

## COMMUNITY INFRASTRUCTURE LEVY

### RESPONSE TO CONSULTATION ON PRELIMINARY DRAFT CHARGING SCHEDULE

This form can be used to respond to the consultation the Council is currently undertaking on its Preliminary Draft Charging Schedule. All responses should be made by **26<sup>th</sup> April 2013** by sending this form, either by post or email, to the following address:

Email: [psp@solihull.gov.uk](mailto:psp@solihull.gov.uk)

Post: Policy & Spatial Planning  
Solihull MBC  
Council House  
Manor Square  
Solihull  
B91 3QB

#### Your name & address:

Name	Erica McDonald
Organisation	Notcutts Limited
Address	Cumberland Street Woodbridge Suffolk IP12 4AF
Telephone no.	[REDACTED]
Email address	[REDACTED]

#### If you are representing another person, their name & address:

Name	
Organisation	
Address	
Telephone no.	
Email address	

#### Nature of representations:

Support	<input type="checkbox"/>
Object	<input type="checkbox"/>
Comment	<input checked="" type="checkbox"/>

#### Nature of interest:

Parish or Town Council	<input type="checkbox"/>
Resident	<input type="checkbox"/>
Developer	<input type="checkbox"/>

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Statutory Consultee	
Other	X

**Consultation questions**

1. Do you believe that the proposed charges are an appropriate balance between funding infrastructure and the potential effects (taken as a whole) of the imposition of CIL on economic viability of development across the Borough ? If not why not ?

Yes	<input type="checkbox"/>	No	X	<input checked="" type="checkbox"/>
<p>All viability analysis has been carried out on the basis of traditional property investment / development analysis based on the assumption that on completion of development there will be an investment sale and a developer will retain a required developer's profit. Insufficient consideration has been given to the effect of this charge on existing operational businesses within the Borough who may have a need to physically expand their existing premises in order to maintain viability and to grow. Business expansion is not necessarily property market dependent and without recognising requirements of existing businesses, economic growth will be curbed.</p>				

2. Do you believe there is adequate evidence on infrastructure planning and economic viability to introduce a CIL ? If not what additional evidence do you believe is necessary ?

Yes	<input type="checkbox"/>	No	X	<input checked="" type="checkbox"/>
<p>As CBRE acknowledge in their report, the output to their viability testing can only be regarded as a 'high level' guide to scheme viability and thus has severe limitations. Further we have concerns that the focus is very much based on property investment data and envisages development by property developers looking to create development profit. Little thought seems to have been given and insufficient 'testing' has been done, to consider the effects that the charges will have on existing businesses looking to expand existing premises in order to grow and remain viable.</p> <p>Further whilst a 5% contingency is allowed for in all appraisals no specific allowance has been made for site specific issues. Where brownfield land is being developed inevitably site preparation /remediation costs will be higher and this 'contingency' will inevitably be 'used up'. Due to demolition and site costs it is the brownfield land which is most likely to be at the 'minimum end' of the viability scale. Thus it is our opinion that as drafted, within the use classes where a CIL rate is to be applied, the effect will be to direct development away from brownfield land onto greenfield sites which is contrary to one of the Governments primary aims.</p>				

3. Do you agree with the separate charging zones for residential development and the CIL rates based on these zones ? If not what changes do you believe are necessary to make them appropriate ?

Yes	X	No	
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Save that my comment in relation to brownfield sites ( in whatever location) above should also be addressed.

4. Should there be different residential rates based on the percentage of affordable housing to be provided on the site ? If so what should the threshold be ?

Yes	X	No	
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Without making allowance for this the resultant effect will be a reduction in deliverability of affordable housing which should be increased not reduced.

5. Do you agree with the differential rates for the different types of retail development and are the thresholds appropriate ? If not what changes do you believe are necessary ?

Yes		No	X
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Notcutts Limited have operated a garden centre within the Borough for over 40 years and the site in its existing format is approaching 30 years old. Competition in the Region has increased significantly in that time and we are conscious of a continuing need to address our infrastructure requirements in order to remain competitive in what is a very tough climate. It is unclear whether our use would be considered as “ Other Retail Formats” or “All Other Uses”? If, as a retail garden centre we are categorised along with other comparison retail offers outside the town centre, including retail warehousing, immediately the model is attempting to address a situation where the inputs are not applicable to the viability of the proposals. The result of this will be to constrict the development and growth of an existing operational business and source of employment within the Borough.

This example relates to our individual circumstances however the principle may apply to other ‘retail’ scenarios which do not fit into either the food store or ‘traditional retail warehouse’ model and where development for existing operational site expansion which may previously have been marginal ( and not hit by S106) could now be precluded.

The analysis and thresholds are too broad brush.

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6. Do you agree with the rates for the other types of development ? If not what changes do you think are necessary to make them appropriate ?

Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
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7. Do you agree there should be a nil rate for the development types not listed (ie including office, industrial & agricultural developments) ? If not why not ?

Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
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8. Do you believe the Council should allow CIL payments to be made in instalments, and if so what should they be ?

Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
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<p>Particularly where CIL payments are large, the benefits ( financial or otherwise) from any proposal will not be gained until completion of development. In the meantime, only the banks will gain from the additional finance costs to cover these up front capital requirements. The real cost to the 'developer' is therefore higher than the headline CIL proposed. Assuming payment of CIL on completion of a development is not an option, at the very least phasing of payments where large sums are due, should be introduced to lessen the impact on cash flow and finance costs.</p>
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9. Do you believe the Council should offer additional exemptions in the circumstances listed above ?

Yes	X	No	
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Certainly where an additional S106 is to be put in place as well as the CIL charge and the combined effect is to render the development unviable, there is no gain to either side if the development is not therefore viable to proceed and growth is curtailed.

10. Any other comments ?

Yes	X	No	
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Please refer to covering e mail

**Focus Groups**

Depending on the nature and extent of representations made on this Preliminary Draft Charging Schedule, the Council may makes arrangements for one or more focus groups prior to consulting on the Draft Charging Schedule. If you consider that such groups would be beneficial it would be helpful if your response could indicate the subject areas or issues you believe should be covered in a focus group.

Do you wish to be invited to any focus groups that may be arranged ?

Yes	<input type="checkbox"/>
No	<input type="checkbox"/>

If so what subject areas or issues should be covered in a focus group ?

How to address existing operational businesses with a need to expand in order to remain viable but which will be caught by this rather general CIL charge and where S106 would not previously have been applicable. Could size thresholds for existing operational premises perhaps be greater than for new 'investment led' development?

Thank you for taking time to complete this consultation.

**How we will use your personal information:** *The information you provide will be used by the Council to help prepare the CIL Charging Schedule and will be shared with other employees or agencies (such as the Planning Inspectorate) who may be involved with the process. Additionally, your personal details may be shared with other Solihull MBC departments and partner organisations to ensure our records are kept accurate and to keep you informed of future consultation documents. Please note that the Council is obliged to make representations available for public inspection, this means that with the exception of telephone numbers, email addresses and signatures, your comments and other personal details that you provide will be publicly available for inspection at the Council's principle offices and will also be published on the internet. Should you have any further queries please contact Spatial Planning on 0121 704 6394 or email [psp@solihull.gov.uk](mailto:psp@solihull.gov.uk).*