



Policy and Spatial Planning,
Solihull MBC,
Council House,
Manor Square
Solihull
West Midlands
B91 9RG

Dear Sirs

**Response by the Country Land & Business Association (CLA)
Solihull MBC Community Infrastructure Levy Preliminary draft charging schedule**

The Country Land and Business Association (CLA) is a national organisation embracing the owners and occupiers of all types of rural land and business in England and Wales. It represents the interests of the owners of some 35,000 land holdings and rural businesses.

Solihull MBC is part of the area covered by the Midlands Region of the CLA. CLA members include every size and type of holding, from estate owners to the smallest land holding of less than a hectare. The membership encompasses all traditional agricultural and forestry from the most sophisticated dairy and arable enterprises, pigs and poultry, through to highly productive intensive horticulture and vegetable production and more extensive livestock systems. The majority of our landowning membership is made up of family farm owner-occupiers many of whom have diversified into other business activities in response to the downturn in farm incomes.

The CLA also represent the interests of owners of other types of rural businesses including, for example: forestry enterprises, mineral and aggregate operators and owners, hotels, golf courses, tourist enterprises, equestrian establishments, a myriad of small rural enterprises and also institutional land owners such as water companies, pension funds, and development companies.

The CLA represents the wide diversity of the rural community and is the only single organisation able to do so in quite so comprehensive a manner. We are glad of the opportunity to be an active partner in any consultation exercises or decision making processes in which rural business and the communities form part.

The CLA comments are as follows:

Whilst we appreciate that Solihull Metropolitan Borough Council is considered an urban area, the Unitary Development Plan 2006 recognises that two thirds of the borough is countryside therefore it is important that CIL charges do not stifle development in these areas. Solihull describes itself as the town in the country and it is important that the countryside has development and allows people to live and work in the rural areas and not have to commute to towns and cities in the area.

The CLA supports Solihull MBC proposal not to apply a CIL onto office, industrial and storage (B8) development during these financially difficult times.

The CLA also supports Solihull MBC's decision not to impose a CIL on any agricultural or forestry developments, as farmers and landowners are often forced to upgrade their

buildings and infrastructure due to legislation with no commercial gain to the enterprise. If a CIL had been imposed on these types of enterprise it would have had a major impact on the farming and rural business community, who would have been unable to afford the increase cost of the development due to the CIL. The CLA agrees that the Council should allow CIL payments to be made in instalments.

The CLA are concerned that farm shops would have to pay CIL charges as they fall under the retail use classification, farm shops are a diversification from agricultural and should not be treated the same as large supermarkets. The CLA would like clarification that the CIL charge for Car Dealerships (sui generis) is only for car dealerships and not for all other planning applications classed as sui generis.

When considering CIL charges, Solihull MBC must consider the accumulation of all charges levied on developments. In future, developments may be required to pay an affordable housing payment, section 106 charges and CIL; these charges added together could make development uneconomic and lead to stagnation of housing development.

However, the CLA has major concerns with Solihull MBC's proposal to levy a charge of a £150 per square metre on rural market housing, which is twice the cost of the equivalent housing in urban areas. The CLA would suggest that both urban and rural developments be judged under the same CIL charge criteria.

The CLA is extremely concerned that the short time frame to review this document has made it difficult for us and our members to respond in a comprehensive manner to the proposed charge of £150 per metre square. The CLA agrees with the statement in the viability study "that where planning obligation liabilities, including CIL, reduce the site value to the landowner and /or reduce the profit margin below an appropriate level , development would not take place" Solihull MBC must recognise this and lower the CIL charge for rural areas.

It is our view that market housing in rural areas is being used to subsidise the increased infrastructure required for development of the town centre and the other mature suburbs by asking for twice the amount of CIL compared to urban areas. The CLA views this as an unacceptable high charge with implications that will stop housing development in rural areas of Solihull, owing to the profit margins being squeezed making sites unviable. It is our view that the £150 m² contributions will act as a significant disincentive for development in rural areas. In addition we support the Council's decision for a hundred percent relief on affordable dwellings.

Additional CLA concerns

The CLA would like to know if the Council will be proposing a mechanism by which the CIL charge can be amended by an inflation measure. The current document does not set a review date for the CIL. Given our concerns on the impact on rural development, the CLA would recommend that there is a facility to review this charge within a year,

The CLA would like to know what will happen where landowners decide to build houses to keep within their long term ownership, to diversify their income through a residential portfolio of properties. There are no capital receipts from which to fund a CIL charge, rather the CIL charge would have to be met from existing revenues which land managers are trying to improve by diversifying to obtain an alternative rental income stream. In this case we believe the Council should be more flexible in their approach for the payment of CIL, for example, not charging the CIL until a rental income is received.

Houses for essential workers - The CLA have concerns that there is no allowance for housing needs for rural businesses such as agricultural, forestry and other essential rural workers. The CLA would like clarification that these dwellings will be treated the same as affordable housing, with a nil rate set for CIL. Our view is that the CIL should not apply to these dwellings which will have been justified as a requirement for the business.

The CLA view is the proposed contribution of £150m² for rural areas for residential, combined with the other costs will suppress development and therefore impact the rural economy, we urge Solihull MBC to re-think this excessively charged policy.

Any future review by Solihull MBC for CIL on development should be done in full consultation with both urban and rural stakeholders, including the CLA.

Yours sincerely



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