

CIL Draft Charging Schedule
Consultation – March/April 2015

Crest do not object in principle to the adoption of a Community Infrastructure Levy (CIL) in the Warwick district, however it is essential that the emerging CIL adopts realistic rates of charging so as not to impede the delivery of strategic sites where the initial investment in infrastructure etc. is extremely high.

The high cost of strategic sites is acknowledged in the Council's CIL Viability Assessment Update Addendum Report (November 2014), which states:-

“The strategic sites carry higher costs than other developments, most notably on-site infrastructure (utilities, drainage, site roads etc) and on-site community infrastructure (schools, community facilities etc).”

In view of the above, the Council have reduced the CIL rates on strategic sites to between 50% and 60% of the rates for non-strategic sites. However, Crest are concerned that this would not result in a significant reduction and even at a reduced rate, this would still make a number of strategic sites unviable. Therefore, in view of the high upfront costs associated with strategic sites, as recognised by the viability assessment, they should be exempt from liability for CIL.

Crest control land at Lodge Farm, Westwood Heath Road on the edge of Coventry. The Council's Viability Assessment identified that Westwood Heath falls within the Rural Areas (lower values) category. This area has the second lowest sales value per sq m in the district. The viability assessment also identifies a second category of rural areas, where land values are much higher.

However, in the draft CIL Charging Schedule, the rural areas have all been categorised in the same zone, Zone D - Rural Area. There is no longer recognition that within the rural areas, there is a difference in the land/sales values achieved. Therefore, even though the viability assessment identified Westwood Heath is within the rural area where lower values are achieved, the draft charging schedule expects the lower value rural areas to deliver the same level of CIL as the higher value areas, where there is stronger development viability. This will make a number of developments in the lower value rural areas unviable. Therefore, the draft charging schedule does not appear to have recognised the differing land/sales values that the viability assessment has identified. The lower sales values identified in the lower value rural areas by the viability assessment should be reflected by introducing a separate Rural Area category in the draft charging schedule.

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Recommendations

- Ensure that realistic rates of charging for CIL are adopted
- Strategic sites should be exempt from liability for CIL
- To introduce a separate Rural Area (Lower Value) category in the draft charging schedule to recognize the lower sales values identified in some of the Rural Areas in the district.