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Appearance at Examination Letter_220617



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Dear Ian

Warwick District Council - Community Infrastructure Levy Examination

Further to your email of the 19th May 2017, I can confirm that Savills wishes to attend the Examination of the Warwick District Council Community Infrastructure Levy on behalf of a Landowner and Housebuilder Consortium comprising of the following interested parties:

- Crest Nicholson Strategic Projects
- Hallam Land Management
- Nurton Developments
- Taylor Wimpey
- William Davis

We understand the Examination is due to take place on the 6th July in Leamington Spa.

Please note the additional parties of Hallam Land Management and William Davis, who previously made representations under Marrons Planning, but due to the similarities of their concerns to ours, have now joined our parties.

We wish to raise our concern that our full representation titled "Warwick District Council Community Infrastructure Levy Draft Charging Schedule – Consultation response on behalf of a Landowner and Developer Consortium (February 2017)" has not been fully considered by the Council in their responses to the Consultation. This is evidenced by the sole response to our representation being:

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 (Consultation on Draft Charging Schedule Jan 2017 – Council Responses, page 18).

This is in response to our covering note, and not in response to the detailed submission which raised concerns as to a number of the assumptions and approach adopted in the evidence base. Our fundamental concerns relate to (extracted from the Executive Summary of our submission):



- **Lack of working appraisals** – Without the appraisal summaries, we are unable to sense-check these against market norms. BNP Paribas have provided assumptions, but these are not sufficiently robust or extensive for us to run our own models. We request as a matter of urgency that these are provided for public consultation.
- **Benchmark Land Values are not reflective of current market expectations** – We understand that the data from the previous BNP Paribas Viability Studies (2013 and 2014) has not been updated. These values date from 2011, and it is inappropriate to suggest that these are reflective of current market expectations for land values. Land values that are too low will artificially suggest that sites are viable when in reality landowners will not release land if they do not achieve a competitive return for their land.
- **Typologies of sites assessed** - The Consortium is concerned that there have been no sites assessed between 100 and 319 units. Of the five strategic sites analysed (of over 319 units), one of those sites has a planning consent, and therefore will not be liable for CIL. We note that the emerging Warwick District Local Plan proposes the allocation of a number of sites for between 100 and 319 units. The typologies selected to be assessed for viability must “*reflect a selection of the different types of sites included in the relevant Plan*”, as per the CIL Guidance.
- **Proposed rates inconsistent with the viability evidence** – The viability evidence does not appear to support the DCS rates, and further the proposed CIL rates appear to be unreflective of the local market fundamentals. For example, the sales values in the high area are only 38% higher than the low zone, but the CIL rate is 180% higher suggesting that CIL is being used as a policy tool.
- **Rates proposed in Zones A and C are not compatible with policy levels of affordable housing** – The results from BNP Paribas suggest that sites in Zones A and C are unable to support CIL and 40% affordable housing. Despite this, they suggest that a CIL rate is set. This is contrary to National Policy and Guidance, which states that CIL should be set at a level that supports policy compliant affordable housing.
- **Rates are out of line with surrounding authorities** – It is proposed that CIL in the District is charged between £70 - £195 per sq m. The top range is significantly above the surrounding Local Authorities’ rates, which typically fall between £100 and £150 per sq m. This may act as a barrier to development in the District, as developers choose to locate on sites outside of the District where there are lower costs.

We note from the Consultation responses that other representations also raise these concerns, and that the Examiner has raised similar topics as part of his Issues and Questions. Whilst it could be deemed to be duplication of responses already given, we are disappointed that it does not appear that our considered and detailed evidence has been considered by the Council and their consultants, and we would request that this is taken into account before the Examination.

In conclusion, we reiterate our intention to attend the Examination on the 6th July on behalf of a Landowner and Housebuilder Consortium, and request that the Council provide a response in the same manner as to the other representations prior to this.

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

Yours sincerely



Sarah Gregory
Associate Director