

Our Ref: GM/LL001/PF/8777
 (Please reply to Banbury office)

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25th July 2013

Development Policy Manager,
 Development Services,
 Warwick District Council,
 Riverside House,
 Milverton Hill
 Leamington Spa,
 CV32 5HZ.

Dear Sir

**TOWN AND COUNTRY PLANNING ACT 1990
 COMMUNITY INFRASTRUCTURE LEVY (CIL) – PRELIMINARY DRAFT
 CHARGING SCHEDULE
 CONSULTATION DRAFT JUNE 2013
 SUBMISSION ON BEHALF OF A C LLOYD LIMITED AND NORTHERN TRUST
 COMPANY LIMITED**

I refer to the above and submit the following comments on behalf of A C Lloyd Limited and Northern Trust Company Limited who have interests in Strategic Sites proposed to be allocated in the draft Local south of Harbury Lane, Warwick (Proposed CIL Zone B) and (for A C Lloyd alone) South of Sydenham (Proposed CIL Zone A).

It is the case that A C Lloyd Limited and Northern Trust Company Limited have supported the parallel production of a CIL Charging regime and the Local Plan. This has been made clear in earlier consultation responses on the draft Local Plan.

As regards the Preliminary draft CIL Charging Schedule, it is submitted that further justification for the proposed charging rates should be provided as the document progresses towards adoption. The following factors need to be taken into account:

1. The charges should differentiate between Previously Developed Land and Green field sites. Presently it is considered that insufficient justification has been included in the consultation document and associated evidence base papers.
2. The Council acknowledge in the Local Plan Revised Development Strategy (June 2013) that the level of growth for new housing is an interim figure as a result of having to take account the joint Strategic Housing Market Assessment that is being

prepared. At present, the Council does not know what level of growth it is planning for in the local plan. It follows therefore that the Council cannot be sure what the cost of infrastructure will be to deliver the local plan proposals.

3. The Council acknowledge at paragraph 2.3 of the preliminary draft Charging Schedule that it does not know what the cost of infrastructure requirements will be. It provides an estimate of £75m. Clearly this figure may change.
4. The Council states in paragraph 2.6 that *“it is clear that in the short to medium term there is a significant gap between available funds from government and other agencies and the cost of infrastructure needed to support and mitigate planned growth. The introduction of CIL in the District will help to fill part of this funding gap.”* There is no robust evidence to substantiate this claim. The Council is unable to quantify the cost of infrastructure that is required and therefore it is unable to demonstrate a gap. The draft document does not state what the perceived ‘gap’ is.
5. The draft document refers to an analysis of viability that has been undertaken by BNP Paribas to demonstrate that CIL is set at a level that will not prevent development from coming forward. This is one half of an equation that is meaningless without knowing what level of ‘gap’ funding is being sought. The BNP analysis appears to take no account of the estimated infrastructure costs associated with the Local Plan Strategic Sites and makes no reference to any ‘gap’ in funding. The exercise is simply an appraisal of potential land values. The introduction to the BNP work makes it clear that:

This study has been commissioned to contribute towards an evidence base to inform Warwick District Council’s (‘the Council’) CIL Charging Schedule (‘CS’), as required by Regulation 14 of the CIL Regulations April 2010 (as amended in 2011 and 2012). The aims of the study are summarised as follows:

- *to test the impact upon the economics of residential development of a range of levels of CIL;*
- *for residential schemes, to test CIL alongside the Council’s requirements for 40% affordable housing on sites of 10 or more units within urban areas and on sites of 5 or more units in rural areas; as well as other planning obligations; and*
- *to test the ability of commercial schemes to make a contribution towards infrastructure through CIL*

Having regard to the above, it is considered that the proposed charging rates and exceptions need to be linked to accurate and robust evidence on the ‘costs’ side of the equation to be sure that they are realistic.

Furthermore 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.

I trust that you will review and supplement the evidence base for the costs element of the CIL and re-issue for consultation.

Yours faithfully



G Mitchell

cc D Wynne
D Forshaw