

Appendix 3 - Key Responses to the Preliminary Draft Charging Schedule – June 2013

| Issue | Comments | Proposed Response | Reference | Proposed Action |
|--|--|--|-------------|---|
| Berkhamsted Town Council (BTC) | | | | |
| <p>3.0 Infrastructure Needs</p> | <p>The evidence base is incomplete and does not include or appear to include provisions for parking facilities, elderly day care, nursery and child care facilities, community centres and green spaces for Berkhamsted.</p> | <p>The Infrastructure needs for the Borough are set out in the Infrastructure Delivery Plan (IDP) which was last updated in 2012. The IDP is based on the comments and information provided by key infrastructure providers. The Council is currently undertaking a review of the IDP to ensure that its evidence on infrastructure needs is accurate, up to date and only contains projects that have a realistic prospect of delivery. This work should be completed by Summer 2013. On the basis of the current information provided, we are not anticipating any significant new requirements for items of infrastructure within Berkhamsted. The Council is required under Regulation 59 of the CIL Regulations to pass on some 15-25% of the CIL received within the town to the Town Council for local projects and the Council would support the identification of these projects by the Town Council at an early stage if possible. .</p> | <p>BTC1</p> | <p>The Town Council have been asked to feed projects into the IDP update where they have evidence to support the need for such infrastructure items or should there be items which they may wish to deliver themselves. The Town Council have set up a working group to identify local infrastructure needs with local action groups. The Councils Infrastructure Officer will engage with this group as appropriate.</p> <p>Projects in the updated IDP schedule can be identified and in some cases mapped on a settlement basis where appropriate to assist identification of relevant projects to the Town or Parish Councils</p> |

| Issue | Comment | Proposed Response | Reference | Proposed Action |
|--------------------------------------|---|---|-----------|---|
| 4.0 Infrastructure Funding Gap | A sound funding gap has been identified. | We welcome the support of the Town Council for pursuing a CIL on the evidence of the established funding gap. | BTC2 | None |
| 5.0 Viability Assessment | The proposed charging rate for Berkhamsted is not considered to put the development of the area at risk. It is recognised that the evidence within the BNP report suggests a higher charge could be sustained within the town | We welcome the support of the Town Council to the proposed charges for Berkhamsted. The proposed charge is relatively high compared to the proposed charges for adjoining authorities and other Zones within the Dacorum Charging Schedule. They are considered to be appropriate given the relative viability of the town. | BTC3 | The charge for Berkhamsted should be closely monitored given the concerns of small developers and may need to be adjusted should additional evidence be presented to the Council challenging viability. |
| 6.0 Charging Rates Overall | The rates are generally appropriate for the town of Berkhamsted. | The support for the charges in Berkhamsted is welcomed. | BTC4 | See BTC3 |
| Residential | There may be a need to test the | The Council acknowledges the need for further | BTC5 | The Council is currently pursuing further |

| | | | | |
|-------------------------|--|--|-------------|---|
| <p>Retirement Homes</p> | <p>ability of larger sites to sustain both a CIL charge and S.106</p> <p>Berkhamsted Town Council queries whilst the rate for retirement housing is not zoned per settlement</p> | <p>site specific viability work to test strategic and local allocations from the Core Strategy as encouraged by the DCLG CIL guidance – December 2012.</p> <p>The Council does not propose to charge for retirement housing on a zoned basis given the findings in the BNP Paribas Viability assessment. An update to this report has been carried out since the end of the consultation on the PDCS taking account of the comments thereon. This has indicated that the retirement charge is unviable in all but the highest value market areas (Berkhamsted and surroundings). BNP Paribas have proposing an increase in the retirement home charge for Zone 2 (Berkhamsted and surroundings) to some £200 per square metre. This is not considered to be appropriate at this stage.</p> | <p>BTC6</p> | <p>site specific viability work through our consultants BNP Paribas in relation to strategic and local allocations. This is to ensure that the development of these sites remains viable.</p> <p>The charges for retirement housing should be removed from Zones 1 and 3 in accordance with the recommendations within the update to the BNP Paribas Viability study. This evidence behind this change will be published alongside the adopted response to the PDCS consultation in June 2013</p> |
| <p>Retail</p> | <p>Berkhamsted Town Council queries the use of differential rates for retail development and whether the charge for retail should be zoned by settlement.</p> | <p>The evidence presented in the BNP Paribas Viability assessment indicated that only large retail developments could sustain a CIL and accordingly it was this form of development that was subjected to a charge in the PDCS. The relative viability of retail development is not solely determined by geographical location. Some additional retail scenarios have been tested since the PDCS by BNP Paribas. The Council is proposing to reduce the retail charge to some £150 per square metres in accordance with their recommendations.</p> | <p>BTC7</p> | <p>The charges for retail development should be lowered to reflect the findings of the BNP Paribas in their update to the Viability study.</p> |

| | | | | |
|----------------------------|---|---|-------------------------|--|
| Other | <p>Berkhamsted Town Council is pleased that such charges are not applicable to smaller retailers and support the proposed retail threshold.</p> <p>Berkhamsted Town Council supports a nil charge for other uses.</p> | <p>The Council welcomes the support for the retail threshold. The Council is proposing to amend the thresholds for retail to 'Convenience based supermarkets and superstores and retail warehousing (with net retail space over 280 square metres) in order to more clearly delineate between retail uses. Smaller retail operators would not be charged CIL as set out in the charging schedule to the PDCS</p> <p>The Council welcomes the support of the Town Council.</p> | <p>BTC8</p> <p>BTC9</p> | <p>The threshold and definition of retail developments that will be subject to the Charging Schedule will need to be amended to reflect the findings of BNP Paribas.</p> <p>None</p> |
| 7.0 Exemptions from CIL | <p>Berkhamsted Town Council would seek further clarification on the content of an exceptional circumstance policy as it relates to land owned by charities.</p> | <p>The Town Council has confused the Statutory Exemptions from CIL with the possibility of introducing either a Discretionary Relief Policy or Exceptional Circumstances Relief Policy. The CIL Regulations exempt development to be used wholly or mainly for charitable purposes from payment providing that the land is owned (in part) by the charity. A Discretionary Relief Policy could extend this requirement to enabling works by charitable organisations. The Council has not set out full details of any Discretionary Relief Policy or Exceptional Circumstances Policy at this stage but is minded to introduce an Exceptional Circumstances Policy in order to demonstrate at examination that the authority is trying to</p> | <p>BTC10</p> | <p>It is intended to publish a draft Discretionary Relief and Exceptional Circumstances Policy prior to consultation on the DCS. This policy will need to reflect the guidance produced by the DCLG.</p> |

| | | facilitate development in accordance with the NPPF. | | |
|--------------------------------------|--|---|-----------|---|
| Issue | Comment | Proposed Response | Reference | Proposed Action |
| 9.0 Payment and Collection of CIL | The Town Council recognises the need for and would be supportive of an instalments policy. | The Council is required to explain how the introduction of a CIL will contribute positively towards the delivery of the Core Strategy. An Instalment policy is considered to be critical to this task and the support of the Town Council for an instalment policy is welcomed. | BTC11 | It is intended to publish a draft Instalments Policy alongside the DCS. |
| Tring Town Council (TTC) | | | | |
| 3.0 Infrastructure Needs | There are no gaps in the Infrastructure needs evidence that Tring Town Council are aware of. | The support for the infrastructure needs evidence is welcomed - See BTC1 | TTC1 | None |
| 4.0 Funding Gap | A sound funding gap has been identified. | We welcome the support of the Town Council for pursuing a CIL on the evidence of an established funding gap. | TTC2 | None |

| Issue | Comment | Proposed Response | Reference | Proposed Action |
|---|--|--|-------------------------|--|
| <p>5.0</p> <p>Viability Rate</p> | <p>The proposed rate does not prejudice the overall development of the Borough</p> <p>The Council are concerned that CIL charges may undermine viability and should be subject to review</p> | <p>We welcome the support of the Town Council for the proposed charges for development.</p> <p>The Charging Schedule should be reviewed over time to account for changes to the viability of schemes, for example a substantial increase in construction costs. The Council intends to review the Charging Schedule has appropriate.</p> | <p>TTC3</p> <p>TTC4</p> | <p>None</p> <p>There is a need to undertake regular reviews of the CIL Charging Schedule. The need for a review will be informed by the annual monitoring of CIL. The Council would expect a review of the Charging Schedule to coincide with the partial review of the Core Strategy.</p> |
| <p>6.0</p> <p>Charging Rates</p> <p>Overall</p> | <p>Tring Town Council supports the charges proposed for residential, retirement homes, retail and other uses</p> | <p>The support for the proposed charges is welcomed. It is proposed to amend the charges for retirement housing and retail developments. The retirement home charge will only be applicable to the Zone 2 development (Berkhamsted and surroundings) and the retail charge will be reduced from £200 per square metre to £150 per square metre – see BTC6 to</p> | <p>TTC5</p> | <p>The charging schedule will be amended to reflect the proposed changes in the retirement housing and retail levy set out in the update of the Viability study of BNP Paribas as is applicable.</p> |

| Issue | Comment | Response | Reference | Action |
|--------------------------------------|---|---|-----------|--|
| 7.0 Exemptions from CIL | Tring Town Council supports an Exceptional Circumstances Policy | The support for an Exceptional Circumstances Policy is welcomed – see BTC10 | TTC6 | It is intended to publish a draft Discretionary Relief and Exceptional Circumstances Policy prior to consultation on the DCS |
| 9.0 Payment and Collection of CIL | Tring Town Council supports the provision of an Instalment Policy | The support for an Instalment Policy is welcomed - see BTC11 | TTC7 | It is intended to publish a draft Instalments Policy alongside the DCS |
| Chipperfield Parish Council (CPC) | | | | |
| 3.0 Infrastructure Needs | The infrastructure needs identified within the PDCS appear to be supported by evidence. | The support for the infrastructure needs evidence is welcomed – see BTC1 | CPC1 | None |

| Issue | Comment | Proposed Response | Reference | Proposed Action |
|-----------------------|--|---|-----------|--|
| 4.0 Funding Gap | A sound funding gap has been identified by the Council | We welcome the support of the Parish Council for pursuing a CIL on the evidence of the established funding gap. | CPC2 | None |
| 6.0 Charging Rates | | | | |
| Overall | The proposed rates would not put the overall development of the area at risk | We welcome the support of the Parish Council to the proposed charges for development | CPC3 | The charging schedule will be amended to reflect the proposed changes in the retirement housing and retail levy suggested by BNP Paribas following an update to the Viability study. |
| Residential | A change in residential rate between settlements does not seem appropriate or equitable. | The difference in the residential rate reflects the viability of providing new dwellings in these locations as set out in the BNP Paribas Viability report. | CPC4 | None |
| Retirement Homes | Chipperfield Parish Council supports the charge for retirement homes | The support for the proposed charge is welcomed – see BTC6 and MRSL2 | CPC5 | The charging schedule will be amended to reflect the proposed changes in the retirement housing and retail levy suggested by BNP Paribas following an update to the Viability study. |

| | | | | |
|--------------------------------------|--|--|------|---|
| Other | A nil rate for 'other uses' is supported | The support for the proposed charge is welcomed – see BTC9 | CPC6 | None |
| 7.0 Exemptions from CIL | Chippresfield Parish Council supports an Exceptional Circumstances Policy | The support for an Exceptional Circumstances Policy is welcomed – see BTC10 | CPC7 | It is intended to publish a draft Discretionary Relief and Exceptional Circumstances Policy prior to consultation on the DCS |
| 9.0 Payment and Collection of CIL | Tring Town Council supports the provision of an Instalment Policy | The support for an Instalment Policy is welcomed - see BTC11 | CPC8 | It is intended to publish a draft Instalments Policy alongside the DCS |
| Markyate Parish Council (MPC) | | | | |
| 3.0 Infrastructure Needs | The development of Markyate has already stretched the village infrastructure and the Parish Council requests that education needs, burial needs and the transport needs of village are fully considered. | The IDP takes into account both existing deficiencies and future infrastructure needs arising from growth within the Borough. The infrastructure items mentioned by Markyate Parish Council are included within the IDP report. The Council is therefore satisfied that such matters have been adequately addressed. | MPC1 | The issue of secondary education provision for Markyate is a cross boundary issue (with St. Albans District Council) The educational needs of the village are generally met by schools within the town of Harpenden. This matter has been discussed with HCC. |

| Issue | Comments | Proposed Response | Reference | Proposed Action |
|---|---|--|-------------------------------------|---|
| <p>6.0</p> <p>Charging Rates</p> <p>Residential/ Retirement Homes</p> <p>Retail</p> | <p>The proposed zones should have an urban or rural classification to reflect the desirability of additional residential development and the relative infrastructure needs of the area. A lower CIL should be applied to more urban areas to favour these locations over rural sites.</p> <p>Although we are not competent to comment on the actual rate we would support a charge which discourages larger retail uses and retail development.</p> <p>The retail threshold would seem appropriate.</p> | <p>The Council is allowed to set a differential CIL rate only on the grounds of economic viability and as such it would not be possible to provide additional CIL zones on the policy basis suggested by the Parish Council.</p> <p>See above response to MPC2.</p> <p>The support for the retail threshold is welcomed There is a need to amend the wording delineating between typologies of retail development in accordance with recommendations of BNP Paribas –see BTC8, ASDA6 and SAIN4</p> | <p>MPC2</p> <p>MPC3</p> <p>MPC4</p> | <p>The proposed charge for retirement homes will need to be amended to follow the recommendations for Zones 1 and 3 within the update to the Viability study undertaken by BNP Paribas – see BTC6 and MRSL2</p> <p>Both the retail rate and threshold will need to be amended within the DCS</p> <p>Both the retail rate and threshold will need to be amended within the DCS</p> |

| Issue | Comment | Proposed Response | Reference | Proposed Action |
|---|--|--|-----------|--|
| 7.0 Exemptions from CIL | There is support for an Exceptional Circumstances Policy | The support for the Exceptional Circumstances Policy would be supported – see BTC10 | MPC5 | It is intended to publish a draft Discretionary Relief and Exceptional Circumstances Policy prior to consultation on the DCS |
| 9.0 Payment and Collection of CIL | The topic of instalment policies is outside the area of expertise of Markyate Parish Council – there should be a balance between providing infrastructure in advance of occupation and existing phased payments. | The Council currently structures existing S.106 agreements to provide phased payments on larger and more complex development sites. It may be appropriate to provide a similar framework for CIL payments reducing the initial burden upon developers resulting from the need for upfront CIL payments. The Instalments Policy would need to comply with the CIL Regulations and be phased on the basis of time elapsed since implementation – see BTC11 | MPC6 | It is intended to publish a draft Instalments Policy alongside the DCS |
| Hertfordshire County Council – Development Services (HCC) | | | | |
| 3.0 Infrastructure Needs | Information regarding anticipated service needs has already been | The Borough Council has a good working relationship with the key infrastructure providers | HCC1 | The County Council are providing additional information to supplement the |

| | | | | |
|--------------------------------------|---|---|------|---|
| | provided by HCC in connection to the IDP and these are generally included. We are disappointed that some services have not been included in the Infrastructure Funding Gap. It is recognised that further work may now be required to prioritise infrastructure projects and provide estimates of costs and sources of funding. | at the County Council and understands the infrastructure needs and implications for County Council services resulting from growth in the Borough. | | evidence within the IDP and IFGA. Additional projects are being identified which are necessary to support the level of growth required in the Borough and costs are being sought for those items for which CIL funding may be a necessity. The updated IDP is expected to be finalised during May 2013. |
| 4.0 Funding Gap | Further service costs should be added to the funding gap to cover early years, library, youth facilities and those for secondary education provision. | The Funding Gap only includes identified projects and costs from the IDP. Not all the costs are known at this stage nor have strategies to fully meet the infrastructure needs associated with growth been finalised by the County Council. The Borough Council is developing a complete picture of infrastructure needs and projects and assessing the service implications for the County Council in partnership with them. | HCC2 | See response to HCC1 |
| 6.0 Charging Rates Overall | The proposed rates would not appear to put the development of | The support for the overall charging regime is welcomed. | HCC3 | The rates will be updated to reflect the advice within an update to the Viability |

| | | | | |
|------------------------------------|--|---|-------------------------|--|
| <p>Residential</p> | <p>the area at risk. The Viability study appears to include a buffer on the total viable charge to allow for a change in circumstances</p> <p>Differential residential rates would appear to be appropriate as set out in the PDCS however following the advice in the CIL Guidance 2012 it may be appropriate to introduce site specific rates to cover larger sites and those allocated in the Core Strategy.</p> <p>It may also be useful to apply a threshold for the use of S.106 contributions</p> | <p>The Council welcomes the support of the County Council for the overall strategy for setting CIL charges and the use of residential zones. The Council has commissioned some further site specific viability work to consider the implications of applying CIL to strategic and local allocations in the Core Strategy. This work is to be undertaken by BNP Paribas.</p> <p>It is likely that S.106 agreements will still be necessary or preferable in a number of cases to secure on site infrastructure works, particularly on larger sites, and Affordable Housing requirements in accordance with the Core Strategy. It is agreed that a threshold for S.106 may be useful and the appropriate threshold will be subject to further consideration and discussion.</p> | <p>HCC4</p> <p>HCC5</p> | <p>report from BNP Paribas responding to consultation replies to the PDCS.</p> <p>The Council is currently pursuing further viability work with our consultants BNP Paribas on strategic and local allocations from the Core Strategy.</p> <p>The Council is engaging with the County Council over the appropriate use of S.106 and CIL. The Council will need to set out how S.106 will operate prior to the consultation of the DCS.</p> |
| <p>7.0 Exemptions from CIL</p> | <p>HCC welcomes proposals to introduce an Exceptional Circumstances Policy</p> | <p>The support for the Exceptional Circumstances Policy is welcomed – see BTC10</p> | <p>HCC6</p> | <p>It is intended to publish a draft Discretionary Relief and Exceptional Circumstances Policy prior to consultation on the DCS</p> |

| Issue | Comments | Proposed Response | Reference | Proposed Action |
|--|--|--|-----------|--|
| 9.0 Payment and Collection of CIL | The Council should adopt an Instalments Policy. | The support for an Instalment Policy is welcomed - see BTC11 | HCC7 | It is intended to publish a draft Instalments Policy alongside the DCS |
| Hertfordshire County Council – Spatial Planning and Land Use Planning (HCCSpL) | | | | |
| General | The Council will need to fully consider the requirements of the DCLG CIL Guidance 2012 including the need to clarify the relationship between CIL and S.106 and work in collaboration with the County Council. | The Borough Council has highlighted a number of key work areas to the County Council including those at a)-e) of their response and are working in partnership with the County Council to ensure that the requirements of the CIL Guidance 2012 are fully met. | HCCSpL1 | None |
| 3.0 Infrastructure Needs | The Infrastructure planning work has identified a range of infrastructure schemes which will be required to support the growth set out in the Core Strategy. Some highway related | The Council would support the County Council's approach to rationalising infrastructure projects and needs for the purpose of CIL. CIL monies must be spent upon items of infrastructure necessary to support growth within the Borough. It is recognised that CIL will only contribute some | HCCSpL2 | The County Council are a major infrastructure provider within the Borough and are currently the main recipient of S.106 funding. The County Council has established a CIL Working Group of officers to discuss their |

| | | | | |
|----------------------------------|--|--|---------------------------------|---|
| | <p>schemes may also relate to existing deficiencies. Where possible the work includes costs and potential funding sources. The projects will need to be refined.</p> | <p>10-30% of the total infrastructure cost (CIL Knowledge) and therefore it is necessary to prioritise projects from the IDP and relevant policy documents.</p> | | <p>infrastructure priorities for the Borough. The Council will need to consider these items when formulating our spending plans and committing these to a Regulation 123 list under CIL.</p> |
| <p>6.0 Charging Rates</p> | <p>It is for the Borough to determine what the appropriate rate should be for the area. In general the approach set out in the PDCS should be supported.</p> <p>When considering the use of S.106 and CIL it is considered that the main infrastructure items for larger more strategic sites may be better secured through S.10</p> | <p>The Council welcomes the support of the County Council for the overall strategy for setting CIL charges and the use of residential zones.</p> <p>The preference for using S.106 agreements on larger sites is noted. The Council will need to be clear which items of infrastructure will be delivered by this mechanism in order to exclude such items from its Regulation 123 list and avoid “double dipping” - see also HCC4 and HCC5.</p> | <p>HCCSpL3 HCCSpL4</p> | <p>BNP Paribas have prepared an update to the Viability study in response to the comments received in relation to the PDCS. The rates will need to be amended to reflect the findings of this update.</p> <p>It is intended to publish a statement on the interaction of S.106 and CIL prior to consultation on the DCS. The content and approach will be informed by viability work carried out by BNP Paribas and discussions with HCC.</p> |
| <p>10.0 Using CIL Monies</p> | <p>The Levy will not be sufficient to fund all identified infrastructure schemes and therefore the County intends to prioritise those projects for the receipt of CIL monies. We should identify those projects on the R123 list in</p> | <p>The Borough Council understands that a number of infrastructure projects that will need funding through CIL will include HCC services and is committed to working in partnership with HCC to objectively assess how these County projects may be delivered including the need, if any, for CIL funding.</p> | <p>HCCSpL5</p> | <p>The County Council has established a CIL Working Group of officers to consider infrastructure projects and the appropriate mechanism for the delivery of infrastructure items. The Council will need to publish a draft Regulation 123 list prior to examination of the Charging</p> |

| | partnership with the County Council | | | Schedule and are likely to publish this when consulting on the DCS |
|--|---|---|--------------------|---|
| Issue | Comments | Proposed Response | Reference | Proposed Actions |
| West Hertfordshire Hospital NHS Trust (WHHT) | | | | |
| 3.0 Infrastructure Needs | There are no references to health care as a core infrastructure need at Table 4.1 of the PDCS. The provision of state of the art medical facilities and services is crucial to the development and maintenance of sustainable communities in the Borough and the well-being of residents. | The IDP identifies some needs for additional health infrastructure. Insufficient information has however been provided by the infrastructure providers over future service plans and projects to include these items within the Infrastructure Funding Gap Assessment (IFGA). | WHHT1 | The Council is seeking to establish the full extent of health service plans for the provision of health facilities on the hospital site and elsewhere within the Borough. Once these plans are clear they can be reflected within the IDP, as appropriate |
| 4.0 Funding Gap | There is no explanation of how the funding gap has been calculated or derived. There is likely to be a substantial gap between capital outlay | The Council published the 'Community Infrastructure Levy – Infrastructure Funding Gap Assessment' (December 2012) alongside the PDCS. This clearly explains how the funding gap has been calculated and includes a Schedule of projects which form the funding gap. The Council will need to consider whether it wishes to contribute CIL towards health | WHHT2 WHHT3 | None It is intended to publish a draft Regulation 123 list prior to consultation |

| | | | | |
|------------------|---|--|-------|---|
| | needed for new health facilities at Hemel Hempstead General Hospital and funds available for this project. | infrastructure and include health care provision on the list of items it intends to partially or wholly fund through CIL under Regulation 123. It should be noted the Council does not normally secure S.106 monies to put directly towards health facilities within the Borough. It is arguable whether CIL should be used to fund this gap in provision. | | on the DCS. |
| 6.0 | | | | |
| Charging Rates | | | | |
| Overall | The proposed rates put the overall development of the area at risk – there is no explanation of viability. | The Council published its Viability evidence alongside the PDCS on the CIL pages of the Council website. BNP Paribas have updated the report in response to comments on the PDCS and this update will be published in June 2013. | WHHT4 | The Council is currently pursuing further viability work with our consultants BNP Paribas for strategic and local allocations within the Core Strategy. |
| Residential | Although we understand that different property values require different zones and support this approach, there is no evidence in the PDCS that different residential zones are appropriate. | The support for the principle of differing residential zones is welcomed. The Council evidence on viability has been published as a separate supporting document to the PDCS. BNP Paribas have updated the report in response to comments on the PDCS and this update will be published in June 2013 | WHHT5 | None |
| Retirement Homes | Adopting a single rate for retirement housing does not appear appropriate or logical particularly where the rate is one | BNP Paribas have undertaken additional viability work since the PDCS consultation was undertaken. This work indicates that the charge for retirement housing is not viable in all but the | WHHT6 | The Council will need to update the retirement charge to reflect the findings of BNP Paribas in their update to the Viability study. |

| | | | | |
|--------------------------------------|--|---|--------|--|
| | which exceeds the general rate in some locations. | highest value areas in the Borough (Zone 2) and as such the Council intends to remove the charge from the Charging Schedule for other locations within the Borough – see BTC6 and MRSL2 for further details. | | |
| Retail | The rate does not appear to be appropriate and justified within the PDCS. We accept the logic behind the suggested threshold | The Council evidence on viability has been published as a separate supporting document to the PDCS. The Council is proposing to alter the retail charge and threshold to reflect the findings of an update to the Viability study – see BTC7 and BTC8 | WHHT7 | The Council will need to update the retail charge and threshold to reflect the findings of BNP Paribas in their update to the Viability study. |
| Other | A nil CIL is considered appropriate | The support for the proposed charge is welcomed. | WHHT8 | None |
| 7.0 Exemptions from CIL | We would welcome the introduction of an Exceptional Circumstances Policy | The support for the Exceptional Circumstances Policy is welcomed –see BTC10 | WHHT9 | It is intended to publish a draft Discretionary Relief and Exceptional Circumstances Policy prior to consultation on the DCS |
| 9.0 Payment and Collection of CIL | An Instalments Policy is fundamental due to the significant impacts of the proposed charges on scheme viability. | The support for an Instalment Policy is welcomed - see BTC11 | WHHT10 | It is intended to publish a draft Instalments Policy alongside the DCS |

| Issue | Comment | Proposed Response | Reference | Proposed Action |
|---|---|--|-----------|-----------------|
| Dacorum Sports Trust (Sportspace) (DST) | | | | |
| 3.0 Infrastructure Needs | The Infrastructure needs are supported by evidence and are up to date. | The support for the evidence on infrastructure needs is welcomed – See BTC1 | DST1 | None |
| 4.0 Funding Gap | A sound funding gap has been established. | The support for pursuing a CIL on the evidence of an established funding gap is welcomed. | DST2 | None |
| 6.0 Charging Rates Overall | The proposed rates have potential to put the proposed overall development of the area at risk | The Council would disagree with this statement. DST do not explain why they consider the overall rates to be detrimental to the development of the area and provide no evidence that such charges would be unviable within their response. | DST3 | None |
| Residential | The proposed zones for residential rates are considered | The support for the residential zones is welcomed. | DST4 | None |

| | | | | |
|--------------------------------------|---|---|------|--|
| | appropriate and we would make no amendment to the boundaries for these zones. | | | |
| Retirement Homes | The proposed rate for retirement homes is appropriate. | The support for the retirement home rate is welcomed. It is intended to only apply the retirement home charge to the highest value areas (Zone 2) in view of the findings of BNP Paribas during a recent update to their Viability study. | DST5 | The Council will need to update the retirement charge to reflect the findings on BNP Paribas in their update to the Viability study. |
| Retail | The proposed retail charge and threshold for charging are considered appropriate. | The support for the retail charge is welcomed. It is recommended that the retail charge is amended in view of the findings of BNP Paribas during a recent update to their Viability study. | DST6 | The Council will need to update the retail charge to reflect the findings on BNP Paribas in their update to the Viability study. |
| Other | A nil charge for other uses is supported. | The support for a nil charge for other uses is welcomed. | DST7 | None |
| 7.0 Exemptions to CIL | The Council should adopt an Exceptional Circumstances Policy | The support for the Exceptional Circumstances Policy is welcomed – see BTC10 | DST8 | It is intended to publish a draft Discretionary Relief and Exceptional Circumstances Policy prior to consultation on the DCS |
| 9.0 Payment and Collection of CIL | The Council should adopt an Instalments Policy. | The support for an Instalment Policy is welcomed - see BTC11 | DST9 | It is intended to publish a draft Instalments Policy alongside the DCS. |

| Issue | Comment | Proposed Response | Reference | Proposed Action |
|--|--|--|-----------|---|
| The Crown Estate (by Carter Jonas) (CWN) | | | | |
| General | <p>The PDCS states that some 10,750 new homes are expected in the Borough and gives broad locations to development. The examination of the Core Strategy has yet to be completed and it is inappropriate to pre-judge its outcome. The PDCS needs to be flexible to allow other sites to come forward.</p> | <p>The level of development indicated in the PDCS is consistent with that identified in the Core Strategy and subject to adoption by the Council.</p> <p>The Core Strategy Inspector has highlighted the need for an early partial review of the Core Strategy which should include a re-assessment of housing need and reflect the outcomes of a comprehensive Green Belt review. These do not constitute his conclusions over the soundness of the Core Strategy, which will be known when the final report on the examination is received. The Council is committed to a partial review of the Core Strategy which will include a comprehensive Green Belt boundary review. This is referred to in Main Modifications to the Core Strategy (MM28). For further information please refer to the Report of Representations on the Main Modifications on the Council's examination web page. It is considered appropriate to proceed with the DCS on the basis of the figures set out in the Core Strategy.</p> <p>A regular review of the CIL charging schedule would be appropriate, particularly where the location of development and scheme viability</p> | CWN1 | <p>None</p> <p>References to reviews of the Charging Schedule will be strengthened prior to consultation on the DCS</p> |

| | | | | |
|-----------------------------|---|--|------|--|
| | | <p>may change significantly over time. It would be sensible to co-ordinate a review of CIL with any partial review of the Core Strategy.</p> <p>It is likely that any housing site released from the Green Belt would be significant in scale and as such would probably be subject to a S.106 agreement to deliver infrastructure works directly on site. BNP Paribas are undertaking additional site specific viability work to advise whether payment of both CIL and S.106 would be viable in such circumstances and whether it would be necessary to introduce a separate (lower) charging zone(s) for these locations.</p> | | <p>The Council is pursuing further viability work with consultants BNP Paribas for strategic sites and local allocations within the Core Strategy.</p> |
| 3.0 Infrastructure Needs | <p>The infrastructure needs are up to date and supported by evidence.</p> | <p>The support for the evidence on infrastructure needs is welcomed – See BTC1</p> | CWN2 | None |
| 4.0 Funding Gap | <p>A sound funding gap has been identified.</p> | <p>The support for pursuing a CIL on the evidence of an established funding gap is welcomed.</p> | CWN3 | None |

| Issue | Comment | Proposed Response | Reference | Proposed Action |
|---|--|--|-------------|---|
| <p>6.0</p> <p>Charging Rates</p> <p>General</p> | <p>Our primary concern with the PDCS is that the approach towards Hemel Hempstead in terms of the rate and use of a single charging zone puts the viability of new residential development in the northern parts of the town at risk and undermines the delivery of the Core Strategy objectives. There should be two charging zones for Hemel Hempstead in accordance with the recommendations of the BNP Paribas Viability report.</p> | <p>It is acknowledged that residential development is less viable in the northern wards of Hemel Hempstead as set out in the BNP Paribas Viability report. The Council has however taken the decision that a single rate should be applied to the whole of the town in order to fund the necessary infrastructure improvements required across the Borough and having regard to the complexity of the charging schedule. The proposed rate for the town of Hemel Hempstead has been set so that it would not exceed the maximum charge considered viable for the northern parts of the town. It is not possible to precisely quantify the level of development which may be put at risk. However there appear to be limited opportunities for infill development within the wards of Grovehill, Highfield and Woodhall Farm from an inspection of these neighbourhoods.</p> <p>The Council also proposes to undertake some site specific viability testing in accordance with the recent advice in the DCLG CIL Guidance 2012 to test whether some strategic and local allocations</p> | <p>CWN4</p> | <p>The Council is currently pursuing further viability work with consultants BNP Paribas on strategic sites and local allocations from the Core Strategy and other key sites. This may affect the location of different charging zones.</p> |

| | | | | |
|--|---|--|------|--|
| | | would be capable of sustaining a CIL and S.106 and delivering the planning objectives for these sites. This would include land owned by the Crown Estate at Spencer's Park, Hemel Hempstead to the north/east of the town. | | |
| 9.0 Payment and Collection of CIL | We urge the Council to consider the use of phased payments and suggest a tiered approach according to phasing. | The support for an Instalment Policy is welcomed - see BTC11. | CWN5 | It is intended to publish a draft Instalments Policy alongside the DCS |
| Grand Union Investments (by Savills) (GUI) | | | | |
| General | It is clear from the Core Strategy examination and Inspectors comments thereon that there are fundamental concerns with the level of growth proposed for Dacorum. The preliminary findings identify that there is insufficient evidence that a figure of 11,320 dwellings represents a fully objectively assessed level of housing need and that a greater level of housing need cannot be accommodated within Dacorum. This matter requires due scrutiny | See CWN1 for the Council's comments on the timing of the preparation of a CIL charging schedule. | GUI1 | None |

| | before a CIL can be progressed further. | | | |
|-----------------------------|--|--|-----------|---|
| Issue | Comment | Proposed Response | Reference | Proposed Action |
| General | The Council is encouraged to outline a review mechanism for CIL as part of its annual monitoring of CIL | The Council are required to monitor the impact of CIL and report annually on both the amount of CIL secured and the spending of CIL. This is a similar process to the existing monitoring and annual reporting of S.106. Members have recently requested that reports monitoring S.106 are more frequently prepared. Careful consideration should be given to the data which could be monitored and which will give us an indication of how well the CIL policy is working. This may include a more detailed recording of the number, size and profile of dwellings under construction within the Borough. | GUI2 | References to reviewing the Charging Schedule should be strengthened in the DCS. It is considered that the monitoring of CIL should be discussed in more detail by the CIL Working Group and with Members to ensure appropriate data is gathered during the monitoring process. |
| 3.0 Infrastructure Needs | It is imperative that the evidence supporting a CIL clearly sets out the key infrastructure projects required to support development within the area. We have concerns with the adequacy of the evidence provided as this appears to be based on high level infrastructure evidence from | See response under BTC1 | GUI3 | None |

| Issue | Comment | Proposed Response | Reference | Proposed Action |
|---|--|---|-------------------------|-------------------------|
| <p>6.0</p> <p>Charging Rates</p> <p>General</p> | <p>The sales values provided from Rightmove are not considered to be sufficient or robust enough to draw clear conclusions on average sales values. The use of a market value in the BNP Paribas report is not appropriate.</p> <p>BNP state that the build costs are taken from the Build Cost Information Service (BCIS). BNP have added 15% to allow for external works but the HCA analysis from 2007 indicates that</p> | <p>BNP Paribas have undertaken research using a range of sources including Land Registry data on sales values achieved as identified on the Right Move website, pricing on individual new build developments, from properties being advertised on Right Move and finally following discussions with active local agents. The evidence presented in the report is based on the average house prices of properties sold in the Borough in the specified areas as identified on Rightmove and sourced from the Land Registry. They are satisfied that this information is robust, however should Savills have access to any additional evidence that is not in the public domain, we would welcome their assistance with evidence to inform the study – See also response at GUI6</p> <p>BNP Paribas have reviewed the HCA document to which Savills have referred (The HCA Area Wide Viability Model, Annex 1 Transparent Viability Assumptions (August 2010 Consultation version) We are advised that in BNP Paribas experience of undertaking site specific viability assessments for</p> | <p>GUI4</p> <p>GUI5</p> | <p>None</p> <p>None</p> |

| | | | | |
|--|---|--|-------------|-------------|
| | <p>a figure of 27% would be more appropriate. BNP do not appear to have included an appropriate allowance for infrastructure costs and these costs will significantly reduce viability.</p> <p>BNP have tested a number of sites against the existing use value (EUUV) which we believe is not appropriate given the need for competitive returns anticipated by the landowner and developer or market value for sites of a mixed use. We consider that the benchmark land value against which viability judgements are made should be the Market Value of land using</p> | <p>which cost plans have been produced, external costs can be above 15% in some cases and below 15% in others i.e. it varies from scheme to scheme. This position is confirmed by the HCA report, which also identifies that the accepted market practice for allowing for external works is between 10% and 20%. The adopted 15% allowance lies in the middle of these costs and as such is considered to be a reasonable assumption based on the fact that such costs will vary significantly between sites.</p> <p>With regard to infrastructure works, on infill sites within urban areas it is considered that the allowances included in BNP Paribas appraisal are appropriate to allow for the necessary infrastructure requirements identified by Savills. With regard to the larger greenfield sites, they would highlight that an additional allowance of £10,000 per unit has been included.</p> <p>It is considered that market transactions will always (or should be) based on current planning policy requirements and as such they are of no assistance to the Council in determining what planning requirements could be sought in the near future. It is not uncommon for developers to negotiate on the removal or reduction of planning policy requirements and as such market transactions rarely take full account of the planning policy requirements.</p> <p>The Council considers the approach of BNP</p> | <p>GUI6</p> | <p>None</p> |
|--|---|--|-------------|-------------|

| | | | | |
|----------------------------------|---|--|-------------|---|
| | <p>comparable land transactions (based on RICS guidance and case law). This is supported by the recent appeal at Land north of St.Edmunds Terrace, NW8.</p> <p>We do not believe that the value of affordable housing units has been calculated correctly and takes account of what Register Providers will pay for the units or the affordability criteria set by Dacorum.</p> | <p>Paribas to viability assessments to be appropriate. Basing the assessment on current use value is an approach that is recognised as appropriate by both the RICS guidance note (albeit this guidance is inconsistent) and the Harman Group guidance¹; the latter being directly relevant to planning policy testing.</p> <p>Discussions have been held with the Strategic Housing section of the Council who, have confirmed that the assumptions within the BNP Paribas are reasonable.</p> | <p>GUI7</p> | <p>None</p> |
| <p>7.0 Exemptions to CIL</p> | <p>We note that the offer of relief is discretionary It is considered imperative that the Council makes available relief from the date of the adoption of CIL.</p> | <p>A Discretionary Relief policy does not form part of the CIL examination. Although the Council is under no obligation to publish a Discretionary Relief and Exceptional Circumstances Policy prior to examination, it is considered prudent to include this information in draft form at the DCS stage and have this information prepared for the examination given the obligation upon the Council to 'show and explain' how the introduction of a CIL charge would contribute positively towards the Core Strategy objectives and delivery of growth. The support for an</p> | <p>GUI8</p> | <p>It is intended to publish a draft Discretionary Relief and Exceptional Circumstances policy prior to consultation on the DCS</p> |

¹ 'Viability Testing Local Plans, Advice for planning practitioners' Local Housing Delivery Group, Chaired by Sir John Harman (June 2012).

| | | | | |
|--|---|--|--|---|
| | <p>The relief should include affordable housing and guidance should be provided on the level of detail required for the viability assessment needed to qualify for Exceptional Circumstances relief</p> | <p>Exceptional Circumstances policy is welcomed.</p> <p>Affordable Housing is exempt from CIL payment as a Statutory Exemption under the CIL Regulations. This is clearly set out in Section 7 of the PDCS. The Council will consider the use of an Exceptional Circumstances policy in due course and this will be subject to further consultation through the DCS. It should be noted that the CIL Regulations are fairly prescriptive over the content of any Exceptional Circumstances Policy.</p> | <p>GUI9</p> | <p>It is intended to publish a draft policy on Discretionary Relief and Exceptional Circumstances policy prior to consultation on the DCS.</p> |
| <p>9.0 Payment and Collection of CIL</p> | <p>We would recommend that the Council adopts an Instalments Policy and sets out the content of this policy at the earliest opportunity.</p> <p>It is recommended that proposals for any Instalment Policy are based on build out rates and should not be set to specific timescales.</p> <p>Regulation 73(1) permits the payment of land in lieu of CIL and the PDCS is silent on payments through this mechanism. Savills would express concerns that</p> | <p>The support for an Instalment Policy is welcomed - see BTC11.</p> <p>The content of the Instalments Policy has yet to be determined. The CIL Regulations do not allow you to introduce instalments on the basis set out in this representation which would also be discouraged given a lack of precision over the payment periods.</p> <p>The DCS is not required to set out details of the Council’s approach to ‘Payments in Kind’ although the DCLG’s current consultation document on reforms to the CIL Regulations proposes to give charging authorities the choice</p> | <p>GUI10</p> <p>GUI11</p> <p>GUI12</p> | <p>It is intended to publish a draft Instalments Policy alongside the DCS</p> <p>The content of the Instalments Policy will need to comply with the CIL Regulations.</p> <p>It is recommended that the Council considers the formulation of a policy on ‘Payment in Kind’ prior to the adoption of CIL. Regulation 73 already sets out some qualifying requirements for ‘Payment in</p> |

| | | | |
|--|---|--|---|
| | <p>large strategic sites may provide items of infrastructure onsite and without an effective policy on 'land in lieu' then developers may be double charged for infrastructure or incur unjustified costs for infrastructure. We are also concerned about how such land is valued and the level of discount that may be applicable to the CIL charge.</p> | <p>to accept a combination of land payments and/or provision of infrastructure where there is a published policy on the charging authority website. This choice would only apply to that infrastructure which the charging authority has listed as part of its policy.</p> <p>Currently Regulation 73(1) allows charging authorities to accept one or more land payments in satisfaction of the whole or part of the levy due in respect of a chargeable development. Under Regulation 73(3) the amount of the levy paid is an amount equal to the value of the acquired land.</p> <p>Circumstances may arise where it is sensible for a developer to provide infrastructure either as well as land or instead of land. For instance, it may be a priority for a charging authority to ensure the delivery of certain on-site or off-site infrastructure to bring forward a particular development. Where this is the case, the developer may be best placed to deliver that infrastructure in a timely and cost effective way.</p> <p>There may be circumstances where it is more desirable for a charging authority to receive land instead of monies upon which infrastructure items may be provided. The Council would agree that it would be beneficial to highlight the circumstances in which the Council considers the payment by land would be appropriate or the situations and if possible sites on which they will</p> | <p>Kind' which will need to be incorporated into this policy including a requirement for the CIL payment to exceed £50,000. The Regulations relating to 'Payments in Kind' are subject to changes being proposed in a recent consultation by the DCLG. A response to this document is being prepared by the Infrastructure Planning Officer to be submitted on behalf of the Council.</p> <p>It should be noted that the Regulations require land to be valued independently and this has resource implications for the Council who would have to outsource this work. The payment of land in kind does not appear to off-set any requirements for monetary payments to the Town or Parish Council under the "meaningful proportion" (Regulation 59) and as such the Council should not allow such payments to exceed 75% of the CIL due for payment. Any such policy would need to be carefully drafted in consultation with both the legal and procurement sections (should the payment in kind be extended to direct provision of items of infrastructure) of the Council.</p> |
|--|---|--|---|

| | | be looking to secure appropriate infrastructure items. | | |
|--|---|--|-----------|---|
| Issue | Comment | Proposed Response | Reference | Proposed Action |
| 10.0 Using CIL Monies | We have concerns with regards to the lack of a Regulation 123 list setting out the Council's spending priorities for CIL which we consider demonstrates that the infrastructure needs of the Borough and charges are ill conceived. | The PDCS was sent for consultation prior to the publication of the DCLG CIL Guidance 2012. This guidance indicates that it is now beneficial for the Charging Authority to set out its draft proposals for spending CIL prior to examination; this was not required. The Council will address this new requirement prior to consultation on the DCS. | GUI13 | It is intended to publish a draft Regulation 123 list prior to consultation on the DCS. |
| Taylor Wimpey UK Limited (by Woolf Bond Planning) (TWWB) | | | | |
| General | The Council has set a target for 35% of new homes to be affordable and it is vital that the proposed CIL rate reflects this constraint on viability. | BNP Paribas have assumed that 35% of homes would be affordable in accordance with Policy CS19 of the Core Strategy during the preparation of the Viability assessment to support the CIL charging schedule. Financial contributions towards affordable housing have also been included where appropriate in lieu of provision on site. 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 a CIL – See the responses to BTC5 | TWWB1 | None |

| | | | | |
|--|--|---|-------|--|
| | | and HCC4. The CIL charge has been calculated to ensure that the delivery of affordable housing is not undermined. | | |
| 6.0 Charging Rates General | The Charging Rate is significantly higher than a number of neighbouring or nearby authorities particularly the charge for Zone 2 (Berkhamsted and surrounding areas) | There is limited benefit in comparing charges between local authorities given the complexity of viability assessments and the scope for variation over geographical areas. It is acknowledged that the charges for Zone 2 (Berkhamsted and surrounding areas) appears to be relatively high and there could be scope to reduce the charge should future viability work indicate that such charges are proving unviable. | TWWB2 | It is not proposed to amend the general residential charge for Zone 2 (Berkhamsted and surrounding areas) at this stage given a lack of evidence in support of a reduction on viability grounds. The charge for Zone 2 (Berkhamsted and surrounding areas) is being considered further by officers who are gathering further information on the scale and implications of the charge in relation to current planning applications within this charging zone. |
| Overall Strategy | Dacorum Borough Council does not have sufficient flexibility for alternative sites to come forward for residential use given the constraints of the Borough (Green Belt etc) and as such it would not be appropriate to charge a premium under CIL and | The Council is satisfied that it has an appropriate supply of housing sites to meet the requirements of paragraph 47 of the NPPF. The Council has sufficient sites to ensure a choice of sites and competition in the market for land. Full details of the housing land supply will be set out in the Site Allocations DPD which will include sites within the urban area and sites released from the | TWWB3 | None |

| | | | | |
|----------------------------------|--|--|--------------|--|
| <p>Residential</p> | <p>put some sites at risk of coming forward.</p> <p>The proposed different rates are not appropriate. The CIL as a percentage of Gross Development Value will be significantly higher in Berkhamsted and we believe unjustly skews the location of development prejudicing future site allocation decisions.</p> | <p>Green Belt as already identified in the Core Strategy. The Council is committed to a partial review of the Core Strategy as set out in the Main Modifications to the Core Strategy (MM28) – see CWN1. Depending on the outcomes of the review there may be the need to identify some alternative development sites however the results of this review should not be pre-empted. The Council is comfortable that its charges would not put a significant level of development at risk. It is acknowledged that proposals for development in the northern wards of Hemel Hempstead would be at the margins of scheme viability – see CWN4</p> <p>The charges have been set on the basis of viability in accordance with the findings of the BNP Paribas Viability study. The Council does not intend to amend the residential charges for Zone 2 (Berkhamsted and surrounding areas) at this stage.</p> | <p>TWWB4</p> | <p>None – see TWWB2</p> |
| <p>10.0 Using CIL Monies</p> | <p>The Council has not published a R123 list for the spending of CIL nor explained its proposed use of S.106.</p> | <p>See response to GUI13</p> | <p>TWWB5</p> | <p>It is intended to publish a draft Regulation 123 list prior to consultation on the DCS.</p> |

| Issue | Comment | Proposed Response | Reference | Proposed Action |
|---|---|---|-----------|---|
| Taylor Wimpey UK Limited (by Vincent and Goring) (TWVG) | | | | |
| 3.0 Infrastructure Needs | The list of potential items in Appendix A of the IFGA is derived from the IDP which supports the Core Strategy. It is accepted that providing the Core Strategy is found sound the IDP provides a reasonable basis for defining infrastructure needs. | The support for the evidence on infrastructure needs is welcomed – see BTC1 | TWVG1 | None |
| 4.0 Funding Gap | The requirement to fund infrastructure with a CIL charge is accepted. Further information and detail on the infrastructure costs would assist the soundness of the schedule. | The support for pursuing a CIL on the evidence of an established funding gap is welcomed. The costs within the IFGA are estimates and will be updated and amended as more precise information becomes available on the scale and nature of projects within the IDP. | TWVG2 | The costs within the IFGA will be updated to reflect our best estimate of the overall cost of providing infrastructure items within the IDP as more detail becomes available. |

| Issue | Comment | Proposed Response | Reference | Action |
|---|--|---|---------------------------|---|
| <p>6.0</p> <p>Charging Rates</p> <p>Residential</p> | <p>It is considered that the rates for residential development do not put the overall development of the area at risk. Broadly speaking the assumptions within the viability evidence is considered to be robust for most sites. An exceptional circumstances policy should be introduced where the provision of on-site infrastructure may have a significant influence on viability.</p> <p>It should be recognised that although a 6% allowance has been included for meeting Level 4 of the Code for Sustainable Homes within the assumed Build Costs, such costs will significantly increase with the introduction of Code Level 5.</p> | <p>The Council appreciates confirmation that the assumptions within the Viability Assessment are reasonable in most cases and the general support for the overall charging schedule is welcomed. See response at TWVG7 for comments on whether the Council should introduce an Exceptional Circumstances Policy</p> <p>The cost associated with complying with the Code for Sustainable Homes are considered reasonable in the short term given the planning policy requirements within the Core Strategy. The Council would recognise that the building costs associated with construction activities will change over the timescale of the Core Strategy and with the phased introduction of stricter policy requirements for sustainable means of construction. The Council will need to consider reviewing the charging schedule where such</p> | <p>TWVG3</p> <p>TWVG4</p> | <p>None</p> <p>A review of the CIL charging schedule will be undertaken periodically to ensure that the CIL charges remain viable given the prevailing planning policy framework and economic circumstances in the Borough.</p> |

| | | | | |
|-------|--|---|---------------------------|--|
| Other | <p>We accept the principle of the residential zones as set out in the PDCS and consider that the proposals reflect different sub-markets for housing in Dacorum.</p> <p>Although we accept that ‘other’ uses are not capable of supporting a CIL charge at present given the current market, it is considered unfair that the brunt of infrastructure costs should be borne by the residential schemes. We would encourage reviews of the charging schedule to require payments from these uses.</p> | <p>changes have a significant impact on the overall viability of schemes.</p> <p>The Council welcomes the support for the different residential charging zones within the Borough</p> <p>It would appear reasonable to consider whether other uses could support a CIL charge when the DCS is reviewed.</p> | <p>TWVG5</p> <p>TWVG6</p> | <p>BNP Paribas are currently undertaking some additional site specific viability tests to determine whether some amendments are required to the charging zones to account for strategic and local allocations.</p> <p>The charging schedule will be subject to regular reviews which may introduce additional charges for other forms of development where it can be demonstrated that such proposals would be viable.</p> |
|-------|--|---|---------------------------|--|

| Issue | Comment | Proposed Response | Reference | Proposed Action |
|--------------------------------------|--|--|-----------|---|
| 7.0 Exemptions to CIL | It is crucial that a policy on Exceptional Circumstances Relief is provided. The BNP Paribas report makes it clear that the greenfield allocations have substantial on site costs for infrastructure which, if allied with CIL, could make viability marginal. | The Exceptional Circumstances relief mechanism is not necessarily considered to be the most appropriate mechanism for dealing with the circumstances described in the response of Vincent and Gorbng. It may be more beneficial to secure on site infrastructure improvements by using a S.106 agreement and charge either a reduced or nil CIL in these locations. BNP Paribas are looking at site specific viability issues on behalf of the Council and will advise on whether strategic and local allocations can sustain the planning policy requirements and both S.106 and CIL. | TWVG7 | It is intended to publish a draft Discretionary Relief and Exceptional Circumstances policy prior to consultation on the DCS. |
| 9.0 Payment and Collection of CIL | It is essential that an Instalments Policy is introduced to assist the cash flow of developments on larger sites. | The support for an Instalment Policy is welcomed - see BTC11. | TWVG8 | It is intended to publish a draft Instalments Policy alongside the DCS |
| 10.0 Using CIL Monies | The Council has yet to clarify the relationship between the use of | This is a relatively new requirement on the Council arising from the DCLG CIL Guidance | TWVG9 | It is intended to publish a statement on the interaction of S.106 and CIL prior to |

| | | | | |
|---|---|--|------|---|
| | CIL and S.106 | (December 2012) The Council is likely to use S.106 agreements to require the direct provision of larger and site specific items of infrastructure rather than CIL. It is clear that such agreements will be necessary to secure Affordable Housing in accordance with Policy CS19 of the Core Strategy. The relationship between S.106 and CIL will be set out in more detail following site specific viability work by BNP Paribas and discussions with both the County and local landowners. | | consultation on the DCS. |
| Barratt Developments Plc (by Rapleys) (BAR) | | | | |
| General | We believe the general principles of the PDCS in terms of formula, calculation, exemptions and processes are in accordance with the Regulations. | Confirmation that the proposals in the PDCS meet the CIL Regulations is welcomed. | BAR1 | None |
| 4.0 Funding Gap | The IFGA does not contain sufficient information to consider whether infrastructure needs are supported. Although we agree in principle with the types of infrastructure identified in the IFGA and note the removal of unrelated infrastructure needs, there is a lack of clarity in the | The support for the charging of CIL on the basis of a funding gap is welcomed even though there are concerns over the clarity of the information and justification for both infrastructure needs and funding. The PDCS is accompanied by a number of supporting documents which include the IDP and IFGA. The IFGA sets out that the infrastructure needs and the funding gap has been calculated. It will ultimately be based on the | BAR2 | The IFGA will inevitably contain estimated costs for items of infrastructure that are not intended to be delivered within a short timescale. The costs of infrastructure items within the IFGA will be updated as further information is available from infrastructure providers to improve its accuracy moving forward with CIL. |

| | | | | |
|-----------------------|--|---|------|--|
| | PDCS. We believe that the funding gap is realistic and that there is a need to charge CIL. | best available information from the infrastructure providers and contain a number of estimates as to the overall cost of the proposed infrastructure item. There are clear links between the infrastructure items identified in the IDP and those on the IFGA. The Council considers its approach to the funding gap to be logical and appropriate. | | |
| 6.0 Charging Rates | | | | |
| Overall | The proposed rates for residential use are not considered to put the overall development of the area at risk, although it is difficult to comment on those for retirement homes or retail and other uses. | The general support for the charging rates is welcomed. | BAR3 | None |
| Residential | It is considered that the use of different CIL rates for different zones across the Borough are justified on land values and viability grounds. We are however concerned with some of the assumptions in the BNP Paribas report in relation to sales and construction timetables, particularly for larger schemes. | The support for different charging zones is welcomed. The concerns regards the viability of larger schemes are noted. The Council notes that such schemes are likely to utilise the Instalments policy for CIL and/or be subject to S.106 payments where a bespoke payment process can be set out within the legal agreement. This will assist with the delivery and viability of these proposals. The Council is pursuing additional viability work to inform decisions over whether a S.106 and CIL payment should be sought on | BAR4 | It is intended to publish a draft Instalments policy prior to consultation on the DCS. |

| | | | | |
|--|--|--|-------------|---|
| <p>Other uses</p> | <p>Although the Viability study indicates that other uses are not able to pay CIL it is considered that residential, retirement and retail uses should not cross subsidise necessary infrastructure for other uses. The charge should therefore be reconsidered and subject to regular review.</p> | <p>larger sites. Further information has been requested from BNP Paribas on sale and construction timetables.</p> <p>The Council does not consider it appropriate to charge other uses at this stage given the findings of the Viability study and the prevailing economic circumstances within the Borough.</p> | <p>BAR5</p> | <p>The charging schedule will be subject to regular reviews and where necessary and appropriate charges may be introduced for other uses.</p> |
| <p>7.0 Exemptions to CIL</p> | <p>It is our experience that the inclusion of a policy regards Exceptional Circumstance Relief is essential and will promote development within the Borough.</p> | <p>The Council accepts that there is a need to provide further information on an Exceptional Circumstances Policy – see BTC10</p> | <p>BAR6</p> | <p>It is intended to publish a draft Discretionary Relief and Exceptional Circumstances policy prior to consultation on the DCS.</p> |
| <p>9.0 Payment and Collection of CIL</p> | <p>An Instalments Policy is likely to assist the viability of new schemes and such a policy should be based upon the completion or the occupation of new residential properties or development.</p> | <p>The support for an Instalment Policy is welcomed - see BTC11.</p> | <p>BAR7</p> | <p>It is intended to publish a draft Instalments Policy alongside the DCS.</p> |

| Issue | Comment | Proposed Response | Reference | Proposed Action |
|-------------------------------------|--|--|-------------------------|--|
| <p>10.0</p> <p>Using CIL Monies</p> | <p>It is requested that the Council's CIL makes provisions to avoid the practice of 'double dipping' and suitable adjustments are considered when drawing up S.106 agreements.</p> <p>All items upon the Regulation 123 list should relate to infrastructure in the IFGA</p> | <p>The Council is in the process of determining which items of infrastructure should be requested through a S.106 agreement and which items could be funded through CIL. The overall strategy and mechanisms for delivering infrastructure items are being developed in consultation with the County Council, other infrastructure providers and the key developers within the Borough.</p> <p>There is a clear link between evidence in the IDP and those items in the IFGA. The Regulation 123 list should be derived from information in these document</p> | <p>BAR8</p> <p>BAR9</p> | <p>It is intended to publish a statement on the interaction of S.106 and CIL prior to consultation on the DCS. A Draft Regulation 123 list setting out the Council's spending priorities for CIL will also be published. The content and approach will be informed by viability work being undertaken by BNP Paribas and discussions with the County Council</p> <p>See BAR8</p> |

| Issue | Comment | Proposed Response | Reference | Proposed Action |
|--|--|---|-----------|---|
| Asda (by Thomas Eggar LLP) (ASDA) | | | | |
| General | We consider it prudent to note that if the Inspector requires material changes to the Core Strategy and finds this unsound then this should be recognised in the Charging Schedule and further consultation would be required. | The point regarding the soundness of the Core Strategy is noted. However, the Council does not consider that such matters should unduly prevent the formulation of the DCS and supporting documents for consultation in late 2013 – see CWN1 | ASDA1 | None |
| 6.0 Charging Rates Overall | There is a disproportionate level of CIL being placed upon large retail developments which will undermine the economic growth and opportunities for employment in the Borough. | Regulation 14 of the CIL Regulations requires the Council to set a levy which requires an appropriate balance between funding the cost of infrastructure and the impact upon economic viability. It is considered that large retail uses should contribute CIL in view of the impact of such facilities on the surrounding highway networks and/or town centre infrastructure. A viable charge has been levied on large retailers in light of the evidence presented in the Council's | ASDA2 | BNP Paribas updated their Viability study to take account of comments received during the consultation on the PDCS. The Council will need to update the retail charge to reflect their recommendations. |

| | | | | |
|---------------|---|--|--------------|--|
| | <p>It is recommended that a flat CIL rate is adopted for all development.</p> | <p>Viability study and in accordance with its update. The proposed level of the charge should not prevent the delivery of larger retail schemes</p> <p>It is clear that a flat CIL rate for all development would not meet with the requirements of Regulation 14 as such an approach would not strike the appropriate balance between funding infrastructure and economic viability. There are clear economic viability grounds to propose different charges, particularly in housing sub market areas. BNP Paribas strongly advise against setting a charge which is known to be unviable in the case of retail development. The charges themselves are unlikely to fund the infrastructure items identified in the IFGA and additional sources of funding will be required. The impact on schemes which are identified as unviable could not be balanced by the implementation of an Exceptional Circumstances policy as suggested by ASDA. This would be both illogical and contrary to the CIL Regulations.</p> | <p>ASDA3</p> | <p>None</p> |
| <p>Retail</p> | <p>The proposed retail charge is not competitive with neighbouring Three Rivers and will detract investment in the Borough.</p> | <p>The Council is proposing to reduce its rate to £150 per square metre for convenience based supermarkets, superstores and retail warehouses (with a net retail space exceeding 280 sq.m) on the basis of revised Viability evidence presented by BNP Paribas in response to the consultation on the PDCS. Three Rivers District Councils have proposed charging a flat charge of £120 per square metre for retail development regardless of its scale. The rates proposed are based on the</p> | <p>ASDA4</p> | <p>The Council will need to update the retail charge to reflect the recommendations of BNP Paribas in their update to the Viability study.</p> |

| | | | | |
|--|---|--|---------------------------|---|
| | <p>The decision to split small and large retail developments falls outside the scope of the CIL Regulations. There is insufficient evidence to warrant the division proposed either on use or viability grounds and the threshold for retail development is not therefore appropriate.</p> <p>The Viability Study contains retail assumptions that are inadequate and do not make sufficient allowances for S.106 contributions which will need to be paid in addition to CIL and the costs of obtaining planning permission. When combined with the proposed CIL charge these costs make large retail developments unviable.</p> | <p>relative viability of retail developments within these locations as required by Regulation 14 of the CIL Regulations.</p> <p>The differentiation of retail uses has been more clearly defined as a result of updated and additional viability testing by BNP Paribas. A number of authorities have now adopted a differential rate for differing scales of retail development. There are clear viability grounds on which to differentiate between the scales of retail uses. The Council is of the view that such matters fall within the scope of Regulation 13(1)</p> <p>The Council does not have a standard approach to charging S.106 for retail sites within the existing policy framework and such negotiations have been undertaken historically on a case by case basis. BNP Paribas have re-run appraisals included an assumed charge of £25 per square metre for Section 106 costs. Contributions towards S106 costs are to be scaled back as of April 2014 (subject to consultation) and they consider that this would be an appropriate assumption. We intend to reduce the retail charge from £200 per sq.m to £150 per sq.m in accordance with the conclusions of BNP Paribas.</p> <p>Planning application fees and costs are included within the professional fees assumptions allowed for in the appraisals. It is considered that the contingency of 5% adopted within the appraisals, which is also applied to the professional fees,</p> | <p>ASDA5</p> <p>ASDA6</p> | <p>The Council will need to amend the description and thresholds for retail charges in accordance with the recommendations of BNP Paribas in their update to the Viability study.</p> <p>The Council will need to update the retail charge to reflect the recommendations of BNP Paribas in their update to the Viability study. The Council will seek to improve the evidence which sits behind the retail assumptions through examination of historic S.106 agreements.</p> |
|--|---|--|---------------------------|---|

| | | | | |
|---------------------------------------|--|--|---------------------------|--|
| | <p>The charging schedule does not make the connection between the CIL charges proposed and the infrastructure requirements of the particular development upon which they are being levied.</p> <p>Many regeneration projects on brownfield land or town centres involve demolishing, converting or redeveloping buildings that have lain vacant for some time and the CIL Regulations only allow the Council to deduct pre-existing floor space from CIL if it is in lawful use. The Viability Study does not acknowledge the economics of conversion schemes are different to new builds and the viability of such schemes.</p> | <p>would account for any unforeseen costs</p> <p>The CIL guidance requires the proposed rates to be informed by viability considerations of developments rather than their relative impact on infrastructure. The Council would contend that the CIL charge for retail is proportionate with the impact on infrastructure and the need for infrastructure improvements to support retail development – see ASDA2.</p> <p>The recently released DCLG Consultation on Community Infrastructure Levy Further Reforms. This document seeks to address the concerns relating to Regulation 40 - The Vacancy period test for calculating the levy liability so that vacant floor space can be offset in certain circumstances. This would mean that the charge would only be applicable to net gains in floor space in refurbishment and redevelopment schemes. The Council is supportive of this approach which would facilitate its regeneration plans. The Council does not consider that there are any sites suitable for large retail development within the Borough which would benefit from the circumstances described in this response.</p> | <p>ASDA7</p> <p>ASDA8</p> | <p>None</p> <p>Officers will respond to the DCLG consultation recommending supporting the proposed amendments to Regulation 40 of the CIL Regulations.</p> |
| <p>7.0</p> <p>Exemptions from CIL</p> | <p>We would encourage the adoption of an Exceptional Circumstances Policy</p> | <p>The support for an Exceptional Circumstances Policy is to be welcomed –see BTC10</p> | <p>ASDA9</p> | <p>The Council intends to publish a draft Discretionary Relief and Exceptional Circumstances Policy prior to consultation on the DCS.</p> |

| Issue | Comment | Proposed Response | Reference | Proposed Action |
|---|---|--|-----------|---|
| 9.0 Payment and Collection of CIL | It is recommended that an Instalments Policy is adopted by the Council. | The support for an Instalment Policy is welcomed - see BTC11 | ASDA10 | It is intended to publish a draft Instalments Policy alongside the DCS. |
| Sainsbury's (by Indigo Planning Limited) (SAIN) | | | | |
| General | The implications of State Aid do not appear to have been fully considered particularly those relating to selective advantage. It is clear that selective advantage is being given in respect to certain forms of retail and residential development and this should be addressed. | As the decisions on the charging rates are based on viability evidence and not framed to give a selective advantage to any individual or organisation it is considered that there are no state aid issue to address. | SAIN1 | None. |
| 6.0 Charging Rates General | It is clear that there is a bias against larger retail development because it is more viable and that | The CIL guidance requires the proposed rates are informed by viability considerations rather than on their relative impact on infrastructure. The | SAIN2 | The Council will need to update the retail charge and threshold to reflect the recommendations of BNP Paribas |

| | | | | |
|--------|--|--|--|--|
| Retail | <p>as retail developments do not give rise to significant impacts on infrastructure this is clearly disproportionate and contrary to Paragraphs 12 and 37 of the DCLG CIL Guidance – December 2012.</p> <p>There is insufficient evidence to justify the proposed retail rate.</p> <p>The BNP Paribas Viability Assessment only tests a limited number of retail scenarios and these do not relate to current retail practices.</p> <p>The retail scenarios do not take account of any costs associated with brownfield sites, the removal of existing uses and other such matters such as the</p> | <p>rate for 'large retail' (as defined in the PDCS), has now been re-defined as 'Convenience-based supermarkets and superstores and retail warehousing (net retailing space of over 280 square metres)' following the recommendations of BNP Paribas and has been set in relation to viability in line with the regulations and guidance. See also ASDA2 and ASDA6</p> <p>The Council would disagree with this statement for the reasons set out below.</p> <p>BNP Paribas have, in response to the objections, appraised a smaller and larger scheme of 1,000 square metres and 5,000 square metres respectively for 'Convenience-based supermarkets and superstores and retail warehousing (net retailing space of over 280 square metres)'. It is logical to test these scenarios given the identification of different cost implications identified by BCIS for developing supermarkets up to 1,000 sq m from those over 1,000 sq up to 7,000 sq m.</p> <p>The assumptions are all set out within table 4.55.1 and Appendix 3 of the Viability Assessment and updates thereon.</p> <p>Three current use values have been considered in the assessment which provides a range against which the retail uses are to be assessed. These include secondary industrial, new industrial and office uses incorporating an appropriate premium</p> | <p>SAIN3</p> <p>SAIN4</p> <p>SAIN5</p> | <p>following their update to the Viability study.</p> <p>None</p> <p>The Council will need to update the retail charge to reflect the findings of BNP Paribas as set out in their update to the Viability study.</p> <p>None</p> |
|--------|--|--|--|--|

| | | | | |
|--|--|---|---------------------------|---|
| | <p>need to deal with site contamination etc.</p> <p>The evidence base of BNP Paribas suggests that retail uses cannot sustain a CIL at the rate suggested. Retail developments in Berkhamsted can only sustain a charge of £100 per square metre and no retail charge can be sustained within the town of Hemel Hempstead</p> <p>There is insufficient justification for the retail threshold and as</p> | <p>above the CUV.</p> <p>An allowance has been made for demolition however it is not possible to incorporate a cost for remediation of brownfield sites within an area wide viability study. The Bristol CIL examiner identified this at Paragraph 26 of his report dated July 2012, stating that, <i>'By definition, the CIL cannot make allowance for abnormal, site specific, costs'</i></p> <p>The retail development referred to in this response has now been defined as "all other retail (Classes A1-A5)" and is not subject to a charge as set out in an update to the Viability study. The original evidence presented in the BNP Paribas report highlighted that these retail uses could only sustain a CIL charge in the settlement of Berkhamsted and on this basis the Council determined not to pursue a charge for small forms of retail development through the PDCS. The Council has set the proposed retail rate based on the viability evidence and have not set the rate at the margins of theoretical scheme viability i.e. we have adopted a buffer to account for changes in economic circumstances. The proposed CIL is a very marginal additional cost and S106 should be scaled back as a result of introducing CIL. The impact on the vast majority of developments should be minimal</p> <p>BNP Paribas have revised the viability assessment with regard to the definition of retail uses</p> | <p>SAIN6</p> <p>SAIN7</p> | <p>The Council will need to update the retail threshold to reflect the findings on BNP Paribas in their update to the Viability study.</p> <p>The Council will need to update the retail threshold to reflect the findings of BNP</p> |
|--|--|---|---------------------------|---|

| | | | |
|--|---|---|--|
| | <p>such it is not considered appropriate.</p> | <p>assessed. They now identifies the retail uses as:</p> <ul style="list-style-type: none"> • Convenience supermarkets, superstores and retail warehousing (net retailing space of over 280 square metres); and • All other retail (A1-A5) <p>This definition should be adopted by the Council in its DCS.</p> <p>It is acknowledged that size does not necessarily result in the higher values generated by convenience based supermarkets and superstores and retail warehousing uses. A number of other factors are involved.</p> <p>BNP Paribas have undertaken a review of convenience based supermarket units within Dacorum Borough using the VOA business rates website, and has identified that the units for which the above characteristics are associated and for which occupiers with greater covenant strength are associated predominantly exceed the Sunday Trading Law threshold of 280 sq m (there are one or two exceptions). In their experience, the national occupiers seek units of between 2,500 sq ft (232.26 sq m) to 4,000 sq ft (371.61 sq m) for their smaller format convenience stores, however their preference is for larger units, which we understand they can run more economically and they are not impacted as greatly as local occupiers by the limit on the opening hours. In this regard it is a logical</p> | <p>Paribas in their update to the Viability study.</p> |
|--|---|---|--|

| | | | | | |
|------------------------------------|---|--|--|-------|---|
| | | <p>threshold at which to set the rate</p> <p>Evidence has clearly been presented in several CIL examinations to demonstrate that supermarkets, large retail stores and retail warehouses have differing characteristics to small retail units and as such it is reasonable to levy a differing charge thereon.</p> | | | |
| 7.0 | Exemptions to CIL | We consider it important that the Council accepts applications for Exceptional Circumstances Relief (under Regulation 55) | The support for an Exceptional Circumstances Policy is welcomed. | SAIN8 | It is intended to publish a draft Discretionary Relief and Exceptional Circumstances Policy prior to consultation on the DCS. |
| 9.0 | Payment and Collection of CIL | It is considered that the Council should introduce a policy on Instalments as this will assist the viability of larger schemes. | The support for the introduction of an Instalments Policy is to be welcomed. | SAIN9 | The Council intends to publish a draft Instalments Policy prior to consultation on the DCS. |
| ALDI (by Turley Associates) (ALDI) | | | | | |
| General | It would be helpful if the Council could set out its intended administration costs and processes. | The CIL Regulations clearly set out that up to 5% of the CIL receipts may be used for administration of the charge. The costs associated with administering CIL are not known | ALDI1 | None | |

| | | at this stage although there has been significant start up costs for which it would be beneficial to retain these funds. | | |
|-----------------------|---|--|--------------------|--|
| Issue | Comment | Proposed Response | Reference | Proposed Action |
| 6.0 Charging Rates | | | | |
| Overall | The proposed charges put the overall development of the area at risk and cannot be supported. | The Council disagrees with this statement for the reasons set out in this response. | ALDI2 | None. |
| Retail | The LPA's evidence acknowledges that there are differences between 'large' and 'small' retail developments. It is not however appropriate to differentiate on size alone unless there is a distinct and reliable delineation between uses which is based on viability characteristics. ALDI operate a business model based on delivering discounted goods. A high CIL would undermine the viability of this model and result in a loss of retail choice. | The Council will adopt an amended description and threshold for retail as set out in an update to the Viability report carried out by BNP Paribas in response to points raised during the consultation on the PDCS. This new threshold differentiates the retail charge on grounds of use and character in addition to size and is considered to provide a more distinct and reliable delineation of retail uses. The concerns with the overall level of charge are noted. It is intended to reduce the charge in accordance with the advice of BNP Paribas | ALDI3 ALDI4 | The Council will need to amend the charges and threshold in the DCS to reflect the findings set out in updates to the Viability report by BNP Paribas. The retail charge will be reduced in accordance with the recommendations in the updated Viability report prepared by BNP Paribas in response to comments on the PDCS |

| | | | | |
|------------------------------------|---|---|---------------------------|---|
| | <p>We would expect the CIL charge for retail to be reduced given that it is acknowledged in the BNP Paribas report that the development of small retail uses is unviable in most locations and our concerns with differentiating retail uses. We would request that S.106 costs are factored into viability appraisals and adjustments to the charge are made to reflect the impact of S.106 on viability.</p> <p>It is recommended that the charge is regularly reviewed and any such review periods should be clearly set out in the DCS.</p> | <p>Additional viability assessments have been carried out by BNP Paribas and an assumption on the residual S.106 sum cost has been incorporated into the assessment as requested by ALDI. This has reduced the applicable charge for retail development from some £200 per sq.m to £150 per sq.m. The Council proposes to amend the charging schedule accordingly.</p> <p>The Council is committed to carrying out regular reviews of the charging schedule. There is no requirement to set these review periods out for examination.</p> | <p>ALDI5</p> <p>ALDI6</p> | <p>See above comment to ALDI3 and ALDI4</p> <p>There is a requirement to periodically review the charging schedule. The requirement for a formal review will be informed by the findings of the annual monitoring and reporting on CIL.</p> |
| <p>7.0 Exemptions from CIL</p> | <p>We note that the Council has not made a decision on whether it offers Discretionary Relief, but it is likely to offer Exceptional Circumstances Relief. It is recommended that the Council introduces an Exceptional Circumstances Policy</p> | <p>The support for an Exceptional Circumstances Policy is welcomed – see BTC10</p> | <p>ALDI7</p> | <p>It is our intention for a draft policy on Discretionary Relief and Exceptional Circumstances to be published prior to consultation on the DCS.</p> |

| Issue | Comment | Proposed Response | Reference | Proposed Action |
|--|--|--|-------------------------|---|
| <p>9.0</p> <p>Payment and Collection of CIL</p> | <p>It is recommended that the Council introduces an Instalments Policy. We note that BNP Paribas recommend that payments on large schemes should be spread over a period of up to two years.</p> | <p>The support for an Instalments Policy is welcomed – see BTC11</p> | <p>ALDI8</p> | <p>It is intended to publish a draft Instalments Policy prior to consultation on the DCS.</p> |
| <p>The Retirement Housing Group (RET)</p> | | | | |
| <p>6.0</p> <p>Charging Rates</p> <p>Retirement Homes</p> | <p>The inclusion of developments of accommodation for older people within a general residential heading fails to acknowledge the specific viability issues associated with such housing.</p> <p>Given that viability of schemes for extra care may be marginal a CIL may prevent them coming forward. This would not address</p> | <p>BNP Paribas recognise the issues associated with providing retirement housing and housing for older people. The Council is proposing a rate for retirement housing which is not applicable to care homes and extra care units. A further clarification note will be added to the DCS to acknowledge this situation.</p> <p>A ‘nil’ charge is proposed for extra care facilities as it is acknowledged that a charge would not be viable within the report of BNP Paribas. The charge for retirement housing is only to be</p> | <p>RET1</p> <p>RET2</p> | <p>Footnotes need to be added to the Charging Schedule to clarify the nature of retirement housing schemes that would be chargeable under CIL.</p> <p>An update to the BNP Paribas Viability report will be published alongside the adopted response of the Council to the PDCS in June 2013. The charges will be</p> |

| | | | | |
|---|--|--|---------------------------|---|
| | housing needs for the elderly. | applied to schemes within Zone 2 (Berkhamsted and surrounding areas) given the findings of the update to the BNP Paribas Viability Study. Although a increase has in the CIL rate has been recommended for this settlement this is not considered to be appropriate – see MRSL2. | | dropped in relation to Zones 1 and 3. |
| <p>McCarthy and Stone Retirement Lifestyle Ltd (MSRL)</p> | | | | |
| <p>6.0</p> <p>Charging Rates</p> <p>Retirement Homes</p> | <p>The PDCS proposes a separate charge for retirement housing and we would commend the Council and BNP Paribas for acknowledging the differences in scheme viability.</p> <p>Whilst we agree with many of the viability assumptions used in the viability assessments there is a lack of clarity to the appraisals used in the BNP Paribas report and we are concerned that the model may not provide an accurate representation of the retirement housing industry.</p> | <p>The Council welcomes the support for its approach to the charging schedule and appraisals.</p> <p>The use of a rental model was used as a way of calculating a capital value for retirement housing schemes. This figure equates to the same capital value as the residential sales values. BNP Paribas have re-run their appraisal for retirement housing based on a sales model for a 50 unit scheme with a gross to net ratio of 70%. A slower sales value is an appropriate assumption based on the restriction of the market and they have allowed for a sales rate of 1.5 units a month, which they</p> | <p>MSRL1</p> <p>MRSL2</p> | <p>None</p> <p>The updated viability evidence of BNP Paribas will be published alongside the agreed response to the representations on the PDCS in June 2013. The charges for retirement homes in Zones 1 and 3 will be removed in accordance with the recommendations therein.</p> |

| | | | | |
|-------------------------------|---|--|-------|--|
| | | <p>consider to be an appropriate assumption. BNP Paribas appreciate that such schemes have to operate all the communal areas from first occupation and as such there will be costs associated with the vacant units in a scheme. They have therefore allowed for empty property costs of £2,000 per unit, which they consider to be a reasonable allowance.</p> <p>This re-run of the appraisals sitting behind the retirement home charge suggests that retirement housing developments are only viable in the highest value areas of the Borough. BNP Paribas recommends that the Council amends the CIL charging schedule to allow for a £200 per sq.m charge for Zone 2 (Berkhamsted and surrounding areas) and removes charges for retirement housing elsewhere in the Borough. This would be an increase in charges for Zone 2 (Berkhamsted and surrounding areas) of some £75 per sq.m on that presented in the PDCS. The Council only intends to remove the charge from low value areas and does not consider raising the charge to be appropriate at this stage</p> | | |
| 9.0 | | | | |
| Payment and Collection of CIL | We would welcome the introduction of an Instalments policy and would request that such a policy is based upon the occupation of the scheme. | The Council welcomes the support for an Instalments policy – see BTC12. Unlike S.106 contributions which can be tied to occupation of units, the CIL Regulations (Regulation 69B (2) (d) of the Regulations 2011) only allow for | MRSL3 | It is intended to publish a draft Instalments policy prior to consultation on the DCS. |

| | | | | |
|--|---|---|-------------------------------------|---|
| | | instalments to be structured to timescales after the planning consent has been implemented. The Council cannot follow the approach suggested in this response. | | |
| Brian Barber Associates (BBA) | | | | |
| 6.0 Charging Rates Residential | <p>The proposed charges put the development of the area at risk.</p> <p>The proposed CIL rates represent a substantial increase on the planning costs per plot compared to the existing S.106 policy and will undermine the delivery of housing as a result.</p> <p>The development typologies and unit sizes tested are not representative of scenarios common in Dacorum. For example it is not uncommon for small infill schemes featuring</p> | <p>The proposed charges are within the viability thresholds identified in the viability report of BNP Paribas and should not put the overall development of the area at risk</p> <p>The CIL Regulations require that the rates are based on viability evidence not those amount's that have historically been secured via S.106. The proposed rates of CIL will account for no more than 4-5% of scheme costs which is a marginal addition to costs similar to a developer's contingency allowance.</p> <p>The typologies represent the range of scenarios likely to take place over the life of the charging schedule and include small infill developments. The Viability Appraisals generate a quantum of floor space to which an average sales value per square metre is applied and as such unit types</p> | <p>BBA1</p> <p>BBA2</p> <p>BBA3</p> | <p>None</p> <p>The Council will be required to produce evidence in relation to existing and historical S.106 agreements for the CIL examination.</p> <p>BNP Paribas have been commissioned to undertake some additional viability work on strategic and local allocations within the Core Strategy. No action is required to test smaller infill sites which have already been tested in original Viability</p> |

| | | | | |
|--|---|---|-------------------------------------|---|
| | <p>larger dwellings to be implemented within Berkhamsted. These schemes would be unviable as a result of flaws in the Viability assessment.</p> <p>We advocate a reduction in the CIL rate as a whole and a cap on the maximum size and contribution as the cost from CIL is inequitable to the impact on infrastructure resulting from the development of a single large dwelling.</p> <p>A fundamental concern with the viability appraisals are that they take no account of current use values. We acknowledge that CIL only applies to additional floor area, but the deduction is nowhere near local values of existing property.</p> <p>The proposed CIL charges cannot be viewed in isolation. The emerging affordable housing policy in the Core Strategy will result in a huge increase in scheme cost. The Core Strategy is at an advanced stage and we have every reason to believe that the policy will be introduced.</p> | <p>and sizes have little material difference to the appraisal outcomes.</p> <p>The CIL is not based on a perceived impact on infrastructure but on grounds of scheme viability. There are no valid viability reasons for reducing the overall CIL charges. The developer appears to be suggesting a form of selective advantage to developers of larger homes which may breach rules on State Aid. .</p> <p>When appraising two larger houses, the residual values increase considerably, such that an existing property could be purchased without undermining scheme viability.</p> <p>The affordable housing policy in the Core Strategy has been taken fully into account when setting the CIL charges. The planning policy is flexible and a contribution can be waived should the site specific circumstances demonstrate that the scheme would be unviable. Officers are of the opinion that such circumstances would be rare and this approach would be unlikely to significantly prejudice the</p> | <p>BBA4</p> <p>BBA5</p> <p>BBA6</p> | <p>study by BNP Paribas.</p> <p>None</p> <p>None</p> <p>Officers are gathering further data to support the position outlined in this response</p> |
|--|---|---|-------------------------------------|---|

| | | | | |
|--|--|---|-------------|-------------|
| | <p>The representations include appraisals for two scenarios.</p> | <p>supply of affordable homes.</p> <p>The charges quoted in the examples provided in the representation under value the affordable housing sales values and commuted sums are over stated making the proposals appear less viable than might be the case. Scenario 2 has been re-tested by BNP Paribas in an update to the Viability study. The proposals results in a significant increase in residual land value sufficient for the purchase of land.</p> <p>This view is not shared by the Council and its consultants BNP Paribas who suggest that land values will adjust to accommodate the CIL requirements, particularly those relating to garden land.</p> | <p>BBA7</p> | <p>None</p> |
| | <p>Example – Meadway</p> | <p>We are advised that the scenario presented in the Meadway example is not typical of most developments within the country with the site being purchased for a relatively high land value.</p> | <p>BBA8</p> | <p>None</p> |
| | <p>The impact of CIL and affordable housing policy is likely to have a significant impact on the viability of small sites including infill plots, side gardens and proposals involving demolition of existing dwellings.</p> | <p>See response to BBA6</p> | <p>BBA9</p> | <p>None</p> |

| Issue | Comment | Proposed Response | Reference | Proposed Action |
|--|---|--|--------------|---|
| <p>7.0</p> <p>Exemptions from CIL.</p> | <p>We would urge the Council to adopt a Discretionary Relief and a policy on Exceptional Circumstance. Such matters would not however alleviate the need to amend the charge.</p> | <p>The support for Discretionary Relief and an Exceptional Circumstances Policy is welcomed – see BTC10.</p> | <p>BBA10</p> | <p>It is our intention for a draft policy on Discretionary Relief and Exceptional Circumstances to be published prior to consultation on the DCS.</p> |
| <p>9.0</p> <p>Payments and Collection of CIL</p> | <p>We urge the Council to adopt an Instalments policy. However, we wish to make it clear that this does not address our fundamental concerns with the charge being too high. A failure to provide an Instalment policy would place a significant financial burden on the developer.</p> | <p>The support for an Instalments Policy is welcomed – see BTC11.</p> | <p>BBA11</p> | <p>It is intended to publish a draft policy on Instalments prior to consultation on the DCS.</p> |

| Issue | Comment | Proposed Response | Reference | Proposed Action |
|---|--|---|-------------|-----------------|
| D.B. Rees (Builders) Limited (DBR) | | | | |
| <p>6.0</p> <p>Charging Rates</p> <p>Residential</p> | <p>The imposition of both additional affordable housing requirements and CIL will result in a failure to deliver small sites and price small developers out of the market.</p> | <p>The evidence in the viability study does not support these conclusions and consequently the Council does not propose any reductions in the charge at this stage. The proposed CIL represents a modest addition to the overall scheme cost and will not have a significant adverse impact on the majority of schemes.</p> | <p>DBR1</p> | <p>None</p> |
| TDP Developments Limited (TDP) | | | | |
| <p>6.0</p> <p>Charging Rates</p> <p>Residential</p> | <p>As a small building company we have been building medium to large 4/5 bedroom detached houses in Berkhamsted for the last ten years. We have</p> | <p>The evidence in the viability study produced by BNP Paribas has concluded that modest infill developments can sustain the CIL charge and as such there are no proposals to reduce the charge for Berkhamsted.</p> | <p>TDP1</p> | <p>None</p> |

| | | | | |
|-----------------------------|---|---|------|---|
| | <p>undertaken a study of all developments that have been completed by TDP in the Dacorum area and have determined that all of them would not have been viable if CIL had applied as the scheme costs would have reduced prices to below current use value. Some 14% of housing development in Dacorum has been on this type of garden land in the last 10 years and the proposals would thus significantly undermine the supply of housing.</p> <p>We propose that the CIL rate should be reduced and capped per plot as there is no additional impact on infrastructure relating to the size of differing five bedroom properties.</p> | See response to BBA2 | TDP2 | None |
| Sport England (SPD) | | | | |
| 3.0 Infrastructure Needs | We consider that there are other sporting infrastructure needs other than those identified for Berkhamsted Sports Centre and | The Council has commissioned a new Outdoor Sports Facilities and Playing Pitch Assessment to update the findings of the last assessment in 2006. The findings of this report will be included | SPO1 | The Council currently secures limited funding towards sporting infrastructure through the existing Planning Obligations SPD and will need to consider whether |

| | | | | |
|-----------------------------|---|---|------|--|
| | Tring Sports Centre. The lack of a up to date Playing Pitch Assessment and Strategy is considered to be a flaw in the infrastructure evidence. | in an update to the IDP. | | utilising CIL to improve sports facilities would be appropriate given the pressure upon such facilities and the availability of alternative funding sources. |
| 4.0 Funding Gap | The IFGA indicates that there is no gap envisaged to deliver the required infrastructure at Berkhamsted Sports Centre and Tring Sports Centre given the availability of alternative funding. Sport England would question whether such funds are available and whether there is actually a funding gap which needs to be filled with CIL funding. | The information provided by Dacorum Sports Trust and Sportspace suggests that they do not require funding to improve these sporting facilities in accordance with the IDP and therefore it is proposed that no CIL funding will be sought for these matters. | SPO2 | Based upon the current information, it does not appear that any reference to funding additional sports facilities needs to be included within the Regulation 123 list. |
| Harrow Estate Plc (HAR) | | | | |
| 3.0 Infrastructure Needs | An up to date plan is a starting point for preparation of a CIL and at present the Council's Core Strategy is under scrutiny. We consider that any additional growth is likely to have significant | See CWN1 for the Council's comments on the appropriateness of preparing a CIL charging schedule at this stage. Any additional infrastructure needs resulting from the identification of additional housing sites as part of a review of the Core Strategy can be included | HAR1 | None |

| | implications for infrastructure needs. | in a revision to the Charging Schedule. It would be sensible to coordinate a review of both documents. | | |
|--|---|---|-------------------------|---|
| Issue | Comment | Proposed Response | Reference | Proposed Action |
| 6.0 Charging Rates Residential | <p>The BNP Paribas viability study does not appear to take account of the costs associated with the development of previously developed land (some 86% of the housing to be provided under the Core Strategy) and we consider that the charges could therefore have a serious detrimental impact on delivery of housing on such sites contrary to the CIL Regulations.</p> <p>The land at West Hemel Hempstead (LA3) will deliver up to 9% of the planned housing growth in Dacorum but there will be significant infrastructure costs associated with the site including a primary school and doctor's surgery. The impact of CIL on the</p> | <p>The BNP Paribas viability assessment uses a base construction cost based on BCIS and provides an adjustment to account for external works. This is likely to be appropriate in the majority of cases within the urban area of Hemel Hempstead.</p> <p>The Council acknowledges that the infrastructure requirements of strategic and local allocations within the Core Strategy may be delivered more effectively by using a S.106 agreement. Such agreements are still permissible under the CIL Regulations and will often be used to secure infrastructure directly related to or provided on the application site. The Council has</p> | <p>HAR2</p> <p>HAR3</p> | <p>None</p> <p>BNP Paribas are carrying out additional viability work on strategic and local allocations to test whether these sites will support CIL and S.106 and determine the most appropriate delivery vehicle for infrastructure items.</p> |

| | | | | |
|--|--|---|------|---|
| | delivery of this site must be considered as its application could undermine scheme viability. | commissioned BNP Paribas to test whether such sites can sustain both a S.106 and CIL charge as encouraged by the DCLG CIL Guidance 2012. | | |
| 10.0 Using CIL Monies | The Council must ensure that an explicit list is provided that identifies those areas covered by CIL and S.106. This work is required for the Regulation 123 list and is crucial to avoid the possibility of 'double counting' | The Council is in the process of determining which items of infrastructure will be requested through a S.106 agreement and which items will be pursued through CIL. | HAR4 | It is intended to publish a statement on the interaction of S.106 and CIL prior to consultation on the DCS and a Draft Regulation 123 list on the spending priorities for CIL. The content and approach will be informed by viability work from BNP Paribas and discussions with HCC. |
| Berkhamsted Citizens Association (BCA) | | | | |
| 3.0 Infrastructure Needs | We believe the infrastructure needs are up to date and supported by evidence. | The support for the infrastructure needs evidence is welcomed – see BTC1 | BCA1 | None |
| 4.0 Funding Gap | We believe that a sound funding gap has been identified. | The support for the evidence supporting the funding gap is welcomed. | BCA2 | None |

| Issue | Comments | Proposed Response | Reference | Proposed Actions |
|---|---|---|-------------|---|
| <p>6.0</p> <p>Charging Rates</p> <p>Residential</p> | <p>The current charging schedule is inequitable and will prevent growth in Berkhamsted. The charge should be applied to the Council Tax band applicable to the property as this would be a more equitable approach.</p> | <p>The proposed charges are based on a detailed viability assessments carried out by BNP Paribas in accordance with the CIL Regulations. This clearly demonstrates that a higher charge can be supported by development within the town of Berkhamsted. The approach suggested by the BCA would not differentiate development for either its use or scale and as such would not be permissible under the CIL Regulations.</p> | <p>BCA3</p> | <p>It is proposed to amend the charges to reflect some of the findings of BNP Paribas in their update to the viability study. The concerns with the level of charge for Berkhamsted are noted. In light of these concerns, given the demographics of the area and infrastructure needs it is not proposed to increase the charge on retirement housing for this settlement.</p> |
| <p>Other Charges</p> | <p>The proposed charges for other items are appropriate.</p> | <p>The support for the other charges in the charging schedule is welcomed</p> | <p>BCA4</p> | <p>None</p> |
| <p>7.0</p> <p>Exemptions from CIL</p> | <p>The Council should adopt an Exceptional Circumstances Policy</p> | <p>The support for an Exceptional Circumstances Policy is welcomed.</p> | <p>BCA5</p> | <p>It is intended to publish a draft policy on Discretionary Relief and Exceptional Circumstances prior to consultation on the DCS.</p> |

| Issue | Comment | Proposed Response | Reference | Proposed Action |
|--|--|--|-----------|--|
| 9.0 Payment and Collection of CIL | The Council should not adopt an Instalments policy. | The Council is required to explain how the introduction of a CIL will contribute positively towards the delivery of the Core Strategy. An Instalment Policy is considered to be critical to this task. The Council will produce an Instalment Policy prior to consultation on the DCS. | BCA6 | It is intended to publish a draft Instalments policy prior to consultation on the DCS |
| Highways Agency (HA) | | | | |
| 10.0 Using CIL Monies | The Highways Agency has no comments to make as infrastructure improvements to the strategic network (A5 and M1) will usually be secured through a S.278 agreement. | The Council has not identified any improvements to the strategic road network (A5 and M1) within its IDP and therefore welcomes the clarification from the Highways Agency that they are not seeking any CIL. | HA1 | There is no need to identify any highway projects relating to the A5 or M1 upon the Council's Regulation 123 List. |
| Aylesbury Vale District Council (AVDC) | | | | |
| General | AVDC does not wish to make any comments at this stage. | None | AVDC1 | None |

| Issue | Comment | Proposed Response | Reference | Proposed Action |
|--|--|--|-----------|--|
| Central Bedfordshire District Council (CBDC) | | | | |
| General | Central Bedfordshire does not wish to make any formal comments at this stage | None | CBDC1 | None |
| Hertsmere Borough Council (HBC) | | | | |
| General | Hertsmere Borough Council notes your proposals and do not have any comments to make at this stage. | None | HBC1 | None |
| Luton Borough Council (LUT) | | | | |
| General | The Council needs to keep up to date with other Council's charging schedules and ensure the charges are kept under regular review. | The Council will undertake a regular review of the CIL charging schedule | LUT1 | The charging schedule will need to be reviewed to reflect changes in local circumstances. This review process will be informed by the monitoring of CIL. |

| Issue | Comment | Proposed Response | Reference | Proposed Action |
|----------------------------------|---|---|-----------|--|
| 3.0 Infrastructure Needs | The infrastructure needs appear to be up to date and supported by evidence | The support for the infrastructure evidence is welcomed. | LUT2 | None |
| 4.0 Funding Gap | A sound funding gap has been identified. | The support for the information on the funding gap is welcomed. | LUT3 | None |
| 6.0 Charging Rates General | The proposed charging rates are considered to be appropriate and would not put development at risk. | The support for the charging schedule is welcomed | LUT4 | The Council will be making some amendments to the charging schedule to reflect some of the findings of the updated viability study undertaken by BNP Paribas |
| 7.0 Exemptions | It would be appropriate for an | The support for an Exceptional Circumstances | LUT5 | It is intended to publish a draft policy on |

| | | | | |
|--|--|---|-----------|---|
| from CIL | Exceptional Circumstances Policy to be introduced. | Policy is to be welcomed. | | Discretionary Relief and Exceptional Circumstances prior to consultation on the DCS. |
| Issue | Comment | Proposed Response | Reference | Proposed Action |
| 9.0 Payment and Collection of CIL | It is recommended that an Instalments Policy is adopted. | The support for an Instalments Policy is welcomed. | LUT6 | It is intended to publish a draft policy on Instalments prior to consultation on the DCS. |
| St.Albans City and District Council (SADC) | | | | |
| 6.0 Charging Rates Residential | The PDCS states that there may be viability issues to the north of Hemel Hempstead at a rate of £100 per square metre. The balance between the investment made on infrastructure works and viability of submitted schemes will need to more careful consideration in view of the DCLG CIL Guidance 2012. | The DCLG CIL Guidance of December 2012 states that in meeting the requirements of Regulation 14(1), charging authorities should show and explain how their proposed levy rate (or rates) will contribute towards the implementation of their relevant Plan and support the development of their area. As set out in the NPPF in England, the ability to develop viably the sites and the scale of development identified in the Local Plan should not be threatened. This is a subtle | SADC1 | None. The Council has employed BNP Paribas to undertake some new site specific viability work in consultation with local landowners. This work will inform the charging schedule and help determine whether strategic and local allocations should secure infrastructure improvements through the use of S.106 and CIL. |

| | | | | |
|--------|---|---|-------|--|
| Retail | It is this Councils understanding that the application of different rates should be based on viability evidence and we would therefore recommend that the threshold for retail development is carefully considered. | <p>difference to the wording set out in the CIL Regulations and slightly changes the emphasis on the level of charge that may be applied.</p> <p>At this stage no changes are proposed to the charges for Hemel Hempstead given that the charge is still within, albeit at the margins, of the viability range suggested within the BNP Paribas viability report for northern wards in the town. The Council is undertaking additional site specific viability work in relation to strategic and local allocations in the Core Strategy to determine whether it is appropriate for the current CIL charge to be applied to these sites instead or in addition to any S.106 agreement which may be sought for these cases.</p> <p>There is clear viability evidence that some larger retail units are more viable and can sustain a CIL charge. We are rewording the threshold to more accurately reflect the differences in retail typology in line with the wording within the Wycombe District Council Charging Schedule.</p> | SADC2 | It is proposed to alter the wording of the retail thresholds prior to consultation on the DCS. |
|--------|---|---|-------|--|