

Your ref:
Our ref: RB/1072

29/07/2013

Mr D Barber
Development Policy Manager
Development Services
Warwick District Council
Riverside House
Milverton Hill
Leamington Spa
CV32 5HQ

Dear Mr Barber

COMMUNITY INFRASTRUCTURE LEVY: REPRESENTATIONS ON BEHALF OF BARWOOD STRATEGIC LAND

HOW Planning is instructed by Barwood Strategic Land to submit representations in relation to the above document, which identifies proposed CIL charging rates.

The representation is divided into two distinct elements. The first considers the robustness of the Council's evidence base, whilst the second makes specific comments on the proposed charging schedule.

Evidence Base

The Council has identified a number of different types of infrastructure requirements, based on the Revised Development Strategy (RDS) which is currently being consulted upon, covering requirements such as highways, public transport, improved education and health facilities.

At this stage however not all of these infrastructure requirements have been costed and the Council is currently only able to estimate the total cost. It is imperative the charging schedule is informed by a sound and robust evidence base, which must include infrastructure costs; estimates are insufficient and could lead to inaccurate or unnecessary charges.

It is essential therefore that the Council ensures the costs of infrastructure are firmly established. This is likely to only be possible when significantly further progress is made with the Local Plan, when housing and employment targets and broad locations have been settled in order to allow for greater accuracy when establishing exact infrastructure requirements and their respective costs.

Charging Schedule

The Council has commissioned a viability study in order to test the impact on the viability of a development of a range of CIL charging levels, alongside the Council's other



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planning requirements, such as affordable housing. Both residential and commercial development is considered.

The study recognises the fluctuations that occur in the housing and commercial property markets, and a sensitivity analysis has been utilised which allows for sales values reductions of 5% from current values, which are at a lower level than previous years. It is proposed that CIL charges will be monitored regularly to reflect changes in market conditions.

Four residential zones have been identified, as well as a 'Prime Leamington Spa' retail zone. The zones have been derived to reflect the different development values reflected across the District.

The paper identifies a need to recognise that strategic sites will need to absorb higher on-site community infrastructure costs, and states that for this reason lower rates are proposed on such sites to ensure they will remain viable, with CIL rates set at between 50 and 60% of the rates proposed for other sites.

For the zones, the viability study identifies:

- Zone A (Leamington Spa and Urban Fringes) – only marginally less viable than the highest values found in Zone D
- Zone B (Warwick and the eastern side of Leamington) – land values are significantly lower with consequent impacts on residential viability.
- Zone C (Kenilworth and Urban Fringes) – high land values with strong development viability
- Zone D (Rural) – highest land values

The Council proposes the following charges for residential development per square metre, which are below what it considers to be the maximum level, but which it believes are justifiable:

Development Type	Zone A	Zone B	Zone C	Zone D
Residential	£50	£170	£120	£180
Strategic Residential	£30	£90	£70	£110

Additional charges for other uses are also set out, but these are not considered for purposes of these representations.

The reduced charge for strategic sites is welcomed. There appears to be a significant disparity however between the Council's calculations of values within different zones and the proposed rates. Zone B is acknowledged to have the lowest land values where viability is likely to be marginal, relative the other areas where values are considerably higher and viability less of an issue. Despite this the charging schedule sets the second highest costs per square metre for Zone B, only marginally less than Zone D which has the highest land values. Furthermore Zone C, identified as having strong development viability has a lower charge than Zone B, and Zone A even less again to the point where the charges are a third of Zone B.

There should be a much stronger correlation between charges and values, and the Council should in particular reduce the charges proposed for Zone B, which stands out as

a clear abnormality. Many of the strategic sites identified in Zone B are in areas of landscape value where significant landscaping will be required to ensure their suitability, at considerable cost; additionally the Council's requirement for 40% affordable housing provision may not be achievable at these high rates. The charging schedule as currently drafted has the potential to seriously undermine the development potential of these sites.

Summary

Firstly there is a need for the Council to finalise in greater detail the infrastructure costs which CIL need account for. It is likely that this will only be possible when the Local Plan has been progressed significantly and until this is done the schedule is not underpinned by the strong evidence required.

Secondly the charging schedule does not reflect the land values identified in the Council's study and in particular there is a clear disparity between values and proposed charges in Zone B.

It is considered that additional work is clearly required to inform the evidence base before schedules should be set. A further round of consultation should take place at that point.

Finally please confirm safe receipt of this representation.

Yours sincerely



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