

List of Respondents of PDCS

Town and Parish Councils

- Keinton Mandeville PC
- Chard TC
- Beercrocombe PC
- Curry Mallet PC
- Wincanton TC
- Brympton PC
- East Coker PC
- Yeovil TC
- Ilminster TC
- Henstridge PC
- Fivehead PC
- Hinton St George PC

Development Industry

- Nigel Timmis
- Ian Pamplin
- Graham Vincent Architects
- Pointcloud
- Jason Jackson Architects
- Brimble Lea
- O2 Design
- Nigel Begg Architect
- David Parkin
- Somerset County Council
- Tetlow King (for Retirement Villages)
- WYG (for Sainsburys)
- Clive Miller and Associates
- Boon Brown
- Abbey Manor Group
- Greenslade Taylor Hunt
- Tetlow King (for South West HARP)
- Brookvale Homes
- Charles Bishop Ltd
- Savills (for development industry consortium)
- SSDC Strategic Housing Manager

Summary of Issues

1. Principle of CIL

- 1.1 Just another form of taxation
- 1.2 Council should rely entirely on S106's as CIL can be diverted elsewhere
- 1.3 CIL is not negotiable and therefore no mechanism for assessing viability
- 1.4 CIL rate cannot be seen in isolation from affordable housing and other S106's
- 1.5 CIL should not be used to remedy existing deficiencies
- 1.6 Can developers offer to pay more CIL and thus gain planning permission?
- 1.7 Unfair to expect homeowners to pay CIL for house extensions
- 1.8 CIL reduces the ability of the council to make site by site specific choices when considering viability
- 1.9 Timing of introduction is poor given that there is a recession
- 1.10 CIL is being rushed through without real awareness of consequences
- 1.11 Starting point should be to achieve maximum affordable housing
- 1.12 Small scale projects do not put any additional pressure upon local infrastructure
- 1.13 Some cost of infrastructure should be borne by the council tax payer
- 1.14 Unfair that rural communities are providing the infrastructure for those that live in the larger settlements
- 1.15 CIL is too inflexible and SSDC should reconsider its introduction
- 1.16 CIL is just another revenue stream and should be rejected
- 1.17 Consultation on level of CIL indicates that SSDC has already decided to introduce CIL
- 1.18 Public are being taxed again by South Somerset
- 1.19 Support the introduction of CIL and the proposed charges
- 1.20 Accept that there is a shortfall in funding for infrastructure and there is evidence that South Somerset loses out on regional capital infrastructure spending by an over reliance upon the presumption that development can fund the majority of infrastructure
- 1.21 Support the principle of tariff based approach towards funding infrastructure
- 1.22 Clear charging schedule should provide greater clarity for developers/builders
- 1.23 Previous system of 106 negotiations was not as transparent as CIL



2 Current Economic Situation

- 2.1 Already virtually impossible to borrow money for development
- 2.2 Many development sites in the district already not viable
- 2.3 Land values show no sign of returning to 2007 levels
- 2.4 Low interest rates are likely to change

3 Level Of CIL

- 3.1 Proposed charges are out of step with land values, development costs and sales values
- 3.2 Proposed rate is disproportionate as a percentage (8% of end value and 15% of build costs)
- 3.3 Proposed rate is one of the highest in the county (including some London authorities)
- 3.4 Proposed rate will only allow volume house-builders to develop. No local distinctiveness or vernacular design.
- 3.5 Proposed rate is almost 40% of current Gross Land Value
- 3.6 CIL needs to be considered in conjunction with affordable housing, Code for Sustainable Homes, Capital Gains Tax etc
- 3.7 Rate has been set high purposely to reduce it later
- 3.8 Proposed rate is at highest possible level and leaves no flexibility for 'abnormal' costs
- 3.9 £150 psm is right on the edge of viability
- 3.10 Retail CIL level is excessive and may prevent retail coming forward. ?
- 3.11 Cost of CIL for large retail seems reasonable
- 3.12 Concern that commercial development cannot support any CIL
- 3.13 Lack of evidence in justifying retail CIL rates
- 3.14 Support rate for YUE in order to deliver the affordable housing
- 3.15 £120 psm would be more appropriate



4 Incorrect Assumptions

- 4.1 Over optimistic assessment of local property values
- 4.2 Over optimistic assessment of annual number of property sales
- 4.3 Sales values could be between 5 and 15% lower than assumed
- 4.4 A significant amount of sites were purchased some time ago at higher values
- 4.5 Assumptions are based upon much larger urban extension
- 4.6 Developer profit should be 20% not 18%
- 4.7 Professional fees should be higher than the 6.5% of construction costs assumed
- 4.8 Marketing figure at 2% is too low
- 4.9 Need to incorporate a 0.5% conveyancing fee
- 4.10 Abnormal costs should be higher than the £200-250k per net acre
- 4.11 Higher cost should be attributed to interest on start up costs
- 4.12 Consultants have not spoken to agents or developers in reaching their conclusions
- 4.13 Viability assessment does not take into account the 2 stages of bringing forward sites (promotion phase and delivery phase). High risks involved in first stage and there needs to be a recognition that there must be a significant financial incentive at this stage
- 4.14 Viability/profit levels should be considered differently for smaller and strategic sites
- 4.15 Lack of evidence on viability of sites in town centres
- 4.16 The same detailed assessment of urban extension needs to be carried out on other sites
- 4.17 Build cost estimates are much lower than reality
- 4.18 Build costs are extremely sensitive to minor changes
- 4.19 Assumptions about costs of Code for Sustainable Homes do not reflect the true cost
- 4.20 Development of apartments/flats results in different costs/values and this needs to be reflected
- 4.21 Existing use value not factored in to viability assessment (value of existing building can already exceed development value)
- 4.22 Under estimate of the financial incentive necessary to encourage developers/promoters to bring forward large, complex sites.
- 4.23 Viability assessments have not taken into account mixed uses on sites
- 4.24 Housing Associations may be able to pay more than the 50% of open market housing value if affordable rent and shared ownership models are included
- 4.25 Cost of lengthy process of obtaining planning permission is not reflected in viability tests
- 4.26 Requires better understanding of how many developers involved in the larger sites
- 4.27 Assumptions on S106 costs need to be based on actual sites
- 4.28 Assumptions should not be based upon hypothetical 'uplifts' in values and should look at comparable transactions incorporating existing use values
- 4.29 Should not use agricultural land values as a benchmark of 'hope value' and 'hope value' should only be used where evidence is available (recent date would indicate hope value being between £30-£70k per gross acre)
- 4.30 Support the use of the various typologies for viability testing as they are reflective of type of development sites in South Somerset.



5 Different Rates

- 5.1 Different rates for Chard and Yeovil may affect development going to Chard
- 5.2 Disagree with variable rate for urban extensions as not logical or justifiable. Greenfield site should not be set lower than brownfield
- 5.3 Chard rate would only result in 15% affordable housing
- 5.4 Differentiating between large and small retail may be seen as state aid
- 5.5 Inequitable cross subsidy between urban and rural sites
- 5.6 CIL will subsidise expansion of Chard and Yeovil
- 5.7 Welcome Yeovil and Chard differential as sites have much higher inherent costs

6 IDP

- 6.1 What items are on the Infrastructure List?
- 6.2 Requirements of IDP have not been robustly analysed and may include excessive or unrealistic requests
- 6.3 Some of the items appear to be an attempt to remedy existing deficiencies
- 6.4 Need for partners/other providers to be properly engaged in producing IDP



7 Impact of Proposed CIL Rate

- 7.1 Proposed rate will have a significant impact upon development industry
- 7.2 Cost of CIL will be borne by landowner thereby reducing motivation for land being brought forward
- 7.3 The most sustainable sites won't come forward and greenfield sites will come forward first.
- 7.4 Is level being set high to suppress the market?
- 7.5 Will prevent people from extending their properties
- 7.6 Rising construction costs and CIL will mean that sales prices will not be maintained
- 7.7 Purpose of CIL is to make all development pay. If the rate is too high the smaller schemes will not come forward
- 7.8 Will prevent the organic growth of small local building companies
- 7.9 Setting it too high will reduce development and therefore provide less CIL and New Homes Bonus
- 7.10 Proposed rate of £150 would lead to a cessation of all development in 2013
- 7.11 Reduced viability will result in poorer design/detailing
- 7.12 Risk of sterilising brownfield sites if rate is too high
- 7.13 Potential for developers to focus upon other areas where the CIL rate is lower
- 7.14 May impact upon speculative development if there is a requirement to pay at time of permission being granted
- 7.15 Party political issues will arise
- 7.16 Cost of CIL will be borne by mortgage payer over 25 years
- 7.17 Setting level too high will impact upon delivery of affordable housing
- 7.18 Will result in fewer dwellings being built in villages and this will in turn further reduce the ability of young people to live in the countryside as well as speeding up loss of shops, pubs, post offices etc.
- 7.19 Landowners will not release land and this will affect supply and throttle the industry



8 Procedural

- 8.1 What are the transitional arrangements?
- 8.2 How long will rates be set for – will they be reviewed every 5 years ?
- 8.3 The consultation has not been extensive enough – lack of press publicity.
- 8.4 Is CIL payable when permission is granted
- 8.5 Will intermediate housing be exempt?
- 8.6 Partners/other service providers should be engaged in governance of CIL (e.g prioritisation, IDP updating etc)
- 8.7 Can TC's and PC's 'pool' their share of CIL?
- 8.8 Insufficient time following workshop to make comments
- 8.9 Consultation by email is not sufficient
- 8.10 Would like to see all comments received and respond to them
- 8.11 How will the commuted sums for affordable housing on small sites be accommodated within CIL?
- 8.12 Many parishes did not have sufficient opportunity to provide response or didn't get email
- 8.13 Parishes will need time to comment upon the suggested proportion for local communities
- 8.14 An instalments policy for the payment of CIL is essential to reduce cash flow problems (payment upon occupation of each dwelling)



9 Suggestions/Questions

- 9.1 CIL should be phased over 3 years Yr 1 £40 psm Yr 2 £80 psm Yr 3 £120 psm
- 9.2 Rate should start low and be reviewed annually
- 9.3 CIL should be a single rate with Section 106 adjusted to ensure the cost isn't prohibitive
- 9.4 Brownfield sites should not be charged CIL as they will not be viable
- 9.5 Agree S106's should be used in addition to affordable housing but they need to be site specific and no more than 5 contributions to one infrastructure scheme
- 9.6 Important to get balance right in Chard to ensure development comes forward to allow affordable housing to be provided
- 9.7 Should consider SSDC proposed rate against other authorities in the area
- 9.8 Build costs should reflect BCIS costs
- 9.9 Devaluation of existing asset needs to be taken into account when assessing viability
- 9.10 Financial modelling should not be based upon generic site but on individual site assessments
- 9.11 Should consider supporting housing provision for older people by having a £0 rate for C2 uses. Should also look at way in which CIL is calculated for communal areas
- 9.12 Charges should be applied to net increase in built areas
- 9.13 Most local authorities have set the rate low to allow 'headroom' SSDC should do the same
- 9.14 Reduction in size of Yeovil Urban Extension means that a reassessment is necessary
- 9.15 Will council tax be reduced if CIL is paying for infrastructure?
- 9.16 Council should prioritise brownfield over Greenfield
- 9.17 Council needs greater awareness of market perception
- 9.18 Affordable housing should pay towards infrastructure
- 9.19 The right level of CIL will allow the appropriate delivery of new housing
- 9.20 All CIL should be used in areas of development
- 9.21 Rate of CIL should be set locally and agreed with TC's and PC's
- 9.22 A third of CIL should be available locally
- 9.23 Lack of clarity on what proportion will be passed to the community
- 9.24 Exceptional circumstances policy should be considered where there are very high site remediation costs
- 9.25 CIL should be reviewed 2 years from adoption
- 9.26 Why is the CIL not linked to the introduction of affordable housing levy on small sites
- 9.27 Have SSDC had meaningful discussions with WDDC regarding joint plans for boundary area?
- 9.28 Next round of consultation should have a table showing how different sites/developments will be affected by CIL and affordable housing

