



# **Community Infrastructure Levy Draft Charging Schedule**

## **Regulation 19(1) Statement**

**June 2014**

## **1.0 Introduction**

- 1.1 In accordance with Regulation 19(1) of the Community Infrastructure Levy Regulations 2010 (as amended), this statement sets out information regarding the representations received in relation to the Council's Community Infrastructure Levy (CIL) Draft Charging Schedule.
- 1.2 Dacorum Borough Council invited representations on its CIL Draft Charging Schedule for a six week period from 22<sup>nd</sup> January 2014 to 12<sup>th</sup> March 2014
- 1.3 In accordance with the CIL Regulations this statement sets out:
  - The number of representations
  - Summaries of the main issues raised within the representations
  - Statement regarding proposed minor amendments

## **2.0 Statement of Representations**

- 2.1 In accordance with Regulation 19 (1) (b), this statement confirms that representations were made to Dacorum Borough Council in respect of the CIL Draft Charging Schedule. 20 representations were made in accordance with Regulation 17 of the Community Infrastructure Levy Regulations 2010 (as amended)
- 2.2 2 responses indicated a wish to be heard at the Examination. These were response number 5 from Markyate Parish Council and number 12 on behalf of National Grid. A number of other responses wished to reserve a right to appear at the examination.
- 2.3 Full details are provided at Appendix A.

## **3.0 Summary of Main Issues**

- 3.1 A summary of the main issues by respondent is available at Appendix B.

## **4.0 Modifications**

- 4.1 The Council made modifications to the Draft Charging Schedule after it was published in accordance with Regulation 16 of the Community Infrastructure Levy Regulations 2010 (as amended) these are outlined in the Modification Statement.
- 4.2 The Council has not made any changes to the CIL rates or charging zones contained within the Draft Charging Schedule and the substance of the DCS is unaffected.

4.3 The Council has made minor amendments to its Exceptional Circumstances Policy. It should be noted that the Council's Exceptional Circumstances Policy is not subject to examination.

## Appendix A

### Details of respondents in relation to CIL Draft Charging Schedule Consultation

Response	Respondent	Organisation	Representing	Date of Response	Request to be heard at Examination	Reserves right to be heard at examination	Request to be kept informed of progress
1	Matthew Wilson	Hertsmere Borough Council		23/01/2014			x
2	Jill Stephenson	Network Rail		27/01/2014			
3	Gary Cox	Berkhamsted Town Council		28/01/2014			
4	Roy Warren	Sport England		13/02/2014			x
5	Jennifer Bissmire	Markyate Parish Council		18/02/2014	x		x
6	David Broadley	Aylesbury Vale District Council		19/02/2014			x
7	Helen Harding	Chiltern District Council		26/02/2014			
8	Claire Crouchley	Wigginton Parish Council		26/02/2014			
9	Martin Friend	Vincent and Goring	Taylor Wimpey	03/03/2014		x	
10	Loraine Kelly	Peacock and Smith	W.M Morrison Supermarkets Plc	05/03/2014		x	x
11	Jenny Volp	Highways Agency		06/03/2014			
12	Mark Wilson	Vincent and Goring	National Grid	10/03/2014	x		x
13	Mark Sommerville	Savills	Grand Union Investments	12/03/2014		x	x
14	Tom Gilbert-Wooldridge	English Heritage		12/03/2014			x
15	Sue Fogden/ David James	NHS England		12/03/2014			x
16	Jamie Melvin	Natural England		12/03/2014			
17	Neil	West Herts Hospital		12/03/2014			

	Richardson	Trust					
18	Catriona Ramsay	Watford Borough Council		13/03/2014			x
19	James Dale/ Alexandra Stevens	Hertfordshire County Council		14/03/2014		x	x
20	Adrian Cole	Adrian Cole & Partners					x

## Appendix B

Summary of representations received on the Draft Charging Schedule during the consultation between the 22<sup>nd</sup> January 2014 and 12<sup>th</sup> March 2014.

Representation Number	Respondent	Summary of Representation	Summary Response of Dacorum Borough Council
1	Matthew Wilson (Hertsmere Borough Council)	<ul style="list-style-type: none"> <li>• Raises no objections to the proposed CIL rates</li> <li>• Considers the Charging Schedule has been prepared in accordance with Regulations and Guidance</li> </ul>	N/a
2	Jill Stephenson (Network Rail)	<ul style="list-style-type: none"> <li>• Network Rail believes that there should be a clear definition of buildings in the DCS and that developments on railway infrastructure should be exempt from CIL</li> <li>• Railway infrastructure should be included on the Regulation 123 list</li> <li>• We believe that under current proposals Network Rails operational buildings would have a nil rate and a nil rate should be retained for operational public transport buildings/infrastructure</li> </ul>	The Councils Regulation 123 list indicates that CIL may be used to fund strategic and local transport projects. These could include improvements to railway infrastructure within the Borough. The Charging Schedule does not include a charge for operational buildings
3	Gary Cox (Berkhamsted Town Council)	<ul style="list-style-type: none"> <li>• Supports the proposed CIL rates for Berkhamsted</li> </ul>	N/a
4	Roy Warren (Sport England)	<ul style="list-style-type: none"> <li>• The Regulation 123 list is not appropriate</li> <li>• The inclusion of Indoor Sport and Leisure facilities on the Regulation 123 list is welcomed in principle</li> <li>• The Council has not concluded its study of Outdoor sports facilities and once it is complete its recommendations should be incorporated in the IDP and Regulation 123 list.</li> <li>• It is assumed that outdoor sports facilities are not included in the Regulation 123 list in view of this gap in evidence.</li> </ul>	The concerns of Sport England appear to relate to the exclusion of Outdoor Sport facilities. The Council is proposing to clarify its position and address this concern through MOD 2
5	Jennifer Bissmire (Markyate Parish Council)	<ul style="list-style-type: none"> <li>• Expressed concern that Markyate rates were the same as Hemel Hempstead despite relative infrastructure needs.</li> <li>• The charges could invite development into Markyate</li> </ul>	The Council considers that the proposed CIL rate for both Markyate and Hemel Hempstead reflects the economic viability of development within the settlements

			and the need to fund infrastructure in the Borough as a whole.
6	David Broadley (Aylesbury Vale District Council)	<ul style="list-style-type: none"> <li>This Council is concerned that an unjustified high charge for residential development in Berkhamsted could restrict development in this town and lead to developers looking to build in neighbouring authorities where CIL charges are lower.</li> <li>Would welcome active, constructive and ongoing engagement on CIL as required under the 'Duty to Co-Operate'</li> </ul>	There has been no viability evidence from AVDC to demonstrate that the CIL rates are too high. The Council considers that its obligations under the 'Duty to Co-Operate' have been met and can provide evidence accordingly.
7	Helen Harding (Chiltern District Council)	<ul style="list-style-type: none"> <li>No comments</li> </ul>	N/a
8	Claire Crouchley (Wigginton Parish Council)	<ul style="list-style-type: none"> <li>The Charges seem excessive when applied to the building of a single new residential property.</li> </ul>	No evidence has been provided to support this position. Technical work demonstrates that the proposed charges will not affect the overall viability of development in the Borough
9	Martin Friend (Vincent and Gorbng)	<ul style="list-style-type: none"> <li>We would support the introduction of a 'nil' charge for Zone 4 which would include our clients land at LA3</li> <li>We consider the charges for Zone 1 (Berkhamsted, Northchurch and surrounding area) are too high and unjustly penalises development in Berkhamsted</li> <li>We rate for Berkhamsted is considered to undermine the delivery of affordable housing on strategic and local allocations in Berkhamsted</li> <li>The Regulation 123 list although clear enough as to the types of infrastructure that will be funded by CIL and those which are excluded is considered to be too generic.</li> <li>We do not object to the introduction of Discretionary Charitable Relief for CIL</li> <li>Although we support the implementation of an Exceptional Circumstances policy we would recommend that the S.106 requirements are amended to reflect the less onerous requirements of the CIL Regulations and Guidance 2014.</li> <li>We welcome the provision of an Instalments policy</li> <li>There is a lack of evidence that the proposals would not</li> </ul>	No detailed viability evidence has been provided to demonstrate that the proposed charges for Berkhamsted are too high or that it would significantly undermine the supply of homes within the Borough. Accordingly the Council refutes the assertion that the proposed rates would undermine the delivery of its Core Strategy. The Council considers its Regulation 123 list provides sufficient clarity over the use of CIL and S.106/S.278 agreements and other funding. This is underpinned by a detailed Infrastructure Delivery Schedule within the Infrastructure Delivery Plan and evidence of an Infrastructure Funding Gap with clear links between both documents and the Regulation 123 list. The Council notes the concerns with the Discretionary Exceptional Circumstances Relief policy. However such matters are not subject to examination and remain policy decisions for the Borough Council. The Council proposes MOD 5 to add clarity to this decision.

		undermine the delivery of the Core Strategy.	
10	Lorraine Kelly (Peacock and Smith)	<ul style="list-style-type: none"> <li>• The proposed retail rates place an unrealistic burden on large scale retail development and pose a threat to future retail development within the Borough.</li> <li>• The EUV needs to be reconsidered as the most appropriate measure for calculating the surplus for CIL over the development land market value benchmarks.</li> <li>• The Viability reports makes several over optimistic assumptions</li> <li>• The build costs need to be reviewed.</li> <li>• The rent for supermarket units is considered to be too high</li> <li>• The level of developers profit should be increased</li> <li>• The evidence and rationale behind appraisal inputs, such as rents and values is not transparent</li> <li>• Professional fees should be increased from 10% to 12%</li> <li>• No allowance has been made for planning fees and costs – these are considerable</li> <li>• No allowance has been made for letting legal fees (normally 5% of first years rent)</li> <li>• Sensitivity analysis needs to consider a combination of assumptions and the findings should be used to establish an appropriate CIL buffer.</li> </ul>	The Council's retail rates remain viable and appropriate as set out in the viability evidence of BNP Paribas. Additional retail modelling has been undertaken by BNP Paribas and will be produced as supplementary evidence to the CIL submission.
11	Jenny Volp (Highways Agency)	<ul style="list-style-type: none"> <li>• Does not wish to make comment</li> </ul>	N/a
12	Mark Wilson (Vincent and Goring)	<ul style="list-style-type: none"> <li>• National Grid does not consider that the Regulation 123 list is specific enough over the projects to be funded from CIL.</li> <li>• National Grid does not object to the provision of a Discretionary Charitable Relief policy</li> <li>• National Grid strongly supports an Exceptional Circumstances policy to avoid rendering site with specific and exceptional costs unviable, but suggests the terms of Exceptional Circumstances relief should be amended to reflect the CIL Regulations 2014 and associated guidance.</li> <li>• National Grid supports the introduction of an Instalments policy</li> <li>• The Council's overall approach to CIL will not undermine the</li> </ul>	The Council considers its Regulation 123 list provides sufficient clarity over the use of CIL and S.106/S.278 agreements and other funding. This is underpinned by a detailed Infrastructure Delivery Schedule within the Infrastructure Delivery Plan and evidence of an Infrastructure Funding Gap with clear links between them and the Regulation 123 list. The Council does not consider it appropriate to fund utilities infrastructure via its CIL.



		delivery of its Core Strategy.	
13	Mark Sommerville (Savills)	<ul style="list-style-type: none"> <li>• It is considered that there has not been an appropriate assessment of the evidence behind the charging zones and rates.</li> <li>• GUI has launched a legal challenge into the soundness of the Core Strategy. GUI do not consider it appropriate to carry out a CIL assessment when there is uncertainty over the level of housing growth and associated infrastructure needs.</li> <li>• The provision of a higher viability buffer for Berkhamsted to ensure the delivery of homes within the town is essential given an under provision of housing within the settlement and such matters should be taken into account in setting the rates for the town.</li> <li>• Any Exceptional Circumstances policy should not be restricted by guidelines at part (b) requiring the value of a S.106 to exceed the CIL charge</li> <li>• It is requested that DBC insert a draft Social Housing Relief Policy in accordance with Regulation 49(A) of the CIL Regulations 2014.</li> <li>• The draft Instalments policy is welcome, albeit we believe there to be scope for improvements.</li> <li>• Although we welcome the policy on Payment in Kind we consider that this should be extended to allow a full relief from the payment of CIL.</li> <li>• Whilst we broadly agree with the approach used in the viability modelling of BNP Paribas we have a number of concerns with their assumptions, including those on profit, benchmark land value and the viability buffer.</li> <li>• It would be prudent to outline a review mechanism prior to the adoption of a CIL Charging Schedule.</li> </ul>	The Council has an adopted Core Strategy which clearly establishes the level of growth expected within the Borough. The Council has established its infrastructure needs on the basis of this adopted policy and believes this to be both logical and appropriate. The Council further believes that its approach to CIL as set out in its Regulation 123 list and CIL policies is robust and will enable the Council to respond to any additional housing and infrastructure needs arising from the Early Partial Review (EPR) of the Core Strategy. Furthermore it is recognised that it would be appropriate to review the DCS following the conclusion of the EPR. The Council considers its inputs into its viability modelling are appropriate and that its CIL rates strike an appropriate balance between the need to fund infrastructure and economic viability.
14	Tom Gilbert- Wooldridge (English Heritage)	<ul style="list-style-type: none"> <li>• The Council should be aware of the implications of any CIL rates on the viability and effective conservation of the historic environment and heritage assets in development proposals, particularly those “at risk”.</li> <li>• It is essential CIL rates being proposed in areas where there are groups of heritage assets should not discourage schemes</li> </ul>	The Council is only able to set CIL charges on the basis of use, scale and geographical location and only on the basis of viability. It cannot be generically applied to heritage assets. It may be that the development of heritage assets brings about exceptional development costs which could be considered under our draft

		<p>that involve heritage assets.</p> <ul style="list-style-type: none"> <li>• Consideration should be given to exempting the development of Heritage Assets from CIL.</li> <li>• We recommend that conditions and procedures for CIL relief are set out within separate statements following the Draft Charging Schedule as recommended by the CIL Relief Information Document (2011). This statement should reiterate the relevant information requirements and procedures to follow including any need for notification and consultation.</li> <li>• English Heritage advises that CIL Charging authorities identify ways in which CIL, planning obligations and other funding streams can be used to implement the strategy and policies of the Local Plan aimed at achieving the conservation and enhancement of the historic environment, heritage assets and their setting in accordance with paragraphs 6, 126 and 157 of the NPPF.</li> <li>• CIL may be used for maintenance and on-going infrastructure costs and this may be applicable to a range of heritage assets.</li> </ul>	<p>Exceptional Circumstances Relief policy. The Council considers that its policy framework and spending plans for CIL offer the flexibility to facilitate the preservation and enhancement of the historic environment within its area as may be appropriate noting that the assets themselves may in some circumstances constitute infrastructure.</p>
15	Sue Fogden and David James (NHS England)	<ul style="list-style-type: none"> <li>• The Council should be clear on its ability to secure appropriate S.106 contributions from land at west Hemel Hempstead and Spencer's Park so that health provision is not disadvantaged.</li> <li>• Social care homes have a significant impact on health care services and should not be disregarded particularly on account of the ageing population.</li> </ul>	<p>The Council has identified health care facilities in its broadest terms as a potential recipient of CIL funding and is supportive of health infrastructure including care infrastructure for elderly or vulnerable residents. The Council is confident that it can secure appropriate S.106 contributions towards health service provision from both land at west Hemel Hempstead (LA5) and Spencer's Park. The Council does not propose to charge CIL for Care homes as set out in the Charging Schedule.</p>
16	Jamie Melvin (Natural England)	<ul style="list-style-type: none"> <li>• Natural England has no specific comments to make on the draft CIL Charges</li> <li>• The Council should plan positively for the creation, protection, enhancement and management of networks of biodiversity and green infrastructure in accordance with the NPPF and CIL has an important role in delivering such a strategic approach.</li> </ul>	<p>The Council's Regulation 123 list and Infrastructure Delivery Plan sets out detailed proposals for the use of CIL and other funds on proposals to improve open space and green infrastructure within the Borough.</p>
17	Neil Richardson (West Herts Hospital)	<ul style="list-style-type: none"> <li>• West Herts Hospital Trust supports the Council's proposals for CIL and the inclusion of healthcare facilities on its Regulation</li> </ul>	N/a

	Trust)	123 list	
18	Catriona Ramsay (Watford Borough Council)	<ul style="list-style-type: none"> <li>The Council has no objection and considers the DCS has been prepared in accordance with the relevant CIL Regulations and Guidance</li> </ul>	N/a
19	James Dale and Alexandra Stevens (Hertfordshire County Council)	<ul style="list-style-type: none"> <li>It appears that the proposed CIL rates are set on appropriate viability evidence</li> <li>HCC would request that additional clarification is made on the meaning of retirement homes and in particular this should exclude not for profit care homes.</li> <li>The Regulation 123 list places clear thresholds for the application of CIL and S.106</li> <li>The strategy appears to ensure that CIL funds are directed at addressing the cumulative impact of modest development on infrastructure. This is considered appropriate</li> <li>HCC would welcome a discussion over how the N.E Hemel Hempstead Relief Road/Maylands Growth Corridor project is to be delivered in accordance with the Core Strategy</li> <li>HCC would request that the exemption for Early Years Education and Childcare facilities on the Regulation 123 list is amended to “where provide alongside new school buildings secured under S.106”</li> <li>HCC would request that further discussions are held regarding the delivery of a school on the hospital site and whether such a proposal can be delivered under S.106</li> <li>Although HCC is happy with the provisions for secondary education to be secured under CIL they request that an exemption is made for secondary school needs arising out of significant strategic growth not currently identified in the Core Strategy.</li> <li>HCC would welcome confirmation that education provision is essential infrastructure for the purposes of the proposed Exceptional Circumstances Relief policy and would welcome a discussion over the percentage of CIL relief.</li> <li>The provision of a Payment in Kind policy is noted and welcome.</li> <li>HCC welcomes your invitation to discuss suggested</li> </ul>	The Borough Council would acknowledge the general support of the County Council for our approach to CIL and highlight both historic and on-going discussions with the County Council over the delivery of infrastructure within its area. The Council has a clear strategy on how to deliver large pieces of infrastructure including the N.E Hemel Hempstead Relief Road/Maylands Growth Corridor project and a town centre school through S.106 and other funding sources and is happy to have continued discussions on such matters with the County. The Council considers its Regulation 123 list sets out the most appropriate mechanisms for the delivery of infrastructure items, subject to MOD 3 (proposed by HCC), required to deliver the Core Strategy.

		<p>governance arrangements circulated outside this consultation.</p> <ul style="list-style-type: none"> <li>• HCC are happy to attend the CIL examination in support of the Borough Council if necessary.</li> </ul>	
20	Adrian Cole (Adrian Cole and Partners)	<ul style="list-style-type: none"> <li>• Would welcome confirmation that the proposals accord with the CIL Regulations 2014</li> <li>• Supports the proposed Residential rates</li> <li>• Supports the proposed Retirement Home rates.</li> <li>• Considers the content of the Regulation 123 list to be appropriate</li> </ul>	The Council considers that it has met its requirements under the CIL Regulations 2014. It should be noted that the Council would be subject to the transitional arrangements set out at Part 14 having published its DCS under Regulation 16 prior to the CIL Regulations 2014 coming into force.