

The City of Cardiff Council - Community Infrastructure Levy Preliminary Draft Charging Schedule (PDCS) Response Form

6 Week Consultation Period
Monday 10th November to Monday 22nd December 2014 at 4.00pm

LLANDAFF SOCIETY RESPONSE

Question 1:

Do you agree that the evidence provided in the PBA CIL Economic Viability Study is correct?

If not, please set out alternative evidence to support your view.

Q1 Response: No. The valuation information in the *PBA CIL Economic Viability Study* provides only a 'best guess' of overall viability. It is not unbiased, as it is based on information provided by agents for a small number of landowners and developers who stand to benefit from lower valuations and higher cost estimates.

Question 2:

Do you agree that the CIL Rates proposed (per m²) strike an appropriate balance between the desirability of funding infrastructure through CIL and associated economic viability?

If not, please set out alternative evidence to support your view.

Q2 Response: No, because:

1. The proposed rate is not in line with the recommendation of the Council's own consultants, which is admitted to be modest. *PBA Study (August 2014) para 5.5.3* shows that greenfield market housing could sustain a higher rate while still remaining viable and allowing for a "healthy safety buffer". The calculations should be checked by an independent valuer eg the District Valuer.
2. The justification for the £100/m² CIL rate does not include a robust assessment of the infrastructure required to support major expansion of the City (as advised in *CIL-007, Planning Practice Guidance, CIL*). The rate would not raise a large enough contribution towards, for example, the cost of the Metro, leaving it to be funded from diminishing public finances or not at all. We will be making strong representations to the effect that that the Metro must be included in the current LDP - and thus the Infrastructure Plan and this Charging Schedule - if the Plan is to achieve its sustainability goals.
3. There is no proper explanation or justification given in the *Preliminary Draft Charging Schedule (PDCS)* for reducing the £260 figure for greenfield sites to £100. According to the PBA study, the major greenfield sites in North East and North West Cardiff could deliver a higher level of CIL and still remain viable if designated as a separate charging zone.
4. We have looked at the data available for other areas with adopted CIL Schedules but have concluded that they reflect the different viability and infrastructure issues in each area and can't be used to justify any lower rate for large greenfield sites than £260/sqm in Cardiff.
5. The *PBA Study para 5.3.17* states that the study uses "broad approximations" and is subject to "a wide margin of uncertainty". It suggests CIL levels but, with a large pent-up demand for housing which is a key driver for the LDP's strategic sites, profits from housing

development could well be higher than assumed, justifying a higher CIL rate in these areas.

6. Using an average dwelling size of 90.5m² - calculated from estimates in the *PBA Study Appendix A* - the 13,450 new homes proposed on all the LDP's strategic greenfield sites could raise £316.4million at a CIL rate of £260/m².
7. At this higher CIL level the strategic sites would yield sums that would make a contribution closer to the costs they will impose on the City's existing and new infrastructure which will be vital to their sustainability and that of the rest of the City.
 8. The CIL Schedule won't be adopted until late 2015, so permission could be granted on some Strategic Sites before it is adopted. If so, S106 agreements must secure enhanced contributions to City-wide infrastructure to equate with what would be achieved via CIL.
9. On the basis of the *PBA Study*, the CIL for the Strategic Sites could be set at a higher level than £260 - for example £496/m² - because they will benefit from a large uplift in value and they have the greatest need for new infrastructure.
10. We have examined comparable CIL charges elsewhere and these confirm our view that there would be nothing wrong or exceptional if Cardiff adopted the £260 rate on greenfield sites. For example, the authoritative Planning Portal (which perhaps surprisingly has not been used for comparison by your consultants) gives the "Top Ten" rates in 2012 as Wandsworth (Nine Elms A) £575pms; Wimbledon £385; Wandsworth (Nine Elms B) £265; Wandsworth £250; Poole (Zone A) £211; Brent £200; Poole Zone B £168; Greater Norwich £135-160; Wycombe £150; Merton £140
11. The suggestion is made in the *PDCS* that further contributions will come from future S106s. We believe that this is a mis-interpretation of the Regulations, which make it clear that when CIL is in place the new S106 will be restricted to funding on-site facilities. Moreover, after April 2015 it will no longer be possible to pool S106 contributions for infrastructure at City scale which could be funded via CIL.
12. *PDCS (E) Table 2* provides a sketchy list of infrastructure. This is inadequate as a basis for establishing the infrastructure that needs to be funded to implement the LDP sustainably. The list includes "Rapid Transit" but this is not a fully specified or costed proposal. And we can see - from the Local Transport Plan and the Environmental Statement Transport Assessment submitted with the outline planning application for Strategic Site C - that what is proposed comprises road widening to provide for traffic queues, numerous traffic controlled junctions, bus lanes and bus-only gates along Llantrisant Road, not the fixed track Metro system that is essential if the 50/50 modal split requirement of the LDP is to be achieved.
13. There is no indication of where the other element of funding is going to come from for any of the infrastructure, contrary to advice in the *Planning Practice Guidance*.
14. The Charging Schedule submitted for Examination must be amended to make it more realistic, otherwise the CIL will not make the necessary contribution to achieving the LDP's ambitious aspirations.

Question 3:

Do you agree with the proposed CIL charge (£100/m²) across all residential sites to enable the negotiation of additional onsite infrastructure through S106 for larger greenfield sites?

If not, please set out alternative evidence to support your view.

Q3 Response: No because:

1. The evidence for a higher rate for greenfield sites is provided by the *PBA Study* commissioned by the Council. The Council has not provided any evidence for departing from that study's recommendation for a higher rate of CIL for greenfield sites.
2. As stated in answer to Qu 2 point 11 above we believe the practice of negotiating S106 site by site is likely to generate more work for the Local Planning Authority and result in lower receipts.
3. Evidence of recent S106 agreements in Radyr and Morganstown shows that the amount of S106 money in no way compensates or mitigates for the adverse impacts of the development. Moreover, other community benefits that were promised eg a school site and senior housing have not materialised.
4. Evidence on the Planning Portal (which perhaps surprisingly has not been used by your consultants for comparison purposes) shows that differential rates are frequently used across the UK, for example: Basingstoke £150/£70/£63; Bracknell £220/£350/£0; Chichester £200/£120; East Hants £180/£100/£60/£0; Medway £150/£50; Rother Valley £240/£180; Dacorum £250/£150/£100/£0; Hertsmere £180/£120/£0; and in the most refined example Warwick £180/£170/£120/£110/£90/£70/£50/£30

Question 4:

Do you believe that the Council should offer relief for any of the following discretionary matters?

- 4A: Payment by instalments
- 4B: Relief for low-cost market housing
- 4C: Land and Infrastructure in-kind
- 4D: Relief for exceptional circumstances
- 4E: Relief for charitable investment activities

If so, please set out evidence to support you view:

Q4 Response:

4A: Payment by instalments Yes

4B: Relief for low-cost market housing Yes, as long as it is covenanted to remain as low cost relative to the market in perpetuity.

4C: Land and Infrastructure in-kind No, because this could enable landowners and developers to reduce the value of the CIL

4D: Relief for exceptional circumstances No, unless the circumstances are narrowly and robustly defined, to prevent abuse.

4E: Relief for charitable investment activities Yes, if the charity is registered with the Charity Commissioners

Any Other Comments:

1. There is no reference in the *PDCS* to Cardiff's duty to pass a proportion of the CIL to Community Councils. The *PBA Study* notes the importance of this (in para 2.4.4) but states it to be outside its remit.
2. The *CIL (Amendment) Regulations 2013 (No. 982)* sets out (59A p4) the regulations re payments to community councils: "In Wales, where all or part of a chargeable development is within the area of a community council then, subject to paragraph (7), the charging

authority must pass 15 per cent of the relevant CIL receipts to that community council.”

3. Cardiff Council must clarify how and when it proposes to work with communities eligible for the neighbourhood portion of CIL where there is no community council.
4. CIL can be used to “repay expenditure on infrastructure that has already been incurred” (*Planning Practice Guidance, CIL p40*). We suggest that this is a way to recoup the cost of necessary infrastructure incurred from now until the CIL Schedule is adopted.
5. We reserve the right to be heard at the Examination of the CIL Schedule.

Completed forms should be sent to cil@cardiff.gov.uk. If you are unable to submit comments via email, completed forms should be sent to the following address:

Community Infrastructure Levy,
Strategic Planning, Cardiff Council,
Room 223, County Hall,
Atlantic Wharf,
Cardiff, CF10 4UW