CONSULTATION ON DRAFT CHARGING SCHEDULE JAN 2017 – Council Responses

70346 & 70347	OBJECT Framptons and Delta Planning on behalf of AC Lloyd	Response
1	There should be differentiation between Previously Developed Land and Green field sites.	The regulations do not require charging authorities to set different rates for developments on PDL and greenfield sites and we are not aware of any authority having done so to date.
2	The funding gap should be identified, without this being robustly evidenced then the Levy cannot be fixed accurately.	CIL rates are not determined by dividing the infrastructure funding gap by the amount of net additional floorspace expected to come forward; rates are determined on the basis of viability. Furthermore, rate setting is based on the Authority's judgment of the potential impact of the proposed rates, having regard to the viability of development and the importance attached to securing other planning benefits.
3	It should be clear whether the gap is a fixed or changing figure	The CIL is intended to make a contribution towards community infrastructure, not to address the whole requirement. Inevitably, the gap will change over time in response to variations in the quantum and nature of development coming forward. Some sites will provide on-site infrastructure through site-specific section 106 obligations which will contribute and there will be a requirement for funding from other sources (e.g. LEP funding). Experience in authorities which have had CIL in place for several years indicates that CIL will typically account for between 10% - 20% of funding requirements.
4	It is not clear how the draft charging zones have been defined and the boundaries of the zones have been drawn	The approach to rate setting and zones is set out in detail in Section 6 of the Viability Study (VS).
5	The recommended CIL charges set out in the Viability Study seem to be based on reduced affordable housing targets (20% for Warwick and low value rural; 30% for Kenilworth), not the 40% affordable housing requirement included in the Local Plan. The Viability	Not agreed. The representor has misinterpreted how the Council applies the strategic District-wide affordable housing target. As noted in paragraph 2.17 of the VS, the Council seeks up to 40% of units as affordable, subject to negotiation and scheme viability. Those negotiations and viability calculations are currently undertaken in the context of a package of Section 106 requirements; the Council cannot seek to

	Study's recommendation have been carried forward into the CIL Draft Charging Schedule, but there is no recognition of the interplay between CIL charges and affordable housing targets	 maximise affordable housing delivery to the exclusion of the necessary infrastructure required to support development. The same applies after CIL is adopted; the Council is required to strike a balance between affordable housing provision and infrastructure delivery. We strongly refute the suggestion that there is no "recognition of the interplay between CIL charges and affordable housing targets" as this balancing exercise is at the heart of the exercise outlined in the VS. The representor fails to recognise that the results indicate that in some circumstances, the 40% target cannot be achieved before CIL is applied. In these circumstances, a lower provision would be sought to allow the scheme concerned to come forward.
6	Under most scenarios for Warwick and the low value rural area, CIL would not be viable, but a £70 charge is proposed	Not agreed. Firstly, it is important to note that if a scheme is unviable prior to CIL being applied, it will not be the presence or absence of a CIL charge that prevents a scheme coming forward; other factors will need to change (e.g. the relationship between residential land values and the value of other forms of land use). However, with that caveat in mind, the Representor's interpretation of the findings of the VS is incorrect. Tables 6.10.1 to 6.10.5 show that on all the strategic sites where a £70 psm charge is proposed, there are numerous viable scenarios demonstrating that the proposed CIL can be absorbed. In some scenarios, the level of affordable housing will need to be provided at a rate lower than the District-wide strategic target of 40%, but that will need to be tested on individual schemes when applications are submitted, in according with the flexible approach set out in the Core Strategy.
7	The Viability Study shows that residential development type, the size of the development and proposed housing density and mix will have a significant bearing on viability with the proposed CIL charges making certain types of developments unviable	Not agreed. The VS shows that the impact of CIL at the proposed rates is very modest, with the proposed rates typically equating to no more than 4% of development costs (requiring a very modest adjustment to the land value). Development viability is not so marginal that a 4% change in development costs will prevent schemes coming forward. Furthermore, CIL is not a new and additional charge; the Council currently seeks contributions through Section 106 which CIL will largely replace. The respondent appears to be confusing development scenarios which are already unviable <i>before</i> the application of CIL with the impact of CIL itself. Sites that do not generate a sufficient land value will stay in their existing use or will be developed for

		alternative uses.
8	Is the proposed the S106/S278 allowance underlying the viability study appropriate (£1,500 per dwelling)?	Yes, the vast majority of requirements on non-strategic sites will be collected through CIL. The Council has considered the extent of 'residual' items and these can be readily accommodated within the £1,500 per unit allowance. In many cases this will be an overstatement of costs.
9	Have the benchmark land values been robustly justified?	The approach to benchmark land values is set out in paragraphs 4.37 to 4.39 of the 2017 update study and additional information is provided in the 2013 study (paras 4.36 to 4.39). The approach adopted has been examined at numerous other EIPs and found to be sound.
10	We are concerned that the document does not provide a clear statement as to what is included and excluded from the CIL charge. For example, does the proposed charge for strategic sites in Zones B & D include education provision? If so what is included? The document could usefully include a table that identifies in more detail what types of infrastructure (i.e. more detail than the 'headlines' listed in paragraph 2.2) are included, or excluded, for different types of development. This would avoid any confusion about what CIL is providing and avoid any criticism of 'double dipping'.	The Council will set out its detailed requirements in its Regulation 123 list in due course. As noted at paragraph 6.11 of the 2017 VS, the strategic sites have been tested with a Section 106 allowance of £13,000 to fund on-site community infrastructure. The actual amounts required on development proposals will be determined by specific needs and through negotiation between the Council and the applicants. These negotiations will take place in the context of the rates in the CIL charging schedule.
11	It is submitted that the variation in the scale of the charge is too wide and potentially onerous in Zone B which will in itself be a disincentive to development taking place.	The variation in charges reflects the differences in viability between the four zones. A single rate approach - tailored to the zone with the lowest viability – would have resulted in the more viable areas yielding much lower overall contributions towards infrastructure than they could viably support.
		The CIL as a percentage of development costs in Zone B (£180 psm) is 3.65%, which is significantly lower than the 5% level that has been accepted at numerous other CIL examinations. A reduction in the rate to the lower rate applied in Zone C would

		reduce the CIL to 2.43% of development costs. Both rates are a modest proportion of costs and the reduction of 1.22% will have an insignificant impact on the propensity of sites to come forward. However, the impact on CIL income of such a reduction is likely to be significant.
12	Is the assumed profit level (15%) sufficient?	The profit assumed in the appraisals is not 15%. As noted in paragraph 4.28 of the 2017 VS, the appraisals apply a profit at 20% of GDV.

70350	OBJECT Savills on behalf of Lioncourt	Response
1	We have some reservations over the assumptions used by BNP Paribas in respect of strategic residential build costs. The £12,000 per unit allowance for on site infrastructure is considered to be too low. Whilst it is stated that this is based on average infrastructure costs on strategic Greenfield sites in the south east no evidence is provided to support this within the BNP Paribas Study.	This is an amount that is in line with the provisions for on-site infrastructure accepted by Savills at other CIL examinations (e.g. Wokingham, where a £16,000 per unit allowances was suggested by the development industry). In contrast, applying the method of the Examiner at Wokingham, the total allowance applied in the 2017 VS is £22,500 per unit.
2	Werequest that full and proper consideration of the scale of strategic development proposed to come forward to the south of Coventry is given, particularly in view of its importance for delivery of the Local Plan. This should include an understanding that development within this area will be affected by the Coventry residential market area in addition to on site strategic costs.	All these factors will be considered when an application(s) is submitted for the Council's consideration. There is a significant difference between sales values across Coventry, and the highest values are found in the suburban areas, particularly in the south of the City.
	Large, strategic sites require a significant amount of land to enable them to deliver on-site infrastructure, such as public open space, suitable alternative natural green space, education facilities and highways infrastructure. The Council should therefore take steps to ensure that the CIL charges are set well below the margins of viability to ensure that they do not threaten the delivery of the identified housing need. An argument supported by the CIL Guidance, which states that "charging authorities should set a rate which does not threaten the ability to develop viably	The Council has already had regard to similar comments in response to the PDCS and the highest rates for strategic sites have been reduced from £110 to £55 per square metre. This will typically account for 1.2% of development costs, which is very modest and leaves a significant margin below the 5% test of reasonableness accepted widely elsewhere.

	the sites and scale of development identified in the relevant Plan.	
3	 We note that WDC state that they are prepared to accept payment of CIL in instalments (depending in the total amount of the liability). WDC state that details of the instalments policy will be determined prior to adoption of CIL. BNP Paribas have modelled instalment policies of 3 payments for all sites regardless of size. We request further clarity as to the extent this reflects current WDC policy, as if in some of the cases there will only be one instalment, this may adversely affect the residual land value, which will impact on the viability of the schemes, and thus the proposed CIL rates to be charged. This is particularly relevant to the strategic allocation proposed at Kings Hill. 	On non-strategic sites, the CIL liability is assumed to be paid in its entirety within 1 year on small schemes and within 2 years on larger schemes. CIL liability on strategic sites will relate to reserved matters phases; the CIL liability for the whole scheme is not triggered in its entirety by the first start on site.

70351	OBJECT The Planning Bureau on behalf of McCarthy & Stone	Response
1	Specialist accommodation for the elderly should have separate Levy rates, and BNP Paribas have included separate assessments of specialist accommodation in CIL Viability reports for other charging authorities. Due to additional communal facilities, specialist accommodation for the elderly providers are at a disadvantage in land acquisition as the ratio of CIL rate to net saleable area is disproportionately high when compared to other forms of residential accommodation.	In contrast to 'standard' housing schemes, retirement schemes can compensate for their internal net saleable space issues by building at a higher density, with higher site coverage due to lower requirements for amenity space and car parking. Retirement schemes also achieve significant premiums over values achieved for standard house types.
2	Typically an open market flatted residential development will provide 16% non-saleable floor space – this increases to approx. 30% for sheltered accommodation and 35% for Extra Care accommodation. These figures have been accepted in other Local Authorities such as Tandridge and Band and North East Somerset.	Noted, but as noted above, these factors are offset by higher densities facilitated by the different requirements of residents of these schemes.
3	Build costs are higher for flatted sheltered housing. The BCIS show mean cost of building one m2 of sheltered housing costs £1429 in Warwick District, whereas a m2 of house is £1331 and for a flat £1117.	The 2017 VS includes flatted schemes with base build costs of £1,410 per square metre. However, retirement housing schemes are not exclusively built as flatted schemes and many also include houses.
4	Table 6.7.9 details the viability appraisal for 100% flatted development inurban locations, and shows that flatted development cannot support CIL	Not agreed – as noted in response to other representations, the Council's strategic District wide affordable housing target cannot

and provide policy compliant levels of affordable Housing – CIL as proposed would therefore render the development unviable.	always be achieved and is necessarily flexed where circumstances dictate. The appraisal of this development type indicates that the Council would not be securing 40% affordable housing before CIL is applied. The suggestion that CIL would render developments unviable is incorrect when the policy is considered in its proper context.
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70352	OBJECT Gladman Developments	Response
1	The Levy for zones B&D and very high, the highest currently proposed of any authority in the East or West Midlands. There is potential for the such large CIL rates to have a negative impact of 'market shock'. The Levy on Zones B & D should be reconsidered.	Areas have different values and not all authorities in the midlands have adopted CIL rates. Crude comparisons between areas fail to take account of the differences in values between those areas. Warwick achieves significantly higher values than other authorities in the midlands (Land Registry House Price Index figures for Jan 2017): Birmingham: £165k Solihull: £261k Sandwell: £130k Warwick: £292k
2	It is not clear how the boundaries of the Zones have been derived and the map is not clear enough.	See earlier response regarding zone boundaries.
3	We do not consider that the charging schedule is fully evidenced to demonstrate that development viability will not be compromised. We are particularly concerned about the cumulative impact of the CIL rate in the higher zones with an affordable housing requirement of 40%.	See earlier responses to similar points made by others.
4	Gladman maintain that the Council have failed to adequately consider the potential cumulative negative impacts of the CIL Charge and the level of affordable housing required to be delivered.	This assertion is incorrect. The VS takes full account of the cumulative impact of policy requirements. Gladman's interpretation of the Council's policy is simplistic and fails to recognise that it cannot seek to maximise affordable housing to the exclusion of other

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	essential community infrastructure to support new developments

70412	OBJECT Persimmon Homes	Response
1	Viability should be amended to reflect the cost that house builders and developers are expected to pay. We recommend that BNP adopt a minimum value of £310,000 per gross hectare (£125,000 per acre) rather than £247,000 per gross hectare (£100,000 per acre)	£125,000 per acre sits at the mid-point between the £100,000 and £150,000 per gross acre that has already been tested in the 2017 VS. The maximum CIL rates emanating from both land values were considered when recommending the CIL rates in the draft CS.
2	Where possible achieved net sales prices should be referred to in the first instance as opposed to marketing/guide prices. The assumed 5% deductions for negotiations on guide prices could vary greatly, and suggest that BNP undertake a more thorough search of achieved sales values.	An extensive exercise was undertaken to establish sales values across the District, primarily reflecting achieved values rather than asking prices. If Persimmon wish to submit evidence for the Council to consider, we would be pleased to receive it.
3	The minimum acceptable profit margin is 20% on GDV blended across the private and affordable dwellings. This is supported by the Manor appeal decision in Shinfield (APP/X0360/A/12/2179141, 8 Jan 2013)	This matter has been debated at subsequent planning inquiries, most recently at Holsworthy Showground (APP/W1145/Q/13/2204429) in 2014, where the Inspector concluded that a split profit of 20% on private GDV and 6% on affordable housing GDV was appropriate.
4	There are no site typologies of sites between 100 and 300 units, but sites of this size amount to nearly 2000 dwellings	This is simply a question of scale; there are unlikely to be any differences in the amounts sought for infrastructure on a site of 100 or 150 units. The VS tests that viability of schemes of 319, 324 and 377 units.
5	Onsite infrastructure costs should be assumed at between £17,000- £23,000 as suggested in the Harman Report. We would suggest that £20,000 per dwelling is an appropriate amount.	As noted in response to an earlier representation, applying the methodology of the Wokingham Examiner, the total amount included in the assessments is £22,500 per unit.
6	Charge for Zone A has increased even though conclusion in 6.19 is that such sites are unable to make much of a contribution as well as a meaningful affordable housing contribution. This would impact on developers bringing forward sites when considering CIL and full affordable housing obligation.	Please see earlier responses to similar points made by others.
7	For Residential (strategic sites) in Zones A, C and D all CIL rates have increased even though they are unjustifiable by BNP's own analysis	Not agreed. The rates for strategic sites have reduced since the PDCS. The Zone A rate has reduced from £30 to Nil; the Zone B rate from £90 to £55; the Zone C rate from £70 to Nil; and the Zone D

		rate from £110 to £55 psm.
8	The proportion of levy paid upon or shortly after commencement should be minimised (e.g. 10-15%) as this is the point at which schemes are	Payments of £2m or more are likely to relate to very large schemes which will be phased. It will be possible for the CIL liability to be split
	absorbing a lot of cost and are likely to be cash-negative. It would also be more reasonable to expect payments of over £2m to made over a period of 2 years or more.	between different phases to deliver the spread of payments proposed in the representation.

70358	OBJECT Turley on behalf of University of Warwick	Response
1	Seeks clarification whether off-campus student halls development by the	Developments by a charity that directly contribute to the activities of
	University (a registered charity) would be exempt from CIL	that charity are exempt. Therefore the creation of student halls
		would be applicable for exemption.

70359	OBJECT White Young Green on behalf of Standard Life	Response
1	Definitions of "shopping destination in own right" not clear – this could apply to any shop (if customer visited just that one shop) or to no shops at all (if the customers habitually visited more than one shop by way of a linked trip)	This wording is not used in the DCS. The DCS refers to "Convenience based supermarkets, superstores and retail parks".
2	Who would determine (and how) whether a superstore/supermarket meets weekly food shopping needs? It is a well reported recent trend that customers are shopping for food little and often, regardless of the size of establishment they shop at and the range of goods provided. The days of the weekly shop appear to be numbered. Moreover, the CIL charge would have to be calculated and paid long before the shopping habits of future customers of a development would be known. Furthermore, the type of shopping trip carried out could change significantly, multiple times, over the lifetime of the development;	This wording is not used in the DCS. The DCS refers to "Convenience based supermarkets, superstores and retail parks".
3	In respect of retail warehouses, are these synonymous with retail parks (as referred to in the schedule), or does a 'park' necessarily have to consist of more than one 'warehouse'? Would two such units comprise a 'park', or three, or more? Is a shared car park or single ownership	Such matters would need to be determined on a case by case basis and involve a degree of judgment. The CS is not required to legislate for every single possible scenario.

	required?	
4	What does "large stores" mean? Is there a floorspace threshold? If so,	This wording is not used in the DCS. The DCS refers to
	this should be clearly stated.	"Convenience based supermarkets, superstores and retail parks".
5	What does "specialising in the sales of" mean? Is it the same a "selling"	This wording is not used in the DCS. The DCS refers to
	or does it mean "exclusively selling" or "predominantly selling"?	"Convenience based supermarkets, superstores and retail parks".
6	Who would determine (and how) whether a retail development catered	This wording is not used in the DCS. The DCS refers to
	for "mainly car-borne customers"? What proportion would constitute	"Convenience based supermarkets, superstores and retail parks".
	"mainly"? How would this be know at the point of calculating CIL - the CIL	
	charge would have to be calculated and paid long before the mode of	
	travel of future customers would be known. Customer travel mode could	
	change significantly, multiple times, over the lifetime of the development	
7	It is clear that nothing in the RDCS or evidence base addresses the above	The evidence base shows that convenience based supermarkets,
	questions and accordingly the type of development that the	superstores and retail park developments are viable. Nil rating such
	"Convenience based supermarkets and superstores and retail parks" and	uses simply to avoid definitional issues would result in an
	what constituted "Retail others areas" charging rates are applicable to is	unacceptable loss of CIL income.
	effectively undefined. This is unacceptable and the charge attributed to	
	"Convenience based supermarkets and superstores and retail parks"	
	should be zero rated so that it becomes clear that a charge applies to the	
	prime Leamington Spa zone only and that no charge applies to any form	
	of retail development outside of that zone	
8	We consider that carrying out a single appraisal for	The Council is not required to undertake assessments of every
	supermarkets/superstores (i.e. shopping destinations in their own right	nuance of large retail developments and the assumptions are
	where weekly food shopping needs are met) and retail parks (i.e. large	reflective of the 'least viable' occupier (in terms of yield).
	stores specialising in the sale of household goods, DIY items and other	
	ranges of goods, catering for mainly carborne customers) is entirely	
	inappropriate. These types of development comprise two wholly	
	different forms of retail store with different construction specifications	
	and costs, lifespans, values and returns. To assume the same inputs and	
	outputs for both forms of development is entirely false and accordingly	
	the evidence base cannot be considered robust in this regard. As no consideration has been given to this point in the updated viability	
	evidence base WYG remain of the opinion that the proposed rate has	
	been insufficiently evidenced.	

9	The fact that all viability studies to date have only considered the redevelopment of a 15,000 sq ft existing store to provide a 30,000 sq ft store in the same use is also entirely inappropriate. While this may be more applicable to an extension to an existing store, where no additional land were required to achieve the development, it wholly fails to consider the development of a new store on a new site. The viability inputs and outputs of developing a new store are likely to be very different to a relatively straightforward extension. The viability considerations are likely to be different too for developments of different scales. A relatively small store is likely to be less viable than development of a larger store or stores due to economies of scale.	The scenario tested in the VS is a less viable scenario than the developments suggested here in the representation. An extension to a store on previously undeveloped land will be inherently more viable than the knock-down and rebuild scenario considered in the VS. The scenario envisaged of a new store on a new site will clearly not be encumbered by the value of the existing building which would create a higher threshold land value in comparison to a greenfield site.
10	A consistent approach was taken in respect to other development types. Retail development in the prime Leamington Spa zone is reported as being able to absorb a CIL of £133/sqm in the base appraisal (appraisal 5), yet all charging schedules to date propose a rate of just £65/sqm. This assigns it a discount of 51%. However, inexplicably, and with no further justification whatsoever, the DCS/RDCS increases the CIL for supermarkets/superstores and retail parks from £75 to £105/sqm from the PDCS amount. The CIL charge for other development types remain unchanged (excluding student housing), including for residential development, notwithstanding the November 2014 viability addendum report finding "a marginal improvement in viability in comparison to the results in the June 2013 Viability Study". Accordingly, while other forms of commercial development i.e. prime zone retail receive 51% discount, supermarkets/ superstores and retail parks receive between 29-34% (based on the suggested potential £148/£151 absorption rate).	Examiners at numerous CIL examinations around the Country have accepted CIL viability 'buffers' or margins below the maximum rate of 25% to 30% and the rate in the Council's DCS allows for this.

70360	OBJECT Spitfire Bespoke Homes	Response
1	The respondent is the freeholder of the Former Aylesbury House Hotel (housing allocation H18). The site should be considered for exemption	All decisions on exemption would be dealt with at the point of application and would need to be accompanied by substantive evidence to detail the viability of the development.

70361	COMMENT Cllr Peter Phillips	Response
1	Hampton Magna should be reclassified as Zone A to align with the rest of the villages in Budbrooke Ward	Noted.

70363	OBJECT – Turley on behalf of IM Land	Response
1	It is IM Land's judgement that Warwick District Council ('the Council') has failed to comply with the requirements of the Planning Act 2008 and the CIL Regulations 2010 as amended. On this basis, the DCS should be found unsound by the Examiner in its current form.	The Council disagrees with Turley's assertion; it has followed the CIL regulations in the preparation of its PDCS and DCS and has reflected the best practice adopted by other charging authorities.
2	For Warwick District Council to proceed with implementing a CIL Charging Schedule at a time when the regime is facing imminent significant overhaul or altogether abolition is wholly inappropriate. It represents frivolous use of taxpayer's money as well as necessitating the incurring of abortive costs to the development industry in engaging in a regime that is unlikely to be adopted for a worthwhile period of time.	Whilst the details and timing of any future changes to the CIL regime remain unclear CIL remains in force and at a time when the Local Plan is expected to be adopted is likely to provide an important method of funding infrastructure. It is therefore appropriate to continue with CIL implementation and then, as required, transition to a new scheme once it is enacted.
3	IM is highly concerned that there are significant shortcomings within the VS 2016, which will overstate the propensity of development to accommodate CIL. The residential typologies appraised within the VS 2016 (table 4.11.1) fail to appropriately represent the different scale of sites allocated within the Draft Local Plan and envisaged as critical to meeting the objectively assessed needs of the borough. There are 9 non-strategic typologies of between 4 and 100 units tested with varying housing type, densities, site area and land classification (urban/ greenfield). Only one typology is for 100 units – and this is for a 100% If you are commenting on multiple sections of the document you will need to complete a separate sheet for each representation flatted scheme.	The proposed additional typologies merely scale up the existing largest typology in the VS and there would be no material difference in planning requirements between, say a 100 unit scheme and a 150 unit scheme.

 However, the Draft Local Plan (Note: and more recently published Proposed Modifications to the Publication Draft Local Plan (Part 1) January 2016,) proposes the allocation numerous non-strategic sites of between 75- 300 dwellings, which clearly represent an important component of housing supply. It is IM's firm opinion that the viability evidence base should include an expansion of the typologies tested to appropriately assess the impact of CIL on the full range of sites forming non-strategic allocations within the Local Plan (i.e. 100 – 300 dwellings). This should include as a minimum: 100 units: 100% houses (greenfield) at 20dph and at 35dph 250 units: 100% houses (greenfield) at 20dph and at 35 dph 200 units: 100% houses (greenfield) at 20dph and at 35 dph 200 units: 100% houses (greenfield) at 20dph and at 35 dph 300 units: 100% houses (greenfield) at 20dph and at 35 dph 300 units: 100% houses (greenfield) at 20dph and at 35 dph 300 units: 100% houses (greenfield) at 20dph and at 35 dph 300 units: 100% houses (greenfield) at 20dph and at 35 dph 300 units: 100% houses (greenfield) at 20dph and at 35 dph 300 units: 100% houses (greenfield) at 20dph and at 35 dph 300 units: 100% houses (greenfield) at 20dph and at 35 dph 300 units: 100% houses (greenfield) at 20dph and at 35 dph 300 units: 100% houses (greenfield) at 20dph and at 35 dph 300 units: 100% houses (greenfield) at 20dph and at 35 dph 300 units: 100% houses (greenfield) at 20dph and at 35 dph 300 units: 100% houses (greenfield) at 20dph and at 35 dph 300 units: 100% houses (greenfield) at 20dph and at 35 dph 300 units: 100% houses (greenfield) at 20dph and at	Unit sizes in the VS comply with the DCLG Nationally Defined Space Standards and are as follows: 1 bed flat: 50 sqm 2 bed flat: 65 sqm 3 bed flat: 85 sqm 4 bed flat: 105 sqm 2 bed house: 75 sqm 3 bed house: 105 sqm 4 bed house: 130 sqm
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	fundamental component of viability testing and should be both	
	'available' and demonstrated by the Council/BNPPRE to be 'appropriate'.	
5.	It is not possible to determine from the evidence presented within the VS	The cost of garages (where provided) are incorporated into the
	whether this has made any floorspace allowance for garages in preparing	external works allowances. This reflects the approach adopted by
	the viability appraisals. Should allowance have not specifically been	numerous developers in development appraisals submitted in
	made, this means that BNPPRE is vastly underestimating the CIL	support of planning applications that we have reviewed on their
	chargeable floorspace within development. Pre-empting a possible	behalf.
	response, it is not appropriate or sufficient for such a cost to be met	
	within any	We are not clear why Turleys are suggesting that this is addressed
	'buffer' allowance. The buffer is to allow for unforeseen costs,	through the 'buffer' that their representation alludes to.
	fluctuations in market conditions, and to recognise that there will be	
	variation in the viability of specific sites that the VS cannot account for.	
	The VS 2016 should, however, be more than capable of estimating and	
	accounting for the cost of garage provision within viability appraisal.	
	Evidence will be readily available based on recently consented and	
	completed development schemes via the Council's records. IM requests	
	confirmation if garages have been taken account in the manner	
	described above within viability assessment and CIL rate setting, and	
	seeks a full explanation of approach from BNPPRE.	
6.	IM is concerned that the cost of £1,330/m2 utilised within the VS 2016	We attach the BCIS data drawn down from the database on 12
	for 'Flats (apartments) – Generally' is inconsistent with the cost data	November 2016 which shows very clearly that at the time the cost of
	published by the RICS BCIS at Q4 2016. RICS BCIS records this cost as	'Flats – generally' was \pm 1,330 per sqm. The relevant figures are
	£1,380/m2. This inconsistency is not explained or justified within the VS	highlighted in yellow.
	2016, which purports alignment with RICS BCIS. IM considers this an	
	error. The viability appraisals for typologies that include flatted units will	
	not be based on the reasonable costs published by RICS BCIS - and will	
	undercount construction costs by £50/m2. When the cumulative costs of	
	contingency allowance, professional fees and finance are added, it would	
	be reasonably expected for this error to undercount the development	
	costs of typologies including apartments by some £60/m2 to £70/m2.	
	Anticipating the Council's probable response, this cost difference	
	represents a deficiency of between 3.8% and 5.3% of costs (the former	
	only base costs and the latter including cumulative costs). This would	

	clearly utilise a large proportion, if not all, of the contingency allowance attributable to apartments. This cost is for unforeseen construction costs – not quantifiable costs – and it is not appropriate for the Council to rely on this sum in any case given it may well be insufficient to bridge the identified deficit.	
7.	Professional fees assumption at 10% is too low for sites larger than 300 units, where they are likely to be 15-20% based on IM experience.	Turley have mistakenly assumed that the appraisals apply 10% fees to the larger sites. This is incorrect – a 12% allowance is incorporated. As noted elsewhere, this is a very generous figure, with developers of larger sites typically incurring between 6% to 8% fees.
8.	To reflect industry practice, contingence allowance should be extended to cover both external works and professional fees.	The contingency covers all construction costs including external works and sustainability costs.
9.	There is no specific allowance for site enabling or abnormal costs on brownfield sites within the assessment. IM considers this as unusual, given such costs are to be expected, and this does not appear to have been factored into the benchmark land values (BLVs) utilised within the VS 2016. The VS 2016 suggests that allowance of a 'buffer' in setting rates back from the margins should reduce this risk. It is IM's view that this is a flawed recommendation given that there a numerous issues identified within this representation that indicate that the VS 2016 is substantially over-stating viability, even before accounting for the additional risk factors it identities. The 'buffers' are not clearly set out in any case, and are expected to be far smaller in reality than the VS 2016 suggests within chapter 6. Instead, to guard against this risk, and appropriately accommodate this issue within viability testing, IM consider that it would be sensible for an allowance of £200,000 per net hectare to be applied to the brownfield site typology appraisals. This approach has been taken by other practitioners and has been supported at CIL Examination.	It is not unusual for abnormal costs to be excluded; none of the c. 60 VS that BNPPRE have carried out include these costs as they will vary significantly from site to site. Burdening every single previously developed site with abnormal costs that may not be incurred will result in an artificially low rate of CIL resulting in a significant loss of income.
10.	A draft Regulation 123 List should inform the residual sum for S106/S278 costs to be incorporated within the viability assessment evidence base. In the absence of a draft Regulation 123 List, IM questions the robustness of assumption within the VS 2016 that residual S106/S278 costs will equate	The Council is satisfied that the £1,500 per unit allowance for residual Section 106 items is sufficient.

	to £1,500 per unit on non-strategic sites. IM request that the Council both formally publish evidence of the S106/S278 funding secured in recent years, with clear disaggregation by number of units. A draft Regulation 123 List should be published alongside this information, and the Council should undertake an analysis to demonstrate that, on average, a sum of £1,500/unit represents an evidenced and reasonable sum to cover the cost of residual S106/S278 contributions following adoption of CIL.	
11.	Developers profit should be a minimum of 20% of GDV irrespective of tenure.	This matter has been debated at subsequent planning inquiries, most recently at Holsworthy Showground (APP/W1145/Q/13/2204429) in 2014, where the Inspector concluded that a split profit of 20% on private GDV and 6% on affordable housing GDV was appropriate.
12.	IM is highly concerned that the pricing proposed within Table 4.4.3 of the VS 2016 fails to reflect their expectations and understanding of overall and variations in pricing across the borough. IM is particularly concerned that the open market price of £4,236/m2 (£393/ft2) utilised across a very wide charging zone comprising the 'higher value rural area' and 'most of Leamington Spa' is too high and misrepresentative of pricing across large swathes of this zone. IM firmly requests that the market pricing evidence base that underpinned the VS 2013 is published for consultation and stakeholder comment / review. As stated within the Harman Report, sales values within viability testing should be informed by net achieved sales and represent market actualities. It is strongly recommended that BNPPRE undertakes a refreshed market pricing analysis to sense-test the prices within the VS 2016 and provide the industry / Examiner with the necessary available local market evidence. The burden of evidence is placed firmly with the Council to confirm the evidence supports an 'appropriate balance'. Without evidence, this cannot be demonstrated. In addition, IM requests that the LRHPI data is published. It is absent from the VS 2016, which means that the validity of the applied uplift cannot be confirmed.	Available data indicates that the assumptions in the VS remain appropriate and we note that no other representation has indicated that values are incorrect. The Land Registry House Price Index is a publicly available data source. In June 2016, the LR index showed an average property value of £219,191 and in September 2016, the average had increased to £292,058, an increase of 33.2%.
13.	Given that 40% affordable housing is applied within the appraisals, of which 80% is social rent in tenure and 20% is shared ownership, it forms	Rent: As noted in paragraph 4.7, the Council's tenancy strategy indicates that RPs should charge rents not exceeding 60% of market

	 a key component of the built development and revenue stream for each site. IM request that the Council / BNPPRE transparently set out what capital values they are applying to: Social rent units - this should be consistent across the typologies, but vary by dwelling size; and Shared ownership units – this should vary depending on unit size/type and linked to open market sales values (i.e. by zone) At present, it is unclear whether this appropriately reflects the local property market, or has been based on any available market evidence. 	rents. However, the 2017 VS adopts target rents which are significantly lower. This results in the following capital values per sqm: One bed flats \pounds 1,102.68 Two bed flats \pounds 978.81 Three bed flats \pounds 871.10 Four bed flats \pounds 804.42 Two bed house \pounds 848.30 Three bed house \pounds 686.78 Four bed house \pounds 649.72
		Shared ownership: 40% initial equity sale with rent on unsold equity of 2.75% (capitalised at 5% yield), as noted at paragraph 4.9 of the 2017 VS.
14.	The VS 2016 does not confirm the rate of revenue receipts assumed for affordable units. The timing of this revenue will have a bearing on cashflow and the accruing of development finance charges. IM requests that this is clarified by the Council / BNPPRE for transparency and to ensure that it appropriately reflects market realities.	The appraisal model assumes a standard approach of staged payments across the build period.
15.	IM notes that the timing of residual S106 contribution costs is placed in between 50% and 75% of the way through the sales programme on non- strategic sites of 75+ units. The intended nature of residual S106 contributions has not yet been disclosed by the Council via a draft Regulation 123 List, which is a deficiency that has been highlighted already within this representation. However, further review of the Council's latest published 'Section 106 spreadsheet' last dated January 2017 indicates that the Council has sought to secure the vast majority of larger-scale planning obligations with triggers prior to 1st occupation, or with staged payments on 1st occupation, 25% of occupations and 50% of occupations, on similar sized and larger non-strategic sites. This clearly demonstrates a predisposition of the Council to secure S106	This is incorrect – the appraisal of a 75+ unit scheme occurs at 50% of sales. However, given that the CIL payment itself is just a residual amount, with the bulk of contributions collected through CIL, the precise timing of the payment is not material to the outcome. The impact of moving the S106 payment to the quarter prior to 1 st occupation is a reduction in the residual land value from £3,913,114 to £3,908,868, which amounts to a change of 0.1%, which is not a material change.

	contributions far earlier than simply at 50% of occupations. On this basis, IM considers that the development programme within the VS 2016 is overly generous towards S106 payment triggers based on the Council's recent track record. This will push costs back in the development programme and will understate likely finance costs incurred in reality by developers. It is IM's view that, in order, to take a pragmatic and conservative assessment, the appraisals for non-strategic typologies of 75+ units should be run to include all residual S106/S278 costs to be incurred prior to 1st occupation (given this will be the Council's sought	
16.	 position). The Council has yet to publish a draft Instalment Policy for the payment of CIL liability. This is disappointing as it is generally considered good practice nationally for this to be consulted upon with the industry in a collaborative manner. IM notes that the Council has stated under paragraph 6.6 of the DCS that it intends to allow payment of CIL by instalments depending on the total amount of the liability. Yet no detail is provided, with the Council stating merely: "Details of the instalments policy will be determined prior to adoption of CIL" However, IM is concerned that the VS 2016 has already included predetermined instalments for the payment of CIL liability within the approach to viability testing to assess the propensity of sites to accommodate CIL. Inspection of the development programme for each typology summarised in Figure 4.19.1 of the VS 2016 confirms that payment of CIL liability is assumed in 3 instalments for all typologies – over varying timescales. No explanation is provided as to the rationale behind this, or to the scale of each instalment – for example – are such instalments all equal or weighted? 	The payments in the VS are equally divided over three installments.
17.	IM is highly concerned with the BLV's utilised within the VS 2016 to test the viability of the sites to accommodate CIL liability. The greenfield BLVs (BLV 3 & 4) are drawn from a Department for Communities and Local Government (CLG) research paper (Ref: CLG (2011) "Cumulative Impacts of Regulations on House Builders and Landowners," DCLG Publications published in 2011,) and based on evidence preceding this date. This	Residual land values are determined by a range of factors, not just sales values. It is unreasonable to assume that land values will have increased by 33% merely because headline sales values have increased by that percentage. Build costs have also increased, but Turley appear to disregard this other important factor, which is misleading. As noted in response to other representations, the

	information is now outdated and the VS 2016 does not make reference to any cross-checking of local market activity to confirm whether these land values are representative of the minimum competitive returns being sought by landowners and agreed with developers within transactions. In addition, the very assumption that open market sales values have increased by 33.2% since 2013, yet the expectations of landowners have not risen proportionally since either 2011 or 2013 ignores the fundamentals of the economy, land and property market.	benchmark land values have been accepted widely in other authorities with similar sales vales and also cross-checked against viability appraisals submitted with planning applications.
18.	It is IM's view that a BLV4 has no relationship with non-strategic sites and should not be used as a measure of BLV. Instead, a single re-calibrated BLV3 should be utilised. Based on IM's exposure to the land market and negotiations with landowners across Warwick, and wider Warwickshire, IM consider that an appropriate BLV 3 threshold would equate to a minimum of £650,000 per gross ha or £1.3m per net ha (£0.26m per	£650,000 per gross hectare is significantly higher than land values we have witnessed for strategic sites and is unrealistic when taking account of the extended cashflows and higher infrastructure requirements associated with such developments. We note that Turley's assertion is contradicted by Persimmon's
	gross acre or £0.53m per net acre) – assuming a 50% net developable area (as per the VS 2016). This is representative of 'mid-range' market conditions in Warwick and should be the minimum BLV against which non-strategic site typologies are appraised within the viability evidence base.	representation which suggests that a benchmark land value of £308,750 per gross hectare (£125,000 per gross acre) be adopted.

70333	OBJECT – Savills on behalf of Landowner and Developer Consortium	Response
1	This is made without inclusion of any update to national, regional or local planning policy as a result of the Housing White Paper (published 7th February 2017), and subsequent consultation on CIL. We would particularly welcome the opportunity to revisit these representations should the results of the CIL consultation exercise, and change in Government approach to CIL, be published before the Examination of the Draft Charging Schedule	Whilst the details and timing of any future changes to the CIL regime remain unclear CIL remains in force and at a time when the Local Plan is expected to be adopted is likely to provide an important method of funding infrastructure. It is therefore it is appropriate to continue with CIL implementation and then, as required, transition to a new scheme once it is enacted.

70331	OBJECT – Star Planning on behalf of The Richmond Estates Partnership	Response
1	It appears to Richborough Estates that the failure to include Site H51 within Charging Zone A is a simple oversight associated with this allocation at Hampton Magna only being introduced via the Proposed Modifications. Accordingly, an amendment to the map at Appendix A of the Draft Charging Schedule is sought by Richborough Estates whereby Charging Zone A includes both Site H27 and Site H51 as part of Hampton Magna reflecting its status as a 'lower value' rural settlement.	Noted.

70330	OBJECT – Marrons Planning on behald of Hallam Land and William Davies Ltd	Response
1	An objection is raised on the basis that the evidence that has been provided shows the proposed rate or rates would threaten delivery of the relevant Plan as a whole. The Study Update adopts a benchmark land value for greenfield residential sites of between £247,000 to £371,000 per hectare based on a CLG Research Paper from 2011. These figures are very low, and if this assumption is carried forward will have a significant effect on the viability of development in the District. Given their	Peter Brett Associates adopt an alternative approach to viability studies. Their benchmark land values assume a 'serviced site' with no costs included in their appraisals for site infrastructure. In contrast, the BNPPRE appraisals assume that the developer is responsible for all infrastructure costs, hence lower land values. The range of land values adopted in the VS has been widely accepted
	proximity and similarities, it is not reasonable to conclude that the benchmark land value in Warwick District would be less than 50% of the same value in Stratford on Avon, and the evidence of Peter Brett Associates for Stratford on Avon District Council is more robust and preferred.	at other recent CIL examinations, as well as in viability appraisals for planning applications in areas with comparable sales values as Warwick.
2	In addition, the Study Update makes no allowance for the costs of promoting the land (i.e. the costs of securing an allocation within the Development Plan). The assumptions made in relation to professional fees solely relate to costs incurred post Plan adoption, i.e. the costs of	Promotion costs are incorporated in the allowances for fees. The strategic sites have an additional allowance for such fees (i.e. 12% in comparison for the non-strategic sites at 10%).
	securing planning permission and regulatory approvals. Promotion costs are additional and can be significant. By way of example, the preparation of the Warwick District Local Plan commenced in 2007, has involved at	These allowances are generous for strategic sites, given that developers will typically allow 6% - 8%.

least nine separate consultations and two Examinations, with further	
stages of consultation to commence later this year. The costs involved in	
promoting sites in Warwick District has therefore been substantial, and	
this should be reflected when assessing the viability of development	
through an increase in the professional fees for strategic sites to 25%.	

70329	SUPPORT – Budbrooke Parish Council	Response
1	Budbrooke Parish Council believes that the parish of Budbrooke should be re-designated as Zone D in line with other villages within Budbrooke Ward.	Noted.

70328	OBJECT – Baginton Parish Council	Response
1	Baginton Parish Council believes that the revised Draft Charging Schedule does not satisfactorily address the impact that some types of development will make on the community. Hotels and Industrial/Warehousing should not be Nil Band developments. This is especially true where Green Belt Land is utilised. We would ask that a levy is charged on these types of development and would welcome a higher levy being charged on development in Green Belt. This would offset the loss of amenity to the community and actively encourage developments on non Green Belt sites as a more sustainable land management approach from WDC	The Levy in the DCS is principally based on viability rather than impact. The viability assessment shows that viability of other uses such as hotels and industrial uses would be threatened by the imposition of a CIL charge

70318	Support – The Theatres Trust	Response
1	Just a nitpicking comment - while it is implied that other uses not listed in table 2 are a nil rate by their omission, it may be useful to replace the	Noted.

fi	inal line for D1/ D2 with 'All other uses' to avoid future ambiguity.	

70345	Object – Graham Cooper - Old Milverton & Blackdown Joint Parish Council	Response
1	Use of the hypothetical site at Blackdown that is no longer part of the allocations in the local plan could result in materially inaccurate Levy rates. CIL show await determination of the Local Plan	The site was included in the Refresh of the Viability Study to show consistency with the previous studies. The determination of the Local Plan does not impact on the necessity of instituting a CIL regime to help fund required infrastructure projects.

70348	Object – Marianne Pitts – Leamington Society	Response
1	The site at Blackdown is not in the Local Plan and is in the Green Belt – therefore inappropriate to calculate CIL charges there.	The site is purely used as an example to assess typical levels of viability. The site was included in the Refresh of the Viability Study to show consistency with the previous studies.

70349	Object – Ann Kelsey	Response
1	CIL should be applied to all new developments as all benefit from the infrastructure. In the case of housing this should be a small percentage of the market value of the property.	CIL applies to all new developments unless it is likely to threaten their viability, at which point the charge is levied at £0. The Charge needs to be calculated in advance and so cannot be retrospectively calculated using market values of constructed property. Section 106 agreements may still apply to sites that are not viable for CIL charge

2	The site at Blackdown failed to include the construction of supporting infrastructure such as schools, medical services, green spaces or shops. The site has been removed for the Local Plan so including it is a nonsense.	The site is purely used as an example to assess typical levels of viability. The site was included in the Refresh of the Viability Study to show consistency with the previous studies.
3	Blackdown and Old Milverton are rural farming areas but are categorised as urban fringe development areas.	Given that they are on the edge of the extended urban development this is an appropriate classification in this context.
4	Further adjustments should be considered to take into account infrastructure projects which may never be built.	The list of infrastructure projects in the Regulation 123 is a live and evolving document that will detail the projects which CIL can fund.
5	CIL should be applied just to those who would benefit most from the proposed development – primarily landowners.	Noted.

70353	Comment – Highways England	Response
1	No comments regarding the consultation but would like to continue to engage with the Council in regular reviews of the Regulation 123 List, and with regard to the application of CIL funds for relevant highways infrastructure projects.	Noted.

70362	Object – Barbara Lynn	Response
1	The site at Blackdown is not in the Local Plan and is in the Green Belt – therefore should not be included.	The site is purely used as an example to assess typical levels of viability. The site was included in the Refresh of the Viability Study to show consistency with the previous studies.

70364	Comment – Health and Safety Executive	Response

1	No representation to make, as insufficient information in the consultation on the location and use class of sites – therefore unable to give advice regarding the compatibility of future developments with major hazard establishments and MAHPs	Noted.

70408	Comment – Sports England	Response
1	No objections, but believe that the following 3 guidelines should apply:	
2	CIL should exclude any mitigation required to make a development proposal satisfactory – e.g. if housing proposed on playing field, mitigation for that loss should be dealt with outside CIL	Noted.
3	The 123 List should only include specific defined projects and not use generic statements such as 'Indoor Sports Provision'.	Noted.
4	CIL 123 List should be kept to a list of major key priority projects and not seek to deliver all infrastructure.	Noted.
5	 Sport England therefore recommends: 1. The CIL list includes specific projects for sport facilities (indoor and/or outdoor) and not generic statements. 2. The statement clarifies that: a. Mitigation for loss under NPPF Para 74 falls OUTSIDE of CIL b. Clarification that S106 agreements will be used to secure new sports facilities needed to meet new demand arising from development for sports facilities (indoor and outdoor) where not already sought through the CIL (e.g. CIL may be used to fund a new leisure centre to meet growth in demand for swimming pool BUT S106's would be used to fund 	Noted. Further information for developers, infrastructure providers and the public on the scope of CIL and its relationship to Section 106 agreements, will be provided prior to the adoption of the Charging Schedule

70407	Comment – Kenilworth Town Council	Response
1	The zoning is a coarse solution, and there is as much logic for a variable rate within the town as there is between Kenilworth and Warwick. It would seem more logical to relate somehow to total house price rather than floor area.	CIL is set as a charge per square metre. By using a zoning map based principally on house value we are able to vary that rate to ensure that the charge remains viable.
2	The defined boundary for Kenilworth reflects neither the Town Boundary nor the projected urban area in the Local Plan.	The boundaries of each zone have been identified through the Viability Study and reflect land values, property prices and viability potential rather than existing administrative boundaries.

70410	Comment – Network Rail	Response
1	The Planning Authority should consider developer contribution (either via CIL, s106 or unilateral undertaking) to provide for funding for enhancements to stations as a result of increased numbers of customers.	Noted.

70409	Object – Juliet Carter	Response
1	It should be made clear that extensions to buildings are not to be charged. Since only the ground space and roof space covered by the new development effect the need for access and additional water runoff it is unfair to charge for additional floors of living space.	This is explicitly detailed in the exemptions. Additional floors may provide additional living space, and the increase in density has subsequent infrastructure impacts. It is therefore appropriate for this to be picked up within the CIL charges.
2	The charge may encourage developers to cut corners on quality. Is this charge to replace Section 106 funding? There should be no discrepancy between areas with or without a Neighbourhood Plan.	CIL is set at a level not to threaten viability. It does not replace all Section 106 contributions. The CIL regulations require that Neighbourhoods with Neighbourhood Plans are entitled to a greater

		percentage of CIL
3	Infrastructure should include rainwater harvesting and energy	Noted.
	specifically.	
4	All references to the direct impact of development should take into	Noted.
	account environmental sustainability specifically, not just landscaping	
	and access roads.	