment | £1,035 | £742 | £102.31 | £1,879 |
| 2 bed house | £1,044 | £1,403 | | £2,549 |
| 3 bed house | £1,049 | £817 | | £1,968 |
| 4 bed house | £1,051 | £756 | | £1,909 |

Source: Table 19, paragraph 108, and Table 20, Housing Standards Review Consultation Impact Assessment

The above costs are significantly higher than those modelled within the LPVS and it is therefore questionable whether the LPVS assumptions are able to fully reflect the economic impact of imposing the Lifetime Homes standard (if this is what the Council intends to do via Pre-submission draft Policy CP7). Furthermore, the increase in affordable housing floor areas will impact on the amount of land available for the development market housing thus impacting on costs further.

4.38 It is noted that in the absence of specific standards being identified within Pre-submission draft Policy CP5, the requirement through the Pre-submission draft Policy text for proposals to show how sustainable construction principles have been maximised (as listed in points A to G of the Pre-submission draft policy) is assumed by the LPVS to simply require developers to build to Building Regulations – on this basis additional costs are not

⁷⁴ paragraph 8.19, LPVS

⁷⁵ paragraph 8.15, LPVS

⁷⁶ paragraph 8.23, LPVS

⁷⁷ paragraph 8.4, LPVS

assumed. This will therefore need to be reflected in the operation of the policy, without additional costs being added by the Council on the basis of an alternative interpretation of the wording should the policy be adopted in the proposed form. The same applies in respect of Pre-submission draft Policy CP8 given the assumptions applied in the LPVS.⁷⁸

- 4.39 In response to Pre-submission draft Policy CP6 the LPVS assumes a £2,500 per dwelling Section 106 cost on the basis of discussions with the Council⁷⁹ - it is not clarified that this has been agreed with Stakeholders as being realistic, and reference to trends in the level of such costs is not made. It is therefore unclear that this assumption has been robustly tested or explained.
- 4.40 The costs assumed in the LPVS in respect of Pre-submission draft Policy ES4 are not fully explained,⁸⁰ and the costs associated with Pre-submission draft Policy ES10 have not been modelled at all on the basis that the requirements are considered to be limited to very few sites. Whilst this Pre-submission draft policy may be site specific and therefore not lend itself to generic viability assessment the economic impact of the Pre-submission draft policy will need to be recognised as an additional cost burden should it come into operation (possibly restricting the ability of the site in question to deliver other policy requirements). The same applies in respect of Pre-submission draft Policy ES11.

Summary

- 4.41 The modelling of Pre-submission draft Policy CP9 (affordable housing) is assumed in the LPVS modelling to seek a maximum 30% level of affordable housing provision – the wording of Pre-submission draft Policy CP9 does not confirm this to be the position given that it refers to ‘at least’ 30%. Clearly the Pre-submission draft Policy wording should be amended in the light of the lack of viability of a 30% affordable housing target suggested by the above review of the LPVS Residual Land Value outputs in comparison to an appropriate viability threshold (i.e. which reflects the potential of the site to deliver housing).
- 4.42 Even if the LPVS conclusions in paragraph 11.25 are to be taken at face value the evidence base does not test or support a target of in excess of 30% affordable housing - this should be reflected in the operation of the policy, without additional costs being added by the Council on the basis of an alternative interpretation of the wording should the policy be adopted in the proposed form. Ideally, at a minimum the words ‘at least’ should be deleted and replaced with ‘up to’.

⁷⁸ paragraph 8.12, LPVS

⁷⁹ paragraphs 8.6 and 7.28, LPVS

⁸⁰ paragraph 8.21, LPVS

- 4.43 However, the above review of the LPVS suggests that where a 30% level of affordable housing is sought this will result in viability having to be assessed on a site by site basis, frustrating the release of land for housing, preventing economic growth and contrary to the requirements of the NPPF for the cumulative impact of policies to reflect economic realities based on current costs and values at the Plan making stage.
- 4.44 In addition to concerns in respect of the viability of the proposed affordable housing target within Pre-submission draft Policy CP7, it is also of concern should the Council seek to impose standards in excess of Building Regulations where the cost of these has not been demonstrated to be a viable additional burden. This includes requirements for Lifetime Homes standards, the cost of which appear to be underestimated within the Council's viability evidence base.

Russell, Mark

From: John Kay [clerk@dursleytowncouncil.gov.uk]
Sent: 08 June 2016 14:33
To: _WEB_Local Plan
Cc: neil.grecian@dursleytowncouncil.gov.uk; suzi.abraham@dursleytowncouncil.gov.uk; Leah Wellings
Subject: Dursley Town Council Response to the Consultation on Community Infrastructure Levy & Planning Obligations Supplementary Planning Document

FAO: The Planning Strategy Team,

Dursley Town Councils resolved on the 7th June to comment the following:

Community Infrastructure Levy

What is not included is a schedule of when parish/town councils will be paid their share of the levy collected by SDC. The Town Council request to be consulted on this and for it to be an annexe to this document, or the subject of an additional document. With a payment instalment system, parish/town councils may wait a long time to receive their share of the levy.

Planning Obligations Supplementary Planning Document

No observation.

John Kay
Town Clerk
Dursley Town Council
www.dursleytowncouncil.gov.uk
01453 547758

Russell, Mark

From: Barnard, Lisa [lisa.barnard@persimmonhomes.com]
Sent: 08 June 2016 15:45
To: _WEB_Local Plan
Cc: Davis, Paul
Subject: Community Infrastructure Levy and Planning Obligations
Attachments: Stroud District Local Plan - Draft Plan Obligations - Supplementary Planning Document.pdf; Stroud District Local Plan - CIL Draft Charging Schedule.pdf

Dear Sirs

I attach comments on the Stroud District Local Plan CIL Draft Charging Schedule and the Draft Planning Obligations – Supplementary Planning document on behalf of Persimmon Homes Severn Valley.

Regards

Lisa

Lisa Barnard
Secretary to the Land Team

Hours of work: Mon-Thurs 2 pm-5 pm
Fri 2 pm 4.30 pm

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Stroud District Local Plan: CIL Draft Charging Schedule Comments on Behalf of Persimmon Homes Severn Valley

Persimmon Homes Severn Valley (PHSV) have a number of policy concerns relating to the Draft Charging Schedule.

Firstly we note that the Council proposes charging nil rates for a single geographical area (the Stroud Valley area) and a specific site type (strategic sites identified in the Local Plan). All other sites will be charged at £80 per square metre. Given that the Council's land supply is made up almost entirely of sites with planning permission and strategic sites identified in the Local Plan, CIL contributions are likely to be extremely limited. Therefore it is not clear how CIL will assist in meeting the anticipated worst case funding gap of £93.2 million and it is likely that CIL contributions will only contribute towards making a very small impact on the amount of the total shortfall.

This poses a series question about the use of CIL as an appropriate tool to deliver new infrastructure in Stroud. The Council is effectively relying on continuing S106 contributions to deliver infrastructure which can be negotiated by the Council at the appropriate time. However, equally CIL is non negotiable and when in place will limit the Council absolutely to provision of site related infrastructure requirements rather than anything that might be considered strategic infrastructures.

The concern is that this is likely to mean the Council will need to maximise contributions through S106 negotiations to ensure strategic sites are delivered. The knock on effect of this is that it may slow down the rate of housing delivery in Stroud contrary to NPPF guidance to boost the supply of housing delivery.

This is also contrary to advice in the NPPG that charging authorities should not charge rates which would put at serious risk the overall development of their area and fail to strike an appropriate balance between the deliverability of funding infrastructure via the levy and prevent delivery of much needed housing stock.

We also recognise as above that CIL guidance enables authorities to apply differential rates to different geographical areas and scales of development. However what is also clear is that charging authorities should not use rates for different geographical areas to deliver policy objectives. We consider the choice of the Stroud Valley as the only specific geographical charging area in the district is designed specifically to meet a policy aspiration to regenerate the Stroud Valleys, where in the past there have been a number of long standing planning applications which have not come forward. The development strategy equally supports the growth and regeneration of other key areas including Dursley, Stonehouse, the Cotswold canal corridor and Sharpness, which are not similarly identified.

The indicative Draft Regulation 123 List includes a number of infrastructure and service categories that appear in both the CIL and S106 columns. This raises a very real potential for actual or perceived 'double dipping' with developers paying twice for the same item of infrastructure which is contrary to NPPG guidance. There is also danger that a number of items secured in the S106 column on strategic sites in particular strategic flood risk and transport measures linked to strategic development sites will provide strategic infrastructure. The schedule needs to make it clear that S106 contributions will be strictly related to site specific matters only.

PHSV support the proposed introduction of an instalment policy. However it is not clear what size of application site this will refer to. We suggest it should apply to the standard national definition of major development (10 or more dwellings) defined in article 2(1) of the Development Management Procedure Order.

Russell, Mark

From: Felicity Tozer [FTozer@savills.com]
Sent: 08 June 2016 15:58
To: _WEB_Local Plan
Subject: CIL DCS Consultation
Attachments: Stroud DCS Reps (Final).pdf

Hello,

Please find attached CIL Representation submitted on behalf of Crest Nicholson, Redrow and Taylor Wimpey.

Regards
Felicity

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Senior Planner
Planning

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Stroud CIL Draft Charging Schedule

Representations by Savills



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Introduction

These representations have been prepared by Savills on behalf of Crest Nicholson, Redrow and Taylor Wimpey in response to the consultation on the Stroud Community Infrastructure Levy (CIL) Draft Charging Schedule (DCS).

Our clients' objective and the *raison d'être* for these representations is not to dismiss CIL but to ensure that the residential rates set in the Charging Schedule are fair and equitable, supported by robust viability appraisals, and will not put at harm the overall delivery of housing and the wider aspirations of the Local Plan. To that end, the Charging Schedule must be founded upon sound and credible evidence and the methodology used to establish the proposed charges should be reasonable and fit for purpose.

This Consortium have a variety of land interests across the District with sites of various different sizes and typologies, and will continue to secure new residential sites moving forward to support Stroud in meeting its housing needs.

Whilst we provide more general comment in respect to the policy basis, guidance and appropriate process, this statement focuses on a number of significant concerns which we raise in respect to assumptions and viability evidence underpinning the DCS.

The effect of these is to distort the findings of the hypothetical viability appraisals within the study to such a degree that the introduction of CIL is likely to impact on residential development viability across Stroud, and compromise the delivery of the strategic housing requirement.

In particular, the hypothetical scenarios seemingly illustrate that it is the development typologies upon which the Council will be seeking to rely upon moving forward that will be rendered unviable through the imposition of the proposed CIL rate; notably in relation to previously developed sites, and windfall opportunities.

In light of the recently published Interim Findings into the Gloucester, Cheltenham and Tewkesbury Joint Core Strategy (JCS), it is noted that the Council will be required to consider the implications of these findings. Notably, the Inspector has identified a requirement to allocate/identify additional land for development around Gloucester; with two strategic sites (for 2,750 and 1,200-1,500 units) falling within Stroud. These sites may be required prior to the review of Stroud's Local Plan; and delivery would be secured via a Memorandum of Understanding. Given the scale of these sites and that the infrastructure associated with them will require agreements between Stroud and Gloucester City, it is recommended that these areas are identified at a nil CIL rate to ensure their delivery is not compromised by CIL; or that Stroud would not have to immediately review their CIL. This could be most appropriately achieved through the identified of a threshold over which CIL would be charged at a nil rate.

It is essential that these matters are rectified before the Examination in order that the Council and the Examiner have the confidence that the Charging Schedule meets the requirements of Regulation 14 of the Community Infrastructure Levy Regulations 2010 (as amended). If they are not rectified then is it our view that the current evidence on viability does not provide a sound basis on which to establish residential CIL rates.

We have also used these representations to raise a number of policy and procedural matters which need to be addressed. These matters do not necessarily have a bearing on the rates set out within the Charging Schedule but are nevertheless important to the operation of CIL post-implementation.

Policy Background

In reviewing the Council's DCS we have had regard to national policy, guidance and legislation; including, Part 11 of the Planning Act 2008, Community Infrastructure Levy Regulations 2010 (as amended), National Planning Policy Framework (NPPF) and the Planning Practice Guidance (PPG).

Planning Act 2008 (as amended)

Section 205 (2) of Part 11 of the 2008 Act (as amended by the Localism Act 2011) states that:

"In making the regulations the Secretary of State shall aim to ensure that the overall purpose of CIL is to ensure that costs incurred in supporting the development of an area can be funded wholly or partly by owners or developers of land in a way that does not make development of the area economically unviable."

Section 212 of the Planning Act requires the examiner to consider whether the "drafting requirements" have been complied with and, if not, whether the non-compliance can be remedied by the making of modifications to the DCS. The "drafting requirements" mean the legal requirements in Part 11 of the Planning Act and the CIL Regulations so far as relevant to the drafting of the charging schedule. In considering the "drafting requirements", examiners are required in particular to have regard to the matters listed in Section 211(2) and 211(4). This requires examiners to consider whether the relevant charging authority has had regard to the following matters:

- Actual and expected costs of infrastructure;
- Matters specific by the CIL Regulations relating to the economic viability of development;
- Other actual and expected sources of funding for infrastructure; and
- Actual or expected administrative expenses in connection with CIL.

Regulation 14 of the CIL Regulations (as amended) expands on these requirements, explaining that charging authorities must, when striking an appropriate balance, have regard to:

- The desirability of funding from CIL (in whole or in part), the actual and expected estimated total cost of infrastructure required to support the development of its area, taking into account other actual and expected sources of funding; and
- The potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area.

National Planning Policy Framework

It is important that the preparation of CIL is in the spirit of the NPPF, notably that it is delivery-focused and "positively prepared"¹.

¹ Paragraph 182, National Planning Policy Framework, March 2012

Stroud CIL Draft Charging Schedule

Representations by Savills



The NPPF outlines 12 principles for both plan making and decision taking, notably that planning should “*proactively drive and support sustainable economic growth*”². Plan making should “*take account of market signals such as land prices and housing affordability*” and that “*the Government is committed to ensuring that the planning system does everything it can to support sustainable economic growth*”³.

Furthermore, the NPPF refers to the “*cumulative impacts*”⁴ of standards and policies relating to the economic impact of these policies (such as affordable housing) and that these should not put the implementation of the Plan at serious risk. Existing policy requirements should therefore be considered when assessing the impact of CIL on development viability.

The NPPF calls for local authorities to boost significantly the supply of housing⁵. It requires local authorities to: Meet the full, objectively assessed needs for housing, including identifying key sites;

- Identify deliverable sites to provide five years worth of supply and developable sites further ahead;
- Provide a housing trajectory for the plan period describing how the five year supply is to be maintained.

To be deliverable, sites should be “*available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on site within five years and in particular that development of the site is viable*” (my emphasis) (#footnote 11, NPPF).

The NPPF expressly states that CIL “*should be worked up and tested alongside the Local Plan*” and “*should support and incentivise new development*”⁶. To comply with this policy, CIL Charging Schedules must be demonstrated to have positive effects on development and have regard to an up-to-date Local Plan. The absence of adverse effects on the economic viability of development, whether serious or otherwise is not enough to justify CIL proposals. Charging Authorities have a positive duty when it comes to setting CIL rates and formulating their approach on the application of CIL.

Planning Practice Guidance (PPG)

In 2014 the Government published the Planning Practice Guidance (PPG) which provides technical guidance on a series of planning related topics; including CIL.

This sets out that Charging Schedules should be consistent with, and support the implementation of, up-to-date relevant Plans⁷; and focuses on the need to ensure an appropriate balance is struck as per Regulation 14⁸.

The need for “*appropriate available evidence to inform the Draft Charging Schedule*” (as per Schedule 211(7) (a) of the 2008 Act⁹).

² Ibid, Criterion 3, March 2012

³ Ibid, Paragraph 19, March 2012

⁴ Ibid, Paragraph 174, March 2012

⁵ Ibid, Paragraph 47, March 2012

⁶ Ibid, Paragraph 175, March 2012

⁷ Paragraph 10, Reference ID: 25-010-20140612, Planning Practice Guidance, revision date 12 June 2014

⁸ CIL Regulations 2010 (as amended)

⁹ Paragraph 19, Reference ID: 25-019-20140612, Planning Practice Guidance, revision date 12 June 2014

Stroud CIL Draft Charging Schedule

Representations by Savills



The policy direction from central government is very much towards facilitating development. This policy imperative should have a major material bearing on the CIL rates. This applies to the evidence to support the balance reached between the desirability of funding infrastructure through CIL and the potential effects on economic viability of development across that area.

The Guidance states that it is up to charging authorities to decide how much potential development they are willing to put at risk through CIL (the “appropriate balance”). Clearly this judgement needs to consider the wider planning priorities including the development plan targets and NPPF objective of ‘boosting’ housing supply. Furthermore, the CIL Guidance outlines that CIL receipts are not expected to pay for all infrastructure but a “significant contribution”¹⁰. The overall approach and rate of CIL will have to pay attention to the development plan and intended delivery.

The Guidance also states that charging authorities may adopt differential rates in relation to:

- Geographical zones within the charging authority’s boundary
- Types of development; and/or
- Scales of development¹¹

It explains that where a particular type or scale of development has low, very low or zero viability, the charging authority should consider setting low or zero rates for that type of development. The opportunity to define a CIL rate by development scale is important in this instance.

Non-Statutory Guidance

In addition to the regulations and statutory guidance, two specific non-statutory guidance documents have been published which are directly relevant to the CIL rate setting process. These two guidance documents have been recognised by Inspectors elsewhere as valuable sources of advice regarding the approach to, and assumptions to be used in, the setting of CIL levy rates for residential development. The two documents are:

- Financial Viability in Planning, RICS (August 2012) and
- Viability Testing Local Plans, Local Housing Delivery Group (June 2012) (‘Harman Report’)

Reference is made to these guidance documents where relevant throughout this representation.

¹⁰ Paragraph 95, Reference ID 25-095-20140612, Planning Practice Guidance, revision date 12 June 2014

¹¹ Paragraph 21, Reference ID 25-021-20140612, Planning Practice Guidance, revision date 12 June 2014

Local Plan Delivery

The Local Plan

The Stroud Development Plan consists of the new Local Plan adopted November 2015. Policy CP2 sets out a requirement to deliver at least 11,400 dwellings between 2006-2031; 3,300 of these are to be delivered at strategic sites identified within the adopted Local Plan.

Page 23 of the Local Plan sets out the additional requirements outside of strategic allocations, given completions and commitments at the April 2015 base date. This recognises a residual requirement of 900 units to be delivered in Stroud.

It is noted that emphasis has been placed in the Local Plan, by direction of the Inspector, that the housing requirement should be considered as a minimum, and that additional sustainable development should be supported.

Housing Delivery

When considering the implications of a CIL rate on delivery of a Development Plan, consideration should be given to historical delivery rates, and the potential impacts that CIL could have on these rates moving forward. In local authorities where there has been consistent under delivery of housing in recent years, particular attention should be given to the risk that proposed CIL rates, if set at unviable levels, would undermine the delivery of the Development Plan.

The Council have been unable to consistently demonstrate a five year housing land supply; with various successful challenges to the Council's housing land supply position through s78 planning appeals over the previous five years. These fluctuations in five year housing land supply are likely to continue moving forward given the Council's reliance on large, strategic sites; and the delays currently being experienced on the strategic sites which are expected to deliver units within the current five year period.

Notwithstanding the delivery of strategic sites, as identified above the Council require delivery of a residual requirement of some 900 units; a proportion of which is expected within the current five year period. It is therefore necessary to ensure that the proposed CIL rates will not threaten the delivery of this element of supply.

The adopted Local Plan sets out the development strategy to support the delivery of this residual requirement. Policy CP2 proposes that this residual requirement will be delivered within defined settlement limits; with Delivery Policy HC1 setting the development management framework for delivery. Outside of settlement boundaries, only affordable housing (under Delivery Policy HC4) or replacement dwellings (under Delivery Policy HC5) are permitted. Reference is also made to the prioritisation of brownfield sites.

This development strategy should inform the rate setting exercise, with the PPG explicit in its requirement that Charging Authorities rate must "*not threaten the ability to develop viably the sites and scale of development identified in the relevant Plan*" (my emphasis, PPG-25-008-20140612); with the requirement to show how the proposed levy rate will contribute towards the implementation of the relevant Plan (PPG-25-010-20140612).

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As such, the CIL evidence should address the appropriateness of the CIL charge on the types of development envisaged in the adopted Plan: thus, strategic sites and infill/windfall opportunities within defined settlement limits. The PPG requires that these development typologies directly inform the sample range of sites across its area.

In addition, the Council must seek to deliver the additional housing envisaged by the minimum housing target; and in line with the NPPF, support additional sustainable development alongside ensuring a supply to meet five year housing land supply requirements.

Differential Rates for Large Residential Sites

We welcome the introduction of differential rates for the strategic sites, however we consider the £zero rate proposed for strategic sites should not be limited to those allocated in the Local Plan. By their nature, larger development sites are subject to specific viability considerations which should rightly have a bearing on the rate of CIL. These considerations relate to their scale and the infrastructure requirements associated with delivering the development.

The same viability considerations apply to all large sites, whether or not they are allocated as 'strategic' in the Local Plan. Indeed, there is no particular reason why a strategic site on the edge of a town should be charged at a lower rate than a development of the same size at a different location on the edge of the same town.

Since the 2014 Amendment Regulations came into force this issue can be overcome through the setting of a site size differential CIL rate as opposed to differential rates based upon geographically defined locations (e.g. allocated areas) and we strongly recommend that the Charging Authority review the residential rates for larger sites and include a single category for all large / strategic sites, irrespective of whether they are allocated. This option is set out clearly in the PPG¹². This approach would ensure that the residential rates reflect the viability of development and not just whether a site is allocated within the adopted Local Plan.

In addition, the recent publication of the Inspector's Interim Findings (dated 26th May 2016) into the Gloucester, Cheltenham and Tewkesbury Joint Core Strategy (JCS) has directed the Councils' into seeking agreement from Stroud District Council into developing urban extensions for Gloucester city into the Stroud area. Whilst recognising that this may happen through the Stroud Local Plan Review, the JCS Inspector has identified the potential that the housing will be required in the immediate term. As such, the Inspector recommends that agreement to deliver these strategic allocations is secured via a Memorandum of Understanding, rather than relying on the Local Plan review process. As such, there is the realistic potential that planning applications may come forward on these sites in the near future; prior to the review of the Local Plan and CIL Charging Schedule. This emphasises the requirement to consider large, strategic sites as a development typology, rather than site specific identification.

As such, it is recommended that Stroud identify a nil CIL rate for sites above a 150 unit threshold; providing certainty in respect to the likely delivery of sites to the south of Gloucester, in addition to support additional sustainable development which may come forward to meet the minimum housing target, or be required to meet the baseline five year housing land supply requirement.

¹² Paragraph 21, Reference ID 25-021-20140612, Planning Practice Guidance, revision date 12 June 2014

Viability Evidence Objections

The process of testing viability across a plan area inevitably requires the adoption of a number of generic assumptions and we appreciate the difficulty that this presents. As the CIL guidance acknowledges, it is recognised that the introduction of CIL will render some sites unviable which would previously have been viable. What is important is to ensure that the overall viability of the planned housing delivery is not jeopardised through the introduction of CIL; and as such particular attention should be directed to those site typologies relied upon in the housing trajectory.

In establishing the assumptions to be used in the Viability Study, very careful attention is required to validate / sense check each component of the appraisals to ensure that they are reasonable and logical. It is important that the key assumptions are also set out and justified in the Viability Study in order that these can be reviewed and tested by all interested parties. We have reviewed a range of the assumptions adopted in the Viability Study and, for the various reasons set out below, we have concerns that these are not sound. As a consequence, the output from the appraisals in the Viability Study will be skewed and the residential CIL rates set at a level within or beyond the margins of viability on those sites which are required to deliver the Council's housing target.

The concerns with each of these assumptions is set out below. This covers the primary areas of concern only; we have not dealt with all of the assumptions.

Methodology

We would request clarification in relation to the methodology used within the Viability Update, in respect to the outline methodology set out in the January 2014 Viability Study which accompanied the PDCS. This sets out that the 'Additional Profit' represents the profit above the 'normal profit'; essentially representing the amount of monies out of which CIL could be paid.

If this methodology is applied to the March 2016 study and the summary table contained on p.94, this would result in the following sites being unviable at the proposed CIL rates, utilising the Council's current assumptions:

- Site 7;
- Site 11; and
- Site 12.

These represents the majority of brownfield sites, with only Sites 23 and 24 returning positive viability with the imposition of the £80 per m sq rate. Of note, the remaining two brownfield sites, Sites 19 and 20, are subject to the proposed £nil rate due to their location within the Stroud Valley. In addition, these unviable sites represent the majority of infill site typologies tested in the study.

If this is the correct application of the methodology underpinning the Viability Study, it clearly demonstrates an absolute failure to strike the appropriate balance, and illustrates that the proposed CIL rates will directly threaten the sites and scale of development still required to come forward in the Local Plan.

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It is recognised that the detailed viability appraisals imply that the CIL rate has been taken out of the development costs, and as such the 'Additional Profit' represents the residual values post-CIL deductions; essentially representing the viability buffer. We would request confirmation of whether this is the case.

Sale Values

We welcome the additional evidence provided within the Viability Study in relation to sale values, however, it is not clear within the study itself what sale values have then been applied to the viability testing of the site typologies. This is an extremely important assumption and it is essential that the study is clear about the values used in testing viability. We reserve the right to comment further once the evidence has been made available.

Base Build Costs

In the circumstances relating to Stroud we support the use of adjusted BCIS build costs, however, this alone does not provide a full picture of build costs for new residential development across the Authority area.

We raised concerns in respect to the BCIS build costs used in the PDCS and these continue to apply in relation to the DCS. At #4.7, it is indicated that the data used are the November 2015 Gloucestershire-wide figures; in our previous representations we raised concerns that the application of Gloucestershire-wide figures fail to reflect build costs associated with the particular characteristics of Stroud; notably topography and vernacular.

We support the upwards adjustment for smaller sites identified at #4.8.

At #4.11, the viability study identifies the policy requirement to deliver new housing at Lifetime Homes standards. It is not immediately evident within the study whether allowance has been made for any additional costs associated with this requirement, including the potential need to increase unit sizes. Alongside Lifetime Homes, it is not immediately evident within the study how requirements for housing at wheelchair standards has this been accounted for within build costs, unit sizes etc. We would request clarification of this element.

Abnormal Development Costs

In our representation to the PDCS, we raised concerns in respect to the Council's approach to abnormal development costs; with particular reference made to the clear policy objective in prioritising the reuse of previously developed land for residential development. Given the policy position seeking infill and windfall opportunities, alongside the particular topography of Stroud, it is clear that a significant number of the developments coming forward may incur non-standard development costs not accounted for in the standard BCIS costs, such as:

- Demolition;
- Abnormal Foundation Design;
- Flood Alleviation Works;
- Land Stabilisation; and
- Decontamination.

The Council have responded through the addition of a 10% allowance on BCIS costs for brownfield sites.

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Given the Council are seeking to deliver the remaining residual requirement and support additional sustainable development through infill and windfall, it is necessary to consider the implications of the allowance on smaller sites. Once the figure is broken down for smaller sites, the total allowance is highly unlikely to cover the costs involved. For example, on Site 24, a previously developed site for three dwellings, the allowance would come to £28,765. This is wholly inadequate to cover the potential demolition and remediation costs of such a site.

The position at #4.13-4.14 that abnormal costs will be reflected in land values is a simplification, and fails to reflect the PPG which expects the levy to have a “*positive economic effect on development across a local plan area*” and “*contribute towards the implementation of their relevant Plan and support development across their area*” (PPG-25-009-20140612, and 25-010-20140612).

The Council’s position that abnormal costs will be reflected in land values undermines the delivery strategy set out in the Local Plan. The Council are seeking to rely upon infill and windfall sites to meet their remaining housing requirements, which are those most likely to incur abnormal costs. Whilst the theoretical proposition may be that the additional abnormal costs will be deducted from the land value, the actual proposition is that there will be a balancing act between developer profit and land value. In practice, where this results in the development sites subject to abnormal costs proving less desirable development opportunities for promoters or developers, they will instead focus on greenfield opportunities. The failure to deliver those sites the Council are seeking within their Local Plan will result in a failure to achieve the necessary housing land supply, which will in fact result in sites coming forward against the Council’s preferred distribution strategy.

Whilst noting the justification given in the Viability Study in relation to the Gelding Local Plan, it is important to recognise that in the case of Stroud, an adopted Local Plan has set out the development strategy for the plan period, and that the imposition of a CIL rate without appropriate allowances for abnormal costs, will result in the types of development which the Council are seeking to encourage, not coming forward.

The potential abnormal development costs associated with previously developed sites are generally more visible and obvious, however, there are also likely to be costs involved in the delivery of greenfield developments which are not covered by the BCIS build costs or the allowance for external works. These costs can cover a wide range of works such as flood defences, unusual sewerage connections, retaining walls etc.

We note that the Viability Study contains no allowance for abnormal costs such as these within the appraisals for the greenfield sites. The RICS Professional Guidance entitled ‘Financial Viability in Planning’ (2012). This states at paragraph E.3.2.4.1 that:

“A typical viability assessment includes provisions for exceptional costs. This might include an unusual sewerage connection facility, high levels of site contamination and the need for extensive remedial works, flooding, site boundary and stabilisation works, particularly if there are substructure obstacles to overcome.

These exceptional site costs, or ‘abnormals’, inflate costs as well as adding to the timeframe for the delivery of a scheme. Historic costs may also be reasonable and appropriate.”

Unless specific evidence is produced which can be incorporated into the appraisals, we would recommend an increase in the contingency allowance from 2.5% to 10% in order to reflect these costs and provide for the cautious approach to testing viability which we advocate throughout these representations.

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Site Costs

The Viability Study continues to include assumptions for site servicing and infrastructure. As previously expressed in our representations to the PDCS, it is not clear how the 10-20% cost range has been derived, with no further explanation given in the updated Viability Study.

In our representations, we made particular reference to the Harman Guidance, which identified that on larger scale schemes, the typical site servicing and infrastructure costs per plot are in the order of £17,000-£23,000. We therefore proposed that a rate of £20,000 per plot was used for sites above 50 units; as the mid-point set out in the Harman Guidance. The Council have not chosen to implement this, with a 15% allowance given on sites between 25-75 units. As a result of this decision not to utilise the allowance set out in national guidance, there is likely to be significant shortfalls on sites.

For example, two sites are considered below, which represent a brownfield, infill site (Site 12) and a greenfield, town edge (Site 13), and sets out the shortfall in site costs between the Council's assumptions and the national recommendation:

Table 1: Infrastructure Costs

| Site | Dwellings | Floorspace Cost (£) | Infrastructure Cost (£) ¹³ | Cost per Unit (£) | Shortfall per unit (£) | Shortfall on development (£) |
|------|-----------|---------------------|---------------------------------------|-------------------|------------------------|------------------------------|
| 12 | 64 | 5,456,153 | 818,422 | 12,787 | 7,213 | 461,632 |
| 13 | 70 | 5,888,189 | 882,028 | 12,600 | 7,400 | 518,000 |

In line with the Viability Study's table on p94, should the sites above actually reflect the likely costs from the national guidance, rather than the Council's 15% allowance, Site 12 would become unviable, with the shortfall identified above exceeding the viability buffer. In relation to Site 13, the viability buffer for the site would decrease by 40%; which is significant.

The above examples can be extrapolated for the larger sites where the difference between the assumptions in the Viability Study and that contained in the Harman Guidance remains relevant.

Benchmark Land Values

We raised concerns in respect to the lack of evidence underpinning the threshold land values at the PDCS stage, explaining that in our experience the values used fell below the current market conditions to a level which is considered unreasonable and inappropriate.

It isn't immediately clear from reviewing the Viability Studies, both the March 2016 and January 2014 studies, what threshold land values have been used within the assessment. We have extrapolated the data from the table on p44, and have used the following values:

¹³ Based on assumptions within the Viability Study

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- Town Edge: £410,000 per ha;
- Greenfield (Agricultural): £380,000 per ha;
- Greenfield (Rural, Infill): £960,000 per ha; and
- Brownfield: £480,000 per ha.

We have benchmarked the figures used against those produced by Turner Morum on behalf of DCLG in the research paper entitled 'Cumulative impacts of regulations on house builders and landowners'. This research advocates a Threshold Land Value of "at least" £494,000 per gross hectare. Three of the threshold land values fail to reflect the approach advocated by Turner Morum, to assume lower than this, especially in the absence of any up to date evidence, is unrealistic.

Table 5.1 of the Viability Study seeks to set out evidence to justify the threshold land values, however it is noted that a number of these land transactions should be discounted given they took place over ten years ago. It is also important to apply caution when considering land transactions within the peak of the recession. As such, six transactions relate to the previous five year period. Discounting small sites (<1ha), which are considered below, there are two transactions of relevance. These are £494k/ha and £763k/ha; the sites are well documented and represent a brownfield site redevelopment (of an old school) and a greenfield site. It is noted that the brownfield site included significant provision of onsite open space in the form of community sports pitches and, as such, despite the site being for 11 units, only 43% was net developable. If land transaction was rebased to the developable area, the cost would equate to £1,180,217/ha.

The threshold land values used within the Viability Study fall far short of the most up to date evidence of land transactions, by a margin which is significant. This raises concerns that the evidence underpinning the proposed CIL rates present an inappropriate basis upon which to assess whether the rate strikes the balance as per the test.

The threshold land values approach used in the Viability Study is applicable to larger developments but does not translate well to smaller site appraisals. For larger sites, land values are typically lower than the values achieved for smaller sites because of the interrelationship between land value, planning risk, profit and servicing costs. Indeed, such sites, particularly the larger strategic urban extensions, require significant physical and social infrastructure. These costs are again deducted from the land value and hence the land value is lower than the other benchmarks.

For the above reason, we do not consider it appropriate to apply the land value based approach to the smaller site typologies. Site typology 23 for example comprises six dwellings on 0.15ha of land. Based on the threshold land value used in the Viability Study of £480,000 per hectare this equates to £72,000 (0.15 x £480,000), or a plot value of £12,000. Land for six dwellings would simply not be available at this price anywhere in Stroud.

In order to demonstrate this point, we have analysed all of the small building plots (under ten dwellings) with planning permission for sale as advertised on the Rightmove website in Stroud (as at 24 May 2016) – where sufficient details are provided. The results are provided in table 2 below.

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Table 2: Asking Prices for Small Site in Stroud

| Location | Number of Units | Site Ha | Asking Price | Average Plot Price | Value per Ha |
|-----------------------------|-----------------|---------|--------------|--------------------|-------------------|
| Cheltenham Road, Painswick | 1 | 0.1 | £650,000 | £650,000 | £6,500,000 |
| Millend Mill, Eastington | 1 | 0.0072 | £165,000 | £165,000 | £22,770,000 |
| Millend Mill, Eastington | 1 | 0.0047 | £165,000 | £165,000 | £34,980,000 |
| Slad Road, Stroud | 3 | 0.075 | £320,000 | £106,666 | £4,160,000 |
| Land at Rodborough | 3 | 0.14 | £300,000 | £100,000 | £2,142,000 |
| Land at Harley Wood | 1 | 0.15 | £160,000 | £160,000 | £1,065,600 |
| Land at Kingshill Road | 10 | 0.06 | £650,000 | £65,000 | £10,833,333 |
| Land at Dursley | 7 | 0.12 | £350,000 | £50,000 | £2,916,666 |
| Long Street | 2 | 0.42 | £110,000 | £55,000 | £261,800 |
| George Street | 2 | 0.1 | £85,000 | £42,500 | £850,000 |
| Nailsworth | 1 | 0.06 | £135,000 | £135,000 | £2,250,000 |
| Rodborough | 2 | 0.08 | £200,000 | £100,000 | £2,500,000 |
| Average¹⁴ | | | | £110,833 | £4,045,949 |

There were twelve sites on the market (with sufficient information available) for a range of development plots. These have a wide range of asking prices, with per plot values ranging from £42,500 to £650,000; significantly above any scenarios envisaged in the Viability Study. Even when considering the price per plot or per ha, excluding the top and bottom two figures to remove anomalies, the average prices are significantly above that assumed within the Viability Study.

The evidence demonstrates that there is no land available that is even close to the assumed land value in the Viability Study. Whilst we acknowledge that these figures are based on asking rather than sales prices the difference is nevertheless substantial.

It is essential therefore that the outputs from the residual valuations in the Viability Evidence are compared only with relevant and carefully derived Threshold Land Values. Given how the methodology derives the maximum chargeable rate of CIL, failure to apply an appropriate Threshold Land Value will significantly skew the outputs and impact on the proposed rates of CIL.

Instead of using a Threshold Land Value based on site area, for the smaller site typologies we strongly recommend the use of a per plot value based upon comparable evidence of values within Stroud. This will more accurately reflect the viability of delivering such sites and overcome the anomaly caused by the scaling down of generic land value assumptions.

¹⁴ Excluding top and bottom two in order to remove anomalies.

This is particularly pertinent given the reliance on smaller sites delivery (up to 50 units) in the adopted Local Plan; through infill and windfall, and greenfield site releases to meet future shortfalls in housing land supply.

Professional Fees

The Viability Study has assumed a blanket 11% figure for professional fees across all typologies. We do not disagree with this allowance in respect to 'standard' professional fees.

However, as addressed in Appendix B of the Harman Guidance, additional allowances for professional fees should also be made in relation to the professional costs associated with the promotion of sites through the planning process. For convenience, the relevant section of the guidance have been copied below:

“Many viability studies incorporate an assessment of fees based solely upon a percentage of house-building costs. While this may be appropriate in relation to smaller scale sites, such an approach may underestimate the costs associated with the promotion and implementation of larger, more complex schemes.

Such costs may include:

- *Outline application costs*
- *Local Plan promotion*
- *CIL Examination in Public representation*
- *Environmental statements*
- *Design and access statements*
- *Masterplan and design codes*
- *Public consultation costs*
- *The discharge of planning conditions and approval of reserved matters*
- *Planning application fees*
- *Project managements costs*
- *Building regulation fees*
- *Statutory undertakers' fees, including bonding costs.*

Figures for fees relating to design, planning and other professional fees can range from 8 -10% for straightforward sites to 20% for the most complex, multi-phase sites. In circumstances where the Local Plan is reliant upon large scale sites in order to accommodate its assessed housing requirement, consideration should also be given to the additional planning promotion and land assembly costs necessarily incurred in the manner described in Step 2 (Threshold and Benchmark Land Value).”

No allowance has been made within the Viability Study to account for the additional costs associated with the promotion of sites; which is recognised within the Harman Guidance as culminating in a total professional fees assumption of 20%. This is 9% below the Council's assumption; which is significant.

Unless there is clear and convincing locally derived evidence to support a reduced professional fee assumptions we strongly urge the authority to revisit this component of the Viability Study and to adapt the development

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appraisals for each of the site typologies to reflect the range of professional fees advocated in the Harman Guidance.

Section 278 and Residual Section 106 costs

A major concern we have with the Viability Study which has potentially significant consequences for the assessment process is the assumption relating to the continued costs associated with section 106 and 278 agreements post implementation of CIL. It is noted that the Council are also consulting upon a Planning Obligations SPD, and cross reference is made where appropriate.

The future relationship between CIL and Section 106 agreements is extremely important to maintain viability. Both serve legitimate purposes in supporting infrastructure delivery and both have a financial burden on residential developments. It is imperative that there is a clear and transparent relationship between the two infrastructure funding mechanisms and that both developers and the Charging Authority have a shared understanding of the role of each in supporting development.

We note that the Charging Authority has published a draft of the Regulation 123 List alongside the Draft Charging Schedule. The items contained on this list however are not detailed in nature, with a general exclusion applying to "on site provision" for a number of the infrastructure requirements.

The Council's decision to allow a residual s106 allowance of just £1,000 per dwelling on all sites bar the four strategic allocations is a significant concern.

Reviewing the draft Regulation 123 List and the associated Planning Obligations SPD, it is clear that the contributions required for s106/s278 agreements are likely to be in excess of £1,000 per unit in the majority of instances.

The Council have provided no evidence to justify the low residual s106 requirement. Whilst recognising that there are difficulties associated with directly applying historical s106 agreements, which the Council indicate at #4.26 is not possible, they still provide a useful cross check against the assumption.

In particular, we are concerned that the draft Regulation 123 List currently excludes on site provision for a significant range of infrastructure requirements, including: social and green infrastructure. However, reviewing the policies contained within the Planning Obligations SPD, there are a number of instances where onsite provision of a range of infrastructure will be required; for example, open space, play infrastructure, mitigation and enhancements to the wider ecological network etc. In combination with the requirement to provide other on site infrastructure, such as Sustainable Urban Drainage Systems (SUDs), this will clearly require contributions for s106 agreements above the £1,000 residual per unit allowance.

In addition, it is noted that the Planning Obligations SPD sets out the requirement for s106 agreements to secure the long term maintenance of on site infrastructure, for example social infrastructure, green infrastructure and drainage systems; adding to the likely financial costs of the s106 agreements. For example, one of the site's contained in Table 5.1 of the Viability Study, Bownham Park School, is a 3.42ha site for 11 units and community sports pitches. The s106 legal agreement for this site required a maintenance charge of £18,500 for the sports pitches; some £1,681 per dwelling which means that in maintenance payments alone, the residual s106

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requirement would be exceeded; without considering onsite provision of sports pitches, alongside wider s106 requirements.

The Council clearly need to reconsider their residual s106 allowance, and to provide appropriate evidence to justify the rate set.

In addition, consideration needs to be given in respect to the continued appropriateness of a generic catch-all "on site provision" exclusion. The provision of onsite infrastructure may be appropriate in many circumstances, however the additional cost associated with onsite provision alongside CIL would act as a disincentive. We would request that the Council clarify the proposed approach and set out the circumstances where onsite provision can be used to offset CIL liability through the Payment In-Kind mechanism.

We urge the Charging Authority to ensure that the Regulation 123 List is unambiguous in defining the types of infrastructure to be covered by CIL and that there is a clear position on the continued use of Section 106 agreements. The rationale for the introduction of CIL is that it provides charging authorities, developers and local communities with transparency and certainty over the funding of infrastructure. In order to secure this key objective it is essential that all parties can interpret the Regulation 123 List and understand simply and quickly which types of infrastructure are to be funded through CIL receipts.

Other Matters

Instalment Policy

We support the Council's instalment policy, and the scale of payments identified within the Charging Schedule.

Regulation 123

We have already highlighted above our concerns in relation to the lack of clarity in respect to the draft Regulation 123 list and we would ask the Council to reconsider the project list in more detail; alongside providing clarification in respect to how the In-Kind mechanism will work in Stroud.

Starter Homes

The Council should explicitly identify within their Charging Schedule that Starter Homes are exempt from CIL by virtue of Regulation 49A, as a house sold at a maximum of 80% market price.

This will align with the Council's duty under the Housing and Planning Act 2016 to promote a supply of Starter Homes, and will ensure that delivery of this type of affordable home is not compromised by the additional of CIL liability.

Clearly if the Council are not seeking to apply the discretionary social housing relief to this tenure, then the viability of Starter Homes developments with the imposition of CIL will need to be tested as part of the viability evidence base.

Conclusions and Recommendations

These representations have been produced to assist the Council in setting a CIL charge for residential development which strikes the appropriate balance required by the CIL Regulations and will not put the overall delivery of development at serious risk.

We have raised some concerns where there is a lack of clarity in respect to methodology, assumptions used and a lack of detailed evidence to justify appraisal inputs in a number of instances; and clarification on these is required to ensure that the proposed CIL rate can be examined. For the reasons set out in these representations we have a number of concerns regarding the robustness and credibility of the viability evidence underpinning the residential CIL rates within the DCS.

We have specific concerns with the allowances for abnormal costs and site opening works; highlighting that the allowances fall short of the reasonable costs associated with these sites. This raises particular concerns in relation to ability of the Council to deliver the development strategy set out in the adopted Local Plan which seeks to deliver the remainder of development through infill and windfall sites.

Critical to the appropriateness of the proposed CIL rate is an accurate assessment of threshold land value. As demonstrated within the Council's own evidence in respect to recent land transactions for larger development sites, the threshold land values fall short of the values currently being achieved in the District. In respect to smaller development sites, the methodology proposed fails to reflect the inability to effectively scale down threshold land values to smaller land parcels. As set out above, it is clear that a more appropriate method is to consider values per plot; given the level of information available in respect to such land transactions.

The evidence provided in this representation clearly demonstrates the shortcomings with a number of components of the Viability Study which we consider will impact upon the proposed theoretical maximum chargeable level of CIL.

On the basis of current evidence, it is felt that the proposed CIL rate fails to strike the appropriate balance; with the likely effect of CIL to compromise the delivery of the adopted Development Plan; with the particular sites and scale of development identified in the Plan (notably infill, windfall and small, scale greenfield (<50 unit) sites) those compromised by the unviable CIL rate proposed.

Within the context of the failure to achieve five year housing land supply, the Local Plan's "at least" housing target and the future delivery of strategic sites within Stroud to meet the housing needs of Gloucester, there will be a need for additional unallocated greenfield sites to come forward over the plan period; including within the short term. In applying the paragraph 14 balance, it is therefore necessary to take a cautious approach to setting CIL rates.

We recommend changing the approach to charging on larger / strategic sites to enable these sites to be dealt with flexibly through bespoke s106 agreements; to ensure that a fixed CIL rate does not fundamentally alter their viable delivery. In addition, it will be necessary to address the recent Interim Findings in relation to the JCS, and the identification of strategic sites for Gloucester City which fall within the Stroud district area. As such, we suggest the nil CIL rate applied to the identified strategic sites is extended to all sites above 150 dwellings; providing certainty both in respect to the additional strategic sites identified, and also larger sites which will be required over the plan period to support continued delivery to meet Stroud's own housing needs.

Stroud CIL Draft Charging Schedule

Representations by Savills



Next Steps

We recognise that the findings of our research and the evidence presented in our representations have significant consequences for the rate of CIL proposed in the DCS. In order to properly and accurately reflect local circumstances and viability within Stroud these findings need to be incorporated into the viability modelling of the proposed wider range of development typologies.

We would welcome the opportunity to meet with the Charging Authority prior to the submission of the DCS in order to review the evidence and how this should be interpreted. This would provide an opportunity to review our concerns regarding the assumptions used in the Viability Study and ensure that the shortcomings are addressed prior to the Examination.

In addition to addressing the proposed residential CIL rates it is essential that the Council ensure that there is a consistent and transparent relationship between CIL and Section 106 agreements once CIL is in place in Stroud. At present there is a great deal of uncertainty, which undermines the value of adopting a CIL Charging Schedule.

Russell, Mark

From: Jane Hennell [Jane.Hennell@canalrivertrust.org.uk]
Sent: 08 June 2016 16:36
To: _WEB_Local Plan
Subject: CIL / S106 SPD

Follow Up Flag: Follow up
Flag Status: Flagged

Dear Sirs

The Canal & River Trust, owns and maintains the Gloucester & Sharpness Canal as it runs through the Stroud District and we are also a member of the Cotswold Canals Partnership which is seeking to restore the Stroudwater and Thames and Severn canals to full navigation in the future.

The Trust promotes the canal as a wildlife corridor, heritage asset, an attractive route for sustainable transport (part of National Cycle Route 41), part of the free local health resources providing informal leisure and recreation, (both on the water and on the towpath). The canal also provides a sense of place and brings economic regeneration opportunities to the area.

The Trust supports the proposed Draft CIL Charging schedule and we welcome the inclusion of canal and towpath improvements relating to all canals within the district on a simplified Regulation 123 list. This list now includes Infrastructure associated with improving or re-opening the Stroudwater Navigation, the Thames and Severn Canal or the Gloucester & Sharpness Canal, including towpaths. However it is not clear if this relates only to physical infrastructure such as locks and sluices and the creation of new towpaths or will also encompass improvements to the existing canal towpath such as resurfacing and widening to improve its use as a sustainable transport route or as a Green infrastructure asset. This type of improvement, where the towpath is part of a sustainable transport route for a proposed development adjacent or in close proximity to the canal may be better provided via S106.

The document states that it is very important that a clear distinction is established between what CIL and what Section 106 payments are used for. In Appendix 2 of the document the Council has set out a current position for the relationship between the two collection methods.

Due to the multi-functional nature of canals and towpaths more clarity may be required for situations where an improvement could fall within several categories. The Trust would welcome the chance to meet with the Council to discuss this in more detail and explain our concern.

There may be occasions where off site mitigation may be required to allow a towpath to cope with additional use following a nearby housing development. While this could be deemed as covered by a S106 contribution for walking and cycling transport improvements required as part of site mitigation, it could also be precluded as Canal infrastructure improvements, including towpath, are covered by CIL. This issue has occurred elsewhere in the country and so we request that the SPD and the Reg. 123 list are amended to prevent this potential conflict. We suggest that where an improvement is required to make the development acceptable, it should be secured by s106 in order to provide more certainty that it will be delivered.

It is the intention of the District Council to continue to use Section 106 agreements to fund infrastructure projects needed to mitigate those matters directly related to site specific issues on site. However the SPD on developer contributions does not specify how the council intend to deal with off-site mitigation if required for non-strategic sites, nor does it include improvement or provision of linkages to existing facilities.

The Canal & River Trust requested a meeting at the Preliminary Stage and as these concerns remain unresolved we reiterate our request for a meeting to discuss these detailed issues as soon as possible. We would also welcome the opportunity to discuss how the Council will prioritise the different types of infrastructure on its Reg. 123 list once funding has been secured.

For clarification, the Canal & River Trust have no comments to make on either the Community Infrastructure Levy or Planning Obligations SPD in our role as landowner of Sharpness strategic Housing allocation.

Kind regards

Jane Hennell
Area Planner South

The Canal & River Trust
The Dock Office
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GL1 2EB

Tel. 07747 897793

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Russell, Mark

From: Dawn Bodill [Dawn.Bodill@ecotricity.co.uk]
Sent: 08 June 2016 16:43
To: _WEB_Local Plan
Subject: Response to Consultation on CIL draft charging schedule

Follow Up Flag: Follow up
Flag Status: Flagged

Dear Sirs,

On behalf of Ecotricity (Next Generation) Ltd, I can provide the following comments/observations on the CIL draft charging schedule:

1. Given that Strategic Sites are zero rated for CIL due to the fact that they will require substantial infrastructure requirements in their own right, could this also be the argument for brownfield windfall sites located within the settlement boundary?
2. Annex 2 of the CIL consultation document sets out the draft s.123 list (for which s.106 contributions should not also be sought). However, there is no clear distinction between those contributions sought under CIL and those to be sought by s.106 agreement. For instance, the subjects of Transport, Social Infrastructure, Green Infrastructure and Strategic Flood Risk Measure are identified as being funded/part funded by CIL, however they are possibly instead to be funded by s.106 agreements for Strategic Sites "and other development sites". It is not clear what 'the other developments' are and how/when this distinction applies so that a development will not be 'double charged' for such infrastructure.

Yours faithfully,

Dawn Bodill
Senior Legal Counsel

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Russell, Mark

From: Town Clerk [clerk@nailsworthtowncouncil.gov.uk]
Sent: 08 June 2016 17:17
To: _WEB_Local Plan
Subject: RE: Public consultation on Community Infrastructure Levy and Planning Obligations Supplementary Planning Document

Follow Up Flag: Follow up
Flag Status: Flagged

Good afternoon,

Nailsworth Town Council have the following response to the public consultation on Community Infrastructure Levy.

Comments on the Indicative Draft Regulation 123 List:

- Clarification is required on the definition of 'on site provision' of cultural facilities
- In the Draft Charging Schedule, 2. Background says that 'Money raised from development will help the Council pay toward district wide infrastructure priorities'. This implies the CIL allocation may be out of town/parish council hands. How are district wide priorities decided?
- Canal infrastructure (123 List): will this be a district wide contribution from every parish?
- Green Infrastructure (123 List): please define 'natural' greenspace and how this differs from recreational and play infrastructure. Suggest to omit the word 'natural' as this is open to interpretation and may prevent investment in important public open spaces that aren't traditional equipped play areas or areas with local habitat significance
- Strategic flood risk measures: please rephrase to include other flood risk measures such as off site attenuation ponds, wetlands and smaller areas reflecting local needs for flood alleviation
- Health and wellbeing infrastructure: this needs a definition. Can this include hard and soft infrastructure such as neighbourhood and community initiatives eg soundproof 'privacy' treatment room for podiatry services
- Renewable energy infrastructure: this needs a definition. This needs to extend to zero carbon initiatives eg charging points for electric vehicles (cars and bikes)

Kind regards

Katherine

Katherine Kearns
Town Clerk
01453 833 592

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From: Local.Plan@stroud.gov.uk [mailto:Local.Plan@stroud.gov.uk]

Sent: 27 April 2016 15:24

To: PARISH.COUNCILS@stroud.gov.uk

Subject: Public consultation on Community Infrastructure Levy and Planning Obligations Supplementary Planning Document

Dear Town and Parish Councils,

**Public consultation on Community Infrastructure Levy (CIL) Draft Charging Schedule
Public consultation on Draft Planning Obligations Supplementary Planning Document (SPD)**

Stroud District Council is proposing to change the way that infrastructure related to new development is funded in the future.

The Council is planning to introduce a Community Infrastructure Levy (CIL) by 2017. The Government's intention is that CIL will provide a fairer, faster and more certain and transparent system than planning obligations which can cause delay as a result of lengthy negotiations. As CIL is chargeable for every development (e.g. a single dwelling) rather than confined to major schemes (as with existing legal agreements) it is likely to increase substantially the financial resources available to councils to pay for future infrastructure. In addition, 15% of all CIL collected (and 25% if a Neighbourhood Plan is in place) will be given directly to the parish council in which the development is located to provide the community infrastructure considered necessary by that council.

Whilst CIL will remove the need for most planning obligations, they will still be required to provide for affordable housing and on-site infrastructure.

A Community Infrastructure Levy Draft Charging Schedule for Stroud District has now been prepared. This sets out the Council's approach to CIL, the proposed CIL rates by type of development and a draft list of the infrastructure to be funded or part-funded through CIL.

A draft Planning Obligations SPD has also been produced which sets out the types of infrastructure, including affordable housing, which will continue to be funded or part funded through planning obligations (e.g. S.106 legal agreements).

The Council would like to receive your views on these draft documents. Public consultation on both of these documents will take place from **Wednesday 27 April 2016 to Wednesday 8 June 2016**. Representations are invited by **5pm on Wednesday 8 June 2016**. All comments received by the deadline will be considered. Late representations cannot be accepted.

The document and supporting information can be viewed via the Council's website www.stroud.gov.uk/CILconsultation Alternatively, hard copies can be viewed at the District Council offices, at town and parish council offices open to the public and at public libraries within the District, during normal opening hours.

Representations should be made in writing, either via the Council website www.stroud.gov.uk/CILconsultation or by email to local.plan@stroud.gov.uk or sent to: **CIL consultation, The Planning Strategy Team, Stroud District Council, Ebley Mill, Westward Road, Stroud, GL5 4UB.**

All comments regarding the CIL Draft Charging Schedule will be submitted to the examiner who will consider the Draft Charging Schedule later in 2016.

All comments regarding the Planning Obligations SPD will be considered by the Council before a final SPD is approved later in 2016.

For any further enquiries, please contact the Planning Strategy Team on 01453 754143 or by email.

Regards,

Planning Strategy Team
Stroud District Council
01453 754143

www.stroud.gov.uk
local.plan@stroud.gov.uk

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Additional online responses made to the CIL Draft Charging Schedule consultation

28. Stonehouse Town Council – 08/06/2016

1. All the exemptions will leave very little development that is subject to CIL.

In particular:

The exemption of buildings into which people do not normally go does not appear to be justified.

The exemption of all sites within the local plan will exempt most of the major development in the plan period. A lower rate for sites within the Local Plan would be more appropriate.

The exemption of land in the Stroud Valleys seems unnecessary . It would seem more appropriate to set a lower rate for brownfield sites.

2. It is not clear why supermarkets and retail warehouses should pay a lower rate than other development.

3. Appendix 2: Indicative draft Regulation 123 list is very broad and less specific than the previous version of Feb 2014.

The list of transport infrastructure projects should include railway stations and improvements to railway stations.

The Feb 2014 draft Regulation 123 list referred to several projects relevant to Stonehouse:

A419 major scheme between Jctn 13 and Stroud
Improvements to railway stations
Improvements to Stonehouse Ocean Railway Bridge
Reopening of Stonehouse (Bristol line) railway station

Why have these projects been removed from the current draft Regulation 123 list and why isn't the current list more specific?

**29. Mandy Gibbs on behalf of the Police and Crime Commissioner for Gloucestershire –
19/05/2016**

1 Comments on the CIL Regulation 123 list.

We welcome the inclusion of Emergency Services(Police Fire and Ambulance) on the indicative draft regulation 123 list under infrastructure to be funded, or part funded , through CIL. However it is noted that there is no explanatory text under the second column of the indicative draft regulation 123 list.

The Office of the Police and Crime Commissioner proposes that the following word are inserted. Our comments relate to Police only.

"Developer contributions towards additional police infrastructure to meet the needs of strategic site allocations and other development sites"

30. Stroud Valleys Project – 27/04/2016

Stroud Valleys Project would be interested to work more with district, parish and town councils to improve outdoor spaces (from verges to parks and greenspaces) with volunteers from local communities so that greenspaces are in a good condition for people and wildlife. We are already working with several local councils doing this type of work.