23 September 2016

Dear Jenny

Community Infrastructure Levy – Draft Charging Schedule August 2016
Response on behalf of St Modwen

The below comments are submitted on behalf of St Modwen and follow previous submissions including representations dated 14th December 2012 to the November 2012 Draft Charging Schedule. St Modwen have strategic land interests at Locking Parklands and elsewhere in Weston as well as land West of Kenn Road Clevedon.

At this stage St Modwen would like to reserve the opportunity to appear at the forthcoming Examination in Public given the potential implications for their land interests.

We have sought to provide our comments through responses to the questions set out with the consultation document as follows. The responses should be read in conjunction with our letter of 14th December 2012.

1. In line with the legal tests, do you think the CIL rates proposed in the Draft Charging Schedule at Appendix A strike an appropriate balance between:

   - The desirability of funding from CIL (in whole or in part) the actual and expected estimated total cost of infrastructure required to support the development of the North Somerset area, taking into account other actual and expected sources of funding; and
   - The potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across North Somerset?

Our previous comments highlighted a gap in the evidence base regarding the viability assessment of the strategic sites within the Weston Villages. We note that the DSP Viability Review Update 2016 (paras 3.3.15-3.3.18 – extract below) includes a section on ‘Potential further consideration of CIL in relation to strategic site proposals’. The DSP findings indicate that there is no scope to increase the CIL rates in the outer Weston area which includes Locking Parklands and Land West of Locking Parklands (former ‘Moss land’). We question however if the work has considered a potential reduction in the CIL rate for the outer Weston zone (or at least the residual allocations without consents in the Weston Villages) on the basis of the significant site specific infrastructure requirements and enabling works which is
recognised by DSP (3.3.17) as circumstances when CIL is ‘significantly reduced or removed’. We note the suggestion by DSP (3.3.16 of their Update) that the Council might be minded to consider a S106 approach on strategic sites rather than CIL approach.

It is also noted that the DSP approach appears to be recommending that if a CIL is adopted then a range of £0-£40 is appropriate but on the basis of a ‘blending out’ from inner to outer Weston and the wider district. The zoning is however very rigid with no differentiation once in the outer zone between a small scale greenfield site (with limited on site and near infrastructure requirements) and the strategic Weston Villages regeneration sites which have considerable on site and near-site infrastructure requirements which are excluded from CIL (noting the Draft 123 list in Appendix B include highways mitigation, flood mitigation, employment-led delivery, pre-school and primary school provision, community, leisure, sports, health services and commuted sums).

In addition to the above the developments to date within the Weston Villages have been unable to provide a policy compliant affordable housing provision due to significant viability constraints given the extent of Section 106 requirements. The provision of affordable housing on the residual allocations in the Weston Villages is therefore potentially undermined by the provision of CIL on top of the significant Section 106 provisions which will remain even after the introduction of CIL. The introduction of CIL in the Weston Villages could then undermine the delivery of the shared infrastructure requirements that should be delivered through Section 106 from the remaining unconsented developments.

DSP Viability Report Update 2016 Extracts

“3.3.15 The review overall suggests no scope at this point in time to increase the proposed CIL charging rates in respect of the outer Weston area (zone), which is still considered likely to form part of an appropriate approach “blending out” from the clearly typically lower values within inner Weston and the clearly higher typical values levels supported by locations moving out to other parts of the district.

3.3.16 More recent growing practice on the use of CIL and s.106 together, however, has in our experience moved towards a preference for the use of s.106 as the key infrastructure contributions tool from strategic scale site development.

3.3.17 There are usually two main factors involved in that approach. These are the direct provision of infrastructure and timing control that comes with s.106 and the fact that with a high-level of site specific mitigation and infrastructure/enabling works usually required on such a site, the scope for fixed (non-negotiable) CIL charging is often significantly reduced or removed. Overall, in such situations, s.106 has of late been considered to offer greater delivery flexibility.

3.3.18 The viability information continues to support a CIL level not exceeding the previous consultation levels in any event, but NSC may also wish to consider an alternative approach if there remains significant a significant level of strategic development still to come forward by the time its CIL is due to be implemented. An approach in the range £0-40/sq. m would be within the scope of the viability information overall, bearing in mind that it is to inform the NDC approach alongside other evidence, and does not direct the approach as the only factor. For context here, we mean any outstanding large scale schemes that, individually, are crucial to securing the overall delivery of the Plan”.

We note comments raised during the 2012 consultation regarding further clarification being required with regards to the relationship between CIL, S106 and other funding sources and funding gap. We welcome the update to the IDP which seeks to clarify the position.

In terms of non-residential uses we maintain our objection with regards to the blanket retail use CIL charges which do not take into consideration the potential for geographic charging zones in order to encourage retail proposals within Weston Town Centre and the Weston Villages in order to encourage proposals in locations acceptable in planning policy terms and beneficial to regeneration objectives.

We welcome the update to the IDP which seeks to clarify the position.

In terms of non-residential uses we maintain our objection with regards to the blanket retail use CIL charges which do not take into consideration the potential for geographic charging zones in order to encourage retail proposals within Weston Town Centre and the Weston Villages in order to encourage proposals in locations acceptable in planning policy terms and beneficial to regeneration objectives.
We are particularly concerned with regards to the potential impacts on the delivery of the high street within Locking Parklands from the CIL charges for A class uses, notably on smaller units. We therefore request that further clarification is given with regards to the implications for delivery of the Locking Parklands District Centre accepting that this must be based on viability evidence and not policy requirements.

2. **Do you agree with North Somerset’s proposal not to introduce a policy for phasing of CIL payments? What are your reasons?**

We note the majority of the responses to the previous consultation highlighted the requirement for phasing however this has been dismissed by the Council. We would at the very least suggest given the strategic nature of some of the potential sites suggest a phasing approach based on occupation triggers rather than timescale.

3. **Do you agree with North Somerset’s proposal not to introduce a discretionary charitable relief policy? What are your reasons?**

n/a

4. **Do you agree with North Somerset’s proposal not to introduce an exceptional circumstances relief policy? What are your reasons?**

We note reference to the concerns of the Weston Villages developers with regards to existing consents with high S106 burdens which might be affected by CIL if schemes need to be amended or renewed. We do take some comfort to an extent from the Government guidance changes which mean that CIL charges would not apply unless the development area increased. However we would question the implications from no exception policy in the circumstance where an extension of the Weston Villages arises which might be fully integrated with the development and infrastructure but is precluded from delivery by the combination of CIL and Section 106 requirements. We would suggest a review mechanism is included which allows such circumstances to be considered.

5. **Do you think the draft Regulation 123 List provides a clear understanding of the infrastructure that might be funded through the CIL?**

The list refers to ‘off site’, ‘on site’ and ‘near site’ under the two columns which may be misleading or open to interpretation on the basis of what constitutes ‘near’. For clarification the document does need to clearly state what constitutes a ‘strategic development area’.

6. **Do you think the draft Regulation 123 List strikes the right balance between CIL contributions and Section 106 planning obligations?**

There is clearly a significant provision of facilities within the S106 column on the strategic sites which should be considered in striking the right balance. Given the issues noted above regarding the DSP findings, further analysis of the implications for the Weston Villages should be undertaken to consider impact on the delivery of infrastructure identified. The position will need to be continually reviewed in light of the emerging proposals for the Weston Villages for those developments (i.e. the former Moss Land and North Somerset land) which do not have planning consents in place.

**Summary**

We hope that the above comments can be duly considered but if you do wish to discuss any aspect of this submission, please do not hesitate to contact me on 0117 988 5202 or peter.stockall@gva.co.uk. I look forward to hearing from you.

Yours sincerely
Pete Stockall MRPI
Director
For and on behalf of GVA Grimley Limited

cc. St Modwen