New Forest District Council Local Development Framework

Community Infrastructure Levy

Regulation 15: Report of Preliminary Draft Charging Schedule Consultation

New Forest District outside the National Park

March 2012
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1.0 Executive Summary

1.1 Consultation on the Community Infrastructure Levy (CIL) Preliminary Draft Charging Schedule for New Forest District Council ran from 16 January 2012 to 27 February 2012. This document sets out the methods of consultation and provides a summary of the main points raised in the responses to the consultation.

1.2 There were 6 key issues to emerge from the consultation:

- Concerns how the charge will affect the viability of development, particularly in the East sub area (Totton and the Waterside);
- Concern over Retail (A1, 2, 3 and 5) charging;
- Concerns over viability assumptions made;
- Support for relief to be made available and acceptance of payment in kind;
- Clarification required on infrastructure priorities and residual use of S106.
- Concerns over the instalment policy;

2.0 Introduction

2.1 New Forest District was keen to receive as many comments as possible on the Preliminary Draft Charging Schedule and therefore promoted the consultation by the following means:

- Consultation material sent to all neighbouring authorities and Parish/Town Councils in the District.
- Consultation material made available in all Council Local Information Offices and libraries in the District.
- Consultation material sent to 38 Local Development Statutory Consultees, including the Department for Communities and Local Government.
- A dedicated Community Infrastructure Levy website was created on the Council’s website www.newforest.gov.uk, which included downloadable copies of the consultation material and a link to an electronic response form. (Annex B)
- A press release was issued to all local newspapers on the 9 January 2012. A story appeared in the ‘Lymington Times’ on Saturday 21 January 2012 covering the consultation.
- 161 Letters and emails sent to organisations, business, developers and individuals. The letters included a link to the website, dedicated email address and a contact telephone number.

2.2 Annex A includes copies of the consultation letter and press release.

2.3 New Forest District Council received a total of 24 responses to the consultation. A list of the respondents can be found in the table below. A complete list of the respondents and a summary of the comments made can be seen in Annex C with the Council’s response. The full consultation responses can be seen in Annex D.
3.0 Summary of Issues raised and responses

3.1 In total 7 questions were asked and a summary of the issues raised and the responses to them can be seen below.\(^1\)

<table>
<thead>
<tr>
<th>Question 1</th>
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<tbody>
<tr>
<td>1(a) Do you agree with the proposal to set a flat rate levy according to uses across the whole of New Forest District as set out in Chapter 7 of the Preliminary Draft Schedule?</td>
</tr>
<tr>
<td>1(b) If not, what different approach would you take?</td>
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<tr>
<td>1(c) Do you agree with the proposed of £80 per sqm charge for residential housing?</td>
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<tr>
<td>1(d) If not, what do you believe the charge should be and what is your justification?</td>
</tr>
<tr>
<td>1(e) Do you agree with the proposed charges of £200 per sqm for retail development over 1000 sqm and £0 for retail development under sqm?</td>
</tr>
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\(^1\) In some cases a separate comments letter/form was received instead of the official response form. These responses have been reviewed and allocated to where they relate to a specific question or under question 7.
1(f) If not, what do you believe the charge should be and what is your justification?
1(g) Do you agree with the proposed £0 charge for commercial and hotel development?
1(h) If not, what do you believe the charge should be and what is your justification?
1(i) Do you believe there are any other uses which we should consider levying CIL on?
1(j) If so, which uses?

3.2 Key Issues raised:
1. The overall viability of developments to pay CIL;
2. The rationale behind the charge is reasonable;
3. The charges proposed are inappropriate and will render developments unviable;
4. Concern residential charge is higher than surrounding authorities;
5. There should be no differentiation between use types and a flat CIL charge, commercial
   and hotel development should also incur a charge;
6. Brownfield development should be exempt from a CIL charge;
7. Horse Livery yards and riding schools should also incur a charge;
8. The retail charge should be graduated above 1000 sqm until it reaches £200;
9. Concern that C3 retirement homes similar to C2 care homes are still charged £80 per
   sqm;
10. Concern that Retail uses covers A1, A2, A3 and A5 but only A1 has been modelled;
11. The Eastern sub-area should be subject to a zero charge;
12. Requests for a number of charges areas throughout the District to reflect locational
    differences;
13. The viability assessment did not use up to date information.

3.3 Response:
1. The viability assessment has taken account of a range of developments across the plan
   area and the Council believes that the amounts proposed do not endanger the viability
   of development across the plan area. The CIL charge will broadly be replacing the
   existing S106 contribution mechanism (with the exception of site specific requirements)
   and the level proposed is broadly in line with those contributions currently collected;
2. Portsmouth City Council is the only Council in the surrounding area to have adopted a
   CIL with a residential charge of £105. Other local Councils, such as Southampton and
   Havant area are also proposing residential charging at this level; it is felt that the charge
   is in keeping with those locally;
3. The CIL charge has been set to reflect the development proposed over the next 20
   years as set out in the Core Strategy and the viability evidence has shown that of the
   different types of development some can sustain a higher/lower CIL charge than others
   and this is reflected in the Charging Schedule and Charging Schedule Context and
   Rationale Document;
4. CIL is only chargeable on a net increase in floorspace and therefore a refurbishment on
   an existing brownfield development with no new net increase in floorspace would not
   incur a CIL charge;
5. The viability evidence has demonstrated that those retail units above 1000 sqm in size
   can all sustain a £200 per sqm charge and therefore it is felt that a graduated charge is
   not appropriate;
6. Consideration will be given on individual applications to when a retirement home
   becomes a C2 use care home and then charged £0;
7. Concerns over the results of the retail modelling produced noted. Whilst it is likely that
   other ‘A’ uses will produce the same viability results as the A1 model it is agreed that
   they have not been modelled and therefore amendments have been made to exclude
   these uses from the retail charge;
8. The viability assessment has shown that a charge of £80 per sqm in the Eastern Sub area does not make residential development unviable and will not be the likely determinant of development proceeding, it is therefore felt that the charge is reasonable;

9. A blanket charge for different uses across the plan area is not considered appropriate as the evidence has not shown significant evidence to justify different charging zones as within each sub area different characteristics exist. Therefore if this route was taken a complex and less workable charging schedule would result. With regard to housing, the locational viability differences have been already taken in to account in the Core Strategy by the varying requirements for the provision of affordable housing in different areas;

10. Due to the economic downturn there has been very limited development in the District for consultants to use. S212(4)(b) of the Planning Act 2008 requires a Charging Authority to use ‘appropriate available’ evidence to inform the charging schedule and recognises that the available data is unlikely to be full comprehensive or exhaustive. The Council is therefore satisfied that the data used by DTZ is appropriate and satisfies the Regulations;

11. The CIL rates must be informed by appropriate evidence and the evidence produced has shown that hotels cannot sustain a CIL charge at any level. Of the uses that were not modelled it is not anticipated that there be a significant provision in the market for these uses are there are no allocations made in the Local Development Framework.

3.4 Action:
1. Amendments made to retail charge only being for A1 uses;
2. Sections 5 and 6 have been amended to support assumptions made in viability evidence to justify proposed charges.

Question 2

2(a) Regulation 44 of the CIL Regulations allows a Charging Authority to grant discretionary relief to charitable investments. This is also explained in Chapter 8 of the Preliminary Draft Charging Schedule. In view of the procedures to implement this, do you think it is appropriate for New Forest District Council (as Charging Authority) to offer discretionary charitable relief?

2(b) If so, on what circumstances do you think it might be appropriate for to consider granting discretionary charitable relief?

3.5 Key Issues raised:
1. Relief should also be offered to Schools/playgroups and sports grounds;
2. Relief should only be offered if the premises is being used for charitable purposes and is ‘not for profit’.

3.6 Response:
1. The Council intends to offer the facility to grant discretionary relief;
2. Schools will be classed in the ‘any other use’ class so will be charged £0 CIL;
3. If the building is used for charitable purposes then it is exempt from a CIL charge, however, discretionary relief can be offered where the building is owned by a charitable organisation but the majority of the building is not used for a charitable purpose.

3.7 Action:
1. Charging Schedule Context and Rationale Document to be amended to reflect Council’s position on discretionary charitable relief.
Question 3

3(a) Regulations 55-57 of the CIL Regulations allows a Charging Authority to grant relief in exceptional circumstances. This is also explained in Chapter 8 of the Preliminary Draft Charging Schedule. In view of the procedures to implement this, do you have any views on the circumstances in which it might be appropriate New Forest District Council (as Charging Authority) to consider granting discretionary exceptional relief?

3(b) If so, on what exceptional circumstances do you think it might be appropriate for to consider granting discretionary relief?

3.8 Key Issues raised:
1. Relief should only be offered where the charge would adversely affect the economic performance of the town;
2. Relief should only be offered where it would be advantageous to be able to negotiate;
3. The facility to offer relief is vital to enable the development of sites with significant infrastructure improvements.

3.9 Response:
1. The Council intends to offer relief in exceptional circumstances in line with the relief allowed for in the CIL Regulations.

3.10 Action:
1. Charging Schedule Context and Rationale Document to be amended to reflect Council’s position on exceptional relief.

Question 4

4(a) Do you agree with the approach to payment in kind set out in Chapter 8 of the Preliminary Draft Charging Schedule?
4(b) If not, what approach do you consider appropriate?

3.11 Key Issues raised:
1. General support for payment in kind.

3.12 Response:
1. The Council will offer the facility to receive payment in kind.

3.13 Action:
1. Charging Schedule Context and Rationale Document to be amended to reflect Council’s position on payment in kind.

Question 5

5(a) The approach to the staging of payments can be found in Appendix C of the Preliminary Draft Charging Schedule. Do you agree with this approach?
5(b) If not, what proposals do you feel would be appropriate?

3.14 Key Issues raised:
1. Agreement with the proposed payment schedule;
2. The payment policy should be made flexible to reflect different types of development e.g. a retirement home where a development would need to be completed before a unit can be sold;
3. The policy should be amended to allow payment on build rates and/or occupation levels.
3.15 Response:
1. The Council does not believe that the payments should be related be solely related to build rates/occupation. However, modifications to the payment schedule have been made to reflect comments received.

3.16 Action:
1. Instalment policy (Annex C to the charging schedule context and rationale document) amended to allow two payments for CIL amounts under £80k and three staggered payments (up to 18 months after commencement) for CIL amounts over £80k

Question 6
6(a) Subject to any updated Regulations it is proposed that a proportion of the net CIL receipts be passed to local communities (e.g. the Parish Council or Town Council). Do you agree with this approach?
6(b) If so what do you believe the percentage should be and what is your justification?

3.17 Key Issues raised:
1. Concern over future funds associated with new development being denied to Town/Parishes;
2. Clarification on the “meaningful proportion”;
3. Maximum amount should be passed back to Town/Parish Councils;
4. 30% should be passed to the Town/Parish Councils.

3.18 Response:
1. The purpose of CIL is to mitigate the impact of new development on communities. The Council will work closely with the Town and Parish Councils to identify priority projects within their communities. The CIL Regulations also require charging authorities to pass a meaningful proportion of receipts directly to the Town and Parish Councils;
2. The full definition of the “meaningful proportion” will not be known until the Government releases the new CIL Regulations. Once clarified the Council will abide by the Regulations.

3.19 Action:
1. No amendments made as Government has yet to issue the revised CIL Regulations. This matter is not dealt with in the Charging Schedule or Charging Schedule Context and Rationale Document but will be a matter for future Council decision.

Question 7
Do you have any other comments on the Preliminary Draft Charging Schedule and the methodology used to produce it?

3.20 Key Issues raised:
1. The existing S106 monies should be spent first before CIL is collected;
2. Concerns of how S106 requirements have been assumed in modelling;
3. Further clarification is required to support cross-boundary working, funding towards other agency projects and those delivered in the District by other public bodies;
4. Clarification should be made on the extent of remaining level of developer contributions towards site infrastructure and the Council’s priorities to spending CIL;
5. The affordable housing levels should be modelled at those currently agreed and the Council will need to set priorities for contributions sought, e.g. level of affordable housing;
6. The 20% developers profit assumed should be higher;
7. When the charging schedule is reviewed should be stated;
8. First time builders should be exempt from CIL;
9. Agricultural land value as a benchmark value for greenfield land is not suitable;
10. Concerns raised over some of the projects listed in the IDP and suggested amendments proposed.

3.21 Response:
1. The existing S106 money will continue to be collected and spent in accordance with the agreements alongside CIL;
2. Cross boundary working will be supported by the Council where considered appropriate;
3. The levels of affordable housing modelled are those required in the adopted Core Strategy;
4. The 20% developer profit level is based on expert opinion on the current market;
5. The Infrastructure Plan reflects the infrastructure required across the plan area to mitigate the impacts of development over the whole plan period and shows a substantial funding gap and a need for CIL;
6. The Council will continually monitor the effect of CIL on development and will review the charging schedule at an appropriate time;
7. The Council accepts there will still be some residual S106 elements for some individual sites after CIL. However, the allocations made in the Sites DPD are on locations where the infrastructure costs for those developments will be limited, if any. The viability evidence shows that a higher rate of CIL could be charged but the Council has set the proposed charge to allow for any residual S106 costs that may arise. The Council will also be offering the facility for CIL relief in exceptional circumstances;
8. The Council believe that agricultural land value as a benchmark value for greenfield land is suitable in most cases;
9. The IDP highlighted the position as at December 2011. The projects listed are those proposed through a number of sources and are subject to change and will require detailed discussions before proceeding. The document has been updated to reflect the position as at April 2012 and suggested amendments taken on board.

3.22 Action:
1. Amendments made to para 8.3 and a new para 8.9 added to the Charging Schedule Context and Rationale Document to support cross-boundary working;
2. New para 3.3 further explaining the role of non-CIL infrastructure requirements;
3. No amendments to be made to the affordable housing assumptions;
4. Para 4.5 has been amended to clarify when the charging schedule may be reviewed;
5. The IDP has been updated accordingly with proposed amendments, which including the provision all projects from the Ringwood Town Plan.
Annexes

<table>
<thead>
<tr>
<th>Annex</th>
<th>Description</th>
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<tbody>
<tr>
<td>Annex A</td>
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<td>Respondent comments and proposed actions</td>
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<tr>
<td>Annex D</td>
<td>Full Consultation Responses</td>
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Annex A - Copy of consultation letter and press release
Dear Enter salutation here

**The Community Infrastructure Levy Regulations 2010**

**New Forest District Community Infrastructure Levy Preliminary Draft Charging Schedule**

The Community Infrastructure Levy (CIL) (as set out in the Planning Act 2008) is a new system of developer contributions and is intended to supplement other public sector revenue streams to ensure that new community infrastructure (such as new open space facilities) can be provided to keep pace with new development. CIL is set locally and will become a standard charge per square metre applied to new developments, with the exception of social housing and buildings used by charities. The charge can vary for different types of development and can be zero where a charge is assessed not to be viable. The charge will be imposed at the time planning permission is granted and normally be paid at the commencement of development.

CIL will replace Section 106 contributions for large scale pieces of infrastructure. However Section 106 will still be used for site-specific mitigation measures that are required to make a development acceptable (such as a new access road) as well as for affordable housing provision.

CIL is to be paid according to a Charging Schedule prepared by the Charging Authority. In accordance with Regulation 15 of the Community Infrastructure Levy Regulations 2010 the Charging Authority must send a copy of the preliminary draft Charging Schedule to relevant consultees and invite representations. These representations will be taken into account before a draft of the Charging Schedule is published for further consultation in advance of independent examination, in accordance with section 212 of the Planning Act 2008.

A Preliminary Draft Charging Schedule has been prepared for full public consultation. It is proposed that the New Forest District Council CIL (for areas outside the National Park) will be set at a rate of £80/m² for new residential development and a rate of £200/m² for new retail development over 1000m². All other uses will be charged at £0. The CIL Preliminary Draft Charging Schedule, Community Infrastructure Plan, CIL Viability Assessment and summary leaflet can be downloaded from the following webpage:


*Hard copies of the consultation documents can be viewed at each of the District Council offices.*

If there is any aspect of the Preliminary Draft Charging Schedule or its accompanying documentation that you wish to comment on, please submit your comments using the online questionnaire at [http://www.newforest.gov.uk/index.cfm?articleid=12182](http://www.newforest.gov.uk/index.cfm?articleid=12182).
Alternatively please write to us at the above address or email cilconsultation@nfdc.gov.uk.

**Responses should be received no later than 5pm on 27 February 2012.**

A further four week period of consultation on the draft Charging Schedule is anticipated to take place in May prior to independent examination.

Please note that comments cannot be treated as confidential, and will be made available as public documents.

Alongside this consultation, the Council will also be publishing on the 20th January, for a six week representation period, the Sites and Development Management Development Plan Pre-Submission Document. This sets out detailed policies and proposals to help achieve the District Council’s planning strategy (set out in the adopted Core Strategy) in the areas of New Forest District outside the National Park. Details of this consultation will also be on the Council’s website.

If you have any queries relating to the CIL consultation please do not hesitate to contact me using the details below.

Yours faithfully

Dean Brunton  
Planning Policy Officer (CIL)  
Policy and Plans Team  
023 8028 5588  
dean.brunton@nfdc.gov.uk
Public consultation on Community Infrastructure Levy

Comments are invited on New Forest District Council’s proposals to introduce a Community Infrastructure Levy (CIL) on new developments. The CIL is a new levy that local authorities can charge on new developments in their area. CIL will largely replace the current system of seeking developer contributions under section 106 of the Town and Country Planning Act. The money will be used to fund associated infrastructure that the council and local community would like to benefit neighbourhoods – for example, road schemes, park improvements or a new health centre.

The six week public consultation runs from 16 January 2012, and views are sought from all interested parties on the proposals.

New Forest District Council is proposing, for consultation, a CIL charge of £80 per sq.m. for new residential development and £200 per sq.m for new retail developments larger than 1,000sq.m. All other developments are proposed to be zero-rated and will pay no CIL charge. Charities and affordable housing are exempt from paying the levy.

If you would like to see the full charging schedule and related background information, visit the council’s website at: www.newforest.gov.uk/haveyoursay or visit any council information office in the district.

New Forest District Council’s portfolio holder for planning and transportation, Councillor Paul Vickers, said: “I believe the Community Infrastructure Levy is a fair system, which will bring much needed simplicity and transparency to the planning application process and will benefit all parties concerned. It will also enable the council to take on larger infrastructure projects than is currently possible under the current section 106 Agreements.

We are keen to hear the views on the proposals of the public, of developers and their agents and of any other interested parties so I would like to encourage people to take part in the consultation.”

Send your comments to:
Policy and Plans Team,
Appletree Court,
Beaulieu Road,
Lyndhurst, SO43 7PA
Email: cilconsultation@nfdc.gov.uk or phone: 023 8028 5345

Please ensure your comments reach the council by 27 February 2012

Once this consultation has finished, and the responses received have been considered by the council, another draft charging schedule will be published (planned for May 2012). The charging schedule will then be checked by an independent examiner (planned for autumn 2012).

-ends- January 9, 2012

For more information on the work of New Forest District Council visit: newforest.gov.uk

Contacts
Davina Staples, corporate communications advisor
Tel: 023 8028 5153 Mob: 07771 828039 Email: davina.staples@nfdc.gov.uk
Annex B - Community Infrastructure Levy Website
Welcome to Environment and Planning

Environment and Planning

Home
Online Services
Abandoned Vehicles
Building Control
Coastal Management
Council owned land and premises
Emergency Planning
Environment
Environment Interactive Village Store
Environmental Design
Environmental Health
Environmental Protection
Land Drainage and Focusing
Local Land Charges
Planning
Planning Applications Online
Planning Policy
Recycling, Rubbish and Waste
Street Cleansing and Grounds Maintenance
Sustainability
Trees and hedges

Community Infrastructure Levy

The Community Infrastructure Levy (CIL) is a levy that local authorities in England and Wales can choose to charge on new developments in their area. The money will be used to support development by funding infrastructure that the local community and its residents want— for example, new or better roads, schools and services. The system is very simple. It applies to new buildings and charges are based on the size and type of the new development. The Council wants to move forward to use this system locally. To do this, the Council has undertaken a lot of work needed to set the local rate.

What are the benefits?

The Community Infrastructure Levy will:

- Deliver additional funding for Local Authorities to carry out a wide range of infrastructure projects that support growth and benefit the local community.
- Provide developers with much more certainty up front about how much money they will be expected to contribute, which in turn encourages greater confidence and higher levels of inward investment.
- Ensure greater transparency for local people, because they will be able to understand how new development is contributing to their community.
- Enable Local Authorities to allocate a share of the levy raised in a neighbourhood to deliver infrastructure the neighbourhood wants.

How will the levy affect planning obligations?

The CIL will be set at a rate that is needed to support the development within New Forest District Council. The Council has identified a number of projects as part of its work to set the CIL rates, including transport projects and green infrastructure. The regulations recognise that priorities change and allow for new projects to be identified that weren't originally foreseen. The Council will publish a list of the infrastructure that it intends to fund through CIL on its website. The government will expect neighbourhoods where CIL money is raised to receive a meaningful proportion of this revenue for infrastructure projects in their area.

What is the proposed CIL band?

Most development that involves an increase in floor space will come under the scope of CIL.

- The levy will not be charged if there is no extension of floor space as a result of the development.
- The charge must be levied in pounds sterling (£) per square metre. It will be collected, in most cases, as a cost contribution.
- It is possible to sell off sites against costs.
- Charities and affordable housing are exempt from paying the levy.

Having identified the District's infrastructure needs and considered the implications on development viability of potential CIL rates, the Council is proposing to charge the following level of CIL per square metre of new development across the District:

- Housing (C3): £60 per sq m
- Industry and Office (B use): £30 per sq m
- Retail (A1, 2, 3 and 8 uses) over 1,000 sq m: £300 per sq m
- Retail (A1, 2, 3 and 8 uses) under 1,000 sq m: £30 per sq m
- Care Homes (C1): £50 per sq m
- Hotels (C1): £20 per sq m
- Any other uses: £0 per sq m

The Charging Schedule

The full charging schedule can be seen here Preliminary Draft Charging Schedule. A summary outline of the charging schedule can also be seen here Community Infrastructure Levy newsletter.

The background papers that informed the Preliminary Draft Charging Schedule can be read here:

- Infrastructure Delivery Plan 2011 Infrastructure Delivery Plan 2011
- Community Infrastructure Levy Viability Assessment, New Forest District Council and New Forest National Park Authority December 2011 Community Infrastructure Levy Viability Assessment
- Core Strategy 2003

The Council will also be in advance of producing the Aims and Development Management Development Plan Document which shows how the Core Strategy requirements can be delivered.

Copies of the consultation documents can also be seen at any of the Councils Local Information Offices.

How to comment:

Click here to complete an online response form.

Alternatively please request a form to complete by emailing cllconsultation@dfdc.gov.uk which should be returned via email or to:

Policy and Planning Team
New Forest District Council
Appletree Court
Beaulieu Road
Lindford
Hampshire SO43 7PA

If you have any queries regarding the Community Infrastructure Levy please phone the Policy Team on 023 8028 5588

Please ensure your comments reach us by 27 February 2012

When will the local CIL come into force?

Once this consultation has finished and the responses received have been considered by the Council, a new draft charging schedule will be published (planned for May 2012). The charging schedule will then be checked by an independent examiner (planned for autumn 2012). The Council hopes to adopt and to start using the CIL charging schedule early 2013.

New Forest District Council
Regulation 15: Report of Preliminary Draft Charging Schedule Consultation – March 2012

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Community Infrastructure Levy

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The background papers that informed the Preliminary Draft Charging Schedule can be read here:

- Infrastructure Delivery Plan 2011 Infrastructure Delivery Plan 2011
- Community Infrastructure Levy Viability Assessment, New Forest District Council and New Forest National Park Authority December 2011 Community Infrastructure Levy Viability Assessment
- Core Strategy 2003

The Council will also be in advance of producing the Aims and Development Management Development Plan Document which shows how the Core Strategy requirements can be delivered.

Copies of the consultation documents can also be seen at any of the Councils Local Information Offices.

How to comment:

Click here to complete an online response form.

Alternatively please request a form to complete by emailing cllconsultation@dfdc.gov.uk which should be returned via email or to:

Policy and Planning Team
New Forest District Council
Appletree Court
Beaulieu Road
Lindford
Hampshire SO43 7PA

If you have any queries regarding the Community Infrastructure Levy please phone the Policy Team on 023 8028 5588

Please ensure your comments reach us by 27 February 2012

When will the local CIL come into force?

Once this consultation has finished and the responses received have been considered by the Council, a new draft charging schedule will be published (planned for May 2012). The charging schedule will then be checked by an independent examiner (planned for autumn 2012). The Council hopes to adopt and to start using the CIL charging schedule early 2013.
Annex C - Respondent comments and proposed actions
Do you have any comments on the Preliminary Draft Charging Schedule and the methodology used to produce it?

Subject to any updated Regulations it is proposed that a proportion of the net CIL receipts be passed to local communities. Do you agree with this approach?

The approach to the staging of payments can be found in Appendix C of the Preliminary Draft Charging Schedule. Do you agree with this approach?

Do you agree with the approach to payment in kind set out in Chapter 8 of the Preliminary Draft Charging Schedule?

Do you have any views on the circumstances in which it might be appropriate for New Forest District Council to consider granting discretionary exceptional relief?

Do you agree with the proposed £80 per sqm charge for residential housing?

Do you agree with the proposal to set a flat rate levy according to uses across the whole of New Forest District?

Do you agree with the proposed £0 charge for commercial and hotel development?

Do you agree with the proposed charges of £200 per sqm for retail development over 1000 sqm and £0 for retail development under 1000 sqm?

The housing industry is in the state of collapse. My spies in Bournemouth planning say that there is nothing going on. Another £80 per m^2 say for a 150m^2 house will add £12000 to a house that people cannot afford now. Another nail in the coffin.

When the house builders stop who will pay the infrastructure costs then? The railways?

What infrastructure is being built any way? Not even the roads are being resurfaced around here at least.

The HA have no comments to make at this stage but would be keen to be involved in discussions with New Forest District Council should any future SRN related infrastructure items be identified that CIL could contribute towards.

Hythe and Dibden Parish Council have considered the above and do not wish to comment.
<table>
<thead>
<tr>
<th>Question 1</th>
<th>Question 2</th>
<th>Question 3</th>
<th>Question 4</th>
<th>Question 5</th>
<th>Question 6</th>
<th>Question 7</th>
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<tbody>
<tr>
<td>Do you think it is appropriate for New Forest District Council to offer discretionary charitable relief?</td>
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<tr>
<td>New Milton Town Council PDCS004</td>
<td>Agree / Disagree</td>
<td>Yes / No</td>
<td>Yes / No</td>
<td>Agree / Disagree</td>
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<tr>
<td>Totton and Eling Town Council PDCS005</td>
<td>Agree / Disagree</td>
<td>Yes / No</td>
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<tr>
<td>Ms M Betts PDCS006</td>
<td>Agree / Disagree</td>
<td>Yes / No</td>
<td>Yes / No</td>
<td>Agree / Disagree</td>
<td>Agree / Disagree</td>
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- The rationale behind the level of charge and basis of zero rating is reasonable.
- The proposed amount is still unfair and unjust. All the surrounding councils charges, which I have investigated, are considerably lower than half of the proposed £80.
- The CIL would be inappropriate and highly unfair on residents in terms of future planning for improvement within the Parish boundary, which is already being severely impacted upon.
- All build types share the cost equally, if costs are not viable at the time of build, then costs could be postponed for an agreed time whilst new Business’s are established and making a profit, or for new house builders to meet the costs once Houses are sold.
- The proposed amount is still unfair and unjust. All the surrounding councils charges, which I have investigated, are considerably lower than half of the proposed £80.
- In the case of self build projects for first time owners, no fees should apply as they are funding their own housing instead of using the councils resources of social housing.

Consultee Details
- New Milton Town Council PDCS004
- Totton and Eling Town Council PDCS005
- Ms M Betts PDCS006

Para Reference for Council response within main consultation report
- Para 3.3(3), Para 3.3(4), Para 3.18(1), Para 3.18(2)
- Para 3.3(1), Para 3.3(4), Para 3.18(1), Para 3.18(2)
- Para 3.3(2), Para 3.3(1), Para 3.3(4)
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<td>Where the charge would adversely affect the economic performance of the town.</td>
<td>Yes / No</td>
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<th>Question</th>
<th>Do you agree with the approach to payment in kind set out in Chapter B of the Preliminary Draft Charging Schedule?</th>
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<td></td>
<td>The Environment Agency is supportive of the Community Infrastructure Levy and are satisfied it can go some way to supplement other funding streams in providing new infrastructure to support local growth. We recognize this document is at an early stage and would wish to be continually involved as you develop your CIL further. It is important we are confident that the provision of the necessary infrastructure through CIL is in place at the appropriate time to support growth.</td>
<td>Agree / Disagree</td>
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<tr>
<td>Hordle Parish Council PDCS007</td>
<td>Yes / No</td>
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<tr>
<td>Environment Agency PDCS038</td>
<td>Yes / No</td>
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<tr>
<td>Ringwood Town Council PDCS0509</td>
<td>Yes / No</td>
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Do you agree with the proposal to set a flat rate levy according to uses across the whole of New Forest District?

Do you agree with the proposal to set a flat rate levy according to uses across the whole of New Forest District?

Do you believe there are any other uses which we should consider levying CIL on?

Do you agree with the proposed £0 charge for commercial and hotel development?

Do you agree with the proposed charges of £200 per sqm for retail development over 1000 sqm and £0 for retail development under 1000 sqm?

Mr P Webster
PODS010

Horse livery yards and riding schools and those who use the Blashford Lakes, as they attract so much traffic onto our roads. The Blashford Lakes Strategic Plan stated in paragraph 3.44 that it did not want to promote access by car but instead by bicycle and on foot. WILL YOU PLEASE HELP US TO HAVE A NETWORK OF PATHS AND CYCLE WAYS TO HELP PEOPLE ACCESS THE LAKES AND KEEP OFF OUR ROADS

To schools, play groups, sports grounds

Yes / No

Agree / Disagree

We agree with £0 up to 1000 sqm. For retail premises larger than 1000 sqm there should be a graduated charging scale up to a maximum of £200.

If the premises is being used for charitable purposes and is ‘not for profit’.

Yes / No

Agree / Disagree

In circumstances where it would be advantageous to be able to negotiate.

Yes / No

Agree / Disagree

30%. Town & Parish Councils are best placed to understand the needs of the community they serve.

The questions were poorly phrased and allowed for ambiguity.

Agree / Disagree

Para Reference for Council response within main consultation report

Agree / Disagree

Para 3.3(11), Para 3.18(1), Para 3.18(2), Para 3.2(11)

Para 3.3(11), Para 3.18(1), Para 3.18(2), Para 3.2(11)

Para 3.3(11), Para 3.18(1), Para 3.18(2), Para 3.2(11)
Do you agree with the proposal to set a flat rate levy? Yes / No

Questions

Question 1
Do you agree with the proposal to set a flat rate levy according to uses across the whole of New Forest District? Agree / Disagree

Question 2
Do you think it is appropriate for New Forest District Council (as Charging Authority) to offer discretionary charitable relief? Yes / No

Question 3
Do you have any views on the circumstances in which it might be appropriate for New Forest District Council to consider granting discretionary exceptional relief? Agree / Disagree

Question 4
Do you agree with the approach to payment in kind set out in Chapter B of the Preliminary Draft Charging Schedule? Agree / Disagree

Question 5
The approach to the staging of payments can be found in Appendix C of the Preliminary Draft Charging Schedule. Do you agree with this approach? Agree / Disagree

Question 6
Subject to any updated Regulations it is proposed that a proportion of the net CIL receipts be passed to local communities. Do you agree with this proposal? Agree / Disagree

Question 7
In the foreseeable economic climate 20% developer profits may still not be enough incentive to achieve the required finance backing for a retirement scheme to proceed and the developer take on the risk of return. Similarly the incentives required to acquire land in the first place is likely to be 30%+ of current existing use market value. Agree / Disagree

Para Reference for Council response within main consultation report

Para 3.3(1), Para 3.3(4), Para 3.9(1), Para 3.10(1), Para 3.10(1), Para 3.16(1), Para 3.21(1)
### Consultee Details

**New Forest National Park Authority**

**Eldon David PDCS014**

- Do you agree with the proposal to set a flat rate levy according to uses across the whole of New Forest District: **Yes** / **No**
- Do you agree with the proposal rate of £80 per sqm for commercial and hotel development: **Yes** / **No**
- Do you agree with the proposal to set a flat rate levy according to uses across the whole of New Forest District: Support the proposed single CIL charge across the District Council's planning area **Agree** / **Disagree**
- Do you agree with the proposal rate of £80 per sqm for commercial and hotel development: **Yes** / **No**
- Do you agree with the proposal to set a flat rate levy according to uses across the whole of New Forest District: **Yes** / **No**
- Do you agree with the proposal rate of £80 per sqm for commercial and hotel development: **Yes** / **No**
- Do you believe there are any other uses which we should consider levying CIL on: **Yes** / **No**

**Southern Water PDCS015**

- Do you agree with the proposal to set a flat rate levy according to uses across the whole of New Forest District: **Yes** / **No**
- Do you agree with the proposal rate of £80 per sqm for commercial and hotel development: **Yes** / **No**
- Do you agree with the proposal to set a flat rate levy according to uses across the whole of New Forest District: **Yes** / **No**
- Do you agree with the proposal rate of £80 per sqm for commercial and hotel development: **Yes** / **No**
- Do you believe there are any other uses which we should consider levying CIL on: **Yes** / **No**

**Pennyfarthing Homes Ltd PDCS016**

- Do you agree with the proposal to set a flat rate levy according to uses across the whole of New Forest District: **Yes** / **No**
- Do you agree with the proposal rate of £80 per sqm for commercial and hotel development: **Yes** / **No**
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- Do you believe there are any other uses which we should consider levying CIL on: **Yes** / **No**

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### Para Reference for Council Response within consultation report

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<th>Para Reference</th>
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New Forest Business Partnership PDCS017

Do you agree with the proposal to set a flat rate levy according to uses across the whole of New Forest District?

- Agree / Disagree

No

Do you agree with the proposed rate of £80 per sq m for residential housing?

- Agree / Disagree

No

Do you agree with the proposed charge of £200 per sq m for retail development over 1000 sq m and £0 for retail development under 1000 sq m?

- Agree / Disagree

No

Do you agree with the proposal to set a flat rate levy charged for commercial and hotel development?

- Agree / Disagree

Yes

New Forest Business Partnership confirm their agreement to the Charging Schedule proposed.

- Agree / Disagree

Yes

Para Reference for Council response within main consultation report

Para 3.16(1), Para 3.21(5)

Natural England PDCS018

Do you agree with the proposal to set a flat rate levy according to uses across the whole of New Forest District?

- Agree / Disagree

No

Do you agree with the proposed rate of £80 per sq m for residential housing?

- Agree / Disagree

No

Do you agree with the proposed charge of £200 per sq m for retail development over 1000 sq m and £0 for retail development under 1000 sq m?

- Agree / Disagree

No

Do you agree with the proposal to set a flat rate levy charged for commercial and hotel development?

- Agree / Disagree

Yes

The viability assessment has not addressed any use other than large / small superstore – both national supermarket chain, ‘small convenience store – national and local occupier’ and ‘small comparison store – national and local occupier’. These are all Class A1 based developments and it would appear that there has been no viability testing of any form to support the inclusion of A2, A3 and A5 within the charging schedule. On this basis, it is suggested that in the absence of any supporting evidence to justify a charge, these uses should be excluded from the charging schedule.

- Agree / Disagree

Yes

Para 3.11(1), Para 3.11(7), Para 3.4(2)

Turley Associates PDCS019

Do you agree with the proposal to set a flat rate levy according to uses across the whole of New Forest District?

- Agree / Disagree

No

Do you agree with the proposed rate of £80 per sq m for residential housing?

- Agree / Disagree

No

Do you agree with the proposed charge of £200 per sq m for retail development over 1000 sq m and £0 for retail development under 1000 sq m?

- Agree / Disagree

No

Do you agree with the proposal to set a flat rate levy charged for commercial and hotel development?

- Agree / Disagree

Yes

Yes

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- Agree / Disagree

Yes

Para 3.11(1), Para 3.11(7), Para 3.4(2)

Retail development is only likely to occur in the New Forest if there is a strong desire for such growth, or if it forms part of a regeneration scheme for a particular site. In these circumstances, it is inappropriate for the CL to take such a strong line and potentially constrain the viability of such schemes. Creating a barrier to regeneration goes very much against the grain of current Government guidance and using CIL as a form of barrier fails to accord with existing Governmental advice (in the form of Planning for Growth) and potentially with emerging guidance (in the form of the draft NPPF). In light of the above, it is suggested that the evidence base should be reviewed with regards to justifying any CL charge for retail. As a benchmark, a charge of a similar level to that which exists in the adjacent local authority should be assumed (i.e. £90 per sq m). This should apply to A3 only as none of the other uses have been assessed at all in viability terms.

- Agree / Disagree
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<td>Question 3</td>
<td>The CIL is very much in its infancy and its publication has highlighted the need for the charging schedule to be tailored to local circumstances. Do you agree with this?</td>
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<td>Question 4</td>
<td>A figure of £0 has been applied to S106 costs. Such an assumption is misplaced and whilst the assessment has sought to justify this on the basis of CIL and density assumptions covering the “impacts”, it is likely that S106 costs will still be incurred. In this regard, it is noted that many of the sites identified in the Site Allocations DPD have been set out with specific requirements for on-site or directly related infrastructure needs. The evidence base is viewed with great uncertainty, particularly in respect of the content of the Infrastructure Delivery Plan. The extent of infrastructure should relate to that which is required by the development proposed in the Core Strategy, taking account of the fact that a large proportion of the development envisaged over the plan period relates to the provision of affordable housing for an existing element of the population. The CIL is very much in its infancy and its publication has come at a time when there is great uncertainty in respect of both the market and indeed the definition of development allocations through the Site Allocations DPD. In light of these considerations, it is suggested that NOFi should commit to an early review of the charging schedule within 18 months.</td>
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<td>Question 5</td>
<td>The instalment policy is welcomed but is defined in a manner that is too restrictive and will act as a disincentive to development, particularly those where viability is marginal. The instalment policy should allow for payment to be phased in accordance with the phasing of a particular development or after the construction of a specified percentage of the units (for a residential scheme). This will allow the CIL burden to be carried through the development and allow it to be offset by sales income. This will be particularly important for sites in the eastern plan area and for schemes with a high proportion of affordable units. Do you agree with this?</td>
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Agree / Disagree

Yes / No

The Community Infrastructure Levy Relief – Information Document (GIG, May 2011) outlines the Government’s position on “exceptional circumstances” which could warrant exception from CIL (paragraph 66 onwards). The first matter to note from the Regulations is that the offer of relief is discretionary on the charging authority (Regulation 5(1)(a)). TW/PH consider it imperative that the District Council makes available relief from the date of the adoption of CIL, and that it clearly outlines its approach to doing so, in conformity with the Regulations. It seems from the Preliminary Draft Charging Schedule documentation that the District Council does propose to offer relief which is welcomed (section 8.0). Guidance on the level of detail required for the viability assessment to qualify for relief should also be provided.

Question 4: Do you agree with the approach to payment in kind set out in Chapter 8 of the Preliminary Draft Charging Schedule?

Agree / Disagree

Yes / No

Regulation 7(1)(b) permits the payment of land in lieu of CIL. This is an interesting tool which could be proactively interpreted where the land in question is provided for infrastructure. Our clients would encourage the District Council to outline a proactive mechanism and approach to permit developers to offer land either as payment or to take into account the value of land which is retained for the use of infrastructure. It will be important to do this in order to avoid situations of ‘double counting’, for example, where developers have increased site abnormal costs owing to site based infrastructure needs, only to have to also effectively (as a proportion of costs) pay greater CIL charges.

Question 6: Subject to any updated Regulations it is proposed that a proportion of the net CIL receipts be passed to local communities. Do you agree with this approach?

Agree / Disagree

Yes / No

With regard to the relationship with Section 106, the CIL Charging Schedule should be clear that ‘double counting’ of Section 106 contributions and CIL is not permitted by law, and our clients note the reference made at paragraph 3.3 of the consultation document. The key tests of CIL Regulation 122 should be outlined within the supporting documentation. It is noted that the District Council intends to replace the current Section 106 ‘pooled contributions’ mechanism towards open space and transport with CIL. In the operation of CIL it is essential that minimal Section 106 is sought to avoid ‘double counting’ of Section 106 contributions and CIL. It is important the infrastructure delivery priorities for the district be clearly outlined. Notably, the District Council should clarify the intention that CIL funding will be focused towards those projects considered a priority to support the objectives of the Core Strategy. Paragraph 6.13 of the Preliminary Draft Charging Schedule refers to the viability modelling assuming zero residual planning obligations. In reality, it is likely that developments will still proceed with some Section 106 contributions (i.e. off site junctions/ S.278 obligations). Our clients strongly encourage the District Council to proactively outline a review mechanism for CIL as part of annual monitoring. It may therefore, be prudent to outline an adoption of CIL a review within 12 - 24 months. It is wholly inappropriate to use agricultural land value as a benchmark value for greenfield land.
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Mr A Graham
POCSG22

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<tr>
<th>Question 2</th>
<th>Do you agree with the proposed rate of £0 per sq m charge for residential housing?</th>
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<tr>
<td>Agree / Disagree</td>
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<td>Yes / No</td>
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<th>Question 3</th>
<th>Do you agree with the proposed rate of £200 per sq m charge for retail development over 1000 sq m?</th>
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<td>Agree / Disagree</td>
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<td>Yes / No</td>
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<th>Question 4</th>
<th>Do you agree with the proposed rate of £80 per sq m charge for residential housing?</th>
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<td>Agree / Disagree</td>
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<td>Yes / No</td>
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<th>Question 5</th>
<th>Do you agree with the proposal to set a flat rate levy on all commercial and hotel development?</th>
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<td>Agree / Disagree</td>
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<td>Yes / No</td>
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<th>Question 6</th>
<th>Do you have any other comments on the Preliminary Draft Charging Schedule and the methodology used to produce it?</th>
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<td>Yes / No</td>
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<th>Question 7</th>
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<td>Yes / No</td>
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**Consultee Details**
- **Name:** Mr A Graham
- **Consultation:** PDCS023
- **Type:** County Council
- **Location:** Hampshire

---

**Yes / No**

**Agree / Disagree**

**Mr A Graham**

**POCSG22**

---

**Hampshire County Council**

**POCSG23**

---

**Para Reference for Council response within main consultation report**
- Para 3.3(11), Para 3.21(3)
- Para 3.21(1), Para 3.21(2)
- Para 3.21(2), Para 3.21(1)
| Question | Development Securities PLC | Para Reference for Council Response
<table>
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<td>Do you agree with the proposal to set a flat rate levy according to uses across the whole of New Forest District?</td>
<td>Agree / Disagree</td>
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<td>The blanket charge for uses across all areas of the district is inappropriate based on the Viability Assessment produced by DTZ. CIL Regulations allow for different rates based on locational viability and this should be explored in further detail by the Council.</td>
<td>Agree / Disagree</td>
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<td>Development Securities believes that the CIL Charging Schedule as currently drafted will have implications on the potential deliverability of retail development within the New Forest District and is not consistent with other land uses within the schedule. Only A1 foodstore development has been tested by DTZ, yet the charge is levied on all A uses (food/non-food) on a smaller scale (1000 sqm) without any viable evidence.</td>
<td>Agree / Disagree</td>
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<td>Do you agree with the proposed rate of £80 per sqm charge for residential housing?</td>
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<td>Do you agree with the proposal to set a flat rate levy according to uses across the whole of New Forest District?</td>
<td>Agree / Disagree</td>
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<tr>
<td>Do you agree with the proposed charges of £4306 per sqm for retail development over 1000 sqm and £3 for retail development under 1000 sqm?</td>
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<tr>
<td>Do you agree with the proposed rate of £80 per sqm charge for commercial and hotel development?</td>
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<tr>
<td>Do you believe there are any other uses which we should consider levying CIL on?</td>
<td>Yes / No</td>
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</table>

Total Number of responses received: 24
Annex D - Full Consultation Responses
From: Alun Brown [mailto:]
Sent: 13 January 2012 16:05
To: cilconsultation
Subject: C I L

Hello

The housing Industry is in the state of collapse. My spies in Bournemouth planning say that there is nothing going on. Another £80 per m² say for a 150m² house will add £12000 to a house that people cannot afford now. Another nail in the coffin.

When the house builders stop who will pay the infrastructure costs then? The railways? What infrastructure is being built any way? Not even the roads are being resurfaced around here at least. Alun E brown.
Dear Mr Brunton

CIL Regulations 2010
New Forest District Community Infrastructure Levy Preliminary Draft Charging Schedule: Consultation 16 January – 27th February 2012

Thank you for inviting the Highways Agency (HA) to comment on the New Forest District Council Community Infrastructure Levy (CIL) Draft Charging Schedule.

The HA is an executive agency of the Department for Transport (DfT). We are responsible for operating, maintaining and improving England’s strategic road network (SRN) on behalf of the Secretary of State for Transport. In the case of New Forest District this relates directly to the A31.

We have a duty to safeguard the operation of the SRN as set out in the Department for Transport (DfT) Circular 02/2007 (Planning and Strategic Road Network). We are looking to New Forest District Council to promote strategies, policies and land allocations which will support alternatives to the car.

The HA have no comments to make at this stage but would be keen to be involved in discussions with New Forest District Council should any future SRN related infrastructure items be identified that CIL could contribute towards.

Please do not hesitate to contact me if you would like to discuss anything further.

Yours sincerely

Neil Andrew
Asset Manager, South East Region
Hi Dean,

Hythe and Dibden Parish Council have considered the above and do not wish to comment.

Many thanks

Sean Spencer, Deputy Clerk, Hythe and Dibden Parish Council.
From: Theresa Elliott [mailto:]
Sent: 17 February 2012 13:24
To: cilconsultation
Subject: Formal response from New Milton Town Council

Good afternoon,

Following discussion on the draft Charging Schedule contents at last night’s Planning Committee meeting, please see below the agreed response –

‘The rationale behind the level of charge and basis of zero rating is reasonable’.

Regards

Theresa Elliott
Assistant Town Clerk
New Milton Town Council
From: Sonia Emслиe [mailto: ]
Sent: 17 February 2012 14:37
To: Chris Elliott
Cc: Cllr George Dart
Subject: New Forest District Council CIL Preliminary Draft Charging Schedule

Dear Chris,

Cllr Dart has asked that I pass onto you our Member’s comments for the proposed CIL draft charging schedule, I therefore include their comments as in our minutes below:

PRELIMINARY DRAFT CHARGING SCHEDULE OF THE COMMUNITY INFRASTRUCTURE LEVY

Members were asked to consider the Preliminary Draft Charging Schedule of the Community Infrastructure Levy proposed by New Forest District Council. Members discussed in detailed and strongly felt that it would be inappropriate and highly unfair on residents in terms of future planning for improvement within the Parish boundary, which is already being severely impacted upon. Also, with the implementation of CIL, there is the potential for the loss of deserving funds associated with new development being denied to the town and its residents.

Please let me know if you have questions.

Kind regards,
Sonia

Sonia Emслиe MSc AIEMA
Planning Administrator / Heritage Lottery Project Officer
Totton and Eling Town Council

Email: www.totton-and-eling-to.gov.uk
From: Marilyn Betts [mailto: ]
Sent: 20 February 2012 13:59
To: cilconsultation
Subject: INFRASTRUCTURE LEVY

With regards to the proposed Infrastructure Levy.

The proposed amount is still unfair and unjust. All the surrounding councils charges, which I have investigated, are considerably lower than half of the proposed £80.

I can understand a charge being levied for green field sites, But Not for Brown field sites. Once again the councils proposal will have a detrimental effect on building new housing stock.

You should be encouraging the growth of New Housing, not penalizing it.

I hope you are able to ascertain a more viable conclusion.

May I suggest that all build types share the cost equally, If costs are not viable at the time of build, then costs could be postponed for an agreed time whilst new Business’s are established and making a profit, or for new house builders to meet the costs once Houses are sold. In the case of self build projects for first time owners, no fees should apply as they are funding their own housing instead of using the councils resources of social housing.

Yours Sincerely

Marilyn Betts
From: Clerk
Sent: 23 February 2012 12:50
To: cilconsultation
Subject: CIL response - Hordle Parish Council

Community Infrastructure Levy
Preliminary Draft Charging Schedule

Page 22 item 9.2
Hordle Parish Council would like to respond with a request for clarification of the wording "meaningful proportion". This should be more precise in percentage terms.

Regards,
Susan Whitcher
Clerk to Hordle Parish Council
Dear Sir/Madam,

COMMUNITY INFRASTRUCTURE LEVY
PRELIMINARY DRAFT CHARGING SCHEDULE JANUARY 2012

Thank you for the consultation regarding the above which was received on the 13 January 2012.

The Environment Agency is supportive of the Community Infrastructure Levy and are satisfied it can go some way to supplement other funding streams in providing new infrastructure to support local growth.

We recognize this document is at an early stage and would wish to be continually involved as you develop you CIL further. It is important we are confident that the provision of the necessary infrastructure through CIL is in place at the appropriate time to support growth.

Should you require any further assistance please do not hesitate to contact on the number below.

Yours faithfully

Miss Suzanne Greenwood
Planning Liaison Officer
Dear Sir

COMMUNITY INFRASTRUCTURE LEVY - PRELIMINARY DRAFT CHARGING SCHEDULE

Please find attached this Council's completed comments form in response to the proposed CIL Draft Charging Schedule.

Whilst it is acknowledged that there is a requirement for improved infrastructure, the Town Council believes that many of the schemes included in the Infrastructure Delivery Plan (IDP) are unrealistic. It is also of great concern that the IDP identifies some projects for Ringwood for which the Town Council has no knowledge and no local consultation has taken place. For example, the Council would not support a scheme to "improve connections through the cemetery to enable pedestrians to go through the site". Also, there are projects included in the Ringwood Town Plan; which is the result of extensive public consultation, that have not been provided for in the IDP. No consultation has yet been carried out on the Green Infrastructure Strategy or Leisure Facilities Plan.

In addition, it is disappointing that the previously proposed relief road, which could bring considerable advantages to the town, has not been included in the list of infrastructure projects.

I would be grateful if you could take the above comments into consideration, in addition to the responses on the attached form.

Yours faithfully

T R Simpson
Town Clerk
Please use this form to comment on

New Forest District (outside the National Park)
Community Infrastructure Levy – Preliminary Draft Charging Schedule Consultation

What is the Community Infrastructure Levy?

The Community Infrastructure Levy (CIL) is a new levy that local authorities in England and Wales can choose to charge on new developments in their area.

The money will be used to support development by funding infrastructure that the council, local community and neighbourhoods want – for example, new or safer road schemes, park improvements or community facilities.

The system is very simple. It applies to most new buildings, although a £0 rate can be applied, and charges are based on the size and type of the new development.

New Forest District Council wants to move forward to use this system locally. To do this, the Council undertaken a lot of the work needed to set the local rate.

The Department of Communities and Local Government has produced a helpful guide to the Community Infrastructure Levy that can be found on their website: http://www.communities.gov.uk/publications/planningandbuilding/cilsummary

How to respond:

The consultation document is the:

- Preliminary Draft Charging Schedule for New Forest District Council (outside of the National Park)

As part of the consultation two documents have been made available to provide supporting evidence:

- Infrastructure Delivery Plan December 2011

There is also other background information supporting this consultation:

- New Forest District Council Core Strategy 2009
- Proposed submission Sites and Development Management Development Plan Document (DPD) January 2012

All of these documents are available on the NFDC website, at www.newforest.gov.uk

Hard copies of the consultation documents and evidence can be viewed at each of the District Council offices.

This consultation is open for six weeks of consultation from 16 January 2012 to 27 February 2012. Consultation responses must be received by 5pm on 27 February 2012 in order to be considered.
If you have any comments on the preliminary draft charging schedule for New Forest District Council's Community Infrastructure Levy, please put these in writing to:

Policy and Plans Team
Appletree Court
Lyndhurst, SO43 7PA

If possible please use this response form to provide your comments. This will assist us in analysing your response and in publishing them correctly.

If you have any queries about this document, please email cilconsultation@nfdc.gov.uk

Contact Details
Please complete this box – we need this information to register your views

<table>
<thead>
<tr>
<th>Your Name:</th>
<th>Terry Simpson</th>
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<tr>
<td>Title:</td>
<td>Mr</td>
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<td>Organisation:</td>
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If you are acting on someone’s behalf, please enter their contact details here:

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Please indicate below how you wish to be contacted by the Council on matters related to the CIL adoption (Tick box below)

Please ensure you have provided the information in the form above to contact you:

By post  By e-mail  Do not wish to be contacted
**Question 1**

1(a) Do you agree with the proposal to set a flat rate levy according to uses across the whole of New Forest District, as set out in Chapter 7 of the Preliminary Draft Schedule?

<table>
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<tr>
<th>Agree</th>
<th>Disagree</th>
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1(b) If not, what different approach would you take?

1(c) Do you agree with the proposed rate of £80 per sqm charge for residential housing?

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<tr>
<th>Agree</th>
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1(d) If not, what do you believe the charge should be and what is your justification?

The Town Council has noted that, in a number of cases over the past few years, developers have indicated that the Section 106 charges are too high to enable a development to proceed. The Town Council is concerned that the new levy is based on a charge that is currently adversely affecting the economic viability of much needed development. The District Council is urged to review the basis of the charge to ensure that this development continues.

1(e) Do you agree with the proposed charges of £200 per sqm for retail development over 1000 sqm and £0 for retail development under 1000 sqm?

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<th>Agree</th>
<th>Disagree</th>
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1(f) If not, what do you believe the charge should be and what is your justification?

Response as 1(d).

1(g) Do you agree with the proposed £0 charge for commercial and hotel development?

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<th>Agree</th>
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1(h) If not, what do you believe the charge should be and what is your justification?

Commercial and hotel development will place additional strain on the infrastructure of an area. A charge should be levied, but not at a level that would deter development.

1(i) Do you believe there are any other uses which we should consider levying CIL on?

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1(j) If so, which uses?
**Question 2**

2(a) Regulation 44 of the OIL Regulations allows a Charging Authority to grant discretionary relief to charitable investments. This is also explained in Chapter 8 of the Preliminary Draft Charging Schedule. In view of the procedures to implement this, do you think it is appropriate for New Forest District Council (as Charging Authority) to offer discretionary charitable relief?

| Yes | No | ✓ |

2(b) If so, on what circumstances do you think it might be appropriate for to consider granting discretionary charitable relief?

**Question 3**

3(a) Regulations 55-57 of the OIL Regulations allows a Charging Authority to grant relief in exceptional circumstances. This is also explained in Chapter 8 of the Preliminary Draft Charging Schedule. In view of the procedures to implement this, do you have any views on the circumstances in which it might be appropriate New Forest District Council (as Charging Authority) to consider granting discretionary exceptional relief?

| Yes | ✓ | No |

3(b) If so, on what exceptional circumstances do you think it might be appropriate for to consider granting discretionary relief?

Where the charge would adversely affect the economic performance of the town.

**Question 4**

4(a) Do you agree with the approach to payment in kind set out in Chapter 8 of the Preliminary Draft Charging Schedule?

| Agree | ✓ | Disagree |

4(b) If not, what approach do you consider appropriate?

It should be noted that in the case of open space payments in kind, the approach should recognise that the transfer of the freehold will be to town and parish councils.

**Question 5**

5(a) The approach to the staging of payments can be found in Appendix C of the Preliminary Draft Charging Schedule. Do you agree with this approach?

| Agree | ✓ | Disagree |

5(b) If not, what proposals do you feel would be appropriate?
**Question 6**

6(a) Subject to any updated Regulations it is proposed that a proportion of the net CIL receipts be passed to local communities (e.g. the Parish Council or Town Council). Do you agree with this approach?

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<th>Agree</th>
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6(b) If so what do you believe the percentage should be and what is your justification?

The maximum percentage of receipts allowed by Central Government should be passed back to town and parish councils in order that they are spent in the parish for which they are intended, and on the infrastructure that has been identified by the parish.

**Question 7**

Do you have any other comments on the Preliminary Draft Charging Schedule and the methodology used to produce it?
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<tr>
<th>Question</th>
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**Q2b:** To schools, play groups, sports grounds

**Q1i:** Horse livery yards and riding schools and those who use the Blashford Lakes, as they attract so much traffic onto our roads. The Blashford Lakes Strategic Plan stated in paragraph 3.44 that it did not want to promote access by car but instead by bicycle and on foot. WILL YOU PLEASE HELP US TO HAVE A NETWORK OF PATHS AND CYCLE WAYS TO HELP PEOPLE ACCESS THE LAKEs AND KEEP OFF OUR ROADS

**Q7:** PLEASE CLEAR THE BACK LOG OF SECTION 106 DEVELOPERS CONTRIBUTIONS BEFORE STARTING THIS NEW SCHEME. ALERT ALL TOWN AND PARISH COUNCILS OF THE OUTSTANDING PAYMENTS FOR THEIR AREAS IN THE PARISH OF ELLINGHAM. HARBRIDGE AND IBSLEY THERE IS ABOUT £65,000 AVAILABLE FOR OPEN SPACE PROJECTS UNDER APN 67350 +72494 AND VERY LITTLE HAS SO FAR BEEN USED. ALSO PLEASE REVIEW THE MINERAL AGREEMENTS FOR THE PARISH FOR HANSON RINGWOOD QUARRY, RMC RINGWOOD QUARRY, TARMAC IBSLEY QUARRY, TARMAC, BLASHFORD, NEA AND PLUMLEY QUARRIES AND THE LAND FILL SITE AT PURPLE HAZE. OUR PARISH HAS PROVIDED SAND AND GRAVEL AND LAND FILL SITES FOR RINGWOOD/VERWOOD AREA BUT HAD NEXT TO NOTHING IN RETURN.
**Consultee:** Fordingbridge Town Council

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**Date received:** 23/02/2012

- **Q2a** agree: ☑ Q2a disagree: ☐
- **Q2b**
  - If the premises is being used for charitable purposes and is ‘not for profit’.
- **Q3a** agree: ☑ Q3a disagree: ☐
- **Q3b**
  - In circumstances where it would be advantageous to be able to negotiate.
- **Q4a** agree: ☑ Q4a disagree: ☐
- **Q4b**
- **Q5a** agree: ☑ Q5a disagree: ☐
- **Q5b**
- **Q6a** agree: ☑ Q6a disagree: ☐
- **Q6b**
  - 30%. Town & Parish Councils are best placed to understand the needs of the community they serve.

**Q7:** The questions were poorly phrased and allowed for ambiguity.
Policy and Plans Team  
New Forest District Council  
Appletree Court  
Lyndhurst  
Hampshire  
SO43 7PA

24th February 2012

Dear Sir/Madam,

RE: Community Infrastructure Levy - Consultation on Preliminary Draft Charging Schedule  
December 2011.

On behalf of my Client, McCarthy & Stone Retirement Lifestyles Ltd, I provide comments below on the Preliminary Draft Charging Schedule for the introduction of the Community Infrastructure Levy (CIL).

McCarthy & Stone Retirement Lifestyles Ltd. are the market leader in the provision of private specialised accommodation for older people with over 30 years experience providing over 40,000 retirement apartments and extra care accommodation in developments designed to address the specific needs of older people. McCarthy & Stone has consistently been recognised by the house building industry for the quality and expertise within this specialist field of development and the comments set out in this letter therefore relate specifically to this specialised form of housing. Objection is raised as to how this specialist form of accommodation is considered and the assumptions made in the supporting viability assessment.

Specialist Accommodation for the Older Population

National Guidance in the form of PPS3 sets out the national strategic housing policy objective of achieving a wide choice of high quality homes for all, including meeting the accommodation needs of older people. By 2026 older people will account for almost half (48 per cent) of the increase in the total number of households, resulting in 2.4 million more older households than there are today. The number of people aged 85 or over will increase by 2.3 million by 2036 – 184 per cent increase. The ageing of society poses one of our greatest housing challenges. The Government has recognised this and has set out its aims and objectives of providing more specialised housing for older people in 'A National Strategy for Housing in an Ageing Society – Lifetime Homes, Lifetime Neighbourhoods'. The National Strategy identifies the important role the planning system has in delivering housing choice for older people, stating:

'Spatial planning offers a new and real opportunity to provide more and better quality housing – across the necessary range – for an ageing population in a way that we've not done before.'

1 Reference from 'Lifetime Homes, Lifetime Neighbourhoods – A National Strategy for Housing in an Ageing Society', (2008) CLG.  
2 As above footnote reference.
In respect to future planning policy the Strategy is clear as to the level of importance to be given to an ageing society, stating:

'Recent reforms to the planning system require regional and local plans to take proper account of ageing and the needs of older people. Future planning policy reform will reflect the high priority we are giving to the challenge of ageing.'

The draft National Planning Policy Framework reiterates the economic messages in the Government’s Planning for Growth, published with the Budget in March 2011, including the need to free up planning to help drive the economy.

- Clause 29 states: “To enable a plan to be deliverable, the sites and the scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened. To ensure viability, the costs of any requirements likely to be applied to development, such as requirements for affordable housing, local standards, infrastructure contributions or other requirements should, when taking account of the normal cost of development and on-site mitigation, provide acceptable returns to a willing land owner and willing developer to enable the development to be deliverable.”

- The NPPF also sets out how the Presumption in Favour of Sustainable Development will work. The Presumption offers a real opportunity to set the broad parameters for encouraging good, high quality and sustainable housing while delivering economic growth. Clauses 28 and 111 make reference to the need for local authorities to plan for new homes and prepare Strategic Housing Needs Assessments. Clause 28 makes specific reference to the need for councils to identify the housing needs of older people across the range of tenures. Clause 111 also states that they should identify the size, type, tenure and range of housing that is required, including for the elderly.

It is considered that in light of the Government Strategy guidance that it is appropriate for the Community Infrastructure Levy to have regard to this objective. My Client’s response to the preliminary draft charging schedule on the introduction of the Community Infrastructure Levy are based on meeting the Government’s objective, set out in the National Strategy, to ensure that sufficient specialised housing is delivered to meet the growing needs of an ageing population.

My Client is particularly concerned with some of the assumptions and the mechanics of the Community Infrastructure Levy Schedule, how the figures have been achieved and how they would apply to specialist forms of accommodation for older people such as retirement housing and extra care developments.

The scenarios set out in the viability testing have not considered this very important sector in much detail, bearing in mind that this will become even more significant over the period of the Core Strategy.

Viability Appraisal

The DTZ viability appraisal dated December 2011 considers “sheltered housing” at page 15 and later refers to the development at Farringford Court in Lymington as evidence to back up what should typically be achieved for values. This is considered to be wholly inadequate to consider this specialist sector of the market and the VA is short of robust evidence to justify the stance taken.
Firstly by referring to Farringford Court – this is an Assisted Living Extra Care Development and more akin to a Class C2 use. This scheme includes more facilities in the form of communal space, care provision and communal kitchen and restaurant than a typical sheltered housing scheme. It is also an area of high property prices relative to the District as a whole and is not typical of most traditional retirement schemes. Use of 4 selling prices from a single extra care scheme therefore does not provide a robust evidence base.

Secondly reference is made to an application submitted at Kingwood (Mount Pleasant Lane) where the gross internal floor areas are used to consider the likely uplift in gross to net floor space for calculation purposes. This scheme also included a viability appraisal which demonstrated significantly lower development values. This scheme is a true housing development for the older population which is more akin to the traditional "Category II sheltered housing." The likely achievable figures are some 75% of the highest values used at the Lymington scheme, thereby significantly distorting the available development value in the appraisal. Furthermore the viability appraisal, accepted by the Council, demonstrated a minimal residual land value and a very small contribution for affordable housing / s106 contribution levels. This is indicative of other such specialist housing schemes in similar locations.

Thirdly nearly all types of retirement developments are impacted on financially by communal space and also a slower sales rate than other residential development. Given that viability of such schemes may therefore be marginal, application of a CIL may prevent many forms of retirement housing coming forward. Whilst there is an understandable desire to keep the charging rates as simple as possible the broad inclusion of some retirement housing within a “general residential heading” fails to acknowledge the very specific viability issues associated with Owner Occupier Retirement Housing.

There is no reference in the preliminary schedule that acknowledges these points and it fails to fully consider the actual implications. There are over generalised statements covering residential properties which do not fully consider the implications for all kinds of specialist housing.

CIL Rate Setting

It is noted that the intention in finding an appropriate measure to use in calculating CIL rates is to ensure ‘uniformity’, or put another way, fairness for all classes of development liable to CIL payment. One of the principles intentions is to avoid producing a system that inadvertently produces advantages or disadvantages upon certain developers. My Client would wholly concur with the intention that CIL rates should be uniform, fair and avoid bias towards certain types of developments within a particular use. However, it is considered that the chosen ‘metric’ of ‘pounds per square metre of gross internal floor space’ unfairly penalises my Client and other developers of similar retirement housing and extra care accommodation when assessed against other forms of residential accommodation. The oversimplification of the charging level by setting this at a uniform £80 per sqm across the board is seen as unduly harmful to specialised housing and care providers such as McCarthy and Stone, particularly when similar retirement/extra care developments (Class C2 uses) are exempted. Inadequate viability testing would appear to have been undertaken to cover this point.

A retirement/sheltered housing development typically has 30% of its internal floor area devoted to necessary communal areas and facilities, such as residents lounge, laundry, guest suites, and communal space. It is these specific communal areas and facilities that differentiate retirement/older peoples’ housing developments from other forms of accommodation for the wider population. These communal areas are a necessary part of a retirement housing development that
are non-saleable floor space which the developer has to build but does not receive any direct revenue from. Therefore, to apply a CIL rate based on ‘pounds per square metre of gross internal floor space’ would unreasonably penalise a retirement housing developer who would have a building of typically 70% net saleable area to acquire revenue from, compared to other forms of residential accommodation that would have 90-100% net saleable floor area to acquire revenue from. This would place those providers of retirement housing at a disadvantage in land acquisition as the ratio of CIL rate to net saleable area would be disproportionately high when compared to other forms of residential accommodation. It is considered that this would threaten the delivery of much needed specialist accommodation for older people, contrary to the Government’s aims and objectives to ensuring the provision of appropriate specialist accommodation for older people as set out in ‘A National Strategy for Housing in an Ageing Society’.

It is respectfully suggested that retirement developments which have very similar characteristics to that of Care / Retirement Developments which fall within Class C2 are likewise treated the same. The introduction of a charge upon certain C2 uses but not others also appears to be an anomaly which has not been tested within the Viability appraisals.

Viability Appraisal Assumptions

As set out in the viability report which accompanied the proposed Schedule, the appraisal makes a number of assumptions and generalisations when it comes to some of the inputs. It also acknowledges that some of these can be quite influential in the final figures derived at. The report does not provide the detailed viability appraisals themselves and what assumptions have been used.

In the case of retirement housing for example there is a much longer sales period which reflects the niche market and sales pattern of a typical retirement housing development. This has a significant knock on effect upon the final return on investment. This is particularly important with empty property costs, finance costs and sales and marketing which extends typically for a longer time period. Sales and marketing fees are typically in excess of 6%, for example, and increasing in the ever fragile housing market.

In the foreseeable economic climate 20 % developer profits may still not be enough incentive to achieve the required finance backing for a retirement scheme to proceed and the developer take on the risk of return. Similarly the incentives required to acquire land in the first place is likely to be 300% of current existing use market value.

All these factors have the potential to impact upon what development will come forward. The Minister for State for Decentralisation (Mr Greg Clark) in his Written Ministerial Statement: Planning for Growth 23rd March 2011 states that LPAs should support enterprise and facilitate housing and economic and other forms of sustainable growth. The Government is sending a clear message that the answer to development should wherever possible be “Yes”, except where this would compromise the key sustainable development principles set out in national planning policy. LPAs are required to avoid unnecessary burdens on development and with this in mind greater flexibility is required in the interpretation when CIL is payable for different types of residential use. For example retirement housing does not have the same impact upon open space, sports, recreation, education and strategic transport and yet is being lumped in with the same CIL as family residential housing. This is unfair and unreasonable. Either the exceptions and reductions on levy are set out to respect this; it is explicitly set out as a separate charging cost or retirement housing is acknowledged to have very similar viability implications and those falling within Class C3 are exempted in the same way as the Class C2 use are being proposed.
**Payment by Instalments**

Consideration should be given to the timing of CIL payments and an allowance for payment by instalments. **My Client would welcome flexibility in the timing of CIL as payments on commencement will introduce an additional financial cost on the development prior to the receipt of any revenue from the proposed development. This would place an additional burden on the developer and would affect the viability of the development, and possibly in the case of residential development impinge upon the developer’s ability to provide for affordable housing.** This issue is compounded in **my Client’s case, and for other retirement housing providers, as developments need to be completed in their entirety before a single unit of accommodation can be sold.** It is considered that at the earliest, part payment on first occupation would be fairer and would reduce unnecessary financial costs to the developer. This could then be phased depending upon occupation levels. In economic conditions such as currently being experienced, there is some merit in staged payments throughout the development. Such an approach would encourage the delivery of many worthwhile development proposals that might otherwise not commence.

There will also be a need to identify priorities in many instances between CIL and affordable housing for example where viability is marginal. The CIL becomes a very significant element of development costs which can greatly influence the amount of contribution reasonably available for affordable housing. How are the competing planning policy requirements to be weighted? For example the benefits of providing accommodation for the increasingly ageing population and affordable housing verses the CIL. The exception clause and relaxation options on CIL need to be spelt out or at the very least the process by which it will be judged.

**Summary**

Given the extent of projected housing need for older persons accommodation including specialist forms of sheltered and extra care accommodation identified in ‘A National Strategy for Housing in an Ageing Society’, and at the local level, it is paramount that CIL schedule recognises the shortcomings of the proposed ‘metric’ and address this issue to ensure fairness across the residential development industry.

It is noted from the CIL regulations when considering exemptions to CIL payment lists a set of criteria which includes that ‘relief from CIL should be fair and not create undue distortions of competition’. This criterion is equally valid when considering the application of CIL to differing forms of development. It is my Client’s belief that the current Schedule is neither fair, nor do they prevent distortions of competition, when applied to specialist forms of older persons accommodation such as retirement housing.

It is respectfully requested that these comments are given due consideration in the formulation of the charging schedule for the introduction of the Community Infrastructure Levy.

Yours faithfully,

David Williams
Planning Associate
The Planning Bureau Ltd.
This Representation has been prepared by Barton Willmore on behalf of Burt Boulton Holdings Ltd who own land at Eling Wharf, Totton.

Eling Wharf is proposed to be allocated for redevelopment within the Pre-Submission Sites and Development Management DPD. The redevelopment of the site has the potential to deliver significant economic and environmental improvements, but would require substantial infrastructure at significant cost (including a new access, flood prevention measures and remediation works) as part of the development.

It is vital that the application of the Community Infrastructure Levy (CIL) does not result in development becoming unviable, particularly in regeneration schemes, such as Eling Wharf, which have the potential to deliver significant benefits to the locality.

We acknowledge that the evidence prepared demonstrates that the application of CIL on the development of schemes attracting charges does not affect the viability under normal circumstances. Nevertheless, it is vital that the CIL Charging Schedule provides the flexibility allowed under Regulation 55 of the CIL Regulations to enable NFDC the authority to apply discretionary relief in circumstances where applying CIL would render a development unviable. We support the inclusion of this provision within the Draft Charging Schedule and have the following comments:

1. It should be made clear within the Charging Schedule that the discretionary relief should be applied on a comprehensive and site-wide basis and not on individual elements of a larger scheme that are included in order to ensure viability of the scheme as a whole.

2. The wording of paragraph 8.4 of the Charging Schedule should acknowledge that on some sites there are significant infrastructure improvements that will be required to enable the development of the site and deliver the associated regeneration and environmental improvements. Whilst such works would form part of the development proposal, they are also required to deliver the development and therefore contribute towards the costs of complying with the S106. The viability assessment required to demonstrate that there are exceptional circumstances to obtain relief from the CIL payments should take account of all such costs.

3. Paragraph 8.5 of the Charging Schedule should recognise that in addition to allocated sites that are critical to the delivery of the strategy for the area, there are sites that have the potential to deliver significant benefits which it would also be appropriate for discretionary relief to be applied to.
Mr Dean Brunton
Policy & Plans Team
New Forest District Council
Appletree Court
Lyndhurst
SO43 7PA

27 February 2012

Dear Mr Brunton

New Forest District Council Local Development Framework
Community Infrastructure Levy: Preliminary Draft Charging Schedule

Thank you for consulting the New Forest National Park Authority on the District Council’s Community Infrastructure Levy Preliminary Draft Charging Schedule (January 2012). The Authority commends the work done by the Council in preparing the preliminary schedule and offers the following comments to be considered by the Council in preparing their Draft Charging Schedule for publication and further consultation later this year.

Introduction

The Authority welcomes the clarification in paragraph 1.1 that “The New Forest National Park Authority is the Charging Authority for the National Park and therefore the NFDC Charging Schedule does not apply to this area...” – a point reiterated in paragraph 2.13. To avoid confusion it is considered necessary that this point is made prominently in the draft schedule.

Evidence Base

It is noted that residential development in the District has in recent times averaged a S106 agreement contribution to infrastructure of between £3,000 and £10,000 per dwelling. This would suggest that the proposed CIL level of £80 per square metre for residential development – equating to around £8,000 for an average sized dwelling – is economically viable.

As is outlined in paragraph 5.10 of the draft Schedule, the National Park Authority and the District Council jointly commissioned DTZ to prepare an economic viability assessment of the proposed CIL charges, and this viability evidence is supported by the Authority.
Setting the CIL Level

The Authority supports the District Council's conclusion (set out in paragraph 6.5) that it is not necessary to develop different charging zones within the District, as the Council's affordable housing policy (CS15) effectively already does this. A single charge across the District Council's planning area is simpler to apply and understand.

It is noted that the Preliminary Draft Charging Schedule makes a number of references to the development market in the District being relatively subdued (e.g. paragraph 6.25). However, the Council's Annual Monitoring Report (Dec. 2010) indicates that in the reporting year 2009/10 residential completions in the District totalled 212 additional dwellings (+8% over the annualised Core Strategy requirement of 196 dwellings), with a figure of 259 completions (source HCC) for the reporting year 2010/2011 (+32% over the annual Core Strategy requirement). If the Council's Core Strategy annual housing requirement continues to be exceeded it is likely that more funding will be available through CIL than indicated in the draft document.

Spending CIL

The Authority notes that a single paragraph (para. 9.8) is given to Charging Authorities collaborating and pooling their CIL revenue towards "sub regional infrastructure", and this wording is based on para. 16 of the 'Community Infrastructure Levy: An Overview' document published by the DCLG in May 2011. The Authority is of the view that a clearer outline should be given in the Council's Charging Schedule of where the use of CIL funds may be appropriate outside the District Council's administrative area.

For example, as is identified within the Council's Core Strategy (2009) and the accompanying Habitats Regulations Assessment (HRA), there is a potential impact from the 3,920 additional dwellings planned by 2026 on the integrity of the European habitats in the New Forest. The mitigation and avoidance measures included within the Council's Core Strategy (required to ensure that it could be demonstrated that the Plan would not adversely affect designated sites) include a commitment to work with other local authorities to implement a strategic approach to protecting internationally designated nature conservation sites from recreational pressures (Policy CS7). This policy is elaborated on in paragraph 6.7.12 of the Core Strategy which states that the District Council will work with others to implement a strategic approach to protecting such sites from recreational pressures, including a suite of avoidance and mitigation measures, "...supported by developer contributions."

Given this commitment in the Core Strategy (and the conclusions of the accompanying HRA), the Authority suggests that the draft Charging Schedule is amended to make a clear reference to CIL funds potentially being used for appropriate infrastructure in neighbouring areas. This should include the mitigation of impacts on the Natura 2000 habitats within the National Park and could also include the provision and enhancement of large scale recreational opportunities such as the proposed Forest Park in southern Test Valley and
the enhancement of Lepe Country Park which would benefit New Forest District residents. The Council’s Regulation 123 infrastructure list can be updated when further details of these projects emerge.

Conclusions

In conclusion, the Authority commends the progress made by the District Council in preparing the Preliminary Draft Charging Schedule which is clearly the result of a thorough review of the available evidence. The Authority’s consultation response can be summarised as:

- Support for the proposed charging level for residential development within the District at a level that is considered to be economically viable; and the proposed single CIL charge across the District Council’s planning area (rather than adopting different charging zones).

- A call for the Council’s Charging Schedule to support the principle of using CIL funds to support appropriate cross boundary infrastructure required to mitigate the development proposed within the District Council’s adopted Core Strategy (2009). This should include support for appropriate habitat mitigation measures for the New Forest Natura 2000 sites in the National Park.

I hope these comments are helpful and I would be happy to discuss any of the points raised above with you over the next few months as the Council draw up their Draft Charging Schedule for the next stage of public consultation later this year.

Yours sincerely

David Illsley
Policy Manager
New Forest National Park Authority
Dear Mr Brunton,

Preliminary Draft Community Infrastructure Levy Charging Schedule

Thank you for the opportunity to make representations to the above document.

Section 3 of the document recognises that the Community Infrastructure Levy (CIL) is not suitable for securing site specific contributions from developers towards local infrastructure.

Southern Water seeks developer contributions towards local on-site and off-site water and wastewater infrastructure which fall outside the remit of CIL. This is because Ofwat, the water industry’s economic regulator, takes the view that local enhancements required to the water distribution and sewerage system as a result of new development should be paid for by the development. This ensures that the cost is passed to those who directly benefit from it, and protects existing customers who would otherwise have to pay through increases in general charges.

The costs associated with local on-site and off-site water supply and sewerage infrastructure are dependent on site-specific circumstances, and can vary significantly from site to site. They would be additional to the costs incurred through the CIL and/or S106 Planning Obligations. Southern Water would take future income from customers into account when calculating contributions, so developers would only need to fund a proportion of total costs.

It would be helpful if the CIL Charging Schedule recognised these additional developer contributions, as they impact on the overall cost and viability of development sites. This could be achieved by adding the following paragraph to Section 3 of the document:

*Contributions in addition to the CIL and S106 contributions may be required on a site by site basis, for example towards local water distribution and sewerage infrastructure. Developers should contact service providers as early as possible in the planning process to determine contributions required.*

Southern Water has limited powers to enforce connection to the local water distribution and sewerage system at the nearest point of capacity, which is the mechanism by which the developer can provide the local infrastructure necessary to service the site. This is especially...
the case where new development is proposed on previously developed land. As water and sewerage infrastructure falls outside the CIL and S106 Planning Obligations, we look to the planning authority to support connection off-site in planning policies, and subsequently in planning conditions attached to planning permissions.

Without support from the planning authority there is a risk that the required infrastructure will not be delivered by the development. Southern Water is not fully funded through the price setting mechanism to deliver local infrastructure as the company is expected by Ofwat to recover reasonable costs through developer contributions.

I hope these comments are helpful. If you would like to discuss our response, or require any clarification, please contact me.

Yours sincerely

Susan Solbra
Development Manager
From: Matt Holmes [mailto:  
Sent: 27 February 2012 14:36  
To: cilconsultation  
Subject: CIL Representation

Dear Sir/Madam

I refer to the Public Consultation on the Preliminary Draft Community Infrastructure Levy Charging Schedule currently underway and write to comment on behalf of my clients, Pennyfarthing Homes Ltd. My clients have considered the draft charging schedule and having done so wish to make the following comments;

The preliminary charging schedule assumes that between 40% and 50% of new dwellings built in the area will be affordable. Whilst that may be the current policy assumption such a proportion of affordable housing may not be realised once the impact of that upon viability is taken into account. Policy CS15 of the Core Strategy acknowledges that an allowance has to be made where the affordable housing requirement would render a scheme unviable. In our experience, the application of such a high affordable housing requirement has had a significant impact upon viability, and schemes often have to be the subject of negotiation to reduce the affordable housing requirements to account for that.

My clients feel that the viability of housing developments is such that the Council’s aspiration of 40-50% of new housing being affordable may not be realised. In that case the CIL rates proposed for residential development, which assume a zero contribution from affordable housing, would be disproportionate, because if fewer homes granted planning permission are affordable the Council will be securing CIL contributions from a greater proportion of applications for new housing. It is contended that the CIL rates should be based on the true proportion of new housing built as affordable.

In addition, my clients feel that a charge of £80 per square metre for residential development but a zero contribution for commercial developments places a disproportionate burden on housing providers. Whilst the findings of the viability report are noted my clients feel that all types of development should contribute to CIL, even if at a lower rate than housing.

Yours Sincerely

Matt Holmes  
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24 February 2012

Policy and Plans Team
Appletree Court
Beaulieu Road
Lyndhurst
Hampshire
SO43 7PA

Dear Sirs,

Community Infrastructure Levy

Having considered the matter carefully and with reference to proposals so far announced by other charging authorities, I write on behalf of the New Forest Business Partnership to confirm our agreement to the Charging Structure proposed and in relation to which no further comment is necessary.

Whilst I trust this statement is of assistance to you, should you require any additional input from this organisation, please do not hesitate to contact me accordingly.

Yours faithfully,

Barry L Olorenshaw
By email only – no hard copy

Dear Sir/Madam

**New Forest District Community Infrastructure Levy Preliminary Draft Charging Schedule**

Thank you for your letter of 13 January, consulting Natural England on the above. Whilst it is not in our remit to provide comment on the suggested sum or scope of contributions specifically, we have the following comments.

Natural England welcomes the fact that anticipated CIL receipts (as illustrated by Table 2) will continue to allow the investment in open spaces and their maintenance, as S106 money has allowed for over the last 5 years. Open spaces are invaluable for people’s health and wellbeing, in a Natural England survey 94 per cent of people agreed that having green spaces close to where they live is important. Healthy natural environments also provide vital processes and functions that support our lives, these are often referred to as ecosystem services. Three broad categories of ecosystem service are recognised: provisioning; regulatory; and cultural. Each plays a role in supporting the health and wellbeing of individuals and communities and open spaces may provide a number of these services.

However, it is not clear from the schedule as to whether maintaining the previous level of contribution allows for the development and implementation of a strategic mitigation strategy, to protect international sites from recreational pressures, with reference to core strategy policy 7. The need to work with neighbouring authorities in this regard is raised in the New Forest National Park Management Plan. Without considering this need within the CIL it is not clear as to where funding for such a strategy will come from.

We note the Regulation 123 requirement for the authority to publish how contributions will be spent. Whilst the current list of S106 contributions does not list green infrastructure, we would expect the CIL to allow for this. Whilst the distinction between open space and green infrastructure can be subtle it should be clear to those contributing as to the wider scope of green infrastructure delivery, to ensure that ecosystem services and biodiversity are considered in mutli-functional green space provision. Reference to open space can be assumed to relate to PPG17 compliance, where spaces are considered primarily from access, quality and management perspectives, rather than the consideration of wider environmental benefits and services.

I hope that this response is helpful. Please do not hesitate to contact me should you wish to discuss.

Yours sincerely,
26 February 2012
Delivered by Email

New Forest District Council
Appletree Court
Lyndhurst
SO43 7PA

POLICY AND PLANS TEAM

Dear Sir

NFDC COMMUNITY INFRASTRUCTURE LEVY - PRELIMINARY DRAFT CHARGING SCHEDULE
REPRESENTATIONS ON RETAIL CHARGES ON BEHALF OF TURLEY ASSOCIATES

I refer to the above and set out below a short representation from Turley Associates in respect of the
proposed charge for retail land uses in the draft charging schedule.

This submission is separate from other submissions that we have made on behalf of other clients.

The draft charging schedule (paragraph 6.21 and 6.22) states:

‘Viability evidence has shown a CIL rate of £200 psm on net additional floorspace for large
format food store / supermarket development would not have a negative impact on the viability’

Consequently, the charging schedule has set out a charge of £200 psm for large format retail over
1000 sqm. This charge applies to A1, A2, A3 and A5 developments.

It is our view that the adoption of such a charge will act as a major barrier to the delivery of retail
developments in the District and is vastly out of kilter with other local authorities in the area. We have
doubts over the methodology applied in the viability assessment and given the clear thrust of
Government guidance, which seeks to support economic and job creating development, the CIL
charging levels will frustrate unnecessarily retail development.

As a starting point, the viability assessment has not addressed any use other than ‘large / small
superstore – both national supermarket chain’, ‘small convenience store – national and local occupier’
and ‘small comparison store – national and local occupier’. These are all Class A1 based
developments and it would appear that there has been no viability testing of any form to support the
inclusion of A2, A3 and A5 within the charging schedule. On this basis, it is suggested that in the
absence of any supporting evidence to justify a charge, these uses should be excluded from the
charging schedule.
In respect of A1, it is recognised that in certain circumstances, there is a prospect of a large format retail ‘superstore’ coming forward. However, the nature of such proposals and in particular, their site specific impacts and S106 requirements are very difficult to gauge. The DTZ report acknowledges that there has been ‘limited retail development’ and they have been reliant upon data generated in the wider South East, rather than in the District itself. As a consequence, it is suggested that the land values suggested in the report must be viewed with caution. Indeed, it is notable that the DTZ Report provides no data at all in Section 6 relating to retail land values and no data has been generated to reflect the vastly different land values that are apparent across the District itself (as evidence by the assessment of values for other land uses such as residential).

The DTZ Report has ‘assumed that s106 costs are nil,... this does mean that both CIL and residual s106 values have to be funded out of any positive residual land value’. Given this position and the failure to take account of S106 costs, it casts doubt on whether a fair and reasonable assessment of viability (for the purposes of justifying CIL) has been undertaken.

The retail residual land values set out in Figure 29 of the DTZ Report are confusing and do not identify what assumptions have been made on land values (given that there is no data in section 6 of the report on retail values). This lack of clarity and the failure to take account of what could be significant site specific costs and S106 burdens would suggest that there is no robust evidence base to justify such a high retail charge.

In terms of comparatives with other local authorities, it is noted that Southampton have identified a charge of £90 per sq m (for A1), Portsmouth has identified £53 per sq m (for A1-A5) and Havant have identified a charge of a maximum of £84 per sq m (for edge / out of town large retail).

Whilst we are not suggesting that NFDC should simply follow other local authorities, it is considered questionable that given that the DTZ evidence base has looked at the wider South East for its justification and evidence base, local authorities in the local area (using a similar evidence base) have reached a completely different outcome.

The clear disparity also raises an issue of whether NFDC has acted appropriately in its Duty to Cooperate (as outlined in S110 of the Localism Act). By having such a vastly different charge for retail developments from its immediate neighbour in Southampton (over double), this could impact on the future direction of growth for retail in the wider vicinity creating an uneven playing field, particularly in the absence of a specific impact assessment.

Clearly retail development is only likely to occur in the New Forest if there is a strong desire for such growth, or if it forms part of a regeneration scheme for a particular site. In these circumstances, it is inappropriate for the CIL to take such a strong line and potentially constrain the viability of such schemes. Creating a barrier to regeneration goes very much against the grain of current Government guidance and using CIL as a form of barrier fails to accord with existing Governmental advice (in the form of Planning for Growth) and potentially with emerging guidance (in the form of the draft NPPF).
In light of the above, it is suggested that the evidence base should be review with regards to justifying any CIL charge for retail. As a benchmark, a charge of a similar level to that which exists in the adjacent local authority should be assumed (i.e. £90 per sq m). This should apply to A1 only as none of the other uses have been assessed at all in viability terms.

I trust that the above uses will be of value in the on-going preparation of the CIL charging schedule. If you have any queries then please do not hesitate to contact me.

Yours sincerely

Stuart Irvine
Director

CC:
24 February 2012

Delivered by Email

New Forest District Council
Appletree Court
Lyndhurst
SO43 7PA

POLICY AND PLANS TEAM

Dear Sir

NFDC COMMUNITY INFRASTRUCTURE LEVY - PRELIMINARY DRAFT CHARGING SCHEDULE
REPRESENTATIONS ON BEHALF OF THE TRUSTEES OF THE BARKER MILL ESTATES

I refer to the above and set out below, representations made on behalf of the Trustees of the Barker Mill Estates (TBME) in respect of the preliminary draft community infrastructure charging schedule.

TBME in principle welcome the proposal to adopt a Community Infrastructure Levy (CIL) Charging Schedule which will potentially speed up the planning process, provide greater certainty over the likely infrastructure costs and ensure developments make a proportional contribution towards the resulting infrastructure needs of an area.

The application of CIL including the legitimacy of the evidence base which underpins the Charging Schedule is a key issue. TBME can reasonably expect that the CIL regime complies with the Government guidance and statutory provisions notably CLG Community Infrastructure Levy – An Overview (May 2011), CIL Regulations 2010 (as amended 2011) and will reflect the Planning for Growth Ministerial Statement (March 2011) and the Draft National Planning Policy Framework (dNPPF).

In addition, the draft NPPF advocates that the planning system should do "everything it can to support sustainable economic growth" (paragraph 13) whereas paragraph 39 makes clear the fundamental principle, that development viability is not to be constrained by obligation or policy burdens. With regard to CIL specifically, the draft NPPF states that CIL “should support and incentivise new development” (paragraph 40).

The objectives of CIL are fundamentally to assist with the delivery of developments as CIL receipts are deployed to assist the funding of new strategic infrastructure. The CIL Charging Schedule must therefore outline the positive actions proposed by the District Council to enable the actual delivery of major infrastructure, which may require additional “top up” funding or the Council using its powers under the Local Government Acto (2000 and 2003) and CIL Regulations (2010 as amended 2011) to borrow money to front load infrastructure delivery (see CIL – An Overview paragraph 17 and 18).
It is our view that at the current point in time, NFDC has failed to set out an adequate evidence base that confirms a funding gap. In addition, we have concerns in respect of the charges set out for residential development, and believe that amendments are required in relation to how the charging schedule is applied. These issues are considered below:

**Demonstrating a Need for CIL**

Paragraph 2.8 of the draft charging schedule sets out the basis upon which a CIL is being sought. It makes clear reference to CIL providing a funding stream for infrastructure that is required to support new development. It also states that:

*The finance generated from the CIL will be used to secure strategic and local infrastructure in the District which is required to accommodate the level of housing and employment growth proposed within the Local Development Framework*  

The inference to be taken from this is that the CIL should relate to the provision of infrastructure that is required to serve development proposals, principally those that are set out in the Core Strategy and Site Allocations DPD.

In seeking to justify a need for additional funding to address these ‘infrastructure needs’, paragraphs 5.6 to 5.9 of the draft charging schedule indicate that there is a ‘funding gap’ of £25m but suggests that the relates to:

*projects currently considered a priority to support the objectives of the Core Strategy*  

It is suggested that this is different to infrastructure that is required to accommodate housing and employment growth.

It is our contention that the extent and form of infrastructure set out in the Infrastructure Delivery Plan (IDP) goes well beyond that which is required to service the needs of the levels of development proposed in the Core Strategy. This is evident from an examination of the Appendices of the IDP, which include a multitude of schemes that have no relationship, or are completely out of scale with the levels of development being proposed within those settlements. By way of simple example, it is noted that in respect of Marchwood, reference is made to a number of elements of infrastructure that are questionable in the context of their relationship with new development being proposed, such as new bus stops that are distant from new developments or key trip generating destinations.

The Core Strategy identifies a high proportion of development in the form of affordable housing. This includes provision to meet future needs but also, a specific range of sites to address existing affordable housing needs within particular settlements.
Given that such development is taking place to effectively accommodate a need that is already pre-existing, it is questionable as to whether or not, that development creates any additional pressure on infrastructure.

In view of the above, it is suggested that before a reasoned view can be reached on the need for an extent of a CIL, the following should be addressed:

- The IDP should be re-examined to determine the level of actual infrastructure required to serve the needs of the development set out in the Core Strategy; and
- In undertaking this re-examination, the infrastructure burden should take account of the fact that a significant proportion of the proposed development relates to elements of the existing population (where their infrastructure needs are already being met).

**Viability - Residential**

The DTZ Viability Assessment has identified a range of valuations based on the various sub-areas. This has indicated the vast differences in value across the area, including rather depressed values in Totton / Hythe (£210 to £280 per sq ft).

The assessment has also set out base build costs, which for residential are defined under ‘general estate housing’, with an indicative cost of £802 per sq m (net internal). This figure has been increased by 8% to reflect changes to the Code for Sustainable Homes and by a further 10% to take account of site infrastructure work. It is suggested that whilst the figure of 8% is reasonable, the 10% figure is not and fails to recognise the particular characteristics of the sites identified in the emerging Site Allocations DPD. On this basis, it is suggested that the figure of 15% would be more relevant.

The DTZ report makes reference to a range of other ‘modelling assumptions’. In this regard, a figure of £0 has been applied to S106 costs. Such an assumption is misplaced and whilst the assessment has sought to justify this on the basis of CIL and density assumptions covering the ‘impacts’, it is likely that S106 costs will still be incurred. These could relate to matters such as trainee initiatives, ecologic improvements and access / transport infrastructure directly associated with the site. In this regard, it is noted that many of the sites identified in the Site Allocations DPD have been set out with specific requirements for on-site or directly related infrastructure needs. As such, S106 costs will still have a significant role to play in the determination of viability and it is inappropriate for DTZ to have ignored the costs of this. Paragraph 6.13 and 6.14 of the Charging Document has indicated that such costs are relevant, but that they do not impinge upon the ability to charge. It is our view that such a conclusion is unjustified, particularly given the issues associated with the residual land values evident in the eastern sub area.

In respect of land values, it is noted that the DTZ report has acknowledged that

*‘there are relatively limited transactional data on which to benchmark data’.*
In addition, DTZ have chosen to assume that land values in New Forest will lie between values for Southampton and Bournemouth. In respect of the eastern sub area, a figure of £2m per ha has been identified. It is suggested that the evidence base underpinning these values is weak and makes many assumptions that cannot be supported by the data. In addition, given the vast difference in values within the sub-areas themselves, it would be more realistic to have taken advice from local agents, rather than relying upon the limited transaction data.

When applied to the various potential rates of CIL, it is noted that in most sub areas, the potential impact of CIL will be to reduce residual values below £2m. This is particularly relevant in the eastern sub region, where DTZ acknowledge that:

‘this is the sub-area which is most challenged in terms of viability in current market conditions’

and

‘The likely conclusion of the analysis is that the land allocation made in Totton will not proceed until the market improves’

Given the degree of constraint on the ability of the market to deliver residential development in this eastern region, it is suggested that a lower CIL rate should be considered, in order to support the delivery of the growth envisaged in the Core Strategy. Based on the DTZ evidence base, this figure would be £0 per sq m.

The eastern area represents an important component of growth to support the wider South Hampshire sub-region and it is important that any unnecessary burdens should be removed. Development in this area should be supported and by adopting a differential charge for residential within this sub area, it would recognise both the challenging land value issues and support the delivery of important development, which as the DTZ report acknowledges, will not come forward due to value constraints.

Whilst paragraph 6.5 refers to the ‘simplicity’ of having a single charge across all of the areas, this is not considered to be an appropriate justification for burdening development in specific areas unnecessarily.

Paragraph 6.16 of the consultation document states that:

‘the viability assessment shows that residential developments are likely to be able to support a CIL contribution in all cases across the District’.

This conclusion is misplaced and fails to recognise the difficulties in residual land values in the eastern sub-area (as discussed above). Paragraph 6.16 goes on to use this justification to support a charging level of £80 per sq m. This is out of kilter with the evidence base and we propose a differential charge, with £0 per sq m being applied in the eastern sub area for residential development.
Exemptions from CIL and Exceptional Circumstances:

TBME support the recognition of the statutory exemptions set out in the charging document. However, given the vast differences in land values across the District, it is noteworthy that the statutory processes associated with viability and discretionary relief are complex and a major barrier to development.

To address this, the charging schedule should support the provision of an additional level of locally based flexibility, which would recognise local land value variations in particular areas and provide a process that is less burdensome than having to navigate an open book / independent assessors route. This approach would be applied on a discretionary basis by the District Council, or in respect of specific allocations (as set out in the emerging Site & Allocations DPD).

Payments in Kind

TBME welcome the potential for payment in kind. However, the charging schedule should provide greater flexibility for such provisions, particularly where there are benefits to the wider community which go beyond the needs of the future residents of the development itself (i.e. open space provision, ecological benefits, allotments etc).

CIL Instalment Policy

The instalment policy is welcomed but is defined in a manner that is too restrictive and will act as a disincentive to development, particularly those where viability is marginal. The instalment policy should allow for payment to be phased in accordance with the phasing of a particular development or after the construction of a specified percentage of the units (for a residential scheme). This will allow the CIL burden to be carried through the development and allow it to be offset by sales income. This will be particularly important for sites in the eastern plan area and for schemes with a high proportion of affordable units.

Reviewing the CIL

The CIL is very much in its infancy and its publication has come at a time when there is great uncertainty in respect of both the market and indeed the definition of development allocations through the Site Allocations DPD.

In light of these considerations, it is suggested that NFDC should commit to an early review of the charging schedule within 18 months.
Conclusion

In light of the above, the TBME would like to offer its support for the principle of the CIL but considers that:

- The evidence base is viewed with great uncertainty, particularly in respect of the content of the Infrastructure Delivery Plan;
- The extent of infrastructure should relate to that which is required by the development proposed in the Core Strategy, taking account of the fact that a large proportion of the development envisaged over the plan period relates to the provision of affordable housing for an existing element of the population;
- The viability assessment has clearly demonstrated that development in certain locations, will not achieve values sufficient to bring them to the market, particularly in the eastern sub area;
- To address this, the CIL charging schedule should adopt a differential approach, with the residential CIL charge for the eastern sub area being £0 per sq m;
- The schedule should provide an additional, non statutory, mechanism for addressing viability;
- Greater flexibility should be given to allow for payments in kind; and
- The instalments policy should be re-cast to provide greater flexibility and to assist in addressing issues of viability on marginal sites.

I trust that the above is clear. Should you require clarification on any of the issues raised in our representations then please do not hesitate to contact me.

Yours sincerely

Stuart Irvine
Director

CC:
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27 February 2012

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Dear Sir/Madam

COMMUNITY INFRASTRUCTURE LEVY (CIL) CONSULTATION
REPRESENTATION ON BEHALF OF TAYLOR WIMPEY & PERSIMMON HOMES
PRELIMINARY DRAFT CHARGING SCHEDULE

Please find enclosed a representation by Taylor Wimpey & Persimmon Homes in accordance with Regulation 15 of the Community Infrastructure Levy (England & Wales) Regulations 2010 (as amended).

Taylor Wimpey and Persimmon Homes are two major national housebuilders, with interests in the district. The organisations have come together to outline some joint concerns with the present approach.

The purpose of these representations is not to dismiss CIL but to ensure that the level set in the Charging Schedule is robust, well evidenced and will not put at harm the overall delivery of housing in the district. 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. The representation has been prepared in that context and with particular reference to Regulation 14 of the Community Infrastructure Levy Regulations 2010. In so doing, the representations address the two principal tests outlined in the Department for Communities and Local Government Guidance document "Community Infrastructure Levy Guidance: Charge Setting and Charging Schedule Procedures". These are:

(i) the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area; and
(ii) the need to strike an appropriate balance between the desirability of funding from CIL and the expected estimated total cost of infrastructure required to support development”.

Savills

Savills is one of the largest property companies in the UK with considerable professional expertise in a wide range of technical disciplines including planning, valuation and land sales. Allied to this, the company has residential sales agencies across the country which, alongside the New Homes and Residential Investment teams, deals with the sale of a considerable number of residential properties each year. The Residential and Commercial Research departments provide forecasts for a broad range of sectors which are highly regarded across the industry.

Savills has a substantial presence and range of expertise in its Southampton and Wimborne offices. The New Homes and Development teams are market leaders in the sale/ appraisal of new build properties in Hampshire and have a wealth of experience of sales values and sales rates. The Planning and Development teams have acted for the residential development sector in the district and have an in depth knowledge of the issues relating to housing delivery and economic viability.
The Concerns

The approach advocated by Taylor Wimpey and Persimmon Homes in the representation accords with guidance in the CLG CIL Charge Setting and Charging Schedule Guidance and the emerging National Planning Policy Framework (NPPF) which states CIL should support and incentivise new development (paragraph 40). At present our clients are concerned that the infrastructure delivery priorities are too loosely defined, for example the evidence suggests a requirement of ‘up to £250m for a range of projects’. NFDC will need to closely define the need related to new development, as CIL receipts will likely be in the region of £12.5m to 2028 (based on planned growth projections and a rate of £80 per square metre).

Our clients therefore request that the viability evidence be revised and the CIL supporting documentation be produced, as summarised by the list below:

- There is a need for an appropriate balance between infrastructure delivery and viability. We have therefore questioned the ‘blanket’ assumption that £80 sq m is viable – notably as the DTZ Viability Appraisal seems to suggest that this level is not viable in the east of the District for the next five years.
- Matters relating to the operation of CIL must be outlined before the next stage of the process, for example a draft policy on the collection of payments, relief and instalments. Our clients strongly object to the collection of instalments by time rather than based on build rates/occupations.
- It should be made clear that CIL replaces planning contributions regarding open space/transport to avoid a risk of ‘double counting’.
- Concerns that S.106 has not been factored or site abnormalities in the Viability Appraisal prepared by DTZ.

The imposition of an inappropriate CIL charge can only impinge on viability of development and further hamper the delivery of development and economic growth across the whole district. This would conflict with the stated aims of the Core Strategy.

At this stage no alternative viability evidence has been prepared, although Savills on behalf of Taylor Wimpey and Persimmon Homes may do so at the Submission or Examination stage if it is felt this were required. We look forward to the Council and DTZ considering the representation made and duly responding.

If you have any questions please do not hesitate to contact me.

Yours sincerely

pp Stuart Garnett
Savills Planning

Eric

Copy: Andy Barron/Sam Stone, Taylor Wimpey
Paul Bedford, Persimmon Homes
NEW FOREST DISTRICT COUNCIL
COMMUNITY INFRASTRUCTURE LEVY

On behalf of Taylor Wimpey & Persimmon Homes
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Appendix

Savills, Residential Property Focus, Quarter 4 - 2011
1.0 Introduction

1.1 This Representation has been prepared by Savills on behalf of Taylor Wimpey and Persimmon Homes to influence the emerging Community Infrastructure Levy (CIL) Charging Schedule proposed by New Forest District Council (NFDC). This representation is made in respect of the Preliminary Draft Charging Schedule placed for public consultation in the period January 2012 - February 2012. Our clients’ particular comments relate to the justification for the proposed £80 per square metre for residential development.

1.2 Where relevant our clients also provide comment on the supporting evidence:

- Community Infrastructure Levy Viability Assessment: Final Report, DTZ, December 2011
- Infrastructure Delivery Plan, New Forest District Council, December 2011

1.3 As the District Council is aware, both Taylor Wimpey and Persimmon Homes (hereafter referred as TW/PH) are major national housebuilders with extensive development expertise and who have land and development interests in the district.

1.4 This representation provides comments on both the Preliminary Draft Charging Schedule and also in general on CIL to ensure the Charging Schedule acts to facilitate economic growth and sustainable development and does not constrain the market or provide a barrier to development.

1.5 In setting the rate of CIL, Regulation 14(1) of the 2010 Community Infrastructure Levy, England and Wales Regulations (No. 948) states “that an appropriate balance” needs to be struck between “a) the desirability of funding from CIL (in whole or in part)” against “b) the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development”. The term ‘taken as a whole’ implies that it may be acceptable for some schemes to be rendered unviable by the level of CIL charge; however, there is a clear requirement to ensure that most developments are able to proceed. The Government provides further guidance on the meaning of the appropriate balance from paragraph 7 of the Community Infrastructure Levy Guidance – Charge Setting & Charging Schedule Procedures (March 2010).

1.6 Likewise, the purpose of CIL must be to positively fund the infrastructure required to enable growth. This is clearly outlined by Regulation 59(1) which states “A charging authority
must apply CIL to funding infrastructure to support the development of its area”.

Section 216 of the Planning Act 2008 defines infrastructure as:

- “(a) roads and other transport facilities,
- (b) flood defences,
- (c) schools and other educational facilities,
- (d) medical facilities,
- (e) sporting and recreational facilities,
- (f) open spaces, and
- (g) affordable housing (being social housing within the meaning of Part 2 of the Housing and Regeneration Act 2008 (c. 17) and such other housing as CIL regulations may specify)”

1.7 There is a requirement under Regulation 123 to provide a list of “relevant infrastructure” to be wholly or partly funded by CIL. It is also possible under Regulation 60(1) for CIL to be used to reimburse expenditure already incurred on infrastructure, a tool which could have useful implications, as raised in this representation.

1.8 TW/PH therefore, consider it is imperative that the evidence supporting CIL:

- clearly outlines the key infrastructure projects required to support development (this being the key test of the Regulations); and
- outlines an up to date, consistent and well informed evidence base of economic viability in order to test various scenarios against CIL rates.

1.9 It is clear from the available evidence base that the District Council has produced documentation on the infrastructure needs, although it could be clearer how the various infrastructure priorities are related to planned growth. It is the evidence of economic viability which TW/PH are primarily concerned, as outlined in this representation.

1.10 Given the focus of CIL as being supportive of development it is also important that the test of viability considers those sites/areas which are central to the delivery of the Council’s vision and Core Strategy policy objectives.
2.0 The Approach of National Policy

2.1 With regard to the preparation of Charging Schedules and supporting documentation, it is important to have due regard to the available Government guidance and law, notably, the CLG Community Infrastructure Levy – an Overview (May 2011), CLG Community Infrastructure Levy Guidance – Charge Setting & Charging Schedule Procedures (March 2010), CLG Community Infrastructure Levy Relief (May 2011), the 2008 Planning Act, CIL Regulations 2010 (as amended 2011) and are also in the spirit of emerging National Planning Policy Framework (NPPF). TW/PH’s comments are based on these publications and the Regulations.

2.2 The emerging National Planning Policy Framework (NPPF) is clear on the requirement that the planning system “does everything it can to support sustainable economic growth” (paragraph 13). Paragraph 39 makes clear the fundamental principle of ensuring development viability is not constrained by burdens of obligations or policy, and with regard to CIL the NPPF specifically states that CIL “should support and incentivise new development” (paragraph 40).

2.3 In addition, the Ministerial Statement of Greg Clark (March 2011) is not emerging; it is current guidance to decision makers. It has a clear ‘get on’ with development message and makes clear Local Planning Authorities should not impose unnecessary burdens on development.

2.4 The steer from Central Government is very much angled towards facilitating development, which should have a major material bearing on the preparation of CIL and the balance applied when considering Regulation 14(1).

2.5 The Government has also confirmed through Community Infrastructure Levy Guidance – Charge Setting and Charging Schedule Procedures (March 2010) guidance on the preparation of CIL, notably:

- The need for an ‘appropriate balance’ (Regulation 14)
- The need for ‘appropriate available evidence to inform the draft Charging Schedule’ (Schedule 212(4) (h)) of the 2008 Act)
2.6 Paragraph 7 of the Guidance states the “CIL is expected to have a positive economic effect on development across an area in the medium to long term”. The Government also makes clear that it is up to local authorities to decide ‘how much’ potential development they are willing to put at risk through CIL. This judgement needs to consider the wider planning priorities. It is therefore imperative that the viability of CIL is tested against the key planned sites, notably in the case of NFDC, sites in the key towns such as Totton, Marchwood, Dibden and Hythe, Lymington and New Milton.

Supporting Documentation

2.7 Despite the narrow Regulatory requirements of the Examination, our clients urge the District Council to make clear at an early stage the supporting documentation needed to operate CIL for input/ comment. Practically, this needs to be done prior to the publication of the next stage Draft Charging Schedule for Examination. Whilst this supporting information is not tested at Examination, this information is critical to allow for the successful imposition of CIL. The documentation should include:

- Guidance on how to calculate the relevant ‘chargeable development’/ level of CIL (cross referral to CLG guidance/ Planning Portal – location of the Notice of Chargeable Development Form) – notably what defines Net Internal Area (NIA) for residential development, against for example published RICS guidance.
- Guidance on liability to pay CIL/ Appeals process.
- Policy for payments by instalments (by build rate).
- Approach to payments in kind – notably valuation process for ascertaining land value and also the potential to accept land for infrastructure as a payment in kind.
- Guidance on relief from CIL and policy on exceptional circumstances for relief from CIL.

2.8 TW/PH note that a number of matters related to the implementation of CIL provided by the Regulations are optional. Our clients strongly suggest the District Council permits the maximum flexibility available. The Preliminary Draft Charging Schedule documentation identifies that the District Council does propose to offer relief and Appendix C includes a CIL Instalment Policy. Whilst the offer of an instalments policy is welcome, our clients strongly object to the detail. The imposition of a time based policy rather than build rate based mechanism will likely threaten scheme implementation.
3.0 General Comments

3.1 Ascertaining the level of CIL is essentially a development viability exercise and owing to this it is critical that the level of CIL is based on robust and credible evidence. The ‘CIL – An Overview’ outlines that “Charging Authorities wishing to introduce the levy should propose a rate which does not put at serious risk the overall development of their area” (Paragraph 23). It will be important, therefore, that the rate is based on reality and the viable level of funding toward the planned provision of infrastructure needed to deliver the development plan. Paragraph 5.8 of the Preliminary Draft Charging Schedule identifies a funding gap of ‘around £25m’ towards priority projects from the Core Strategy. Paragraph 5.8 then adds there is a list ‘of other possible projects costing over £250m’. From the evidence it is apparent that CIL alone will not be able to fund all of the identified infrastructure projects over the next 15 years.

3.2 It is apparent that NFDC needs to refocus priorities on the infrastructure required to assist with planned growth, and that this should be linked to expected CIL receipts.

3.3 The objectives of CIL are therefore, fundamentally to assist with the delivery of development as CIL receipts are used toward the funding of new infrastructure (Regulation 59(1)). The CIL Charging Schedule and supporting documentation must therefore outline the positive actions proposed from the District Council to enable the actual delivery of infrastructure, which may require additional ‘top up’ funding, or the Council using its powers under the Local Government Acts (2000 and 2003) and CIL Regulations (2010 as amended 2011) to borrow money to ‘front-load’ infrastructure delivery (see CIL – An Overview paragraphs 17 and 18).

Area Specific CIL

3.4 It is acknowledged that the District Council does not propose to adopt ‘area specific’ CIL rates despite the power being available to do so (see ‘differential rates’ outlined by Regulation 13(1)). This may well be a missed opportunity.

3.5 It could be the case that a lower rate of CIL be proposed in the eastern parts of the District. Areas such as Totton, Marchwood, Dibden and Fawley are of a lower value. a point acknowledged on detailed inspection of the Viability Report (see section 4). Values here are more align to those of Southampton.
3.6 Planned housing growth in the four locations in the east of the District (Totton, Marchwood, Hythe/ Dibden and Holbury/ Fawley/ Blackfield) is 41% of planned housing, 1,635 dwellings (more with the additional planned locally affordable housing) over the plan period 2006 – 2026. This is a substantial proportion of the Core Strategy which could be put at risk should the level of CIL be set too high. Figure 1 outlines a value analysis which illustrates the lower values in the east of the District.

Figure 1: Residential Property Values in the New Forest

Infrastructure Delivery Priorities

3.7 It is important the infrastructure delivery priorities for the district be clearly outlined. Notably, the District Council should clarify the intention that CIL funding will be focussed towards those projects considered a priority to support the objectives of the Core Strategy.

3.8 Our clients question whether community facilities (community halls/ groups and libraries), energy, water and drainage, and emergency services as set out in the Infrastructure Delivery Plan at sections 2.4, 2.7, 2.8 and 2.10 are within the definition of ‘infrastructure’ provided by Section 216 of the Planning Act 2008. It will be necessary to ensure
appropriate modifications to the infrastructure projects. This may reduce the total cost of infrastructure projects and accordingly, to reduce the identified funding gap and focus spending priorities.

3.9 Table 2 (page 17) of the Preliminary Draft Charging Schedule anticipates CIL receipts of £5,349,000 over the six year period 2013-2018, an average of £891,500 per annum. Applying this same average over the remaining eight years of the plan period 2019-2026, could potentially generate a further £7,132,000 of CIL receipts. Total anticipated CIL receipts of £12,481,000 between 2013-2026 could potentially be raised. It is evident that anticipated CIL receipts would not fully meet the identified funding shortfall for current projects of £25m (paragraph 5.8 of the Charging Schedule). Paragraph 6.28 of the Preliminary Draft Charging Schedule refers to potential support from other funding sources, but paragraph 6.29 adds ‘these amounts from these sources are unknown and cannot be guaranteed’. The Council will therefore, be reliant on other funding sources to assist with the delivery of the identified infrastructure projects.

**Payment of CIL – Instalments**

3.10 With regard to the payment of CIL, the Regulations (69B(1)) and CIL – An Overview (paragraphs 45 – 48) are clear that the charging authority has the flexibility to request the timing of the charge and hence to outline the payment procedure. This flexibility extends to:

- Levy payment deadlines
- Instalments policy

3.11 Appendix C of the Preliminary Draft Charging Schedule sets out the CIL Instalment Policy.

3.12 It is appreciated that the District Council has set out a draft Instalment Policy at this stage. However, TW/PH strongly object to the timing of instalments as set out at C3.0. This requires full payment within 60 days of commencement of development for developments with CIL liability up to £80,000 (C3.1), or three equal instalments within only 12 months of development commencing for development incurring CIL liability over £80,000 (C3.2). This could have a significant effect upon developer cashflow whereby full payment is required to be made at such an early stage in the build programme, and before significant housing completions and sales are generated. TW/PH consider the timing of payments should be based on build out rates or anticipated dwelling occupations to assist developer viability and cash flow, whilst not prejudicing the payment of CIL during the construction period. TW/PH
would be prepared to discuss appropriate arrangements with the District Council following this consultation stage.

3.13 Developers only have access to certain levels of funding throughout the construction process and this is often dependant on sale volumes and market conditions. The benefit of the Section 106 system was the ability to negotiate phasing of payments and if necessary renegotiate via a deed of variation. It is important that CIL maintains some degree of flexibility.

3.14 The timing of CIL payments is therefore of critical importance, particularly as the definition of chargeable development (Regulation 9) makes clear that in instances of full planning approval the chargeable development is that entirely consented. Whilst Regulation 9(4) effectively permits a staged payment approach to outline consents (where phasing is proposed), it is normally the practice to only pursue outline (or hybrid) applications for the largest and most complex sites. The majority of planning proposals will still be submitted in full.

3.15 It will be larger schemes which generate the greatest CIL payments and as such phasing of payments should be tailored to recognise funding constraints and cash flow of such schemes. The set timescale approach would only be suitable for very small developments in which there was certainty that development would be built very quickly and the funding would be available to pay the CIL charge.

3.16 It is therefore, advised that any phasing of CIL payments should accord with build out rates/ anticipated dwelling occupations and not to set timescales not linked to sales/ cashflow, etc. There are significant concerns regarding the restricted timescales set out at C3.1 and C3.2 that are not based upon any evidence, i.e. require full CIL payment within two months for ‘minor’ development and full CIL payment within 12 months for ‘major’ development. It would be recommended, particularly for major proposals, they should be accompanied by supporting phasing plans with planning applications showing build rate/ anticipated dwelling occupations and approximate timescales. This would provide the District Council with a level of certainty when CIL payments can be expected without tying developers to artificial and rigid timescales.
Payments in Kind

3.17 Regulation 73(1) permits the payment of land in lieu of CIL. This is an interesting tool which could be proactively interpreted where the land in question is provided for infrastructure. Our clients would encourage the District Council to outline a proactive mechanism and approach to permit developers to offer land either as payment or to take into account the value of land which is retained for the use of infrastructure. It will be important to do this in order to avoid situations of ‘double counting’, for example, where developers have increased site abnormal costs owing to site based infrastructure needs, only to have to also effectively (as a proportion of costs) pay greater CIL charges.

Relief

3.18 The Community Infrastructure Levy Relief – Information Document (CLC, May 2011) outlines the Government’s position on “exceptional circumstances” which could warrant exception from CIL (paragraph 66 onward). The first matter to note from the Regulations is that the offer of relief is discretionary on the charging authority (Regulation 55(3) (a)). TW/PH consider it is imperative that the District Council makes available relief from the date of the adoption of CIL, and that it clearly outlines its approach to doing so, in conformity with the Regulations. It seems from the Preliminary Draft Charging Schedule documentation that the District Council does propose to offer relief which is welcomed (section 8.0). Guidance on the level of detail required for the viability assessment to qualify for relief should also be provided.

CIL Regulation 122 – Double Counting

3.19 With regard to the relationship with Section 106, the CIL Charging Schedule should be clear that ‘double counting’ of Section 106 contributions and CIL is not permitted by law, and our clients note the reference made at paragraph 3.3 of the consultation document. The key tests of CIL Regulation 122 should be outlined within the supporting documentation. In practical terms, owing to the need to publish a Regulation 123 List, it is likely that only site specific or immediately adjacent measures will continue to be funded by Section 106 (i.e. site access or immediately adjacent open space).

3.20 The Government’s position on the role of Planning Obligations is clearly outlined in the Overview document at paragraphs 59 and 60, notably the statutory basis that they must be directly related to mitigating the impact of development, and that CIL payments and planning
obligations do not overlap. It is noted that the District Council intends to replace the current Section 106 ‘pooled contributions’ mechanism towards open space and transport with CIL. In the operation of CIL it is essential that minimal S.106 is sought to avoid ‘double counting’ of Section 106 contributions and CIL.

3.21 Paragraph 6.13 of the Preliminary Draft Charging Schedule refers to the viability modeling assuming zero residual planning obligations. In reality, it is likely that developments will still proceed with some S.106 contributions (i.e. off site junctions/ S.278 obligations). Our clients therefore have concerns with the approach in the Viability Appraisal of assuming no S.106 as discussed in Section 4.

Reviewing CIL

3.22 With regard to reviewing CIL, our clients strongly encourage the District Council to proactively outline a review mechanism for CIL as part of annual monitoring (required by both the CIL and Local Development Regulations). Paragraph 4.5 of the Preliminary Draft Charging Schedule merely states ‘at an appropriate time in the future, the CIL charges will be reviewed by the Council’. The CLG CIL Charge Setting and Charging Schedule Guidance outlines that the Government ‘strongly encourages’ reviews to ensure that CIL is fulfilling its aim and responds to market conditions. It may therefore, be prudent to outline on adoption of CIL a review within 12 - 24 months.
4.0 Viability Appraisal – DTZ

4.1 The proposed CIL rate has been supported by evidence produced by DTZ dated December 2011. Owing to the key test of Regulation 14(1) it is important that the viability appraisal prepared is fit for purpose. It is clear that at Examination the Charging Schedule will need to be supported by “relevant evidence” (Regulation 11(1) (f) / 19(1) (e)).

4.2 As outlined, at this stage no alternative viability evidence has been prepared, although our clients may do so at the Examination stage if it is felt this were required. It may however be more prudent for Savills on behalf of our clients to liaise directly with DTZ over the necessary changes to the viability study in the period running up to the next stage publication Draft Charging Schedule.

The Requirement for a Viability Study

4.3 The requirement to justify the Charging Schedule with evidence of viability is outlined by CIL – An Overview paragraphs 25 and 26, which notably also makes reference to setting deferential rates. The CLG CIL Charge Setting and Charging Schedule Guidance (2010) at paragraph 21 refers to taking an “area based approach”, further of notable importance, and paragraph 29 outlines “charging authorities should avoid setting a change right up to the margin of economic viability across the vast majority of sites in their area”.

4.4 The viability exercise must also be aimed to demonstrate a need for flexibility in seeking CIL payments. It should not be assumed that all development can afford to pay or that all development should be charged the same levy. It must also be recognised that in certain circumstances relief may be offered where viability is an issue.

4.5 The fundamental premise is that to enable delivery, sites must achieve a credible land value and developers the required return on investment, otherwise development will be stifled. This is recognised by the emerging NPPF and is certainly ‘in-built’ within the CIL Regulations.

4.6 It will also be an important consideration to ensure that the evidence of viability adequately tests scenarios that reflect the key sites required to deliver the planned growth (Core Strategy – 2009), split by west, south and east of the District.
The DTZ Study

4.7 The DTZ viability assessment was based on a series of residual valuation scenarios that models the gross development value achievable from different uses in the district and discounts development costs, interest costs and developer profit. In principle, our clients consider the overall methodology of seeking to determine viability on a residual valuation exercise as being appropriate. The specific comments relate to the inputs and assumptions made.

4.8 According to the DTZ viability study, a single uniform charge was deemed the best and most simplistic method of calculating CIL; our clients question this method of calculating CIL.

4.9 The Preliminary Draft Charging Schedule outlines a level of £80 per square metre which based on the evidence provides no viability ‘buffer’ to take account of site specific circumstances and to ensure that CIL does not represent a ‘serious risk’ to viability of development.

Methodology

Land Value

4.10 No premium above existing/ current use value is included within the study. For urban land uses this is particularly relevant whereby the land owner would require a premium in excess of its existing use value for the inconvenience of having to relocate. This has been implied by a number of planning appeal decisions including Land at Ewer Street, London (APP/A5840/A/11/2153570) and Land at Beckenham (APP/G5180/A/08/2084559). It was deemed appropriate in these particulars cases that a premium of 15% - 20% in excess of the existing use value was appropriate for development land to come forward. Whilst this does not affect the amount of money developers can offer for a site, it does affect the availability of sites for development and more importantly landowner expectations.

4.11 It is wholly inappropriate to use agricultural land value as a benchmark value for greenfield land. Savills experience is that significant multiples of agricultural land value are typically required for release of strategic greenfield land in a range of £125,000 - £175,000 per acre for the South East.
**Scenarios Tested & Geographical Spread**

4.12 We think it would be prudent to outline how the housing land supply pipeline is distributed between the four market areas and the types of site tested. This information is of course readily available owing to the Core Strategy adoption. It is important that the financial appraisal addresses those key sites central to the delivery of the planned growth (Core Strategy). Table 6 outlines that the following six scenarios were tested:

<table>
<thead>
<tr>
<th>Archetype</th>
<th>Site Type</th>
<th>Density (dph)</th>
<th>Site Area</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Greenfield Site</td>
<td>25</td>
<td>4 ha</td>
<td>Erection of 30 x 2 bed houses (35%), 35 x 3 bed houses (35%) and 30 x 4 bed houses (30%)</td>
</tr>
<tr>
<td>B</td>
<td>Greenfield Site</td>
<td>25</td>
<td>0.5 ha</td>
<td>Erection of 4 x 2 bed houses (35%), 4 x 3 bed houses (35%) and 4 x 4 bed houses (30%)</td>
</tr>
<tr>
<td>C</td>
<td>Greenfield Site</td>
<td>25</td>
<td>4 ha</td>
<td>Erection of 35 x 2 bed houses (35%), 35 x 3 bed houses (35%) and 30 x 4 bed houses (30%)</td>
</tr>
<tr>
<td>D</td>
<td>Greenfield Site</td>
<td>25</td>
<td>0.5 ha</td>
<td>Demolition of 2 x 4 bed houses and erection of 3 x 2 bed houses (35%), 3 x 3 bed houses (40%) and 1 x 4-bed house (10%) (5 unit net gain)</td>
</tr>
<tr>
<td>E</td>
<td>Small site</td>
<td>35</td>
<td>0.18 ha</td>
<td>Demolition of 2 x 4 bed houses and erection of 12 x 2-bed flats (10 unit net gain)</td>
</tr>
<tr>
<td>F</td>
<td>Infill Site</td>
<td>75</td>
<td>0.13 ha</td>
<td>Erection of 2 x 3 bed houses (35%), 3 x 3 bed houses (40%) and 1 x 4-bed house (10%) (5 unit net gain)</td>
</tr>
<tr>
<td>G</td>
<td></td>
<td>25</td>
<td>0.04 ha</td>
<td>Infill of 1 x 3 bed house</td>
</tr>
</tbody>
</table>

4.13 As outlined earlier in this representation, our clients are concerned that the potential to charge differential rates in the district has not been taken. We believe that this would be a more appropriate strategy to adopt.

4.14 The proposed area-wide level of CIL takes no account of the variation in viability across the area. On this basis, the study finds a variation in a viable level of CIL of between zero and £14,000 per unit across the four areas (with the method and assumptions used), but recommends an average rate of £8,340 per unit across the four areas. This is wholly inappropriate to the least viable areas such as the eastern sub-area.

4.15 There is no explicit mention of a “viability buffer”. As noted above, in reality, site specific circumstances will mean that the economics of the development pipeline will vary from the typical levels identified via analysis of the theoretical site typologies. This is inevitable given the varied nature of housing land supply and costs associated with bringing forward development. Therefore, there must be a viability buffer incorporated either into the benchmark land value, or elsewhere through the CIL assessment process which would ensure delivery of sufficient housing to meet strategic requirements.
4.16 The land supply in New Forest District is geographically spread, for example for housing land supply it is spread by area, with growth located to the west, south and east of the District (see Core Strategy – 2009). As outlined in Section 3 of this representation a large proportion of growth is directed to the east of the District where viability seems more constrained.

4.17 It is therefore highly possible that the average rate of CIL applied at £8,340 per unit renders schemes in lower value areas unviable. In these instances further testing of viability against both lower CIL and affordable housing levels should be undertaken to ascertain a different CIL rate. This will more than likely point to a need for differential rates across the district.

4.18 The risk of the present approach is that an unacceptably high proportion of development in the west and east sub-areas will be rendered unviable, which is not the purpose of CIL.

Section 106 Assumptions

4.19 In Section 7 of the DTZ report it is stated that Section 106 contributions have not been included within the appraisal, other than affordable housing. Therefore, no account has been taken of site specific Section 106 payments to directly mitigate the impact of development. A ‘standard approach’ to Section 106 would ignore certain site abnormalities. We would urge New Forest District Council to assess site specific S.106 payments alongside CIL.

Market Improvement

4.20 The sensitivity to market improvement should be discounted for assessment of viability, as viability during the next five years should be assessed on the basis of current values and costs.

4.21 New Forest District Council has effectively accepted that development in the lower value areas in the district will not be forthcoming until the market improves towards the latter end of the development plan period. Our clients question this assumption. If the CIL rate is set at a uniform rate we believe it is essential to account for the viability of lower value areas in the current economic climate. In this regard setting a uniform rate of £60 per sq m would have less of an impact on the east and west sub-regions and not deter development. The alternative is to look to set a differential rate.
Phasing of Payments

4.22 Our clients highlighted strong concerns with the proposed instalments policy in Section 3 of this representation.

4.23 It is not clear from the DTZ Study whether phasing of payments has been assumed by build rates or by time (as proposed by NFDC’s draft policy).

Overall

4.24 Our clients consider that the District Council needs to provide a robust assessment of the individual areas within the district and if appropriate, propose differing levels of CIL for the areas outlined in the study. This will ensure that viability will not be negatively impacted or development constrained from coming forward. It could be that a rate of £60 per square metre is viable, either across the whole District or at the very least set as a differential rate in areas to the east of the District.

4.25 Our clients therefore request that the evidence is revised, as summarised by the list below:

- Viability ‘buffer’
- Landowner premium
- Revision of uniform rate
- Future estimate of land values
- Site specific Section 106 costs
5.0 Conclusions

5.1 Taylor Wimpey and Persimmon Homes are concerned with aspects of the Preliminary Draft Charging Schedule and supporting evidence, which need to be addressed before the publication of the Submission stage Charging Schedule.

5.2 The future Examination of CIL will address four key aspects:

1. *Compliance with the procedures set out in the Planning Act 2008 and the CIL Regulations*

5.3 It is too early to comment on this aspect of the Examination process.

2. *The charging authority draft charging schedule is supported by background documents containing appropriate available evidence;*

5.4 The District Council has produced a number of supporting documents to justify the Preliminary Draft Charging Schedule.

5.5 The Infrastructure priorities as outlined by the proposed Regulation 123 list should be closely aligned to the need to stimulate growth and deliver the Core Strategy. As set out in this representation, there are some concerns regarding whether some of the infrastructure projects identified by the District Council fall within the definition of ‘infrastructure’ provided in the Planning Act 2008. A review of the infrastructure project list by the District Council is, therefore, encouraged.

5.6 TW/PH question elements of the viability appraisal produced by DTZ and request amendments for the Submission stage of the Draft Charging Schedule.

3. *The proposed rates or rates are informed by and consistent with, the evidence on economic viability across the charging authority’s area*

5.7 Our clients are concerned that the proposed rate for residential development of £80 per square metre will render an unacceptably high proportion of development unviable, and hence fail the tests of Regulations. There is insufficient evidence to justify this rate at this time, notably in the east of the District. An alternative rate of £60 per square metre should be considered, at least in the east of the District.
5.8 As outlined in Section 4 TW/PH also have a number of concerns with the inputs to the study.

4. **Evidence has been provided that shows the proposed rate would not put at serious risk overall development of the area**

5.9 As outlined, at this stage no alternative viability evidence has been prepared, although TW/PH may do so at the Examination stage if it is felt this were required.

5.10 Our clients are willing to meet with the District Council and DTZ to discuss how the viability appraisal and instalments policy may be improved, and whether the proposed CIL rate can be reduced.

**Other Considerations**

5.11 Further to the four aspects of Examination there are a number of other matters which the District Council should progress to enable the successful implementation of CIL, for example the suite of supporting documentation/ guidance.

5.12 Our clients note that a number of matters related to the implementation of CIL provided by the Regulations are optional. Our clients strongly suggest that the District Council permits the maximum possible flexibility available. It seems from the Preliminary Draft Charging Schedule documentation that the District Council does propose to offer relief and does propose to offer payment of CIL by instalments. The offer of relief and an instalments policy is supported. However, TW/ PH strongly object to the proposed payments by time and not build rate/ occupations.

5.13 TW/ PH would be pleased to discuss any of the comments within this representation and our clients look forward to being involved in the process going forward.

ENDS
Appendix

Savills Residential Property Focus
Residential Property Focus

Re-programmed: 2012-2016
Decoding the next five years of the housing market

Savills Research | Residential
savills.co.uk/research

The Forecasts Issue
Foreword

WHAT NEXT IN THE RE-PROGRAMMED ECONOMY?

Since we made our forecasts last year the world has changed, and we are making them this year viewing a dramatically altered economic outlook.

Our forecasts for the housing market are shaped by forecasts from Oxford Economics for economic growth, household incomes, base rates and all the other variables that go into our model of housing affordability.

This host of variables is determined by their outlook for the global economy. This year, in common with virtually every other forecaster, they have been revising their outlook for growth consistently and constantly downwards. Expectations are now, at best, for continued lower growth rather than the gradual recovery predicted in 2010.

So now we find ourselves looking at a fundamentally altered national economic backdrop – and also a potentially confusing array of housing market indicators saying different things. Taken on an annual basis, house price movements in the 12 months to September varied according to which monitor you looked at. Rightmove said +1.5%; while Land Registry and Hometrack said -2.6% and -3.5%, respectively. Our index for prime central London property was saying +13.6% while our index of prime regional property showed ~2.8%. Clearly, market behaviour has been complex.

There are three drivers at work in the market currently: 1. Overseas equity 2. Wealth created domestically and 3. Limited mortgage availability.

Prime central London is acting as a safe haven for global wealth so is growing. Prime South East markets and London centres markets did benefit from city bonuses and financial sector recovery after March 2009 but are now waning. Elsewhere, there has been essentially no significant recovery since the markets fell in 2008 and transactions have been extremely low. So the market has polarised in three directions: between the equity haves and have-nots, between North and South and between prime and mainstream. No wonder different indices are saying different things. Understanding these differences helps shed light on the market.

Asking price indicators reflect the optimism of vendors rather than the price at which a property will actually transact. This is valuable in revealing the sickness of supply that dogged the market. It shows how turnover is often the first casualty of a falling market as sellers withdraw (or left) their property when they can’t achieve a desired price.

There is a difference between transactions involving a mortgage and those involving equity. Cash transactions are now a more significant proportion of the market than ever before. These transactions are not showing up in every index and are making the whole-market sample measured by Land Registry very different to what has gone before.

Valuation-based indices have a representative sample of all stock, not just the properties that are selling at any one time. They tend to pick up changes earlier than others which have to wait for vendor’s expectations to adjust and a transaction to take place. These indices outside London have picked up signs of further falls in property value and indicate vendors will have to adjust their expectations if they want to sell.

This forecast issue suggests how much these expectations may need to adjust over the next five years in different markets.

Executive summary

The key findings in this issue

- Most property markets in the UK have not seen the recovery observed in the London-centric markets of southern England and have remained at low levels of growth and/or seen small falls since 2008.

- We expect very low growth in average nominal house prices over the next five years. It is inflation that will continue to strip value from mainstream property over this time.

- In the absence of widespread repossessions flooding the domestic markets, we see that turnover will remain the main casualty of this recession, with transaction levels staying at their all-time low level.

- London and southern markets, and particularly prime markets, are different. They have seen a V-shaped recovery as opposed to the L-shape of other regions. This is because they are capable of being driven by buyers with large amounts of equity and low reliance on borrowing. The discretionary nature of these purchasers makes these markets more volatile however, and buyers withdraw when sentiment falls.

- Prime London is different again as it belongs to a different class of world cities. The downside risks in this market are factors which diminish the creation of global wealth, such as commodity prices and speculation in the sterling exchange rate. While global economic turmoil persists and the global rich look to a safe haven store of wealth and a sterling denominated currency play, prime central London property will prosper.

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06 Market forecasts
08 UK prime markets
10 Private rented sector
12 Housebuilding
14 Transactions

Yolande Barnes
Head of Residential Research
020 7409 8899
y.barnes@savills.com

www.savills.co.uk/research
UK mainstream market

INFLATION IS MAJOR THREAT TO VALUE

Due to weak economic growth and constrained access to mortgage finance, our forecasts predict low capital growth prospects for the mainstream market over the mid term.

Words by Lucian Cook

This time last year, we foresaw a turbulent time for mainstream house prices and anticipated that austerity measures in the economy would start to impact on household finances and home buyer confidence.

These effects have indeed turned out to be negative, but not as damaging to values as we thought. The main casualty of the current housing market downturn has been transaction levels. Owners are simply not selling in the current climate and, with interest rates at manseable levels, are not forced to sell.

While these circumstances prevail and repossessed and distressed stock levels remain low, it is difficult to see the mechanisms by which widespread price falls will take place.

This means the shape of the mainstream housing market has changed rather more than house prices over the past 12 months.

In this article we argue that it is inflation, rather than nominal price falls that will erode housing value over the next few years.

More equity, less debt
Transaction levels have been far lower than the pre-crunch norm for some four years now. Proportionately more equity and less debt has been used to buy property. This has led to relatively stable prices, with little upward or downward movement across the country as a whole.

In recent decades, average house prices have outgrown inflation by around 2.5% per annum. Due to the recent downturn though, there has been no real (inflation-adjusted) growth so that in real terms, average mainstream house prices now stand at 2003 levels.

ECONOMIC VIEW

Expectations for global economic growth now incorporate a 'second slip' over 2012 that wasn't there this time last year. The implications for the UK are that 2012 GDP, which was expected at around 2.5%, is now likely to be closer to 1%, provided Eurozone collapse and its wider economic implications are avoided. The resulting levels of unemployment will suppress household income growth and, in turn, suppress both household consumption generally and spending on housing in particular. Positively for the housing market, poor economic growth prospects serve to depress base rates and help prevent mass repossessions flooding the market.
This raises the question of whether austerity measures have created a new era for mainstream house prices, with the trend of inflation-busting house price growth firmly consigned to history.

**Affordability levels**

With the economic outlook weakening over the past 12 months and forecasts for the recovery being pushed out further, the Bank of England is likely to maintain base rates at their historically low level for longer than expected.

Following the announcement of a further expansion of quantitative easing by £75 billion, our economic forecasters do not foresee any base rate increase before Q2 2013 at the earliest. This should have the effect of preserving affordability levels for longer, but it can no longer be relied upon to enable a return to real house price growth.

Our model of house price affordability is based on whether, after taking care of basic expenditure, households can afford the mortgage payments on the purchase of a new house. Through 2008 house price affordability soared as prices, levels of borrowing, and interest rates all fell, but we have already seen some of the affordability cushion built up during that period eroded by the rebound in house prices during 2009, high levels of inflation and flat real incomes.

**Growth constraint**

A continuation of these factors combined with base rate rises further down the line, are likely to erode affordability further. This is likely to limit the capacity for price growth at a national level, with the lack of economic growth meaning the trigger for house price growth is also pushed back.

Taking all of the above into account our mainstream forecasts have been cut back since this time last year. At a national level, prices are forecast to remain flat. We are predicting total nominal growth of 6.0% in the average UK house price over the five year period covered by our forecasts.

We expect the picture to vary geographically. Relatively strong five year price growth in London (19.1%) and the surrounding markets (South East 15.7% and East 14.1%) is expected on the back of stronger economic performance and a lesser reliance on mortgage finance. By contrast, northern regions are set to lag, seeing little to no growth (see page 6).

While real house price growth is likely to be put on hold for some time, it does not necessarily follow that it is consigned to the history books forever. At the end of 1995, inflation-adjusted house prices were at the same level they were 12 years previously. In the following decade they rose by 140% in real inflation-adjusted terms.

We now expect a period of necessary house price affordability correction that will push out yields and be a draw for investors.
## House price values

### MARKET FORECASTS

#### PRIME MARKETS

*Five-year forecast values, 2012-2016*

<table>
<thead>
<tr>
<th></th>
<th>Change from peak to date</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>5 years to 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prime Central London</td>
<td>15.6%</td>
<td>3.0%</td>
<td>0.0%</td>
<td>5.0%</td>
<td>6.5%</td>
<td>6.5%</td>
<td>22.7%</td>
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<td>Prime Regional</td>
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<td>-3.0%</td>
<td>2.5%</td>
<td>4.0%</td>
<td>5.5%</td>
<td>5.5%</td>
<td>15.1%</td>
</tr>
<tr>
<td>Prime South East</td>
<td>-12.5%</td>
<td>-2.5%</td>
<td>3.0%</td>
<td>6.5%</td>
<td>6.5%</td>
<td>6.5%</td>
<td>21.3%</td>
</tr>
<tr>
<td>Prime South West</td>
<td>-20.8%</td>
<td>-3.5%</td>
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<td>4.0%</td>
<td>4.5%</td>
<td>5.5%</td>
<td>12.9%</td>
</tr>
<tr>
<td>Prime East</td>
<td>-18.4%</td>
<td>-2.5%</td>
<td>2.5%</td>
<td>4.0%</td>
<td>4.5%</td>
<td>6.0%</td>
<td>15.1%</td>
</tr>
<tr>
<td>Prime Midlands/North</td>
<td>-23.5%</td>
<td>-6.0%</td>
<td>2.0%</td>
<td>2.0%</td>
<td>4.5%</td>
<td>5.0%</td>
<td>7.3%</td>
</tr>
<tr>
<td>Prime Scotland</td>
<td>-17.8%</td>
<td>-4.0%</td>
<td>1.0%</td>
<td>2.0%</td>
<td>3.0%</td>
<td>5.0%</td>
<td>7.0%</td>
</tr>
</tbody>
</table>

*Source: Savills Research*

#### MAINSTREAM MARKETS

*Five-year forecast values, 2012-2016*

<table>
<thead>
<tr>
<th></th>
<th>Change from peak to date</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>5 years to 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK</td>
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<td>-2.0%</td>
<td>0.5%</td>
<td>1.0%</td>
<td>2.0%</td>
<td>4.5%</td>
<td>6.0%</td>
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<tr>
<td>London</td>
<td>-2.9%</td>
<td>-0.5%</td>
<td>1.0%</td>
<td>5.0%</td>
<td>6.0%</td>
<td>6.5%</td>
<td>19.1%</td>
</tr>
<tr>
<td>South East</td>
<td>-7.7%</td>
<td>-1.0%</td>
<td>1.0%</td>
<td>4.0%</td>
<td>5.0%</td>
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<td>10.3%</td>
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<td>4.5%</td>
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<td>0.4%</td>
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<td>North East</td>
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<td>-1.5%</td>
<td>-1.5%</td>
<td>-0.5%</td>
<td>3.0%</td>
<td>-3.1%</td>
</tr>
<tr>
<td>North West</td>
<td>-14.0%</td>
<td>-2.0%</td>
<td>-1.0%</td>
<td>-1.0%</td>
<td>0.0%</td>
<td>3.5%</td>
<td>-0.6%</td>
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<td>Yorks &amp; Humber</td>
<td>-12.2%</td>
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<td>-1.5%</td>
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<td>-1.0%</td>
<td>3.0%</td>
<td>-2.6%</td>
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<td>Wales</td>
<td>-10.4%</td>
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<td>0.5%</td>
<td>0.5%</td>
<td>1.5%</td>
<td>4.5%</td>
<td>5.0%</td>
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<td>Scotland</td>
<td>-9.8%</td>
<td>-4.0%</td>
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<td>0.0%</td>
<td>0.5%</td>
<td>2.0%</td>
<td>-1.6%</td>
</tr>
</tbody>
</table>

*Annual house price growth key:*

- Below 0%
- 0% to 2%
- 2% to 4%
- 4% to 6%
- 6% to 8%
- 8% and over

*Source: Savills Research forecasts based on Nationwide actuals*
FIVE-YEAR PRICE GROWTH
PRIME AND MAINSTREAM

Key
--- Prime boundary

Grading: 5 year growth

<table>
<thead>
<tr>
<th>Grade</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grade A</td>
<td>+5%</td>
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<tr>
<td>Grade C</td>
<td>-5%</td>
</tr>
</tbody>
</table>

Our mainstream forecasts are for average stock in fair condition – ‘grade B’. Grade C stock will continue to underperform except in the very high-yielding locations. Grade A will outperform in the medium term (though not in the next year or two).

Prime 7.0%
Scotland
Mainstream -1.6%

North East
Mainstream -3.1%

North West
Mainstream -0.6%

Prime 7.3%
Yorkshire & Humber
Mainstream -2.6%

East Midlands
Mainstream 9.2%

West Midlands
Mainstream 0.4%

Wales
Mainstream 5.0%

Prime 12.9%
South West
Mainstream 10.3%

Prime 21.3%
South East
Mainstream 15.7%

East
Mainstream 14.1%

PCL 22.7%
London
Mainstream 10.1%
Prime markets
WORLD CLASS WINNERS

The prime markets of central London and the rest of the UK are currently heavily reliant on economic factors and the comparative strength of both overseas and domestic equity.

Words by Yolande Barnes

The prime markets in London and the rest of the UK have historically always been driven by the availability of equity rather than borrowing. This has made them particularly resistant to the recent downturn in mainstream markets but there is a question over whether this can continue.

Strong buyer sentiment and the availability of equity to prime buyers has meant that prime country house prices rose significantly after March 2009. In London, the impact of equity purchasers, particularly from overseas, has been even more pronounced. We estimate that, in the 18 months to June this year, a net £8 billion flowed into the second-hand and new-build markets of prime London from overseas sources. This contributed to a 12.7% increase in prime central London values during the first three quarters of 2011.

Prime London has been largely immune to the malaise that has hit mainstream property markets over the last year or so. Prime regional markets have been less protected though and changes in local economies have suppressed sentiment outside London so that prime regional values have fallen in line with mainstream markets, by -2.4% over the nine months to September 2011.

Despite the widening price gap between town and country, there seems to be an increasing reluctance among Londoners to move out of the capital and so we have seen a 24% drop in this type of relocation activity. If the equity doesn’t migrate from London, prime country markets will remain suppressed.

Personality divide
Meanwhile, the prime London market itself is also experiencing a personality divide. On the one hand, the more ‘domestic’ prime markets of south west London and locations such as Islington are more reliant upon earnings and employment in the Capital’s financial and business services sector.

On the other hand, there is an enormous amount of overseas wealth coming to the capital. High commodity prices and growth in emerging economies are creating international billionaires and multi-millionaires at an unprecedented rate. Many of these ultra high net worth individuals are attracted to the prime London markets. Some come because they are based here but others see a London property as part of a portfolio of must-have real estate.

They are attracted by the UK’s political, financial and legal stability and see the City as a ‘safe haven’ store of wealth. They are also attracted at present by low rates of exchange and some may see a sterling denominated asset as a longer term currency play.

This state of affairs is not uncommon in a market which has seen regular influxes of global wealth in past decades but it does mean that PCL markets have been more volatile.
**Prime Markets**

Five-year forecast values

<table>
<thead>
<tr>
<th>Forecasts</th>
<th>Change from peak to date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prime Central London</td>
<td>15.6%</td>
</tr>
<tr>
<td>Prime South East</td>
<td>-12.5%</td>
</tr>
</tbody>
</table>

Data source: Savills Research

as this activity has ebbed and flowed. What is different today is the relative lack, and little immediate prospect, of large amounts of wealth being created in the City of London and finding its way into the residential real estate markets as the result of a strong domestic economy. In the absence of the influx of overseas equity, prime London would probably be undergoing a similar fate to prime property in the rest of the country.

Further growth in the central London market is dependent on it continuing to defy – or even benefit from – the pressures on the global economy. On the one hand, greater uncertainty encourages the search for a safe haven for wealth while on the other, there comes a point where a slowdown, prevents new wealth being generated and shrinks the pool of potential buyers.

While the Eurozone may be tottering on the brink of a double-dip recession, the outlook in other parts of the world is more favourable. Economic forecasts for the Middle East, Asia and Eastern Europe have been ‘trimmed’ but they are more positive than for the US and Eurozone so we anticipate that buyers from these regions will drive demand in the medium term (see Table 3.1).

The health of the Eurozone affects the more family-oriented London prime markets such as south west London, where many households are employed in the financial and business services sector (see Table 3.2 for London outlook). So far, those markets remain unsupported by large-scale city bonuses. The latest estimates from the Centre for Economic and Business Research suggests the 2011/12 bonus pool will shrink to about 62% of what was in 2007 and be paid out over several years.

**Global city fundamentals**

We have already highlighted the volatile nature of prime central London and a lull in this market is to be expected at some point. On balance, we believe the influx of global wealth in uncertain times still has some time to run and may even be boosted by the international attention that London will receive in the run-up to the 2012 Olympics. We have therefore forecast continued, but lower, prime central London growth next year with a short-lived downward blip in the final quarter before growth resumes later in 2013, driven by strong global city fundamentals and an improving domestic economy.

The prospect of a lull in London will do little to improve sentiment in the prime markets beyond London, but the gap between London and country prices is wide and makes prime property outside the M25 look comparatively good value.

To date, the markets which are completely divorced from London (the Midlands, the North and Scotland) have been the slowest to recover. That is set to continue.

“We believe the influx of global wealth in uncertain times still has some time to run”

Yolande Barnes, Savills Research

---

**London’s Prime Will Grow Again**

PCL property set to perform on a par with UK gilts

Over the next five years, we expect the capital value growth of prime central London residential assets to outperform many commodities markets and perform in line with West End offices and UK gilts, with additional rental growth on top.

In an investment world searching for yield and security there are few options for investors. As illustrated in the table below, capital growth in the non-yielding commodities such as gold could come a long way behind our forecasts for prime central London residential property, which is increasingly heralded as a store of value in uncertain times.

UK property is also a sterling-dominated asset, which makes it look cheaper by international standards and can be particularly attractive to overseas investors looking for an additional currency play.

We even expect UK mainstream residential property to look attractive in the medium to long term. Historically, gold has been the asset of choice during economic uncertainty but Oxford Economics predicts, as do others, that the price of it and other commodities will fall at some point. The income-producing nature of residential real estate as well as the potential for real-world added value and sound capital growth prospects means that the case for housing investment looks increasingly supportable.

**Table 3.3**

Relative performance of different asset classes

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<tr>
<th>Rank</th>
<th>Asset class</th>
<th>5yr growth to 2016</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Dow Jones Global Index</td>
<td>49.3%</td>
</tr>
<tr>
<td>2</td>
<td>West End Offices</td>
<td>26.6%</td>
</tr>
<tr>
<td>3</td>
<td>UK 10-yr gilts</td>
<td>24.3%</td>
</tr>
<tr>
<td>4</td>
<td>Prime central London</td>
<td>22.7%</td>
</tr>
<tr>
<td>5</td>
<td>Oil</td>
<td>10.9%</td>
</tr>
<tr>
<td>6</td>
<td>UK residential mainstream</td>
<td>6.1%</td>
</tr>
<tr>
<td>7</td>
<td>Non-fuel primary commodities</td>
<td>0.3%</td>
</tr>
<tr>
<td>8</td>
<td>Gold</td>
<td>-37.1%</td>
</tr>
</tbody>
</table>

Forecast: 4.6 Savills Research / 1,3,5,7,8 Oxford Economics / 2 IPD
Private rented sector

RENTAL GROWTH IN A GROWING MARKET

A marked increase in the demand for rental property has caused a shortage in supply, consequently rental values are growing at a far faster rate than capital values across the UK.

Even though we have long been advocates of residential property investment in the private rented sector, this has until recently been predicated chiefly on the expectation of increased capital value. Now, in the face of increased rental demand, a shortage of property to rent is currently pushing up rents at a rate faster than capital values across the UK. According to rncaproperty.com asking rents rose by 4.6% in the year to the end of September, while the LSL buy-to-let index suggests rental movements of 3.5% over the same period.

There is a growing demand for rental property as more newly formed households look to rent, more first time buyers choose to delay or are prevented from making a purchase and economic constraints push more people from home ownership into rented accommodation.

This scenario is unlikely to change for as long as mortgage finance remains scarce and first time buyer deposits are unattordable.

The recent low levels of investment in the residential sector means available property to rent is scarce. Demand for mortgage finance among buy-to-let investors is rising, but the level of new lending in this sector remains heavily suppressed. In the second quarter of 2011 gross buy-to-let mortgage lending was just 28% of its level at the peak of the market.

Large scale portfolio investment, which has the potential to significantly expand the rented sector, has garnered significant interest, but is yet to bear

“Large scale portfolio investment for the rented sector has garnered significant interest”
Yolande Barnes, Savills Research

GRAPH 4.1

The rise in renting Change in owner occupied and private rented households in England

Graph source: CLG
RENTAL MARKETS
Five-year forecast values

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Prime</td>
<td>8.0%</td>
<td>4.0%</td>
<td>5.0%</td>
<td>5.0%</td>
<td>5.5%</td>
<td>5.5%</td>
<td>27.6%</td>
</tr>
<tr>
<td>London</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UK</td>
<td>4.0%</td>
<td>3.0%</td>
<td>3.5%</td>
<td>3.5%</td>
<td>4.5%</td>
<td>4.5%</td>
<td>20.5%</td>
</tr>
</tbody>
</table>

Source: Savills Research

fruit. Much of this comes down to investors’ views of income yields rather than the positive look for cashflows.

In London and the South East where capital values remain relatively high the supply-demand imbalances between renters and available property to rent are greatest. Higher yielding properties favoured by investors are simply in lower supply there.

This sticky supply-side is key to our prognosis that rents will rise by over 20% across the country as a whole over the next five years. Were it not for the constraints of affordability, this forecast would be even higher.

This level of rental growth has the effect of maintaining average UK rents at 38% of net disposable household income which is slightly higher than their 10-year average but in line with where they were at the turn of the millennium. By this yardstick, rental ‘affordability’, a term which we expect will assume increasing significance, will not worsen under this scenario.

Upward yield shift
Rental growth of this level would see the headline gross yield on residential stock increase from 5.0% to 5.7%. In areas of weak owner occupier demand, yields start from a higher base, we expect an even greater upward yield shift.

This means one and two-bedroom properties in secondary and tertiary locations should begin to stand up as income yielding investments, when compared to alternative asset classes over the next five years.

FORECAST OF TENURE PATTERNS
Private renting set to increase to 20% of households by 2015/16

The summer issue of Residential Property Focus outlined in depth how the structure of the housing market has changed, and how the number of owner occupiers has been falling since the early Noughties while the private rented sector has grown.

The increased movement of new households into private renting and movement of former owner occupiers into the rented sector have exacerbated this trend in the post credit crunch environment of rationed mortgages. According to the Survey of English Housing, the number of households in private rented accommodation rose by just under 290,000 between 2008/09 and 2009/10.

We expect this to continue such that private renting will rise from 15.6% of all households in England in 2009/10 to 20% of households by 2015/16.

INVESTMENT CREDENTIALS
Residential investment activity will increase

UK investors in residential property have come to expect that capital growth will provide the bulk of their returns. In the last decade, total returns on standing residential investment portfolios have been 10.1% according to IPD’s analysis of the sector. Most of this return (6.2%) has been the result of rising capital values – despite the 2008 downturn. Only 3.7% has been net income from rents.

This does not mean rents have been static over this period, it’s just that (more volatile) capital values have grown much more. Indeed, rental growth on commercially managed residential properties has been greater than in other commercial property asset classes in the past three years.

As average UK rents increase in the future at a rate faster than average capital values, income yields will continue to move out. This should increase the attractiveness of the sector to investors, particularly those looking for strong income-producing assets with growth potential and should be the catalyst for increased institutional and other residential investment.

Consequently, we expect activity in the residential investment sector to start its ascendancy next year.
Housebuilding

TURNING UP THE VOLUME

The shortfall in the supply of new build housing is widening, but is it possible for development volumes to increase to the levels that are necessary?

Build rates for new homes are now running at less than half the levels required. This may be good news for homeowners, lenders and investors as it supports existing house prices, but in economic and social terms it is potentially disastrous. New young working households, expanding families and older households looking for living space are not finding the homes they need.

The Government has acknowledged this much in the draft National Planning Policy Framework and, undoubtedly, we will be reading more on this subject in the Government’s Housing Strategy when it is published later this year.

Financial viability
The draft planning framework emphasises how the planning system should respond to signs of unmet demand with the sustainable development of new places.

Furthermore, for meeting housing requirements, it strengthens the need for local planning authorities to identify and maintain a supply of deliverable sites to meet locally identified housing requirements.

The limited financial viability of development has prevented significant volumes of land coming forward for new housing. Since 2007, new planning consents have been granted for 487,000 new homes in England, yet development has started on only 339,000 new dwellings during the same period (see Graph 5.1).

The principal constraint on the financial viability of land is a reduced market capacity brought about by the limited availability of mortgage finance. New homes registrations have fallen by 41% since 2007, in line with the fall in market transactions as outlined on page 14 of this report.

Public sector support
Volumes of new housing would have fallen much further, except for public sector funding of affordable housing. Spending by both the Labour and Coalition governments supported shared equity loans to first time...

Graph source: Glenigans for HBF, CLG
FILLING THE GAP WITH PRIVATE RENTED STOCK

Can the rental investor fill the demand for new build housing?

Given the limited extent to which we can rely on a recovery in mortgage transactions, there is a clear role for the private rented sector to fill the gap in demand for new build housing. We expect the private rented sector to expand to 20% of housing stock in England by the end of 2016 (see page 11).

The key variable is the price at which investors are prepared to buy new homes from developers. In the past, individual buy-to-let investors have bought at prices close to the price paid by owner occupiers, or early ‘off-plan’ at a discount. As these investors, constrained by more risk averse mortgage lending, have faded into the background, professional investors, including property companies and institutions have been the main driver of the investor market. These investors appraise their acquisitions with reference to income return and rental growth prospects and in some markets make their purchases at substantial discounts to owner-occupied values.

The gap is greatest where rental demand and rental growth prospects are weakest and conversely at its narrowest in strong markets.

This is the new reality of residential development viability and needs to be understood by developers. On many larger sites, most notably in urban areas where tenant demand is high, market absorption will depend on substantial investor acquisition at discounts to owner occupied values.

2. The use of surplus public sector land

Surplus public sector land offers a significant way of breaking out of the viability deadlock, because of the opportunity to release land at a value that allows wider policy objectives to be met. The Government has recently announced its intention to release sufficient public land to deliver 100,000 new homes by 2015.

The success of this strategy depends on whether the ‘Government department landowner’ is more interested in the delivery of new places than the realisation of each receipt.

If it is the former, then value can be realised over a longer timeframe and is therefore more likely to be immediately viable. If landowners remain wedded to the latter it is unlikely that land can be brought forward at scale in any but the highest value markets.

---

“Government spending on housing is insufficient to expand development volumes.”

Jim Ward, Savills Research
TRANSACTIONS

SHORTFALL IN ACTIVITY WIDENS

Activity this year predicted to be just over 50% of level before the crunch.

TABLE 6.1
Projected level of transactions (in 000s)

<table>
<thead>
<tr>
<th>Year</th>
<th>Transactions</th>
<th>Previous 10 year average</th>
<th>Shortfall</th>
<th>Cumulative Shortfall</th>
</tr>
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<tbody>
<tr>
<td>2007</td>
<td>1,613</td>
<td>1,684</td>
<td>71</td>
<td>71</td>
</tr>
<tr>
<td>2008</td>
<td>801</td>
<td>1,684</td>
<td>823</td>
<td>8,533</td>
</tr>
<tr>
<td>2009</td>
<td>859</td>
<td>1,684</td>
<td>825</td>
<td>1,678</td>
</tr>
<tr>
<td>2010</td>
<td>886</td>
<td>1,684</td>
<td>798</td>
<td>2,476</td>
</tr>
<tr>
<td>2011</td>
<td>856</td>
<td>1,684</td>
<td>828</td>
<td>3,303</td>
</tr>
<tr>
<td>2012</td>
<td>603</td>
<td>1,604</td>
<td>921</td>
<td>4,124</td>
</tr>
<tr>
<td>2013</td>
<td>880</td>
<td>1,684</td>
<td>804</td>
<td>4,928</td>
</tr>
<tr>
<td>2014</td>
<td>912</td>
<td>1,684</td>
<td>772</td>
<td>5,699</td>
</tr>
<tr>
<td>2015</td>
<td>967</td>
<td>1,684</td>
<td>717</td>
<td>6,416</td>
</tr>
<tr>
<td>2016</td>
<td>1,047</td>
<td>1,684</td>
<td>637</td>
<td>7,053</td>
</tr>
<tr>
<td>Total</td>
<td>9,784</td>
<td>16,837</td>
<td>7,053</td>
<td>7,053</td>
</tr>
</tbody>
</table>

Table source: HMRC

We estimate that, in the 18 months to June this year, a net £2 billion flowed into the second hand and new-build markets of prime London from overseas sources alone; these buyers tend not to sell in order to buy reducing the pool of property available. Also this year, there has been reluctance among Londoners to move out of the capital leading to a 24% drop in this type of relocation activity.

Looking ahead, the strength of recovery in transactions will be determined by the volume of mortgage lending available for house purchases. Reduced expectations for house price growth may well temper the willingness of banks and building societies to lend and the prospect of tighter restrictions on lending, in light of the ongoing global financial stress, will doubtless affect their capacity to do so.

This points to a slower and later recovery in transaction volumes meaning that in the 10 years to the end of 2016 transaction levels could be seven million fewer than in the preceding 10 years.

Please contact us for further information

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Q1c - agree:  
Q1d: New Forest District Councils existing charges for housing development have already brought house building to an all time low. At £80m2 an enormous cost is imposed on developers. With a rate so high even fewer homes will be built in the area. This in turn will cause house prices to become even more unaffordable for local people, cause lower levels of employment as less is built and consequently further undermine the local economy. NFDC has made no secret in the past that it considers too many infill houses have been built, its officers have introduced this levy to further decrease home building in the area. As a resident of the NFDC area, I and my family have not noticed a single place where the existing charges have brought the local community any benefit. I therefore know that the proposal will not benefit the local community, only those council workers whose salaries will be paid by it. Having read the councils research into these charges, and based on the short lived predecessor, I have no confidence in its robustness. For example, not consideration is given to the effect of the charges in the case of further house price falls. Nor do the proposed charges make any attempt to be responsive to changes in risk, bank lending criteria and other factors that all influence investment levels for house building. The rate of £80m2 cannot be sustained by the market as it is too high. My justification is based on 15 years work in this field, and a BSc from the London School of Economics.

Q1e - agree:  
Q1f: This will result in more costs to build shops that provide employment and generate taxes. This increase in costs will therefore result in a decrease in the supply of retail outlets with consequent reduction in Gross Domestic Product. Retail and builders already contribute enough taxes to government both local and national. It should be clear to the local authority that retail cannot pay even more, although you are all paid good salaries and huge pensions even local bureaucrats must have noticed the state of the economy.

Q1g - agree:  
Q1h: No charges for development should be made at all, not even at a zero rate.

Q1i - yes:  
Q1j:
Please use this form to comment on

New Forest District (outside the National Park)
Community Infrastructure Levy – Preliminary Draft Charging Schedule Consultation

What is the Community Infrastructure Levy?

The Community Infrastructure Levy (CIL) is a new levy that local authorities in England and Wales can choose to charge on new developments in their area.

The money will be used to support development by funding infrastructure that the council, local community and neighbourhoods want – for example, new or safer road schemes, park improvements or community facilities.

The system is very simple. It applies to most new buildings, although a £0 rate can be applied, and charges are based on the size and type of the new development.

New Forest District Council wants to move forward to use this system locally. To do this, the Council undertaken a lot of the work needed to set the local rate.

The Department of Communities and Local Government has produced a helpful guide to the Community Infrastructure Levy that can be found on their website: http://www.communities.gov.uk/publications/planningandbuilding/cilsummary

How to respond:

The consultation document is the:

- Preliminary Draft Charging Schedule for New Forest District Council (outside of the National Park)

As part of the consultation two documents have been made available to provide supporting evidence:

- Infrastructure Delivery Plan December 2011

There is also other background information supporting this consultation:

- New Forest District Council Core Strategy 2009
- Proposed submission Sites and Development Management Development Plan Document (DPD) January 2012

All of these documents are available on the NFDC website, at www.newforest.gov.uk

Hard copies of the consultation documents and evidence can be viewed at each of the District Council offices.

This consultation is open for six weeks of consultation from 16 January 2012 to 27 February 2012. Consultation responses must be received by 5pm on 27 February 2012 in order to be considered.
If you have any comments on the preliminary draft charging schedule for New Forest District Council’s Community Infrastructure Levy, please put these in writing to:

Policy and Plans Team  
Appletree Court  
Lyndhurst, SO43 7PA

If possible please use this response form to provide your comments. This will assist us in analysing your response and in publishing them correctly.

If you have any queries about this document, please email cilconsultation@nfdc.gov.uk

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<table>
<thead>
<tr>
<th>Your Name:</th>
<th>Laura McCulloch</th>
<th>Title:</th>
<th>Miss</th>
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If you are acting on someone’s behalf, please enter their contact details here:

<table>
<thead>
<tr>
<th>Name:</th>
<th>Stuart Jarvis</th>
<th>Title:</th>
<th>Mr</th>
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<tr>
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Please indicate below how you wish to be contacted by the Council on matters related to the CIL adoption (Tick box below)

Please ensure you have provided the information in the form above to contact you

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<th>By e-mail</th>
<th>Do not wish to be contacted</th>
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<td>Choose an item.</td>
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Please note that your comments will be made available for public viewing at Appletree Court Lyndhurst and via the Council’s website. **Personal information such as signatures and contact details will NOT be published on the website.**
<table>
<thead>
<tr>
<th>Question 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>1(a) Do you agree with the proposal to set a flat rate levy according to uses across the whole of New Forest District as set out in Chapter 7 of the Preliminary Draft Schedule?</td>
</tr>
<tr>
<td>Agree</td>
</tr>
<tr>
<td>1(b) If not, what different approach would you take?</td>
</tr>
<tr>
<td>See answer to question 7.</td>
</tr>
<tr>
<td>1(c) Do you agree with the proposed rate of £80 per sqm charge for residential housing?</td>
</tr>
<tr>
<td>Agree</td>
</tr>
<tr>
<td>1(d) If not, what do you believe the charge should be and what is your justification?</td>
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<td>See answer to question 7.</td>
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<tr>
<td>1(e) Do you agree with the proposed charges of £200 per sqm for retail development over 1000 sqm and £0 for retail development under 1000 sqm?</td>
</tr>
<tr>
<td>Agree</td>
</tr>
<tr>
<td>1(f) If not, what do you believe the charge should be and what is your justification?</td>
</tr>
<tr>
<td>See answer to question 7.</td>
</tr>
<tr>
<td>1(g) Do you agree with the proposed £0 charge for commercial and hotel development?</td>
</tr>
<tr>
<td>Agree</td>
</tr>
<tr>
<td>1(h) If not, what do you believe the charge should be and what is your justification?</td>
</tr>
<tr>
<td>See answer to question 7.</td>
</tr>
<tr>
<td>1(i) Do you believe there are any other uses which we should consider levying CIL on?</td>
</tr>
<tr>
<td>Yes</td>
</tr>
<tr>
<td>1(j) If so, which uses?</td>
</tr>
<tr>
<td>See answer to question 7.</td>
</tr>
</tbody>
</table>

Please note that your comments will be made available for public viewing at Appletree Court Lyndhurst and via the Council's website. Personal information such as signatures and contact details will NOT be published on the website.
Question 2

2(a) Regulation 44 of the CIL Regulations allows a Charging Authority to grant discretionary relief to charitable investments. This is also explained in Chapter 8 of the Preliminary Draft Charging Schedule. In view of the procedures to implement this, do you think it is appropriate for New Forest District Council (as Charging Authority) to offer discretionary charitable relief?

| Yes | Choose an item. | No | Choose an item. |

2(b) If so, on what circumstances do you think it might be appropriate for to consider granting discretionary charitable relief?

Question 3

3(a) Regulations 55-57 of the CIL Regulations allows a Charging Authority to grant relief in exceptional circumstances. This is also explained in Chapter 8 of the Preliminary Draft Charging Schedule. In view of the procedures to implement this, do you have any views on the circumstances in which it might be appropriate New Forest District Council (as Charging Authority) to consider granting discretionary exceptional relief?

| Yes | Choose an item. | No | Choose an item. |

3(b) If so, on what exceptional circumstances do you think it might be appropriate for to consider granting discretionary relief?

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**Question 4**

4(a) Do you agree with the approach to payment in kind set out in Chapter 8 of the Preliminary Draft Charging Schedule?

<table>
<thead>
<tr>
<th>Agree</th>
<th>Disagree</th>
<th>Choose an item.</th>
</tr>
</thead>
<tbody>
<tr>
<td>✅</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4(b) If not, what approach do you consider appropriate?

<table>
<thead>
<tr>
<th>Choose an item.</th>
</tr>
</thead>
</table>

**Question 5**

5(a) The approach to the staging of payments can be found in Appendix C of the Preliminary Draft Charging Schedule. Do you agree with this approach?

<table>
<thead>
<tr>
<th>Agree</th>
<th>Choose an item.</th>
<th>Disagree</th>
<th>Choose an item.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

5(b) If not, what proposals do you feel would be appropriate?

<table>
<thead>
<tr>
<th>Choose an item.</th>
</tr>
</thead>
</table>

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Question 6

6(a) Subject to any updated Regulations it is proposed that a proportion of the net CIL receipts be passed to local communities (e.g. the Parish Council or Town Council). Do you agree with this approach?

| Agree | | Disagree | Choose an item. |

6(b) If so what do you believe the percentage should be and what is your justification?

Question 7

Do you have any other comments on the Preliminary Draft Charging Schedule and the methodology used to produce it?

The County Council enjoys a good working relationship with the District Council in securing developer contributions towards new infrastructure. The County Council recognises and understands the requirements for the District Council as CIL Charging Authority, particularly with regards to ensuring that the CIL charging schedule meets the economic viability test. Nonetheless, the County Council has real concerns that the amounts likely to be raised under the CIL charging schedule will be insufficient to meet the gap in funding for essential infrastructure.

The County Council is keen to work with the District Council in considering the implications of both the overall funding available through CIL and other sources of income, and the management of CIL monies once received including the publication of the Regulation 123 list. This could be recognised in the document by inserting a statement in paragraph 9.3 of the document along the lines that the District Council will work with other bodies to address strategic and cross-boundary infrastructure and that delivered by other public authorities such as the County Council.

The County Council has a number of detailed comments regarding the information contained in the Infrastructure Delivery Plan. These are appended as a schedule to this response.

Please note that your comments will be made available for public viewing at Appletree Court Lyndhurst and via the Council’s website. Personal information such as signatures and contact details will NOT be published on the website.
New Forest District Council CIL  
Infrastructure Delivery Plan December 2011  
Response by Hampshire County Council

The County Council has a number of points to make in response to the Infrastructure Delivery Plan. The County Council notes that NDFC Intends to publish another draft CIL charging schedule in May 2012 and it is hope that this information will be incorporated into a revised Infrastructure Delivery Plan.

General Comment

Tables 1 and 2 of the Infrastructure Delivery Plan summarises the cost of planned and proposed infrastructure over the course of the Local Development Framework period. Information on County Council services appears to have been drawn from the Hampshire County Council Community Infrastructure Study and the 2011 Supplement, which gave details of the County Council’s capital programme for 2011/12 to 2014/15. The County Council has started work on an Interim Strategic Infrastructure Strategy which will update the assessment of infrastructure requirements and costs. Work on this is underway, and the emerging interim Strategy will be published next month. In the interim, please be aware that the county-wide infrastructure costs included in this Infrastructure Delivery Plan will require updating.

Transport

The County Council notes list of transport projects in Appendix A to support the delivery of the Local Development Framework objectives for which contributions are sought. As Highways Authority, the County Council has started a process of producing District Statement setting out transport policy and infrastructure requirements. Work is still at an early stage but the emerging statement shows a total cost of necessary infrastructure to serve the New Forest of £99.7m, with £2.9m of identified funding. This list aims to be compatible with the District Council’s IDP, although its scope goes beyond the IDP in that it covers all transport investment and not just that required to accommodate development. The County Council is keen to discuss the emerging transport statement with the District Council to ensure that the results can be incorporated into future iterations of the Infrastructure Delivery Plan.

Education

As Education Authority the County Council notes there is no reference to additional primary school places required as a consequence of residential development in Ringwood. The County Council is keen to discuss this identified requirement with the District Council to ensure that this requirement is incorporated into future iterations of the Infrastructure Delivery Plan.

Libraries
Appendix B contains some details of libraries which have been identified as likely to require investment. The estimated costs for these schemes have now been updated, and are as follows:
Fordingbridge: £300,000
Ringwood: £700,000
Lymington: £900,000
Milford on Sea: £300,000 (same)
New Milton: £1.6 million
Blackfield: £900,000
Hythe: £800,000
Totton: £2.3 million

Waste

Hampshire County Council is the designated Waste Disposal Authority. A full review of the Household Waste Recycling Centre service is currently being undertaken and will be implementing changes, subject to Member approval, the final outcomes of which will inform future capital schemes other than those that already have full Member approval. However, in the meantime the service has identified the following infrastructure requirements.

<table>
<thead>
<tr>
<th>Name of infrastructure project</th>
<th>Brief description of scheme</th>
<th>Location</th>
<th>Districts served</th>
<th>Total Cost / Indicative Cost (£m)</th>
<th>Indicative Time Frame</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efford HWRC</td>
<td>Relocation (site currently subject to Temporary Planning Permission)</td>
<td>Pennington</td>
<td>New Forest</td>
<td>1.0</td>
<td>2015-2020</td>
</tr>
<tr>
<td>Somerley HWRC</td>
<td>Relocation (site currently subject to Temporary Planning Permission)</td>
<td>Somerley</td>
<td>New Forest</td>
<td>1.0</td>
<td>2015-2020</td>
</tr>
<tr>
<td>Marchwood HWRC</td>
<td>Redevelopment to provide larger split-level site as existing single level site is at operational capacity</td>
<td>Marchwood</td>
<td>New Forest</td>
<td>1.3</td>
<td>2013-14</td>
</tr>
</tbody>
</table>

In all cases the service anticipates that these investments will be funded by the County Council’s Capital Programme.

Flood Defences and Coastal Erosion

Despite acknowledging that flood defences are included in the TCPA 2008 definition of infrastructure, the Infrastructure Delivery Plan includes little detail of flooding issues.

The County Council is the Lead Local Flood Authority for this area. That role is coordinate the activity of the plethora of flood risk management agencies in managing flood risk. It includes a requirement to do the following:
- Prepare, maintain, apply and monitor a strategy to address local flood risk
- Designate features that have a significant effect on flood risk
- Establish a publicly accessible register of flood risk management assets
- Investigate significant flood events
- Take responsibility for approving, adopting and maintaining Sustainable Drainage Systems (SuDS)
Local planning authorities are required to allocate land for development to meet identified needs and this can exacerbate the tension that exists between the need for new development and the need to protect potential future residents from unacceptable levels of flood risk. Ensuring that the adequate flood risk management infrastructure is put in place alongside new development is one way of beginning to address that tension. This will mean local authorities factoring in the need to help fund the provision of flood risk management infrastructure in the undertaking of risk assessments in support of local plans and infrastructure delivery plans.

The County Council can assist by providing information on flood risk across the county. As required by the EU Flood Directive, we have completed a Preliminary Flood Risk Assessment for Hampshire and have begun work on a series of Surface Water Management Plans which will give complete county-wide coverage by 2015. Work has also commenced on the preparation of the Local Flood Risk Management Strategy which is expected to be complete by the end of 2012.

The County Council is proposing to allocate funding for 'coastal sites programme and capital match funding for EA grant in aid schemes and minor flood defence works' in its Capital programme for 2012/13 to 2014/15. This will amount to £1.5m (2012/13 - £1m and 2013/14 £500,000). The Capital programme was agreed by Cabinet 3/2/2012 with a recommendation to full council to approve the programme at its meeting on the 23rd February.

It is not possible to be precise about detailed scheme costs for flooding mitigation at this stage but the quality and detail of information available to support planning for infrastructure will increase over time. At this stage the issue of flood infrastructure flooding is highlighted as a general consideration to be borne in mind when considering infrastructure requirements and it is recommended that the Infrastructure Delivery Plan be amended to reflect this.
Dear Sirs,

NEW FOREST DISTRICT COUNCIL PRELIMINARY DRAFT CHARGING SCHEDULE CONSULTATION
COMMENTS ON BEHALF OF DEVELOPMENT SECURITIES PLC

We act on behalf of Development Securities Plc and have been instructed to submit representations to the Preliminary Draft Community Infrastructure Levy (CIL) Charging Schedule.

The comments seek to be constructive and we would welcome the opportunity to discuss them with you further in more detail in due course.

Background

As you will be aware, Development Securities is a key landowner and stakeholder in Ringwood. They own and operate the existing The Furlong Shopping Centre, Ringwood. As such, they have a longstanding and ongoing interest in the New Forest area, and the appropriate development and enhancement of the settlement area of Ringwood and its surroundings.

Within this context Development Securities has a number of concerns in relation to the Draft CIL Charging Schedule. As drafted, Development Securities believes the Charging Schedule may have a significant impact on the viability of development schemes coming forward.

Their detailed concerns are set out below.

New Forest District CIL Preliminary Draft Charging Schedule

A key part of the evidence base for the Charging Schedule is set out in the DTZ CIL Viability Assessment (December 2011).

The Assessment was split between particular areas within the district (East, South and West of the National Park and the National Park itself (which is covered by a different CIL)) and tested a number of different development/land use scenarios within each area using their viability appraisal.
The Assessment made a number of findings that are relevant to the consideration of the Charging Schedule. These can be summarised as:

- Residential development can sustain a single CIL charge which should be levied on all residential development throughout the District (including within the National Park). Although the report does acknowledge that east area has a lower value part of the District which may be appropriate to have a separate charging zone.

- Development for commercial uses, hotels or care homes is not viable in the current market.

- Development of new floorspace for the retail uses most likely to come forward as new development principally supermarkets, generate very high land values and are able to sustain a significant CIL charge. Smaller stores (both comparison and convenient) backed by major chains are likely to occur only in the major town centres are also able to sustain a CIL charge.

- Other small retail developments outside these centres are of marginal viability or not viable and would not support a CIL charge.

In terms of retail development although the report identifies 6 retail archetypes but recognises that there has been limited retail development over the past few years with most activity involving re-letting of existing premises to local occupiers. They refer to two recent planning permissions of 1,100sq m (Asda extension) and a 1,400 sq m Lidl stores but recognise that there is a relatively small floorspace need identified and acknowledges that developments in the District are likely to be very limited in number.

As the report notes that opportunities for this type of development are limited it does not acknowledge that contributions may be more appropriately sought by separate negotiation.

As a result of the findings, DTZ recommend following identifying retail archetypes there would be only 2 definitions of retail development in the CIL charging schedule District. The charging schedule defines ‘small scale’ retail development defined as under 1000sq m (A1, A2, A3 and A5) there should be a £0 charge. However, for ‘large’ retail development (A1, A2, A3 and A5) there should be a CIL charge of £200 per sq m. It disappointingly doesn’t acknowledge other constraints which may impact upon the development being brought forward and ignores the possibility for allowing negotiation so that ‘large retail’ development is not precluded on viability grounds.

It is therefore imperative moving forward that the CIL Charging Schedule adopted by NFDC is realistic, consistent in its application and does not put future development in New Forest District Council at risk. This is especially important in the context of the current economic conditions as only in very special circumstances can development be exempt from CIL.

Development Securities believes that the CIL Charging Schedule as currently drafted will have implications on the potential deliverability of retail development within the New Forest District and is not consistent with other land uses within the schedule.
Based on a review of the document and the supporting Evidence Base we do not believe that the Charging Schedule is Sound. It is not founded on a robust and credible evidence base and does not clearly set out or justify why the charging schedule represents the most appropriate strategy when considered against reasonable alternatives which were investigated, for the following reasons:

- Although the DTZ Assessment was completed in December many of the evidence data used (e.g. leasing data) is out of date with some case with some examples provided as far back as 2005. An update Assessment should be produced using recent base data which reflects the worsening economic climate for each land use.

- The blanket charge for uses across all areas of the district is inappropriate based on the Viability Assessment produced by DTZ. CIL Regulations allow for different rates based on locational viability and this should be explored in further detail by the Council.

- Only A1 foodstore development has been tested by DTZ yet the charge is levied on all A uses (food/non-food) on a smaller scale (1000 sqm) without any viable evidence.

In order to address the deficiencies in the robustness of the Evidence Base and achieve a ‘Sound’ Charging Schedule, DTZ should be required to provide an update to their Viability Assessment so that it reflects current market and economic conditions and test all potential land uses and ensure that their findings concur with the schedule.

Following this update, the draft CIL Charging Schedule should be amended to accurately reflect its findings and recommendations for each land use. The CIL Regulations allow for the charging of variable rates across different geographical areas and we recommend that this should be investigated further.

It is imperative that NFDC adopts a cautious approach to CIL as outlined by DTZ in its Viability Assessment (page 53) so that the viability of development schemes and the objectives of the Core Strategy are not undermined. This will provide the greatest opportunity for development to come forward in the current economic climate and adapt to the new mechanism. We do not consider it appropriate for the draft CIL Charging Schedule to be used to ‘enhance the overall revenue it raises from CIL compared to existing S106 policies for residential development’ (page 12).

The Council should ensure that reference is made in the Charging Schedule to the Council’s intention to regularly review the rates to allow amendments to the schedule should economic conditions improve. At the current time it states that the Council will only commit to ‘an appropriate time in the future for a review’.

Summary

The implications of the draft CIL Charging Schedule are significant. The costs within the Charging Schedule will have a substantial impact on the viability of development schemes and cannot be justified on the advice contained within the necessary evidence base.
It is imperative that flexibility is demonstrated within the Charging Schedule to allow the viability of a development scheme to be considered in order that the appropriate level of contribution is secured.

We would be grateful if you could confirm receipt of these comments and that our representations have been duly made.

Should you require any additional information or clarification please do not hesitate to contact Robin Meakins.

Yours sincerely,

[Redacted]

ROBIN MEAKINS
Planning Partner

CC  A Wong  -  Development Securities