

DACORUM BOROUGH COUNCIL

COMMUNITY INFRASTRUCTURE LEVY DRAFT CHARGING SCHEDULE

REPRESENTATIONS ON BEHALF OF TAYLOR WIMPEY

27 February 2014

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These representations to the Council's Community Infrastructure Levy: Preliminary Draft Charging Schedule are submitted on behalf of Taylor Wimpey ("TW"). TW have land interests at the West Hemel Hempstead Local Allocation (LA3) and the Strategic Site Allocation SS1 (Land at Durrants Lane/Shootersway) at Berkhamsted.

**Question 1 – Did you provide the Council with representations upon its Preliminary Draft Charging Schedule?**

Yes

**Question 2 - Do you agree with the Council's conclusions and its evidence on residential charging zones including the introduction of 'nil' charging zones at land at West Hemel Hempstead and Spencer's Park**

'Nil' Band at LA3

TW support the proposed nil charge in Zone 4 which would apply the LA3 West Hemel Hempstead local allocation. TW are particularly keen to ensure that the introduction of CIL does not hamper the delivery of housing within the Borough, particularly on the greenfield sites such as LA3, where infrastructure costs are high.

Excluding LA3 from CIL payments is essential due to the nature of the infrastructure to be provided and to ensure the expedient delivery of the infrastructure required to support the development including on-site community infrastructure, the proposed primary school, as well as extensive highways works. Whilst the *Strategic Sites Testing* analysis undertaken by BNP Paribas indicates that LA3 could 'afford' CIL at £100/sq.m. it also highlights the advantages of using a Section 106 agreement on the larger sites such as LA3. It rightly states that "*the agreements would provide greater certainty of the funding and delivery of the necessary infrastructure needed to support the development.*"

TW therefore consider that this is the correct approach to ensure a sustainable new neighbourhood and is justified by the Council's evidence base.

Zone 1 : Berkhamstead and surrounding area

The new 2014 Regulations now make it clear that it is a *requirement* for Councils to balance funding infrastructure through CIL and viability. This puts a greater burden on the Council to prove that this

balance has been correctly struck. As set out in the National Planning Policy Framework (paragraphs 173 – 177), the development identified in the Core Strategy should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened.

TW are concerned that the proposed charge for Zone 1 is too high. Indeed, compared to the proposed charges for adjoining authorities and other Zones within the Dacorum Charging Schedule, as a percentage of Gross Development Value the CIL payments will be significantly higher in Berkhamsted. The difference in revenues, whilst higher than settlements such as Tring and Bovingdon, does not justify an additional tier amounting to a further £100/sq.m over the Zone 2 level. It is considered that this unjustly penalises development in Berkhamsted and will impact on viability. TW are unconvinced that the assessment of costs against values in Berkhamsted is realistic. A higher percentage of affordable housing (40%) is required on strategic and local allocations and as such there is a requirement for additional viability testing to check the viability of these sites with CIL. Ultimately, if CIL is set too high, the outcome will necessarily be a reduction in affordable housing.

**Question 3 – Do you consider that the Council’s conclusions on the retail charges are informed by appropriate evidence and are reasonable?**

No comment.

**Question 4 - Do you consider the content of the Council’s Regulation 123 list to be appropriate?**

In our view the Regulation 123 list is too generic. The Regulation 123 list is clear enough as to the *types* of infrastructure that will be funded through CIL, and that which will be excluded. However, it should be possible (and would be preferable) to provide further detail as to projects that are to be funded, where known, particularly in relation to education and transportation projects.

**Question 5 – Do you agree that the introduction of the following policies will assist in the delivery of the housing objectives within the Core Strategy?**

Discretionary Relief Policy

No objection is raised to the implementation of a Charitable Discretionary Relief Policy.

Exceptional Circumstances Relief Policy

TW support the implementation of exceptional circumstances relief. Use of an exceptions policy will enable the Council to avoid rendering sites with specific and exceptional cost burdens unviable. The 2014 Guidance makes clear that this can be considered where a Section 106 agreement is in place as well as a levy charging schedule.

However, the amended Regulations no longer require that the value of complying with a section 106 agreement must exceed the CIL Charge for the development in order to qualify as an exception. This criterion should therefore be removed from the Exceptional Circumstances Relief Policy. This would allow the Council, in certain circumstances, to balance the need for infrastructure contributions with the wider benefit of providing housing and, in particular, affordable housing.

Instalments Policy

TW support the introduction of an Instalments Policy. This may assist viability and delivery of development, since development does not generate value until complete either in whole or in phases.

We assume that this policy provides additional assistance to viability over and above the ability to subdivide planning applications into 'phases' for the purposes of the levy. This could well be the case for the TW site at Berkhamsted.

**Question 6 - Do you agree that the Councils approach to CIL will not undermine the delivery of the Core Strategy as a whole?**

There is no evidence to suggest that this will be the case.

**Question 7 - Do you have any other comments on the Draft Charging Schedule or the associated documents?**

No.

Vincent and Gorbings  
On behalf of Taylor Wimpey