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Simkin, Nigel  
001  
Dear Sir or Madam

Please find attached representations to the Council's CIL SCS on behalf of our client, Gateway One Limited, and the completed form as requested.

I trust that this is acceptable and would be grateful if you could confirm receipt of the attached.

Kind regards

Nigel

Nigel Simkin  
Director- Planning and Development  
45 Church Street | Birmingham B3 2RT

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# Community Infrastructure Levy Submission Charging Schedule Comment Form



The Community Infrastructure Levy (CIL) - Submission Charging Schedule Consultation is available at [www.stratford.gov.uk/CIL2015](http://www.stratford.gov.uk/CIL2015)

**Please use the form to make comments on any part of the consultation document.**

**Please read the consultation document carefully before commenting on this form.**

You can respond to this consultation electronically via the above web address.

Please complete this form using black ink. If you require more space please continue on a separate sheet.

Put your contact details in the box(es) below – please use BLOCK CAPITALS

Person(s) or Organisation Submitting Comments		Agent (if applicable)	
Name		Name	Nigel Simkin
Organisation (if applicable)	Gateway One Limited	Organisation	JLL
Address	c/o agent	Address	45 Church Street Birmingham B3 2RT
Tel No.		Tel No.	
Email		Email	

If you are using an Agent, future correspondence will be sent to them unless informed otherwise.

Please note that responses cannot be treated as confidential.

Date

Forms should be returned by **5.00pm on Friday 13 November 2015**

By email to [planning.policy@stratford-dc.gov.uk](mailto:planning.policy@stratford-dc.gov.uk) or,  
post to FREEPOST RSLH – ZYKJ – TYAZ, Stratford on Avon DC, PO BOX 5341, Stratford upon Avon, CV37 1LE

Please note that your response will be published on the District Council's website. However, this will exclude the postal address, telephone number and email address of individual respondents. The details of respondents will only be retained by the District Council for the purposes of Core Strategy/CIL preparation and consultation and will not be used for any other purpose.

Please note that only the CIL Submission Charging Schedule itself will be submitted to an independent examiner following this consultation.

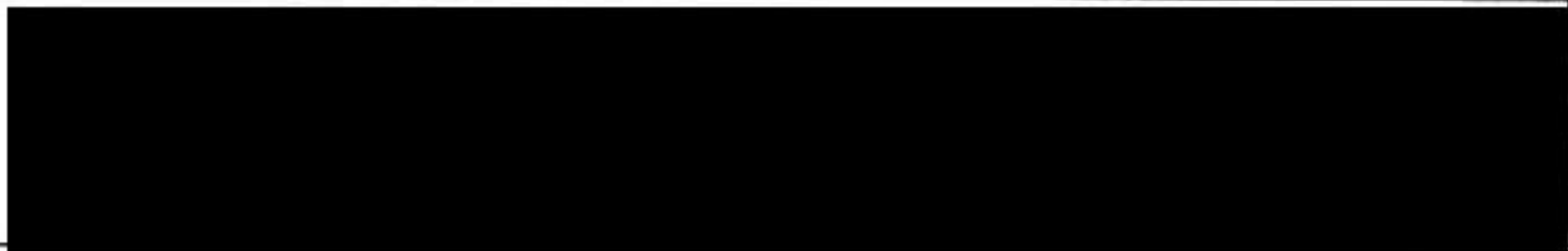
<b>Notification of subsequent stages of the Community Infrastructure Levy (CIL)</b>	
Please specify if you wish to be notified of any of the following:	
Submission of the CIL Submission Charging Schedule for independent examination	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Publication of the recommendations of the person appointed to carry out an independent examination of the Submission Charging Schedule	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Adoption of the Community Infrastructure Levy	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

Please make comments on the CIL Submission Charging Schedule consultation document below stating (if applicable) which section you are commenting on:

Please refer to covering letter attached to the email.

Continue on a separate sheet/expand box if necessary

<b>Do you wish to express an interest to participate in the Examination?</b>	
Yes, I wish to participate at the oral Examination	<input checked="" type="checkbox"/>
No, I do not wish to participate at the oral Examination	<input type="checkbox"/>

<b>Declaration</b>	
I understand that all representations submitted will be made available for public inspection and will be identifiable to my name and organisation (if applicable).	
Signature: 	Date:13/11/2015





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13 November 2015

Dear Sir or Madam

**Representations to Stratford-on-Avon District Council's Community Infrastructure Levy (CIL) Submission Charging Schedule**

I write to make representations to Stratford-on-Avon District Council's Community Infrastructure Levy (CIL) Submission Charging Schedule, on behalf of Gateway One Limited.

Our client's particular concern lies in the proposed charge for residential development throughout the District, which is set at £150 per sq m. This is a very high CIL charge which will render many housing developments throughout the District unviable. We also make several comments on the CIL charge for retail development (A1 to A5 Uses).

**The Gateway Site**

By way of context, Gateway One Limited is currently in the final stages of assembling the Gateway Site in Stratford-on-Avon Town Centre, with a view to securing a developer/funding partner to assist the land owners in bringing the site forward for redevelopment.

The Gateway Site comprises a significant opportunity just to the north of Henley Street, within the area bounded by Windsor Street, Arden Street, and Birmingham Road. The Gateway Site is one of the most exciting and significant regeneration opportunities in Stratford-on-Avon Town Centre. It is strategically placed to link the existing town centre into the emerging Canalside Quarter Development which is immediately to the north of the site, and the Maybird Retail Park.

The scheme is being promoted by Gateway One Limited in conjunction with the joint land owners, Stratford-on-Avon District Council (SDC), and a Conceptual Master Plan has already been prepared by award winning Glenn Howells Architects. Part of the site is allocated within **SUA.N** of the Stratford on Avon District Local Plan Review 1996-2011 for mixed use development. The proposals are also aligned with, and would make a significant contribution to, the objectives of **Policy AS.1 Stratford-upon-Avon** of the emerging Core Strategy (as modified). This policy seeks to improve the quality and appearance of the main corridors and gateways to the town centre, including the Birmingham Road/Arden Street area.



In addition, the site is also designated within the emerging Neighbourhood Plan as an Environmental Improvement Area (by virtue of emerging **Policy TC10 – Birmingham Road, Arden Street and Windsor Street Environmental Improvement Area**).

The Conceptual Master Plan highlights that the Gateway Development could comprise a wide mix of uses, with potential for both residential apartments and specialised/niche retail and leisure uses, along with other uses (such as offices, hotel, and car parking).

### **CIL Regulations and Guidance**

The CIL Regulations advise that Charging Authorities should propose a CIL levy rate that does not put at risk the overall development of the area (in accordance with **Regulation 14**). Local Authorities *must* strike an appropriate balance between the desirability of funding infrastructure from CIL, and the potential effects of the CIL charge on the economic viability of developments across the Charging Area.

Charging Authorities should prepare evidence to examine the effect of the levy on the economic viability in their area, to demonstrate to an Independent Examiner that their proposed charging rates strike an appropriate balance.

It is the potential effect on the economic viability that our representations are predominantly focused on. Our client is particularly concerned with the impact on residential development throughout the Charging Area. We recommend that the Submission Charging Schedule (SCS) is modified to ensure compliance with the CIL Regulations.

We note from the previous CIL consultation stages that the concerns we raise relating to the significant CIL charge proposed for residential development are not new, and have already been raised by a significant number of house builders and developers who are active in the District. It is disappointing that notwithstanding these concerns, the Council does not appear to have adequately addressed these concerns at the SCS stage.

The following paragraphs set out our representations. We consider the proposed charge for retail first, followed by the proposed residential CIL charge.

### **The Proposed Retail CIL Charge**

Stratford-on-Avon District Council (SDC) Submission Charging Schedule (SCS) proposes a CIL charge for retail (A1-A5) uses as follows:

Retail (A1 - A5)	Proposed CIL £ per sq m
Within all identified centres	£0
Within Gaydon / Lighthorne Heath and LMA New Settlements	£10
Out of centre retail	£120
All other forms of liable floor space	£0

Source: SDC CIL SCS (October 2015)

The zero charging rate for all retail uses within all identified centres is in principle welcomed.

We understand that whether a site is within an identified centre for retail charging purposes depends upon whether it falls within a centre defined by emerging **Policy CS.22** of the Proposed Submission Core Strategy **June 2014** (as modified).

We have reviewed **Figure C - Retail Development and Main Centres** which supports **Policy CS.22** of the emerging Core Strategy. The Core Strategy proposes two extensions to the existing town centre boundary, both to the east and to the west of the area defined as the existing town centre.

However, we are concerned that the annotation on this plan, as currently drafted, will lead to confusion. At present, the proposed town centre boundary only appears to include the additional areas of land to be included within the town centre, and not the existing town centre boundary itself. This appears to be an error and should be clarified to ensure that the CIL rate of £0 on retail uses applies to not only the new areas of the town centre, but also, to sites within the existing town centre boundary as currently defined.

### **The Proposed Residential CIL Charge**

SDC's Preliminary Draft Charging Schedule (PDCS) originally proposed a CIL Charging Rate for all residential uses across the District of £150 per sq m.

However, in the subsequent Draft Charging Schedule (DCS) and the Submission Charging Schedule (SCS), additional CIL rates have been set for a number of the key site allocations in the emerging Core Strategy, based on updated advice prepared by SDC's viability consultant, Peter Brett Associates (PBA).





The proposed CIL rates for residential development throughout the District are now as follows:

Development Sector	Proposed CIL £ per sq m
<b><u>Residential development</u></b>	
At Gaydon / Lighthorne Heath New Settlement	£110
Long Marston Airfield	£75
Canal Quarter Regeneration Zone	£85
Small sites (10 and under units)	£75
Rest of District	£150
Extra care	£ as prevailing rate
Retirement dwellings	£0

*Source: SDC SCS (October 2015)*

The table above shows that CIL rates have significantly reduced for some of the District’s main residential site allocations which are anticipated to contribute to meeting the housing needs across the District.

PBA’s latest viability report is dated **September 2015** which is the key report that informs the SCS. There are a range of previous reports considering the viability of CIL across the District which were undertaken in **2014** and **2013**.

Our client is concerned that the proposed CIL charges set out in the SCS for residential uses have not been subject to robust viability testing by PBA, both in terms of the assumptions that they have adopted to inform their viability testing, and the approach and methodology they have utilised to test the viability of CIL across the District.

***Review of SDC’s CIL Evidence Base (prepared by PBA)***

The following paragraphs set out our key concerns on the evidence presented by PBA to inform the SCS.

***Site Typology Thresholds***

PBA have assessed a range of ‘site typologies’ to inform CIL charging levels across the District. However, none of the site typologies appear to assess large brownfield sites in town centre locations. Although we recognise that such sites may be limited in number, they have the potential to deliver a significant amount of dwellings and hence contribute to the District’s housing land supply.

For example, the table set out at **Page 22** of PBA’s **2014** Viability Report confirms that for centre village/town locations, only sites of up to three dwellings have been subject to the viability test.



This is a major shortcoming in PBA's approach to site typology viability testing, as it means that larger, more complex sites, have not been subject to the viability test.

This approach is carried forward by **Table 6.1** of PBA's **2015** report, which also confirms that there are no large sites in town centre locations (i.e. over three dwellings) that have been subject to the viability test. This is an unrealistic assumption. The implication is that all town centre sites are assumed to be small scale (i.e. three units or below), and hence affordable housing does not apply. This is a significant flaw in the way that PBA have viability tested the potential of town centre sites to contribute to CIL, as the lack of affordable housing assumed will paint an over-optimistic picture of the viability of brownfield sites in town centre locations.

The redevelopment of town centre opportunity sites is in line with the National Planning Policy Framework (NPPF) and both the emerging Core Strategy and emerging Neighbourhood Plan, which earmark a range of sites (such as our client's) that should be redeveloped in the future to deliver environmental (along with other) improvements in the Town Centre.

Such sites will assist not only in terms of housing numbers, but also in regenerating key areas of the town. They are also likely to carry much more site specific costs when compared to brownfield land in non-centre locations and greenfield sites. PBA's typology assessments therefore have not taken into account these sites, which will make a significant contribution to housing delivery over the plan period, along with meeting many of the wider aspirations for regeneration set out in the emerging Core Strategy.

#### *Threshold Land Values*

PBA's **2014** Report confirms that for small Brownfield sites, a threshold land value of approximately £1,200,000 per hectare (£485,000 per acre) has been assumed. This was subsequently adjusted upwards in PBA's **2015** Report to £1,349,493 per hectare (£546,132 per acre).

This Threshold Land Value is very low in our experience, particularly for small sites in the District which typically achieve land values in excess of £1,000,000 per acre. We recognise that PBA has increased the Threshold Land Value in their **2015** Report and applied a deduction of 25% to Market Value (to reflect the guidance set out in the Harman Report). However, this allowance is not sufficient for previously developed sites which typically have buildings present which drive the existing/alternative use values. In addition, there does not appear to be any allowance for the quantum/site size, as small sites usually achieve much higher land values on a 'rate per hectare/acre' basis.

#### *Sales Values*

At **Paragraph 5.3.6** of PBA's **2015** report, PBA confirmed that for the 'central area', houses have been assessed at a sales value of £3,450 per sq m and apartments/flatted development have been viability tested at £2,400 per sq m.

This is therefore a significant difference in the value of houses and apartment developments based upon PBA's analysis. This will have a significant impact on the ability of schemes bringing forward apartments in town centre locations to meet the CIL charge.

As stated above, such scenarios have not been adequately viability tested as part of PBA's residential site typologies. This is a major short coming in PBA's approach to viability testing, which is contrary to **Regulation 14** of the CIL Regulations, as PBA's approach does not ensure that the appropriate balance is struck for sites across the Charging Area.

#### *Differential Charging Zones*

PBA's **Figure 4.4 - Average Sale Prices in Stratford-on-Avon District** of the 2014 Report highlights that the highest value areas are to the south of Shipston-on-Stour; to the south of Napton-on-the-Hill and to the north of Henley-in-Arden. This evidence therefore clearly contradicts PBA's assertions at **Paragraph 4.7.15** that:

*'The highest values achieved in the central area which include the settlement of Stratford-upon-Avon, Henley-in-Arden and Shipston-on-Stour.'*

The highest value areas in **Figure 4.4** of PBA's Report do not include the settlement of Stratford upon Avon. In addition, at **Paragraph 8.12**, PBA state that:

*'As shown in the CIL Economic Viability Study, September 2013, an important study finding is that Stratford-upon-Avon District has effectively three value zones. This was further agreed by the Stakeholder Consultations and supported by the research on sales values.'*

It is therefore clear from PBA's analysis that there are significant variations in value across the District and hence residential charging zones should be set on the basis of this geography.

In light of the above, PBA appear to have undertaken a market analysis of the potential for differential CIL charging zones for residential uses in the viability reports. For example, PBA conclude at **Paragraph 4.7.17** of the 2014 Report that:

*'On balance, this spread of prices from west to east suggests that it might be worthwhile to create more than one charging band. It should be noted, however, that the data is based on postcode boundaries that have little geographical significance relating poorly to individual settlements. Furthermore it is also important to analyse how development is distributed before coming to a decision. If all development was going in a single price area, making geographical distinctions in the Charging Schedule would not be necessary.'*

This is confirmed at **Paragraph 4.7.17**, where PBA state that it would be worthwhile to create more than one charging zone. However, PBA do not appear to then test the potential for differential charging zones further, and geographical charging zones have not been incorporated in either the PDCS, the DCS or the Submission Charging Schedule.

Notwithstanding the detailed evidence that PBA have provided (which shows that there are significant differences in value across the District), they conclude at **Paragraph 4.8.2** that:

*'Whilst there are some differences in the values and subsequent appraisal results between areas, there is insufficient evidence to be able to robustly define separate charging areas.'*

PBA's conclusions have therefore not informed either the PDCS, DCS or the SCS, as the three value zones across the District have not informed their viability assessment and hence have not fed through to the charging approach set out in the SCS.

This seems wholly inconsistent with the advice that PBA have provided at **Figure 4.4** of their report. Indeed, at **Paragraph 4.7.16**, PBA conclude that in terms of the spread of values that:

*'This is a wider spread than in some other areas where we have looked at CIL charges.'*

In light of PBA's own advice, we are bemused as to why PBA have not advised SDC to apply different CIL rates to different charging zones, in light of the significant difference in residential values that they have assessed across the District.

#### *Potential Impact of £150 per sq m Charge on The District's Housing Supply*

PBA note at **Paragraph 4.7.19** of their **2014** Report that the District's housing supply is dispersed across the District, the central area equating to broadly 33% of housing supply. In light of this, it is particularly important to ensure that the 'blanket' CIL rate of £150 per sq m proposed across the Charging Area is robust. If it is not robust (i.e. should have been adjusted to reflect the three different value zones), it will severely impact on the deliverability of the District's housing figures as calculated by PBA.

Rather than testing the three charging zones for residential uses, PBA have instead undertake additional viability analysis of strategic sites only, on the assumption that these are the only sites which will have an impact on the District's housing delivery. It should be noted that the viability conclusions relating to the strategic sites, which include the Canalside Quarter, suggest that significantly lower CIL rates are appropriate in these locations of between £75 per sq m and £85 per sq m. This calls into question the robustness of the £150 per sq m that has been adopted for all other areas in the rest of the District (which has been subject to a much more 'broad brush' viability testing approach through the site typology process).

At **Paragraph 6.2.11** of the **2015** Report PBA make a sweeping statement that the majority of development will be delivered in the central and eastern areas of the District (as they have defined them). They state that:

*'Therefore it is still fair to conclude that whilst the western area has the lowest values within the district it also has the lowest anticipated future housing supply which will be liable for CIL. The central area will attract the majority of CIL liable development with the remainder in the east. So in terms of setting a CIL rate it will be important that development is viable in the central and east areas at the proposed CIL rate.'*

PBA are wrong to assume that it would be acceptable for the £150 per sq m CIL rate to only threaten viability in the Western Area of the District. Clearly this would have a significant impact on the District's housing figures (reference **Paragraph 4.7.19** of the **2014** report which estimates that the Western Area accounts for 9% of the District's Housing Land Supply). In addition, **Paragraph 8.2.3** confirms that 'other sites' as identified in **Table 8.2**, will account for 1,830 dwellings to the District's 7,000 housing target. This is almost equal to the number of dwellings proposed at Gaydon/Lighthorne Heath, Long Marston Airfield, and almost three times the number of dwellings that will be delivered in the Canalside Quarter.

Given that ‘other sites’ contribute to approximately 26% of the District's housing land supply, it will be particularly important to ensure that the viability testing of these sites is robust to ensure that the viability of housing across the District (as envisaged by the emerging Core Strategy) is not put at significant risk by the CIL.

The current approach set out in the SCS is not robust and does not align with PBA’s own evidence and market analysis. The CIL charging approach could therefore have State Aid implications. The fact that the SCS fails to adequately reflect the three different value zones in the District is a major short coming in the evidence underpinning the CIL. **Figure 4.4** actually shows that whilst there are ‘hot spots’ of very high value areas in the District, the majority of the central and eastern areas fall within the mid-range of values assessed, and the Western Area of the District is the lowest value. This has not been adequately taken into account by the setting of a blanket £150 per sq m CIL Charge across the District.

*Comparison with neighbouring charging areas*

The table below provides a summary of the progress of Local Authority Charging Schedules surrounding Stratford-upon-Avon relating to residential CIL charging:

Local Authority	Stage of CIL	Residential Charge (per square metre)
Warwick District Council	Produced a Preliminary Draft Charging Schedule in <b>March 2015</b> and consulted upon until <b>10 April 2015</b> .	For strategic sites allocated in the plan, there are four zones charging: £30, £70, £90 and £110. For all other residential development it is £50, £120, £170 and £180.
Cherwell District Council	No publications on Charging Schedule to date	Unknown
Cotswold District Council	No publications on Charging Schedule to date	Unknown
South Worcestershire LPAs	Revised Preliminary Draft Charging Schedule published <b>February 2015</b> .	£0 for all residential development in main urban areas. £40 in all other areas in Malvern Hills and Wychaven, but not Worcester City (which is £0).
Redditch Borough Council	No publications on Charging Schedule to date	Unknown
Bromsgrove Borough Council	No publications on Charging Schedule to date	Unknown
Solihull Metropolitan Borough Council	From <b>16 October 2015</b> for four weeks, the Council consulted on Modifications to the Draft Charging Schedule	£0, £75 and £150

Birmingham City Council	Examination Report published on <b>4 June 2015</b> . Approval of Full Council in <b>September 2015</b> . CIL charging will commence <b>4 January 2016</b> .	£69 and £0
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Source: JLL Analysis (November 2015)

The above shows that the only neighbouring authorities that are proposing CIL rates for residential uses as high as those currently proposed in Stratford upon Avon are Solihull and Warwick. All of the other local authorities' CIL rates for residential are significantly below those set out in the SCS.

We understand that Solihull MBC's CIL has been reviewed by the CIL Examiner and modifications have been proposed following the Examination earlier in **2015**. Solihull's approach does however include a 'zoned' charging approach to residential CIL charging. In addition, Warwick District Council's CIL is in the very early stages of formulation and hence limited weight can be attached to the CIL rates proposed for residential uses at present (albeit that it should be noted that this authority is also proposing a 'zoned' approach to residential charging). This casts further doubt on the SCS's approach to not charge residential uses by the three different market value zones identified by PBA.

#### *Build Costs*

**Paragraph 4.5.17** of PBA's **2014** Report confirms that the RICS Build Cost Information Services (BCIS) has been utilised to inform the build cost assumptions, which are averaged over a 15 year period. This generates a build cost as follows:

- £993 per sq m (£92.25 per sq ft) for Flats.
- £1,257 per sq m (£116-78 per sq ft) for Houses

This approach appears to be inconsistent with the approach PBA has adopted to assess the Gross Development Value (GDV) of the scheme. Sales values have been calculated drawing on Land Registry data over the last 12 months.

In our experience, £993 per sq m (£92.25 per sq ft) is far too low for flatted/apartment development. The revised build cost for flats in PBA's **2015** report is £1,083 per sq m (approximately £100 per sq ft). Build costs have risen significantly over the course of the last year and the build costs that PBA have applied are far too low, particularly for high quality town centre sites delivered at higher densities. The current BCIS build cost average (median) for flats is £1,186 per sq m (£110.18 per sq ft) with an 'upper quartile' build cost of £1,409 per sq m (£130.90 per sq ft). These costs are significantly above those applied by PBA to inform their analysis. PBA's lower build cost will artificially enhance the ability of apartment schemes to contribute to CIL.

In addition, the average build costs provided by BCIS do not reflect higher density apartment/flatted development which is likely to be more appropriate in town centre locations, which have significantly higher build costs. It also does not factor in the high specification of apartments that would be required in high value locations such as Stratford-upon-Avon.



This is a serious shortcoming in the way that PBA have viability tested residential uses, and hence their ability to pay CIL across the Charging Area. A copy of our BCIS build cost analysis for apartments is attached.

#### *Allowance for External Works*

**Paragraph 4.5.19** of PBA's **2014** report highlights that PBA have applied an allowance for 'external' works of 10%. First, this is on the lower end of the range that we would anticipate of 10-15%.

However, of greater concern is that this allowance appears to include the 'circulation space' in the apartments. It is standard practice to allow for 15% circulation space in flatted/apartment development. This allowance is made by adjusting the areas that the build costs are applied to by 15%. Hence, if circulation space has not been taken into account in flatted development to inform PBA's assessment, this will have a significant impact on the viability appraisal results PBA have presented. It will overestimate the ability of flatted/apartment development to contribute to CIL. This assumption is contrary to market practice.

Further, there is no allowance in PBA's viability assessment to reflect that many developments, particularly in town and village locations, will take place in, or on the edge of, Conservation Areas. In these locations, build costs are typically much higher than the average prices provided by the BCIS and are often more in line with 'upper quartile' BCIS Build Costs. This does not appear to be referenced in any of PBA's reports and therefore factored into their viability analysis. This under estimate of costs will artificially enhance PBA's viability appraisals and hence PBA's assessment of the ability of residential schemes to contribute to CIL throughout the Charging Area.

#### *Abnormal Costs*

In PBA **2015** Report, an allowance of £80,000 per acre (£200,000 per hectare) has been assumed to meet abnormal costs (reference **Paragraph 5.3.24**).

It is unclear what this standard allowance includes. It is unlikely to be sufficient to reflect all constraints which are pertinent on brownfield sites, such as land assembly issues, ensuring that the legal title is clean to facilitate development; remediation / contamination on the site; and the demolition of existing buildings (and so forth).

PBA should therefore provide further justification for this allowance. If this allowance is set too low, it will artificially enhance the ability of sites to contribute to CIL across the Charging Area.

#### *Allowance for Section 106 Contributions*

PBA have assumed that no Section 106 contributions are required in their appraisals, in light of the Regulation 123 list that SDC has currently prepared. This approach therefore does not take into account the cost of any site specific planning contributions which will still be required on a site by site basis under the scaled back Section 106 regime.

Therefore, there is no headroom in PBA's development appraisals for such requirements which should have been included as part of their assessment.



## **Other Issues**

### ***Exceptions Policy***

The SCS refers to an Exceptions Policy; however, no such policy appears to be included in the SCS as currently drafted. SDC state that such a policy is not included in the SCS, but that SDC will consider formulating such a policy and wishes to hear views from those making representations on the SCS as to whether such a policy is appropriate.

Our client strongly supports the formulation of an Exceptions Policy, given that PBA have not adequately viability tested a sufficient range of site typologies (i.e. which reflect significant town centre regeneration schemes such as the Gateway).

An Exceptions Policy will be critical to complex urban regeneration sites such as the Gateway opportunity, which involve a wide range of viability and deliverability issues such as land assembly; demolition of existing buildings and structures; abnormal ground conditions; the diversion of services (etc.). Typically, these sites are much more complex and carry higher abnormal costs than more 'typical' brownfield and greenfield sites which have been viability tested by PBA in their site typologies.

Accordingly, our client strongly supports the inclusion of an Exceptions Policy in the SCS.

### ***Instalments Policy***

SDC's proposed Instalments Policy is in principle welcomed, as it will enable larger developments to contribute to CIL on a 'staged' basis. This will minimise the cash flow constraints at the outset of development schemes, where significant up-front costs are typical, which also need to be met to facilitate development.

Where developments themselves are phased, **Regulation 9(4)** provides that each phase of the development will form a separate chargeable development, and the Instalments Policy will apply to each individual phase.

## **Summary and Conclusions**

The CIL Regulations require Charging Authorities to prepare evidence to examine the effect of the proposed CIL levy on the economic viability in their area, and demonstrate to an Independent Examiner that the viability evidence is robust and that their proposed charging rates strike the appropriate balance.

Our client, Gateway One Limited, is concerned with the approach set out in the SCS to levy a significant CIL charge of £150 per sq m on residential development throughout the Charging Area. In addition, they are also concerned that the reference to **Policy CS.22** of the proposed submission





Core Strategy **June 2014** and the associated plan 'Figure C' for retail charging purposes will cause confusion (unless this plan is amended).

In terms of residential uses, our client is concerned that the proposed CIL charges set out in the SCS have not been subject to robust viability testing by PBA, both in terms of the assumptions they have adopted to inform their viability testing, and the approach and methodology they have utilised to test the viability of CIL across the District (in particular, the range of sites tested through the site typologies).

We have highlighted a range of issues with the viability evidence base underpinning the Council's CIL, which highlight our concerns relating to the following:-

- Site typology thresholds;
- Threshold Land Values;
- Sales values;
- Differential charging zones;
- The potential impact of £150 per sq m charge on the District's housing land supply;
- Build costs;
- Allowance for external works;
- Abnormal costs; and
- Allowance for Section 106 contributions.

Drawing these together, we are concerned that the £150 per sq m charge is not justified by the viability evidence that PBA has prepared. In particular, PBA's evidence suggests that the residential CIL should be based on three geographical zones; however, this has not been carried forward into any of the consultation versions of the Charging Schedule.

In addition, the typologies tested by PBA assume that only small sites (under three dwellings) are delivered in the town centre. Accordingly, their analysis does not recognise the potential of much larger town centre sites to contribute towards housing delivery, (as recognised by both the emerging Core Strategy and emerging Neighbourhood Plan). Hence, these significant sites have not been adequately tested to assess their potential to contribute to CIL.

In light of this, our client strongly supports the formulation of an Exceptions Policy in the SCS, which will be critical to complex urban regeneration sites, such as our clients, which typically involve a wide range of viability and deliverability issues.

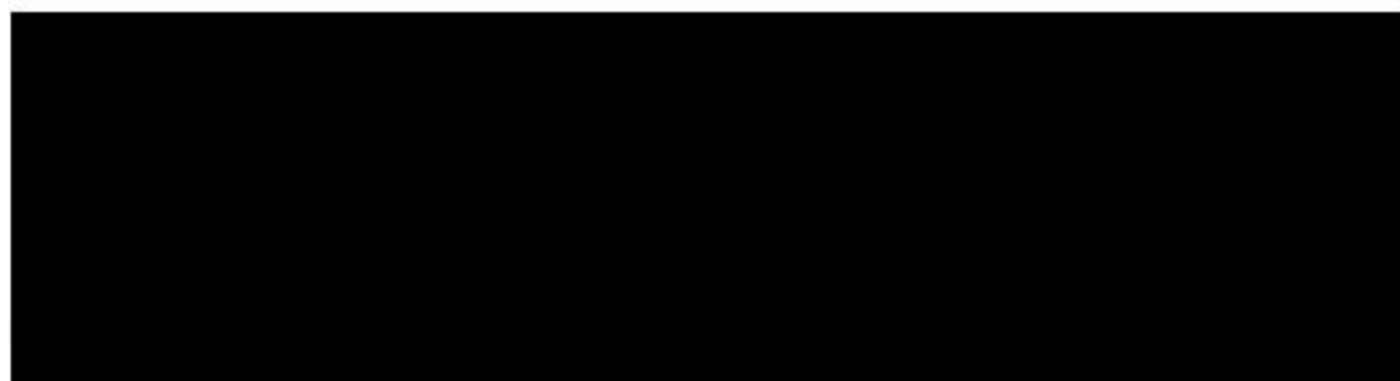


**Request to be Heard at the Examination**

We would like to make a formal request to be heard at the Examination, so that the Independent Examiner can consider our representations, if the issues we have highlighted above are not addressed by proposed modifications to the Submission Charging Schedule (SCS).

We trust that these representations clearly set out our client's concerns for your consideration. However, if you have any queries, please do not hesitate to contact me on the details set out above.

Yours faithfully



**Nigel Simkin**  
**Director**  
**For and on behalf of Jones Lang LaSalle Limited**

Enc. BCIS Build Cost Analysis





Average prices

Results

> Rebased to Stratford-on-Avon (100; sample 23) Edit

£/m2 study

Description: Rate per m2 gross internal floor area for the building Cost including prelims.

Last updated: 31-Oct-2015 12:20

Maximum age of results:

Building function (Maximum age of projects)	£/m <sup>2</sup> gross internal floor area						Sample
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest	
<b>New build</b>							
<b>Flats (apartments)</b>							
Generally (15)	1,238	604	1,026	1,186	1,409	4,374	793
1-2 storey (15)	1,157	695	997	1,124	1,287	2,232	188
3-5 storey (15)	1,218	604	1,024	1,177	1,394	2,459	528
6+ storey (15)	1,590	904	1,268	1,535	1,689	4,374	73

*£130.90/m<sup>2</sup>*

*£110.18/m<sup>2</sup>*

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