APPENDIX 2

Ref Number	Representor	Agent	Representation	
04321			I consider this an outrageous form of taxation. What chance have the younger generation got of buying a home in this area when this swinging tax is added to the cost of all new builds including starter homes. As if University Tuition fees aren't enough, we now have a local council imposing taxation on the young. If the Council is short of money then they should make savings – close Watersmeet, reduce the number of Councillors and reduce their expenses then this tax might not be necessary at this high charge.	CIL is to be charged to the developer and allows the Council to raise monies from development to help fund the infrastructure required to support development. We acknowledge that developers may pass their costs onto buyers however developers should factor these costs into the purchase price of land rather than pass them on. CIL partly replaces developer contributions obtained under the current S106 regime and is likely to be of a similar amount currently sought under these arrangements.
SCO/0010	Hertsmere Borough Council		Thank you for consulting Hertsmere Borough Council on Three Rivers' Preliminary Draft Charging Schedule. Hertsmere Borough Council notes the content of the Preliminary Draft Charging Schedule. I can confirm that we do not have any comments at this stage.	Noted
03795			I have read your Preliminary Draft Charging Schedule and in particular the "Residential Developments" with amazement and disbelief that the fees are so low. I would describe them as being criminally low. When you bear in mind that 95% of these developments are done solely for either immediate or future profit then the person or firm carrying out the work should pay an appropriate fee, I would suggest that your proposed fees should be multiplied by 5 as a minimum starting point. The monies raised could then be very useful for infrastructure etc., but if you stick to the rates you have set out it will certainly not be enough and the poor old rate payers will have to foot the bill while the house owners or developers make a fortune.	The Council's proposed charging rates have been developed solely on viability grounds in accordance with the regulations and strike a balance between the desirability of funding infrastructure from CIL and the potential effects of the levy upon the economic viability of development across the District. We consider that the proposed CIL rate/s will not put the overall development across the District at serious risk There has been no evidence submitted to support that the proposed CIL rates should be multiplied by 5.
SCO/0016	Greater London Authority		Thank you for consulting the Mayor on your draft CIL Charging schedule. The Mayor has delegated his response to me. I have no strategic comments to make on the schedule.	Noted
CU/0272			Thanks for the opportunity to comment on the draft proposals which I have had a quick look at. I don't think I'm going to be able to comment sensibly I'm afraid as I don't have experience of developments and can't translate the proposals into what, for example, a small extension might cost the owners extra, or indeed what additional sums a major development such as a school might have to pay out as I've no idea of square footage. Would the additional charges amount to say 1% on the bill or 20%? Will they put housing considerably further out of reach of first time buyers do you think? (Sorry if this info is in the text somewhere - no time at the moment to read in depth.) One other query I have is how do our council's proposals stack up against neighbouring areas? If our rates are significantly out of line with neighbouring councils' rates then this might mean that developers either look elsewhere to build or might be tempted to come here when we might not want extra development. I think the concept is sound, i.e. that our infrastructure can't go on supporting extra building without some input from those that profit from it, and extra charges might make developers look more closely at minimising impact. Good luck with it all!	Noted. The proposed CIL rates are based on viability evidence and cannot be based on what other authorities propose to charge as viability evidence varies from area to area. Support of CIL Noted.
NSI/0206			Thank you for your letter of December 21st concerning the Three Rivers Local Plan. I oppose the scheme completely for the following reasons. Transfer Costs- Any monies collected will be used to fund, in part, the activities of the Council in further spending of the money, this wastes a proportion of the benefit from the spending. Relevance- Commercial builders are investing in development that is known to be needed through commercial choice. This directly leads to growth. The Council may, or may not, spend the monies in the relevant manner. Reduction in spend- The commercial spending will be curtailed, at least, by the proportion taken in tax. Therefore growth will be curtailed. In the worst cases the tax can render the whole scheme unviable and bring about cancellation.	The Regulations allow for up to 5% of CIL receipts to be used for the setting up and administration of CIL. This comment is general rather than a specific comment on the charging schedule and relates primarily to the future spending priorities which will be identified in the regulation 123 lists. The Council's proposed charging rates have been developed solely on viability grounds in accordance with the regulations and strike a balance between the desirability of funding infrastructure from CIL and the potential effects of the levy upon the economic viability of

				development across the District.
			Delay in spend- Growth in our economy is needed now, collecting monies for later partial distribution is a poor idea in the current economic climate.	CIL monies are intended to help fund the infrastructure that is required to support development arising from increased levels of housing and is based on up to date viability evidence. It is anticipated that there will indeed be delays in spending monies as it is likely that monies from several developments will need to be collected in order to meet the costs of infrastructure.
			Information- The proposal fails to detail neither how much collected income will be spent on its own administration, nor how long any delay in spend will be as a maximum. This is highly suspicious both in terms of how much will be taken and how long before spend will be made, it can be implied that both items are entirely at the Council's discretion.	The CIL Regulations allow a certain percentage of the monies collected to be spent on the administration of the levy and is not the subject of this consultation. As stated in previous paragraph It is anticipated that there will indeed be delays in spending monies as it is likely that monies from several developments will need to be collected in order to meet the costs of infrastructure and therefore it is impossible to state when monies will be spent. All monies will be spent in accordance with the regulations. The Council are required to report to the local community on the amount of levy revenue collected, spent and retained each year. This is anticipated to be done via the Council's web site.
			Green Belt- The council' seems unable to bring forward a proposal for development without threatening green belt land when it should be acting as its arch custodian, granting further licence through this scheme would be ill advised. The lack of trust felt on this issue and on the information issue above is fuelled by the disingenuous questionnaire issued a while back which asked for positive response to the question which asked if a small proportion of green belt land should be built upon. It short, no, no,no	Comment does not relate to consultation.
SCO/0027	Network Rail		Consultation Response - Network Rail Infrastructure Ltd Network Rail is the "not for dividend" owner and operator of Britain's railway infrastructure, which includes the tracks, signals, tunnels, bridges, viaducts, level crossings and stations – the largest of which we also manage. All profits made by the company, including from commercial development, are reinvested directly back into the network, and any loss of income through the Community Infrastructure Levy (CIL) represents the direct loss of railway infrastructure investment, and ultimately public transport provision. Network Rail welcomes the opportunity to respond to the consultation of proposals for a CIL, published in December 2012. Network Rail's response to the Preliminary Draft Charging Schedule is summarised below:	
			• Network Rail believes that developments on the railway infrastructure should be exempt from CIL or that its development should at least be classified as payments in-kind;	The Regulations set out what infrastructure should be exempt from CIL and it is not within the power of the Council to change this
			• We would encourage the railways to be included on the list of the types of infrastructure projects that will be funded through CIL;	Infrastructure, including railways and other strategic transport, that is required to support development in the District has been identified as part of the Infrastructure Delivery Plan which will inform the regulation 123 which lists the types of infrastructure that the CIL monies will be spent.
			• Network Rail would like to seek a clear definition of buildings in the draft charging schedule. Railway stations are open-ended gateways to railway infrastructure and should not be treated as buildings. Likewise lineside infrastructure used to operate the railway (such as sheds, depot buildings etc) should be classed as railway infrastructure and not treated as buildings for the purposes of the charging schedule, and should therefore fall under Section 2.5 "Mandatory Exemptions and Relief from CIL";	The Preliminary Draft Charging Schedule clearly sets out which types of development will be liable for the levy and does not include railway stations. It is the CIL Regulations that determine which developments will be exempt from CIL and any changes are beyond the power of the Council.
			• Network Rail would like confirmation that its development over 100sqm undertaken	The CIL regulations clearly state that CIL is only levied in relation to a

			using our Permitted Development Rights will not be CIL chargeable as per the table in Section 4.2;	planning permission. As no planning permission is required for developments undertaken using Permitted Development Rights there is no CIL charged.
SCO/0012	South Bucks DC		South Bucks has no comments to make regarding the draft CIL charging scheme.	Noted
02132	Tempietto Architects		I wish to comment on the proposed introduction of CIL and the Levy Charging Schedule. I can find nothing in the documentation that takes into account the effect of the Council's Affordable Housing Contribution requirements, particularly in the rural areas, on residual land value. I appreciate that CIL comes before Section 106 contributions in the pecking order and that Section 106 contributions can always be challenged on viability grounds, whereas CIL contributions cannot. However, residual land values will be affected by the Affordable Housing contribution requirements, which are not taken into account. The levels of contribution are set so high that the majority of land in the rural areas will already have no value and the imposition of CIL will simply cause every application to be accompanied by a viability assessment and will mean that may sites will not come forward for development. The Council already makes charges for assessing viability, which I consider to be unlawful in any event, but this and the consequent delays adds further to the costs of submitting an application and ultimately also contributes to a reduction in residual land value. In summary I consider that before introducing CIL that Affordable Housing contributions are reviewed downwards and that if the effect of the current levels of contribution on residual land value was taken into account there would be NO justification for applying CIL at all.	The affordable housing contribution of 45% as required by the adopted Core Strategy has been taken into account in both Stage 1 and Stage 2 Economic Viability Assessments both of which were available on the Council's website during the consultation period. In addition, the Stage 2 study looked in more detail at the proposed development across the District the majority of which is not in rural areas. Whilst it is acknowledged that in some instances, where viability is an issue, S106 contributions may be negotiated, the Council consider that the proposed rates strike a balance between the desirability of funding infrastructure from CIL and the potential effects of the levy upon the economic viability of development across the District. We consider that the proposed CIL rate/s will not put the overall development across the District at serious risk No evidence has been submitted to support this assumption.
03476			After reading the consultation document I am shocked at the proposals and would request that the council urgently assess the impact that these changes will have on the local economy, practically killing all small developments in the area and damaging the important construction industry, which is responsible for so many jobs. The majority of councils in England & Wales do not enforce this type of levy until at least 10 new dwellings are being delivered, and even then, the contribution is much smaller. The impact of these changes will be disastrous and they should be reconsidered.	The Council's proposed charging rates have been developed solely on viability grounds in accordance with the regulations and strike a balance between the desirability of funding infrastructure from CIL and the potential effects of the levy upon the economic viability of development across the District. We consider that the proposed CIL rate/s will not put the overall development across the District at serious risk It is acknowledged that not all authorities will introduce a CIL. However, where it is introduced it applies to all new development and there are no thresholds. Representor may be confusing affordable housing policy requirements with CIL.
NSO/0089	Ramblers Association		As a registered consultee representing The Ramblers, I was about to make comment on one of the related documents, The Local Development Framework, Infrastructure Development Plan of March 2012. I would have mentioned the possibility of including improvement to certain footpaths and rights of way, in particular for improved surfacing on some of them. But further examination of the purpose of this consultation appears to reveal that really you are only interested at this stage in comments specifically concerning the PRELIMINARY DRAFT LEVY CHARGING SCHEDULE. If this is the case, then I have nothing to add on the subject as I think this is outside the scope of my organisation.	Noted. The consultation was asking for comments on the preliminary Draft Charging Schedule.
NSO/0025	Wm Morrison Supermarket PLC		On behalf of our client, Wm Morrison Supermarkets Plc, we strongly object to the following proposed Community Infrastructure Levy rate for 'retail development' in the administrative boundary of Three Rivers set out in the Preliminary Draft Charging Schedule (December 2012): · £120 per sq m for retail development Whilst we acknowledge that the Preliminary Draft Charging Schedule has been informed by an Economic Viability Assessment prepared by Lambert Smith Hampton (December 2012), our client	CIL charges are defined by evidence of viability rather than the cost of infrastructure.

			is gravely concerned that the suggested charge will have a significant adverse impact on the overall viability of future retail development in the district. It is considered that a balance has not been found between infrastructure funding requirements and viability. The draft charge will put undue additional risk on the delivery of any such proposals and will be an 'unrealistic' financial burden. This, in turn, poses a significant threat to potential new investment and job creation in the local area at a time of economic recession and low levels of development activity.	The CIL Regulations (Reg 14(1)) state that in setting rates a charging authority must aim to strike what appears to the charging authority to be an appropriate balance between the desire to fund infrastructure through CIL and economic viability. The Council's viability evidence supports a CIL tariff of £120psm for retail development in the District and across the whole of Hertfordshire. There has been no evidence submitted to support that the proposed CIL rate of £120psm is unviable. The Core Strategy sets out that there is likely to be an oversupply of in relation to convenience goods to 2021 which means that no further large scale supermarkets are needed in the next ten years or so and smaller scale local convenience stores will only be considered within the key settlements where there is a particular local need. However, there is likely to be an undersupply in relation to comparison goods of around 2,000sqm up to 2021. Even if this was all to come forward the maximum CIL raised at £120 psqm would be £240,000 over a ten year period. This does not amount to an 'unrealistic' financial burden.
			It should also be noted that the proposed charges for retail and/or supermarket development are somewhat higher than those being proposed by other local authorities in the south: · Oxford City Council: Charge of £100/sq m for A1 uses · Bracknell Forest Borough Council: Charge of £95/sq m for retail developments over 280sq m · Purbeck District Council: Charge of £75/sq m for A1 retail · Mid Devon District Council: No charges for retail We should be grateful if you would take into account the above comments in progressing the CIL Charging Schedule. We look forward, with great interest, to the Council's response.	As stated above, the CIL rates are based on viability evidence and so they vary between areas. For instance our proposed rate is equal to or lower than other local authorities, for example: • East Cambridge District Council: £120 psqm • Chelmsford City Council: £150 psm • Waveney District Council: £130 psqm • Bedford Borough Council: £120 psqm • Watford Borough Council: £120 psqm
04324	Retirement Housing Group	Tannor & Tilley	The Retirement Housing Group represents a range of providers of accommodation for older people both in the private and public sectors. The Group's remit is to promote awareness of this sector of the market and ensure planning policies are put in place so as to ensure the delivery of an adequate supply of accommodation specifically designed to meet the diverse needs of older people. There is an increasing awareness of the issues arising from our ageing population. There are now 8.76 million people aged 65 or over in the United Kingdom which represents 11% of the total population. This is projected to increase to 11.6 million or 33% by 2025. This presents significant challenges to the nation as a whole. In recognition of the issues the Government has now put forward specific planning policies in the National Planning Policy Framework. ("NPPF") Firstly older people are identified and defined as a specific group in society. Secondly paragraph 28 of the draft requires that Local Planning Authorities should have a clear understanding of the housing requirements in their area and should prepare Strategic Housing Market Assessments to address the need for all types of housing to meet the needs of different groups in the community including older people. In terms of delivery paragraph 111 states that Local Planning Authorities should plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community such as the elderly.	The housing requirement for the District is clearly set out in the adopted Core Strategy Policy CP3 which acknowledges the inclusion of housing for the elderly and supported and specialist accommodation. Regarding the comments made about the Governments objectives of ensuring sufficient specialised housing, it is not the intention that CIL should be used to drive policy objectives, but that it should be based on economic viability.
			The imposition of CIL on specialist accommodation for older people will disproportionate impact on viability compared with general needs housing. This will in turn affect deliverability and the	The Council does not dispute the respondent's position that specialist forms of retirement housing exhibit different viability characteristics to

			Government's stated intention as set out in the NPPF and in 'A National Strategy for Housing in an Ageing Society' of tackling the problem of an ageing population.	other forms of housing. It acknowledges, for example, that retirement housing may be characterised by different sales patterns than other forms of housing and that this may have knock-on effects on investment returns. However, the Council is not convinced that the form of specialist housing in question can be considered to be distinct from market housing generally, or that the CIL Regulations provide for different CIL charges to be applied to this form of housing, as distinct from market housing generally.
			Nearly all types of specialist housing for older people are impacted on financially by communal space and also a slower sales rate than other residential development. Typically such developments have between 25% and 35% of their internal floor areas devoted to necessary communal areas and facilities, such as residents lounges, laundries, guest suites, dining rooms and kitchens. It is these specific communal areas and facilities that differentiate older peoples' housing developments from other forms of accommodation for the wider population. These communal areas are a necessary part of a retirement housing development that are non-saleable floor space which the developer has to build but does not receive any direct revenue from. Therefore, to apply a CIL rate based on 'pounds per square metre of gross internal floor space' would unreasonably penalise a retirement housing developer who would have a building of typically on average 70% net saleable area to acquire revenue from, compared to other forms of residential accommodation that would have 90-100% net saleable floor area to acquire revenue from. This would place those providers of retirement housing at a disadvantage in land acquisition as the ratio of CIL rate to net saleable area would be disproportionately high when compared to other forms of residential accommodation. A further distinguishing feature which flows from the above is the level of service charges needed to support the care and support provided. The annual service charge for an Extra Care apartment is between £4,730 and £5,200 and £1,400 to £1,820 for a conventional category II sheltered housing scheme. In addition to service charges it has been estimated that the additional build cost of say an Extra Care development over and above over market apartments based on a 50 unit scheme is in the region of £1.8million.	The respondent has stated that a considerable amount of the gross internal area of its developments is set aside for communal areas and facilities. While worthy of consideration, the Council disagrees with the respondent's suggestion that it does not receive any direct revenue from such areas, insofar as the purchasers of units within its developments presumably pay a premium for saleable areas on the basis that they thereby purchase access to the amenity of those communal areas and facilities. In other words, the amenity provided by the communal areas and facilities is integral to the value of the saleable areas. The amenity of the communal areas and facilities helps to create higher development values and there is therefore justification for CIL being levied on those areas and facilities.
			Both Oxford and East Northamptonshire have recently produced viability appraisals which recognise the impact of these factors and the GLA Housing SPG makes specific reference to the importance of "bespoke viability assessments for specialist older persons housing" (para 3.1.43). This approach should be common practice for all local authorities when carrying out viability appraisals to inform CIL charging schedules. Given that viability of such schemes may therefore be marginal, application of a CIL may prevent many forms of retirement housing coming forward. Indeed the BNP Paribas Viability Study for East Northamptonshire concludes "It is therefore considered that the viability of Extra Care Housing is very different from standard C3 housing and care homes, and our calculations show that they would be unable to absorb a CIL tariff. Our appraisals of retirement housing (i.e. a McCarthy and Stone type development, where residents have their own flat or house and buy in additional services and support as required) indicate that such developments are unlikely to generate positive residual land values. Our appraisals assume a 70% gross to net ratio, accounting for additional common areas required in such developments. This factor, along with a slower sales rate, combine to adversely affect viability."	We do not question the results of the BNP Parabas Viability assessment for East Northamptonshire. However the Council's proposed charging rates have been developed solely on viability grounds for this District. Viability assessments take account of local factors and are expected to vary between areas. The Council proposed charging rates have been developed in accordance with the regulations and we believe that they strike a balance between the desirability of funding infrastructure from CIL and the potential effects of the levy upon the economic viability of development across the District.
			Whilst there is an understandable desire to keep the charging rates as simple as possible the broad inclusion of developments of accommodation for older people within a "general residential heading" fails to acknowledge the very specific viability issues associated with such housing. In conclusion given the extent of projected housing need for older persons accommodation including specialist forms of older persons housing and extra care accommodation identified in 'A National Strategy for Housing in an Ageing Society', and at the local level, it is paramount that CIL schedule recognises the shortcomings of an across the board approach to Class C2/C3 schemes and address this issue to ensure fairness and avoid distortions of competition, when applied to specialist forms of older persons accommodation. Finally it is noted that the CIL regulations, when considering exemptions to CIL payment, list a set	Regarding the comments made about the Governments objectives of ensuring sufficient specialised housing, it is not the intention that CIL should be used to drive policy objectives, but that it should be based on economic viability. Although it may share some of the characteristics of C2 Residential Institutions, for which the Council proposes to apply a £0m2 CIL rate, the Council also understands that the form of housing provided by the respondent cannot be categorised as 'C2' because the level of care provided does not generally match the level of care provided in a residential institution. Also, because it is owner-occupied, it is by

			of criteria which includes 'relief from CIL should be fair and not create undue distortions of competition'. This criterion is equally valid when considering the application of CIL to differing forms of residential development. For the above reasons developments of accommodation for older people, whether falling within Classes C2 or C3 of the Use Classes Order should be differentiated for general needs housing scheme when CIL is applied.	definition not a residential institution (the occupants of C2 classified care homes, hospitals, and nursing homes do not ordinarily own the part of the residential institution in which they reside). The CIL levy will be applied to care homes which are classed as C3. The Council will not be applying a CIL to Residential Institutions under use class C2. It is also important to ensure that the application of CIL does not breach state aid legislation. No evidence has been submitted to support this representation.
00649	Hertfordshire Biological Records Centre		HBRC has reviewed the document and has the following comments: - In general, we support the application of CIL payments towards the improvement of the Green Infrastructure network within Three Rivers District, that could increase and improve the current ecological resource within the district. - We would however, like to query the inclusion of two large County Wildlife Sites (CWS) within the boundary of CIL Band C (for Residential Developments, for which there will be no CIL charge applicable), but immediately adjacent to the area covered by the highest CIL Band A: - Oxhey Woods CWS (site ref: 90/006) comprises a large area of ancient semi-natural woodland. HBRC would like this CWS to be included within the adjacent Band A, so that the woodland could benefit from CIL payments in the future. Similarly the CWS Hamper Mill Lakes (site ref: 89/004), appears to lie half within and half outside of CIL Band A. We request that the entire of this CWS is also encompassed by CIL Band A by redrawing the boundary to allow its inclusion. Additional Response dated 14 February 2013 Thank you for your correspondence regarding the CIL consultation. Following my letter dated 31st January 2013 and a telephone conversation, I have now received a copy of the CIL Stage 2 Economic Viability Assessment dated December 2012.. I would like to reiterate the comments in our letter dated 31st January that in general HBRC support the application of CIL payments towards the improvement of the Green infrastructure work within Three Rivers District Council that could increase and improve the current ecological resource within the district. I have briefly reviewed the CIL document mentioned above and whilst I am not an expert in economics, it appears to the non-specialist that as we had anticipated, the CIL bands have been drawn up on economic and social criteria, predominantly using residential sales values and post code areas. Following a telephone conversation, I understand that money raised in one band could be used within an adjacent band. This would mean that those wildlife sites included within the Nil C band, could (under the appropriate circumstances) be available for improvements to County Wildlife Sites (CWS) in band C, although we do appreciate that that wildlife considerations would be one of a number of other functions for which CIL funding could be utilised. As discussed on the phone there is no intention to develop the two largest wildlife sites that are currently within band C (these are Oxhey Woods (site ref: 90/006) and Hamper Mill Lakes (site ref: 89/040)). Having looked at the boundaries again it seems that in relation to Oxhey Woods, it appears the boundary follows the parish boundary rather than the post code boundary for WD19 and for the Hamper Mill Lakes the band C includes more the eastern section than the post code WD18 or parish boundaries and less of the western section of this site. HBRC would still prefer to have Oxhey Woods and Hamper Mill Lakes fully included within the adjacent band A, rather than band C (given these are not proposed for development), however the potential to spend money from one band in another would certainly be welcomed in relation to these two CWSs.	Support noted. These comments have been made as a result of a misinterpretation of the CIL charging areas which have now been clarified. CIL monies can be spent on infrastructure regardless of whether that infrastructure is located in a particular CIL charging area.
00661			It seems to be extremely high and will no doubt put off some worthwhile and necessary developments in the area.	The Council's proposed charging rates have been developed solely on viability grounds in accordance with the regulations and strike a

			This is not a policy that I support as I believe it is wrong in principle.	balance between the desirability of funding infrastructure from CIL and the potential effects of the levy upon the economic viability of development across the District. We consider that the proposed CIL rate/s will not put the overall development across the District at serious risk.
SCO/0007	Chiltern District Council		Thank you for the opportunity to comment on your Council's CIL draft charging schedule but on this occasion have no comments to make.	Noted
NSO/0078	Chiltern Conservation Board		Thank you for informing the Chilterns Conservation Board about the consultation on the CIL Preliminary Draft Charging Schedule. The relevant document has been examined and I am writing to let you know that the Board has no comments to make at this stage. We would be grateful if we could be kept informed about future versions of the document and its progress.	Noted
00403	Colne Valley Park Community Interest Company	Colne Valley Team Manager, Groundwork	I am responding to the above consultation on behalf of the Colne Valley Park Community Interest Company (CIC) This consultation sets out a level of Community Infrastructure Levy (CiL) that is "economically viable" for each type of development. The Colne Valley Park does not have the expertise or the remit to comment on this. However, the Colne Valley Park CIC would expect some of CiL raised to go towards green infrastructure and that CiL raised from development in and around the Colne Valley Regional Park should be allocated towards achieving the 6 objectives of the Park and the relevant parts of the Three Rivers and Herts Green Infrastructure plans that relate to the regional park. The Colne Valley Park CIC would like to see consistent policy for use of CiL to deliver Green Infrastructure on a landscape scale across Three Rivers, Hillingdon, Chiltern, South Bucks and the other Local Planning Authorities that cover parts of the Colne Valley Regional Park.	This comment is general rather than a specific comment on the charging schedule and relates primarily to the future spending priorities which will be identified in the regulation 123 lists. Infrastructure, including green infrastructure, that is required to support development in the District has been identified as part of the Infrastructure Delivery Plan which will inform the regulation 123 which will list the types of infrastructure that the CIL monies will be spent.
SCO/0008	Dacorum Borough Council		Thank you for your consultation letter dated 21st December 2012 regarding your initial proposals for CIL within Three Rivers. We have no particular concerns with the proposed CIL rates for Three Rivers and have noted that the residential rate for the Three Rivers part of Kings Langley village is broadly equitable with the rate currently being put forward for the Dacorum part of that village (£120 compared to £150 per sqm) We are also aware that a significant level of development within Three Rivers Local Development Framework is planned at Kings Langley and Abbots Langley and this has significant implications in terms of the need for primary education provision as set out in the Three Rivers IDP. The Council would encourage Three Rivers District Council to identify a clear strategy for the provision of education facilities to meet the needs of the Borough arising from these developments and commit to funding these infrastructure items upon it's Regulation 123 list (which we are advised should be directly related to your IDP and effectively set out prior to examination). These needs should be identified in collaboration with Hertfordshire Country Council in accordance with the requirements of paragraph 48 of the Department for Communities and Local Government Community Infrastructure Levy Guidance – December 2012 and should include appropriate consideration to any cross boundary infrastructure issues. I trust that these representations are in order but please contact me if you wish to discuss or clarify any issues raised. I would also be grateful if you could acknowledge receipt of these representations.	Infrastructure, including education that is required to support development in the District, has been identified as part of the Infrastructure Delivery Plan which will inform the regulation 123 which lists the types of infrastructure that the CIL monies will be spent. The Council is working with the County Council on all its infrastructure requirements.
NSO/0045	Environment Agency		Thank you for consulting us on the above document. We have no comments to make on the charging schedule. However, please be aware that we are currently drawing up actions to help the rivers in the district achieve good ecological status as defined in the Water Framework Directive, and we may request that some of these projects are added to your Infrastructure Delivery Plan for CIL funds in the future. We expect to consult you with details of such projects during 2013.	Noted. We welcome the Environment Agency's input to the Infrastructure Delivery Plan.

02112			In answer to your letter dated 21.12.12. To impose another levy alongside the £750.00 a sq metre levy already imposed by the council on new development in the area for affordable housing is in my opinion totally unfair. These levies if imposed will make the building of new houses in this area practically unviable. Where do the levies stop on new dwellings in this area? It appears that the council is imposing such ridiculously high levies on new housing; its wish is not to build any new houses. One would think that with 3 million unemployed people and a shortfall of 2 million houses, the council would indeed help the building industry, not put such a ludicrously high levy on them that will hinder the building industry, if not cripple it.	The affordable housing contribution of 45% as required by the adopted Core Strategy has been taken into account in both Stage 1 and Stage 2 Economic Viability Assessments both of which were available on the Council's website during the consultation period. The Council consider that the proposed rates strike a balance between the desirability of funding infrastructure from CIL and the potential effects of the levy upon the economic viability of development across the District. We consider that the proposed CIL rate/s will not put the overall development across the District at serious risk No evidence submitted to support this representation.
SCO/0017	Hertfordshire County Council		Thank you for consulting the County Council on the District Council's Preliminary Draft Charging Schedule (PDCS). This response represents the County Council's position as a strategic infrastructure provider and is made on behalf of both the Environment Department (in the County Council's capacity as Local Transport Authority and Local Highway Authority) and Property and Technology Department (in relation to the County Council's other services such as Children's Services, Libraries, Fire and Rescue and Waste). At this time these are Officer views only. Following the publication of updated guidance relating to the CIL Regime, there are a number of implications for establishing a CIL charging schedule. These changes will require the continued cooperation between the District and the County Council as a strategic infrastructure provider. The remainder of this response highlights changes to the CIL guidance which are likely to have implications for both authorities and identifies a number of areas where further work may need to be undertaken prior to further consultation and examination of the draft charging schedule. The CIL regime will also have relevance to other infrastructure that is of interest to the County Council (such as Green Infrastructure) however, it is considered that this is not within the remit of the County Council's capacity as a strategic infrastructure provider and will continue to be a matter for the District to consider in consultation with relevant stakeholders. Implications of revised CIL Guidance (December 2012) The revised guidance will have implications for both the District Council and County Council. Those changes that are likely to have greatest implications for the preparation of the CIL charging schedule and which relate to the provision of strategic infrastructure provided by the County Council are; the need for a more comprehensive and transparent approach to infrastructure planning and delivery at the outset (Para 15); the need for greater clarity as to the relationship between CIL and S106 arrangements (Para 85); the need for collaboration between the District Council and County Council in relation to setting the levy rate and agreeing how the levy will be spent in two-tier areas in relation to key strategic infrastructure (Para 48); ability to treat major strategic sites as a separate geographical zone for the setting of CIL rates (Para 34); more onerous requirements relating to the updating and republishing of the Regulation 123 list (Para 90). Setting the Levy rate It is for the District to determine what the appropriate charging rate should be for the area and in general the approach set out in the PDCS is supported. It appears that the proposed levy rate is	We welcome the opportunity to continue to work with Hertfordshire County Council in its role as an infrastructure provider. The changes in the guidelines do have implications for both the District and County Council; however the majority of the additional work will need to be done by the County Council as the infrastructure provider.

			based upon viability work, part of which has been undertaken in conjunction with other authorities within Hertfordshire. However, funding arrangements for infrastructure are uncertain, and are liable to change on a regular basis (for example allocation for some infrastructure is made on an annual basis). Until there is further clarity as to how infrastructure will be funded, and an agreement is reached between the two authorities in relation to what proportion of CIL monies will be made available for the provision of strategic infrastructure provided by the County Council, it is not possible to comment on how the projected income will compare with existing S106 receipts.	
			When considering the use of S106 and CIL within the District (in as much as it relates to the provision of strategic infrastructure provided by the County Council), it is considered that for the larger, more strategic sites (thresholds for both residential and commercial development will need to be agreed between the District and County Council), the most effective approach is likely to be the continued use of S106 agreements to fund infrastructure items which are directly related to those developments. Consideration of sites considered to be ‘strategic’ from a Highways perspective, needs to be carefully considered, but could be as low as 80 dwellings.	These are general observations rather than specific comments on the charging schedule. They relate primarily to future spending priorities which will be determined at a later date in consultation with the County Council.
			CIL monies will be more appropriately used to fund infrastructure requirements generated from smaller developments, but may also be necessary to address the cumulative impact of development occurring across the borough as a whole. It is also important to consider how CIL and S106 could coexist on strategic sites (as long as there is clarity about how each funding mechanism will be used and why). For example, it is possible that CIL will be required to fund some infrastructure items in the vicinity of larger sites, particularly where they help meet a demand generated from across a wider area. The impact of larger sites, may be felt across administrative boundaries and the district needs to consider that CIL monies may be required to be spent in adjoining districts. A good example of this affects the Kings Langley development, where CIL revenue may be required to be spent to fund the acquisition and development of a primary school in south – east Hemel Hempstead. Similarly a case may be made that neighbouring districts should use CIL monies to assist in developing secondary school sites in Three Rivers which serve a wider need.	
			Subsequently, there is a need to review the infrastructure requirements within the current IDP to identify what the funding mechanisms may be; what the scale of contributions from S106 might be, and what demands will be placed upon available CIL monies. There is also a need to consider the application of S106 agreements and setting a differential CIL rate for strategic sites where appropriate (now permitted by the revised guidance). It may be necessary to engage the development industry and other infrastructure providers in these discussions.	The IDP will be updated on a regular basis.
			Updating and Prioritising Infrastructure Requirements	
			To date, there has been ongoing engagement between the County Council Departments and the District, who have worked collaboratively to identify future infrastructure requirements over the Plan period. Much of the infrastructure planning work to date has identified a range of infrastructure schemes which will be required to support the level of growth set out in the LDF – although some highway related schemes may also relate to an existing infrastructure deficit. Where possible, the infrastructure planning work has also included a preliminary assessment of indicative costs and identified potential funding mechanisms.	
			Although comprehensive, the work undertaken to date has been relatively high level and has not sought to distinguish between the use of S106 and CIL and has not involved the prioritisation of projects. Therefore, the current infrastructure planning work (relating to infrastructure provided by the County Council) may not satisfy the requirements of the new CIL guidance.	Acknowledge that the County Council as the infrastructure provider will need to undertake further work to assist in the examination of the Draft Charging Schedule.
			Therefore further work will be required to;	
			i) (for some infrastructure types) refine the list of schemes in the IDP and Infrastructure Funding	

			Gap Assessment (to ensure that proposed schemes relate to the demand being generated by growth set out within the LDF); ii) clarify the relationship between the use of CIL and S106 for infrastructure projects in the District; iii) identify or make informed judgements as to the potential of alternative funding sources; iv) prioritise projects that are to be funded via CIL monies. Identifying and reviewing spending priorities Following the undertaking of ii) and iii) above, the District and County Council will be able to identify which infrastructure schemes are to be funded by S106 and those which may be funded by CIL monies or alternative funding sources. It is these latter projects that will need to be included on the ‘Regulation 123 list’. Both departments will supply this information to you as soon as possible and where possible will try and co-ordinate a joint response (although information may be available at different times). In recognising that the levy may not be sufficient to fund all identified schemes (for example in relation to highway schemes) and that monies will be collected across the Plan period in a way that may not necessarily be commensurate with the delivery of infrastructure schemes, there is a need to determine which infrastructure schemes will be prioritised for the receipt of CIL monies. It is expected that the outcomes of this work will need to form part of the evidence for the CIL examination. The way in which this prioritisation is undertaken will depend on a number of factors including governance arrangements and the way in which the District makes a proportion of the levy available to the County Council for funding such infrastructure. There will be a need to engage Senior Officers and Members on this aspect and more time will be required to undertake this process. Under the previous guidance, there was sufficient flexibility which allowed the Charging Authority to update its ‘Regulation 123 list’ on a regular basis. This provided an effective mechanism for both the Charging Authority and infrastructure providers to respond quickly to potential changes in spending priorities of both the Borough Council and infrastructure providers. Although still possible, the revised guidance places greater restriction on the ability for Charging Authorities to update their ‘Regulation 123 list’ and requires greater transparency as part of the examination as to why CIL monies will be collected and how they will be spent (including how this relates to the County Council’s spending priorities). As with a number of infrastructure providers, the provision of County Council related infrastructure will be dependent on a number of external factors (i.e. demographics, availability of alternative funding sources, timing of development, etc) and as such priorities may change overtime, and in some cases over a relatively short timescale. In recognising the more onerous procedure relating to the updating of the ‘Regulation 123 list’, the County Council will need to work with the District to identify an approach that would allow spending priorities to be updated as effectively as possible whilst minimising the need for formal review of the ‘Regulation 123 list’. Next Steps The County Council as a strategic infrastructure provider is committed to working with the District Council in a timely and effective manner to meet the requirements of the revised CIL guidance. However, the new requirements set out within the CIL guidance brings with it a number of challenges which, as mentioned above will not only require a period of time for Officers to review and update the relevant information relating to infrastructure schemes within the District, but is also likely to require parallel political processes to decide on how CIL monies should be prioritised.	The infrastructure planning evidence that has been used for the formulation of CIL is sourced from the Council’s adopted Development Plan Documents. These have been tested at Independent Examination and refreshed as appropriate with relevant service providers. The CIL statutory guidance states that the Community Infrastructure Levy examination should not re-open infrastructure planning that has already been submitted in support of a sound relevant Plan. It is not the role of the Community Infrastructure Levy examination to challenge the soundness of an adopted development plan.

			There will also be a need to agree appropriate governance arrangements between the two authorities and the level of CIL monies that will be made available to the County Council for the provision of strategic infrastructure. There is also likely to be a need for further discussions with the development industry and other infrastructure providers (particularly in relation to strategic sites). It is likely that this work will need to be undertaken prior to any consultation on the draft CIL Charging Schedule or its examination. Until a decision is taken as to how both the District Council and County Council can respond most effectively to the new requirements, it is difficult to provide indicative timescales. Therefore as discussed at recent meetings between the two authorities, it is likely that the proposed timetable for progressing the implementation of CIL in the District (set out in Para 11.3 of the consultation) will be challenging and consideration should be given to reviewing it. We hope that you find the above comments useful and look forward to working with you in taking forward the implementation of CIL within Three Rivers.	This is acknowledged however these are comments relating to later stages in the CIL process. It is recognised that the County Council have made significant progress in producing the information required to assist and the Council looks forward to working together.
NSO/0033	Hertfordshire Constabulary		Hertfordshire Constabulary continue to collaborate with local communities and have developed a responsive strategy to requests for local police offices set up in collaboration with other Partners. However, as a result of the continuing withdrawal of public funding, the Force will become increasingly reliant upon such co – located facilities in the community and the provision for growth related facilities will need to be met through the CIL. It is noted that the IDP refers to the Policing Plan 2010/2013, and Policing Priorities 2010/2013, and there being no gap in policing provision. With the reorganisation of the police service and the replacement of the Police authority by the Police and Crime Commissioner for Hertfordshire, these documents are subject to review, and work has now begun on the preparation of a Police and Crime Plan which is expected to be published by the 31st March. This will address policing requirements and whilst there is no strategic gap in terms of Principal Police Stations, given the large number of new homes proposed, and the time frame of the Plan, policing requirements generally, and local policing in particular, will not be met by the existing strategic network. The IDP refers to the 5 priorities of the Local Strategic Partnership Board, and its Community Strategy, which are also set out in the Council's Core Strategy, and includes tackling anti-social behaviour, crime and fear of crime. Whilst measures such as Secure By Design will assist with achieving this priority, any reassessment of the need for additional police resources will require funding in partnership with other stakeholders and developers. In bringing about the Community Strategy the Police and Crime Commissioner for Hertfordshire will need to evaluate and implement additional police facilities for both existing and future residents. It is therefore requested that the table on page 23 be amended to reflect the likely need for policing costs to form part of the CIL: Gaps in Provision – improved community based policing will be secured through developer contributions via the Community Infrastructure Levy	We acknowledge that following the reorganisation of the police service, withdrawal of public funding, that the Policing Plan and Policing Priorities documents are now having to be being updated. Infrastructure, including policing, that is required to support development in the District is identified as part of the Infrastructure Delivery Plan which will inform the regulation 123 which lists the types of infrastructure that the CIL monies will be spent. Any police infrastructure now required will be included in the update of the Infrastructure Delivery Plan.
00681	Land & Partners Ltd	Howard Sharp & Partners	The CIL levy in the northern and western zones is set at too high a level as to put the viability of development schemes at risk. The assumptions on profit are queried. Para 5.3 of the Stage 2 viability report states that over the last 5 years private profit return on total GDV was circa 15-17% and it is noted that with the collapse of finance, investors have recently been requesting higher profit margins to reflect the potential risk (circa 20% on total GDV). It is not considered reasonable to dismiss this trend on the grounds of limited house price rises in recent months. The current economic data is clear that higher risk is likely to be a feature of development finance over the next five years. 20% profit on total GDV is now a standard assumption for CIL charging.	No evidence has been provided to support this statement. The viability assessment considered the impact of risk on the profit assumptions and concluded that a private return of 17% was a reasonable assumption to apply on the assumption that economic markets fluctuate and that Hertfordshire is seeing house prices return to those similar to that of 2007 and that significant allowances have been made in other development costs assumptions to ensure that a net return of 17% on GDV (20% on cost) remains reasonable.

			The proposed rates of profit are considered light in this market - the CIL needs to ensure that delivery (and therefore collection of revenues) remains viable and realistic throughout poorer economic conditions. Furthermore there needs to be more sensitivity testing of the residual valuations for example showing increased costs but using the same sales revenues. This is because there can be a large difference in a development company's assessment of value of a project, this is borne out by the fact that land values and offers for land can be up to 40% different. Therefore sometimes one developer will make a site viable and the other would not. There is a lot of variation. The CIL rate should allow all developers to develop a site. Furthermore the economies of scale apply to the BCIS build cost data and assume mass housebuilding. The Government and the self build association are trying to encourage more self building and historically Three Rivers has experienced a larger number of smaller sites as part of the land supply. The build cost of one off projects is higher. This means the viability testing needs to pick up this higher build cost. As drafted, the proposed Charging Schedule does not comply with Paragraph 173 of the NPPF which states 'Pursuing sustainable development requires careful attention to viability and costs in plan-making and decision-taking. Plans should be deliverable.' It goes on to state 'To ensure viability, the costs of any requirements to be applied to development, such as requirements for affordable housing, standards, infrastructure contributions or other requirements should, when taking account of the normal costs of development and mitigation, provide competitive returns...to enable the development to be deliverable'. It is accepted that the CIL cannot make allowance for abnormal costs for particular site. But the generic analysis across the area, taking into account average local build costs, will undoubtedly make some marginal schemes unviable, or unable to deliver adequate affordable housing, which will remain the only negotiable element of developer contributions. This will mean that the Council will be unlikely to achieve ambitious affordable housing levels set out in the Core Strategy. It will also skew the mix of homes towards smaller units and not target the actual need, which should include large family homes (as larger homes will be hit by a much higher sum per dwelling based on floor area). Another consequence given the higher rate applied in the Borough compared to elsewhere (e.g. adjoining London Boroughs), would be developers and investors avoiding the Borough. This phenomenon is already apparent where s106 and affordable housing levels are set higher than others. Overall, it does not strike the correct balance between the desirability of delivering infrastructure from CIL and the potential effects (taken as a whole) of the imposition of CIL on the economic viability, as required but Regulation 14 of the CIL Regulations. The proposed charges are not considered to be reasonable, realistic and consistent with national guidance (Charge Setting and Charging Schedule Procedures - DCLG - March 2010). We are happy to expand of these points further and recommend a round table session with contributors and interested parties to consider the comments made in an open forum.	There has been no evidence submitted to support this comment The assumed profit return is to reflect project risk. Whilst this will vary from scheme to scheme, the assumptions used have already factored in additional costs to reflect this risk. Therefore, in considering a reasonable profit level it is important to consider where else risk has been reflected in the appraisal. Developers will assess and apply risk in different ways; therefore the whole appraisal should be considered rather than simply applying a high profit level on top of any other risk mitigation measure applied to costs, land or sales values. Profit level also correlates to land values, therefore, if profits increase then residual value is likely to fall. Therefore we believe the approach taken within this assessment is balanced, and the level of profit proposed both represents a competitive return and a reasonable level of risk mitigation through profit. No evidence has been provided by the objector that taking into account all our assumptions, including land value, that the profit levels should be increased. The CIL rate that has been chosen has not been set at the highest level achievable, but at a rate which will enable the most amount of development to be brought forward over the plan period, whilst providing a reasonable CIL. To this end there is already a built in buffer, which will mean in some instances developers will make more profit on a scheme by scheme basis. In the methodology applied to the appraisals used within this scheme a number of allowances have been made which mitigate the risk to the developer. These include: • Market achievable land values adjusted for location and type. • Sales values based on Q1 2012 data; adjusted for location and type. • Type specific base build costs at a medium of BICS index Q1 2012. • 4% allowance for Sustainable Code 4. • Externals allowance of 5% over BCIS • 10% abnormals/unknowns allowance • 1% Planning Costs • 12% Professional Fees – usually lower for non-bespoke developments. • 5% Contingency allowance on all costs • Grouping of residential values into geographical areas. • Grouping of uses under achievable CIL rates. Therefore the profit level assumptions are reasonable and it is important that that assumptions should be looked at in the round. It is possible that in other CILs lower cost assumptions or land values have been used which effectively place the cost/risk in other assumptions. Therefore, I think it is important to consider the CIL rates against those proposed by other Authorities. If we do include a higher profit return I would propose that the land value benchmarks

				would also need to be adjusted which would minimize the overall effect, as these were also assessed on similar assumptions. Finally, our tested scenarios have been informed by reviewing the proposed development opportunities across the Authority and rates have been proposed taking into account development type and geography, therefore we consider that the typologies accurately reflect the location, size and type of development across the Authority.
04330	Moor Park 1958 Ltd		Moor Park (1958) would like to register the following comments in respect of the above consultation: Concerns (i) Compatibility of the charging regime with those of adjoining Hertfordshire Boroughs/Districts, but especially those of neighbouring London Boroughs to the south of Moor Park (LB Hillingdon/LB Harrow), will be critical. If the CIL charge per square metre is materially lower in these surrounding Boroughs, it is our view that this will lead to pressure to push significant volumes of development into the Green Belt and urban areas within and adjacent to Moor Park with the resultant deterioration in the setting, character and appearance of the Conservation Area estate. Consequently TRDC are urged to have very close regard to the charging regimes of neighbouring Boroughs when setting the level of CIL within Three Rivers with a view to safeguarding against the potentially damaging impact of the resultant outward spread/sprawl of development out from the London Boroughs. (ii) The setting of the CIL rates, if too high, has the potential to result in a substantially lower quality of development within the actual built environment, in terms of, inter alia, poorer quality of materials used, the diminution of important architectural features/finishes and the marked reduction of extensive planting and landscaping. The 'transfer' of funding from the concerns of the built environment to the paying of the CIL will potentially stifle the selection of the very highest quality of materials, products, finishes etc to the detriment of the character and appearance of the designated Moor Park Conservation Area. Potential benefits (with a concern) (ii) Within the Moor Park Estate – significant concerns are increasingly being expressed by residents in Moor Park relating to the gross overdevelopment of many recent projects for new build or replacement dwellings on the estate, especially those incorporating large footprints, extensive basements and large scale "rooms in the roofs" which add considerably to the scale and bulk of development within the street scene and thereby harm the character and appearance of the Conservation Area. A potential benefit of the CIL therefore will be to hopefully moderate the scale of future new/replacement build schemes, thereby resulting in new build footprints that have a greater regard to distances to plot boundaries, the foregoing of extensive basements and a marked reduction in the scale of accommodation within the roof space. The related concern we would have is to ensure the highest levels of scrutiny continue to be applied in planning process when considering applications for larger developments on the Estate that might attract a CIL. Finally, the Council is invited to work with Moor Park (1958) Limited (and others) to draw up a list of infrastructure projects both within the Moor Park estate and the immediately surrounding area, where necessary investment in local infrastructure is long overdue.	The Council's proposed charging rates have been developed solely on viability grounds in accordance with the regulations and strike a balance between the desirability of funding infrastructure from CIL and the potential effects of the levy upon the economic viability of development across the District. They cannot be set at a level that will deter or attract development to a particular area. With regards to the concern that a lower CIL rate will result in more development in the Green Belt, there are both national and local planning policies in place to prevent inappropriate development in the Green Belt. There are planning policies in place that set design standards and the use of appropriate materials in Conservation Areas. CIL will only be levied on additional floor space of over 100sqm. Given the house values in the Moor Park Conservation Area it is unlikely that the CIL levied will have any impact on the size of development proposals in the Conservation Area. There are adopted planning policies in place that specifically relate to development proposals in Moor Park which will continue to be applied to development proposals, The CIL allows the Council to raise funding from development to pay for the infrastructure that is required to support development arising from the increased levels of housing numbers and commercial floor space. The levy is intended to focus on the provision of new infrastructure and should not be used to remedy pre-existing deficiencies in infrastructure provision unless those deficiencies will be made more severe by new development. The levy can be used to increase the capacity of existing infrastructure or to repair failing existing infrastructure, if that is necessary to support development. However, as there is no planned development for the Moor Park

				Conservation Area it is unlikely that CIL will be able to be used to address any current infrastructure deficiencies in the estate. We do however invite you to make comments on the forthcoming Regulation 123 List which sets out the infrastructure that CIL can be spent on.
04329			It is noted that the underlying principle of the CIL regime is that overall it must not render development unviable within a district. Much work appears to have been done to assess viability to arrive at an appropriate proposed residential CIL rate expressed in £/m2. Viability is assessed by a residual method of valuation to arrive at a market value benchmark for development land which will still provide enough incentive to a landowner to release land for this purpose. However what appears to have been ignored in this exercise is the sale price of the newly constructed dwelling incorporating the CIL charge rate per £/m2 and how this will impact on the house buyer. Without doubt the imposition of a CIL charge will be passed on as a straight cost by the house builder to the customer. At proposed rates for CIL of any where between £110 and £270 per m2 this will be a substantial extra cost on a new build house which will significantly affect its saleability. In this scenario it is difficult to see how this will do anything other than seriously and adversely affect the housing market by introducing a blanket charge that will raise the cost of new housing to even higher levels of unaffordability. Further to this the impact on the landowner will be negative as the extra cost of CIL could be targeted at this group to absorb it. The injection of these and related uncertainties into the housing market may well lead to the further reduction in housing land supply as landowners withhold potential development land from the market until a more favourable regime is introduced.	Comments noted. The Council's proposed charging rates have been developed solely on viability grounds in accordance with the regulations and strike a balance between the desirability of funding infrastructure from CIL and the potential effects of the levy upon the economic viability of development across the District. We acknowledge that developers may pass their costs onto buyers However developers should factor these costs into the purchase price of land rather than pass them on. As stated above CIL rates have been set at a level that strike a balance of funding infrastructure and the potential effects of the levy upon development across the District.
03999	McCarthy & Stone		As the market leader in the provision of retirement housing for sale to the elderly, McCarthy and Stone Retirement Lifestyles Ltd considers that with its extensive experience in providing development of this nature it is well placed to provide informed comments on the emerging Three Rivers District Community Infrastructure Levy (CIL), insofar as it affects or relates to housing for the elderly. Growing Elderly Population The National Planning Policy Framework stipulates that the planning system should be 'supporting strong, vibrant and healthy communities' and highlights the need to 'deliver a wide choice of high quality homes, widen opportunities for home ownership and create sustainable, inclusive and mixed communities. Local planning authorities should plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community...such as...older people' [emphasis added]. The "What Housing Where Toolkit" developed by the Home Builders Federation uses statistical data and projections from the Office of National Statistics (ONS) and the Department for Communities and Local Government (DCLG) to provide useful data on current and future housing needs. The table below has been replicated from the toolkit and shows the projected change to the	

			demographic profile of the District between 2008 and 2033. In line with the rest of the country, this toolkit demonstrates that the demographic profile of Three Rivers is projected to age, with the proportion of the population aged 65 and over increasing from 16.44% to 22.67% between 2008 and 2033. The largest proportional increases in the older population is expected to be of the 'frail' elderly, those aged 75 and over, who are more likely to require specialist care and accommodation.	
			The adopted Three River's Core Strategy identifies that the demographic profile of the area is ageing. Concerns over the future provision of adequate support and accommodation for the growing elderly population are addressed in Policy CP3: Housing Mix and Density stating that 'New development will provide as range of housing types and sizes to reflect the existing and future needs of the Three Rivers population and the characteristics of housing in the area… This includes provision of housing for the elderly and supported and specialist accommodation which will be encouraged in suitable and sustainable locations.'	The housing requirement for the District is clearly set out in the adopted Core Strategy Policy CP3 which acknowledges the inclusion of housing for the elderly and supported and specialist accommodation.
			The CIL Guidance published in December 2012 stipulates that the proposed CIL rate should not threaten the delivery of the relevant Plan, in this case the Core Strategy and specifically Policy CP3: Housing Mix and Density. In light of this, we would consider that it is of vital importance that the emerging CIL does not prohibit the development of specialist accommodation for the elderly at a time when there is an existing and urgent need for this form of development.	The Council proposed charging rates have been developed in accordance with the regulations and we believe that they strike a balance between the desirability of funding infrastructure from CIL and the potential effects of the levy upon the economic viability of development across the District.
			Viability Appraisal Assumptions The Preliminary Draft Charging Schedule proposes different levy rates for residential development across the Council area based on the following Zones: • Band A – South-East and Centre of District, incorporating Rickmansworth and surrounds; • Band B – North of District incorporating Abbots Langley and surrounds; and, • Band C – South-West of District incorporating South Oxhey and surrounds.	
			The charging schedule also details a single uniform levy rate for Care homes, also described as private retirement homes in the Stage 2: Economic Viability Assessment, of £120 per m² across all the District's Zones. It is however, unclear as to how the levy rate for Care Homes will be applied. Will it only be applicable to Care Homes specifically, or across all residential institutions (C2 Use Classes), or all forms of specialist accommodation for the elderly, including Retirement housing and Extra Care housing?	The CIL levy will be applied to care homes which are classed as C3. The Council will not be applying a CIL to Residential Institutions under use class C2.
			It is our understanding that Lambert Smith Hampton completed a viability assessment for private care homes (private retirement homes) on the key assumption that "any current hotel or private residential care home would not be constructed speculatively, with the schemes instead built by owner occupiers and or with pre-lets in place. These types of developments were therefore seen as investment opportunities and therefore their profit assumptions were reduced to reflect this" (Paragraph 6.20). While this approach may be applicable to some care home facilities it is certainly not applicable private specialist accommodation for the elderly, which is built speculatively by developers. Indeed, such an approach represents a highly polarised view of specialist accommodation for the elderly and whilst there is an understandable desire to keep the charging rates as simple as possible, presently we would consider that the evidence base fails to acknowledge the very specific viability issues associated with this form of housing.	The Council does not dispute the respondent's position that specialist forms of retirement housing exhibit different viability characteristics to other forms of housing. For example, retirement housing may be characterised by different sales patterns than other forms of housing and that this may have knock-on effects on investment returns. However, the Council is not convinced that the form of specialist housing in question can be considered to be distinct from market housing generally, or that the CIL Regulations provide for different CIL charges to be applied to this form of housing, as distinct from market housing generally.

			As you are aware, as a national retirement housing company, McCarthy & Stone are currently submitting planning applications throughout the Country. Presently all but a handful of our schemes are unable to support policy compliant levels of affordable housing contributions and as such have required viability assessments. In light of this we obviously need to ensure that the supporting viability work for the CIL is actually representative of what is happening in the real market place for all forms of housing, as, if it is not, the adoption of CIL may prevent needed development coming forward.	The Council proposed charging rates have been developed in accordance with the regulations and we believe that they strike a balance between the desirability of funding infrastructure from CIL and the potential effects of the levy upon the economic viability of development across the District.
			Communal Areas Many forms of specialist accommodation for the elderly, such as retirement housing, provide communal areas for residents at an additional cost to developers. Specialist housing providers also have additional financial requirements as opposed to other forms of development that will only pay on 100% saleable floorspace. This does not provide a level playing field for these types of specialist accommodation and a disproportionate charge in relation to saleable area and infrastructure need would be levied. In comparison to open market flats the communal areas in specialist accommodation for the elderly are considerably larger in size, fulfil a more important function and are accordingly built to a higher specification in order to meet the needs of the elderly than those provided by open market flatted developments. Typically an open market flatted residential development will provide 16% non-saleable floorspace, whereas this increases to 30% for sheltered accommodation and 35% for Extra Care accommodation.	The respondent has stated that a considerable amount of the gross internal area of its developments is set aside for communal areas and facilities. While worthy of consideration, the Council disagrees with the respondent's suggestion that it does not receive any direct revenue from such areas, insofar as the purchasers of units within its developments presumably pay a premium for saleable areas on the basis that they thereby purchase access to the amenity of those communal areas and facilities. In fact the representation states later that '. In a McCarthy and Stone development the staff costs and extensive communal facilities are paid for by residents via a management / service charge.' In other words, the amenity provided by the communal areas and facilities is integral to the value of the saleable areas. The amenity of the communal areas and facilities helps to create higher development values and there is therefore justification for CIL being levied on those areas and facilities.
			This places providers of specialist accommodation for the elderly at a disadvantage in land acquisition as the ratio of CIL rate to net saleable area would be disproportionately high when compared to other forms of residential accommodation	No evidence has been submitted to support this representations
			Sales Rate In the case of retirement housing for example there is also a much longer sales period which reflects the niche market and sales pattern of a typical retirement housing development. This has a significant knock on effect upon the final return on investment. This is particularly important with empty property costs, borrowing and finance costs and sales and marketing which extend typically for a longer time period. Currently the typical sales rate for a development is approximately one unit per month, so a 45 unit retirement scheme (i.e. an average sized scheme) can take 3-4 years to sell out. As a result of this typical sales and marketing fees for specialist accommodation for the elderly are typically in excess of 6% of GDV, not the conservative 3% assumed in the Viability Assessment. Empty Property Costs Properties can only be sold upon completion of the development and the establishment of all the	If specialist forms of accommodation for older people can be demonstrated to be social housing they will be eligible for relief from CIL. However, the Council understands that the form of housing provided by the respondent is not social housing (except for any affordable housing element which may be negotiated). Although it may share some of the characteristics of C2 Residential Institutions, for which the Council proposes to apply a £0m2 CIL rate, the Council also understands that the form of housing provided by the respondent cannot be categorised as 'C2' because the level of care provided does not generally match the level of care provided in a residential institution. Also, because it is owner-occupied, it is by definition not a residential institution (the occupants of C2 classified care homes, hospitals, and nursing homes do not ordinarily own the part of the residential institution in which they reside). The Council considers the form of housing provided by the respondent to be most akin to open market housing, albeit aimed

			communal facilities and on-site house manager. These communal areas cost additional monies to construct and are effectively subsidised by the developer until a development has been completely sold out. In a McCarthy and Stone development the staff costs and extensive communal facilities are paid for by residents via a management / service charge. However, due to the nature of these developments the communal facilities have to be fully built and operational from the arrival of the first occupant. Therefore to keep the service charge at an affordable level for residents, service charge monies that would be provided from empty properties are subsidised by the Company (these are typically known as Empty Property Costs). This is a considerable financial responsibility as, as previously mentioned, it usually takes a number of years to fully sell a development. For a typical 45 unit McCarthy and Stone Later Living development the Empty Property Costs are on average £100,000.	specifically at older people.
			Build Costs Whist the Viability Assessment differentiates between the build costs between general estate housing, two storey houses, three storey houses and apartments between three and five storeys in height, excluding abnormals, it does not consider the build costs of flatted sheltered housing. The Build Costs Information Services (BCIS) shows that the Mean Average Build Costs per m² for a region. This database consistently shows that build costs vary significantly between housing types with the cost of providing sheltered housing consistently higher than for general needs housing and apartments. The most recent BCIS figures for Three Rivers (8th February 2013) shows that the mean cost of building one m² of estate housing is £917, while the equivalent cost for apartment developments is £1,080 per m². Sheltered housing costs £1,139 per m² - 5.4% more expensive than the cost of building apartments and 24.2% more expensive than estate housing. While the BCIS figures are subject to fluctuation over time, it is our experience that the build costs for flats tend to remain in the region of 15 to 20 % more expensive than those of estate housing, with specialist accommodation for the elderly 5% more expensive to construct than apartments.	The Council does not accept that specialist retirement housing need necessarily or always have higher abnormal and higher build costs than other forms of housing. Neither does the Council accept that higher abnormal or build costs should necessarily translate into a reduced capacity to pay CIL., insofar as the Council would expect developers to take full account of such costs in the price they pay for land in pursuit of their own 'due diligence' objectives. The Council nonetheless believes it has made a reasonable allowance in its assumptions to address circumstances in which, for example, abnormal costs arise after acquisition.
			Developer Profits In the foreseeable economic climate we would consider that the minimum anticipated developer profit required to achieve financial backing for a retirement scheme to proceed would be 20%. Similarly the incentives required to acquire land, particularly brownfield sites the type where sustainable uses such as retirement housing are best located, in the first place is likely to be at least 40%+ of current existing use market value. Obviously the market value is influenced by a number of factors which can easily be over generalised. Developer returns of 17% as proposed by the Council would not provide sufficient incentive for developers of specialist accommodation for the elderly to take on the risk of return.	The viability assessment considered the impact of risk on the profit assumptions and concluded that a private return of 17% was a reasonable assumption to apply on the assumption that economic markets fluctuate and that Hertfordshire is seeing house prices return to those similar to that of 2007 and that significant allowances have been made in other development costs assumptions to ensure that a net return of 17% on GDV (20% on cost) remains reasonable. There has been no evidence submitted to support this comment .
			Payment by Instalments Consideration should also be given to the timing of CIL payments and an allowance for payment by instalments. Whilst we appreciate that, in line with 69B of the CIL Regulations 2011, an instalment policy does not form part of the charging schedule and would not be subject to examination, we would welcome flexibility in the timing of CIL payments as on commencement would introduce an additional financial cost on the development prior to the receipt of any revenue from the proposed development. This would place an additional burden on the developer and would affect the viability of the development, and possibly in the case of residential development impinge upon the developer's ability to provide for affordable housing.	The Preliminary Draft Charging Schedule DOES include an instalment policy. The point referring to the need to defer payment of CIL as schemes can only be sold once built out in their entirety is not entirely agreed as they are no different to flatted development for example.

			This issue is compounded in the case of specialist accommodation for the elderly, as developments need to be completed in their entirety before a single unit of accommodation can be sold. It is considered that at the earliest, part payment on first occupation would be fairer and would reduce unnecessary financial costs to the developer. This should then be phased depending upon occupation levels. For the foreseeable economic climate, such as currently being experienced, there is considerable merit in staged payments reflecting occupation levels throughout the sale of the development. Summary Given the extent of projected housing need for older person's accommodation it is paramount that the Three Rivers District Council CIL schedule recognises the potential shortcomings of providing a uniform CIL rates for all forms of residential development. The additional costs associated with the construction and initial maintenance of this form of development, coupled with the slower sales rate, make it clear that the financial viability of such developments are more finely balanced than those of houses and apartments. It is for the above reasons that we suggest either a bespoke CIL rate is prepared for sheltered housing and other forms of specialist accommodation, or, that the CIL levy is restricted to the saleable areas of these forms of development.	The Council does not believe that the CIL Regulations provide for the Council to apply its CIL charges on the basis of the timing of dwellings' occupation. The Council's understanding is that any phasing of payments must relate to the commencement of construction. The Council's proposed charging rates have been developed solely on viability grounds in accordance with the regulations and strike a balance between the desirability of funding infrastructure from CIL and the potential effects of the levy upon the economic viability of development across the District. No evidence has been submitted to support this representation.
NSO/0087	Sport England		Thank you consulting Sport England on the proposed Community Infrastructure Levy Preliminary Draft Charging Schedule. As set out in the Council's consultation documentation; "The introduction of the Community Infrastructure Levy (CIL) is key to the delivery of sustainable development as it provides a means by which development contributes a share of the costs of the necessary infrastructure and facilities required to support it" Robust identification of the 'necessary infrastructure and facilities' is therefore vital in firstly developing an appropriate changing schedule and then subsequently, in making decision about the spend of monies collected through CIL. It is not clear how the proposed changing schedule has been determined but it is assumed that there has been a process of identifying outline infrastructure costs and weighting this against viability considerations. It is also assumed that the infrastructure costs have been based on the range of required infrastructure types identified in the Infrastructure Delivery Plan. However, the Delivery Plan does not appear to include any sporting infrastructure requirements. There is a section on green infrastructure but does not include formal sporting provision such as playing fields and other outdoor sports facilities that make a significant contribution to green infrastructure. The Council has a Playing Pitch Assessment (2010) and it is considered that this is a vital piece of evidence to consider when developing the charging schedule and when allocated collected monies to projects when the levy is implemented in the future. In summary, we feel that fully identifying the sporting infrastructure requirements through the existing Playing Pitch Assessment is vitally important in developing an appropriately robust charging schedule. The sporting evidence base should also be used to expand the Infrastructure Delivery Plan and to ensure that sporting infrastructure requirements are clearly set out alongside other infrastructure types. Without this there is the concern that the additional needs generated by new development for outdoor sports facilities will not be addressed through CIL which will be the main mechanism for securing developer contributions for such infrastructure in the future. Consequently, there is a concern that new development will place pressure on existing community sports facilities which the playing pitch strategy has identified are already deficient in relation to meeting current needs (e.g. pitch and changing facility quality).	The CIL charges are informed by a viability assessment and not by the cost of infrastructure. CIL monies will be spent on infrastructure that is required to deliver the planned growth in the District. This comment is general rather than a specific comment on the charging schedule and relates primarily to the future spending priorities which will be identified in the regulation 123 lists. The Infrastructure Delivery Plan details the infrastructure required to deliver the growth in the District and is informed by evidence base studies, including the Playing Pitch Assessment and infrastructure providers themselves. The Infrastructure Delivery Plan is updated on an annual basis. The Playing Pitch Assessment and the Open Space Sport & Recreation Study has informed the IDP and required infrastructure is included in the schedule.

				The CIL can only be used to pay for infrastructure required for growth and not to address any current deficit unless new development will make the deficit worse.
04328	Signature Senior Lifestyle	Gerald Eve LLP	We write to object to the Preliminary Draft Community Infrastructure Levy (CIL) Charging Schedule for Three Rivers District. It is considered that the proposed CIL charge will threaten the viability of care home development, which is required to meet an identified need for community infrastructure to meet the needs of the elderly and ageing population within the Borough. The basis for objection The Planning Act 2008 requires that any local authority issuing a draft CIL Charging Schedule for examination by an independent Inspector must issue a declaration stating that: a) that the charging authority has complied with the requirements of this CIL regulations (including b) that the charging authority has used appropriate available evidence to inform the draft charging schedule, and c) dealing with any other matter prescribed by CIL regulations. In this context the CIL Regulations require that in setting rates in a charging schedule, a charging authority must aim to strike what appears to be an appropriate balance between— a) the desirability of funding from CIL (in whole or in part) the actual and expected estimated total cost of infrastructure required to support the development of its area, taking into account other actual and expected sources of funding; and b) the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area. The Regulations also allow for charging authorities to set differential CIL rates for different zones in which development would be situated and for different intended uses of development. This gives authorities the flexibility to ensure that certain types of development and areas likely to be more sensitive to CIL charging are not rendered unviable. For the reasons set out below, it is considered the Preliminary Draft CIL Charging Schedule for Three Rivers fails to be adequately supported by appropriate available evidence and that the operation of the proposed charge is not consistent with the evidence on economic viability across the charging authority's area - as required by paragraph 211(2)(b) of the Planning Act 2008 and Regulations 14(1)(b) and 14(3) of the Community Infrastructure Levy Regulations 2010 (as amended). Care home development and local infrastructure Class C2 care homes actually constitute a 'community use', and care homes are, by their very nature, designed to meet the needs of their occupants 'on-site' with healthcare, activities and amenity space provided for residents, which include those who are frail and mobility-impaired. They do not place any requirements on education, social care, sports and leisure infrastructure. New care homes are required to provide adequate car parking for staff and visitors on-site, whilst the provision of 24 hour care requires workers to work in shifts and to be present on-site the vast majority of the day (with work off-site very limited). Unlike Class C3 sheltered accommodation, where the providing residential occupation is the primary function of the use, the essential characteristic of (Class C2) care homes is 'the provision of care'.	This is an almost identical representation made to the LB Harrow on their PDCS. Agreed. The CIL levy will not be applicable to C2 Residential Institutions and this will be made clearer in the next consultation document. However, Signature Senior Lifestyle are effectively private retirement home providers and on this basis, are categorized as C3 residential.

			The Infrastructure Delivery Plan (March 2012) identifies that the district has 'an ageing population with a higher proportion of older residents than the County average' and that '21.2% of Three Rivers residents are over 60 compared to a county average of 19.7%'. This trend is forecast to continue; with a 49% increase expected in households aged 65 and over by 20312, while the population of people aged under 50 is expected to fall. Despite this situation no infrastructure to meet the needs of the elderly is identified on the Infrastructure Delivery Schedule contained in the Infrastructure Delivery Plan. Private care homes make a considerable contribution to meeting the needs of the elderly by providing healthcare and accommodation for residents under one roof. The vast majority of residents tend to live within 5-10 minutes drivetime of existing Care Homes prior to moving in. Given that no infrastructure has been identified to by the Council to meet the needs of the ageing population in the district, private care homes will become critical to meeting the needs of ageing population within Three Rivers. It is important to recognise that private Care Homes have been determined at planning appeal (such as the appeal relating to the erection of a 64 bed care home at Plot 6a, Great North Way, York Business Park - ref: APP/C2741/A/11/2167481) to provide significant 'community benefits', just as a not-for-profit care home would provide significant community benefits. It is also important to emphasise that zero-payment at the point of delivery does not characterise community facilities, as not all community infrastructure are free to use. Indeed community facilities such as village halls charge for the use of their space, leisure centres charge for use of their facilities and libraries charge for hiring of CDs and DVDs - and so it cannot be argued that community infrastructure can be accessed by its users solely free of charge. It is considered therefore that the 'profit motive' of commercial operations is the basis for the Council determining that such activities should be liable to pay CIL and on this basis, it could be assumed that 'not-for-profit' care homes operated by charities or local authorities could be considered to be 'community infrastructure'. As the development of private care homes reduces the pressure on charities and the public sector to develop community infrastructure to meet the needs of the local population, it is considered counter-productive to impose a CIL charge on private care home developments that is likely to reduce or even stifle care home development, as this will place more demands on charities and the public sector to make up the shortfall in provision. Viability Objection is also raised to the CIL Draft Charging Schedule, as it is considered to fail to be adequately supported by appropriate available evidence and that the operation of the proposed charge is not consistent with the evidence on economic viability across the charging authority's area, as required by paragraph 211(2)(b) of the Planning Act 2008 and Regulations 14(1)(b) and 14(3) of the Community Infrastructure Levy Regulations 2010 (as amended). We have the following fundamental concerns in respect of the credibility of the viability assessments for care homes:- 1. The assessment of care home land value is excessive – exceeding the benchmark value for retail superstores and only £200,000 per hectare less than the benchmark value for high street retail 2. The build costs associated with care homes have not been correctly calculated as they fail to account for communal areas, which increasingly firm a greater proportion of built floor space.	CIL is not based on any direct link between the impact of a particular scheme on services or facilities and mitigation contributions, but rather the overall needs of the wider area and, crucially, the ability to pay in viability terms. Therefore, arguments that the impact of new student housing on requirements for new infrastructure are different to other types of residential development are not directly relevant to the consideration of a reasonable and realistic rate of the CIL to be applied. Care homes are private sector developments and do not constitute 'community infrastructure' as the respondent suggests. Unlike other community infrastructure, access is limited by the ability to pay, rather than being based on need for care. Seeking to draw a parallel between private care homes and other community facilities is disingenuous. This is a comment on the contents of the Infrastructure Delivery Plan rather than the charging schedule itself. However, it implies that the representor believes that care homes represent infrastructure. Care homes are private sector developments and do not constitute infrastructure or community facilities as the respondent suggests.

			3. The capital value is based on a yield that does not reflect comparable investment market evidence The Stage 1 viability assessment for the Council specifically identifies the approximate price per hectare paid by Signature Senior Lifestyle for sites in Hertfordshire. However, we are not aware of Signature Senior Lifestyle operating any care homes within the County at the current time. It is also unclear to us as to the basis of the prices identified as being paid by Signature - as these do not reflect our experience of land values for care home development. Gerald Eve LLP has contacted Signature Senior Lifestyle to seek to confirm these figures as being correct and Signature Senior Lifestyle has refuted the accuracy of the figures contained in the report. In our experience build costs of £1300 per sqm identified in the viability assessment are significantly less than typical build costs of £1800 per sqm, whilst and stamp duty for new private care home developments is typically 7% rather than the 4% identified. However, the issue of viability testing is more fundamental than this, as the nature of care home development is considered to necessitate a thorough assessment that more accurately reflects the true cost of developing care home schemes and the likely impact of CIL on what are typically 4,500 – 6,000 sqm developments (rather than 1700 sqm development assumed by LSH). The viability assessments do not adequately consider the specific characteristics of care home development in adequate detail to give an accurate understanding of the likely impact of CIL charging on the viability of future care home development. A number of authorities such as Oxford City have undertaken bespoke assessments of the ability for care home developments to pay CIL in order to gain a more thorough understanding of the true implications of CIL charging. In Oxford, a £20 per sqm CIL charge is proposed, which is substantially less than the £100 psqm charge proposed to be applied to residential development within Oxford. Whilst the actual figures will inevitably differ between locations, the fundamental relationship between residential and care homes land uses must logically be the same and on this basis we would expect Care Home CIL liability if correctly analysed to be an absolute maximum of 20% of the CIL rate for residential development. Recommendation In the event that a charge is applied to Class C2 uses, given the substantial community benefits of private care homes, it is considered that sufficient flexibility be provided so that Class C2 uses which have highly dependent users and offer a substantial level of care and community benefits are not subject to a CIL charge. It is important that new care homes are developed to help meet the needs of the ageing population. As part of this approach private care home developers have a critical role to play in the delivery of care homes. The majority of authorities in the South East being monitored by Gerald Eve LLP recognise that zero or reduced CIL rates for care homes should be imposed to avoid discouraging private care home providers from investing in the area and consequently placing additional demands on charities and the public sector to make up the shortfall in the form on additional community infrastructure. In light of the above considerations it is considered that a detailed viability assessment should be completed to more thoroughly test the ability of Class C2 Care Home to accommodate the proposed £120 psqm CIL charge without being rendered unviable. It is a bitter irony that as it stands, the charge proposed to introduced to deliver community infrastructure in Three Rivers is likely to drive away private care home operators and thus deprive some of the most vulnerable members of the community from access to the accommodation and care they need.	No evidence has been provided by the respondent to support their assertation that the proposed level of CIL would render care home unviable. The Council is familiar with how care homes operate and the requirement for 24 hour care to be provided. However, the Council is also aware that such facilities are operated on a purely commercial basis, with the levels of charges to residents generating a high level of profit for the operator. This is evidenced by the very high land values generated by private care homes. If specialist forms of accommodation for older people can be demonstrated to be social housing they will be eligible for relief from CIL. However, the Council understands that the form of housing provided by the respondent is not social housing (except for any affordable housing element which may be negotiated). Although it may share some of the characteristics of C2 Residential Institutions, for which the Council proposes to apply a £0m2 CIL rate, the Council also understands that the form of housing provided by the respondent cannot be categorised as 'C2' because the level of care provided does not generally match the level of care provided in a residential institution. Also, because it is owner-occupied, it is by definition not a residential institution (the occupants of C2 classified care homes, hospitals, and nursing homes do not ordinarily own the part of the residential institution in which they reside). The Council considers the form of housing provided by the respondent to be most akin to open market housing, albeit aimed specifically at older people.

NSO/0029	The Theatres Trust		Theatres are sui generis due to the unique nature of their use, access requirements, and construction. They make a positive contribution to the provision of cultural infrastructure in an area and their development makes a positive net contribution to that area's infrastructure. Theatre uses are generally unable to bear the cost of CIL for viability reasons. The Theatres Trust recommends either the setting of a nil rate, the application of charitable or discretionary reliefs, applying D1/D2 rates where differential rates are proposed, or recycling the charge to the theatre development where a single rate is proposed. In any event, your charging schedule should include all building types (or Use Class), also showing those that are zero rated.	The Preliminary Draft Charging Schedule sets out the types of development that will be liable to pay CIL.
04326	Asda		We act for Asda Stores Limited ("Asda") and are writing on behalf of Asda to make representations in respect of the Three Rivers District Council's (the "Council") Preliminary Draft Charging Schedule (the "Charging Schedule"). Under Regulation 14 of the Community Infrastructure Levy Regulations 2010 ("CIL Regulations") the Council's primary duty when setting the level of Community Infrastructure Levy ("CIL") charge is to strike an appropriate balance between the desirability of funding the cost of infrastructure required to support development from CIL and its potential effects on the economic viability of development. In our view, the approach taken to assessing the Charging Schedule does not achieve an appropriate balance between these two objectives. We wish fundamentally to object to the approach taken to assessing the Charging Schedule, and to the disproportionate loading of CIL upon retail and residential development, on the following grounds: 1. The impact on policies promoting economic growth and employment opportunities; 2. The financial assumptions and viability assessments contained in the Council's Viability profiling document; and 3. Concerns about the Council's approach to setting CIL charges generally. 1. Impact on policies promoting economic growth and employment opportunities One of the priorities of the Council's Core Strategy (October 2011) is to "reduce inequalities" throughout the borough by facilitating the "the provision of services, shops and infrastructure to meet the needs of existing development and new development" (Priority 2). We believe that the proposed CIL charges will not allow the Council to achieve this aim. We won't repeat the Core Strategy's objectives that relate to our representations on the Community Infrastructure Levy as they are set out in chapter three. However, Policies PSP1, PSP2 and all envisage some levels of retail growth within the plan period and it is our view that if the charges set out in the Charging Schedule are adopted there will inevitably be several consequences across the District that will put the Council's ability to deliver these policies objectives at risk. For example: a) all other forms of development will receive a massive subsidy at the expense of retail and residential development; and b) there will be a corresponding disincentive (and market distortion accordingly) to investment in	Regulation 14 states that in setting rates the charging authority should strike what appears to the charging authority to be an appropriate balance between a) the desirability of funding from CIL and b) the potential effects on the economic viability of development across its area. It is considered that the District Council, as the charging authority, has struck a balance between economic viability and the desire to fund infrastructure through CIL. In proposing CIL charges the District Council has taken into account the economic viability of development including convenience retailing. Economic viability is the only basis on which the District Council can consider setting CIL charges. Whilst it is appreciated that any charges set should not push the margins of viability, deliberately lowering charges or setting zero rates to encourage certain types of development could be tantamount to State aid. As such the District Council has proposed what it considers to be appropriate charges based on economic viability within Three Rivers.

			this sector of the economy. The Government is keen to encourage the creation of additional employment across the economy and the retail sector is one of the largest employers and the largest creator of new jobs at the present time as well as being one of the most dynamic and innovative sectors within the UK economy. Asda example 1 ASDA has a proven track record of investing in local communities and of creating jobs within these areas. For example, of the 123 colleagues recruited for the ASDA store in Tunbridge Wells, 76 colleagues live within 5 miles of the store and 87 colleagues were previously unemployed. The supporting papers do not acknowledge this trend nor do they fully assess the role of retail within the national economy. They simply assert that large format retail continues to be one of the best performing sectors in the UK and this implies that operators within it have the capacity to pay potentially very large sums of CIL. Any CIL Schedule that imposes a CIL charge only on retail would effectively undermine the retail function of local centres by detracting from their viability and vitality as large retail developers would be discouraged by the imposition of CIL. Asda example 2 Asda stores regularly rejuvenate and regenerate existing centres, and the surrounding areas, and draw new shoppers to them, which benefits the existing retailers, and those who open stores in Asda-anchored centres in their wake. For example in 2006, Asda opened a store in Romford, transforming a derelict brownfield site through an extension of an existing retail mall and creating 347 jobs. This helped to propel Romford into the top 50 UK retailing cities. Indeed, due to the success of the store in attracting more footfall to that part of the town's Primary Shopping Area, the local authority redrew the town centre boundary to include the edge of centre Asda store into the heart of the Romford town centre. 2. The financial assumptions and viability assessments contained in the Council's viability reports The viability reports appear to contain retail development assumptions that in our view are inadequate as they do not make sufficient allowance for: 1. Section 106 and s.278 contributions which will need to be paid by developers of commercial schemes in addition to the CIL payments; and 2. The costs involved in obtaining planning permission for a development scheme. Paragraph 5.31 of the Stage 1 Viability Report only looks at residual s.106 contributions for residential schemes. The Stage 2 Viability Report does not produce any additional evidence or analysis for commercial developments. The fact that commercial developments, and in particular convenience retail developments, will also have to carry residual s.106 and s.278 payments (which are frequently in excess of those borne by comparable residential schemes), appears to have been entirely overlooked in both the Stage 1 and Stage 2 Reports. The Viability Reports also do not take into account any planning costs within the development assumptions for commercial developments. By excluding the potentially large s.106 costs, s.278 costs and costs of obtaining planning permission (examples of which are set out at Schedule 1 to this letter), the Council has underestimated the true cost of retail developments and artificially inflated the relevant benchmark land values used for the financial viability models. This will, in turn, have inflated the amount of CIL proposed for retail developments.	In terms of costs involved with obtaining planning permission the Stage 1 viability assessment cost assumption accounts for additional costs including planning application fees.

			DCLG now requires (from 14 December 2012) local authorities to produce evidence of the amount of revenue raised by Section 106 contributions in their area – including whether affordable housing and other targets have been met. The proposed CIL levies for any individual sector can then be assessed against the contributions previously received, minus any contributions that developers would still have to pay notwithstanding any CIL payments, to see if they are realistic. The evidence put forward by the Council only contains s.106 information for residential schemes. Again the comparative information for commercial development has been omitted. It is difficult to see how the Council can be certain that the proposed CIL levy for retail, hotel and care home developments is realistic without having obtained this evidence. 3. Concerns about the Council's approach to setting CIL charges generally The stated purpose of CIL is to raise revenue for infrastructure necessary to serve development. CIL is intended to address the imbalance of raising funds for infrastructure under the Section 106 route where larger schemes have effectively subsidised minor developments. However, CIL does not replace the Section 106 revenue stream – it will simply provide additional revenue for infrastructure. In light of this, we have some further concerns: Concerns relating to change of use and conversion projects Although the Council has taken the economics of regeneration projects into account to some extent when conducting its viability assessments it does not appear to have given much weight to this consideration. As you will be aware Regulation 40 of the CIL Regulations only permits developers to deduct pre-existing floorspace from the CIL calculation if it is "in lawful use." Lawful use is defined in Regulation 40 (10) and essentially requires part of a building to have been in use for a six month continuous period in the twelve months before the date of the planning permission permitting the development. However, many regeneration projects on brownfield land or town centres involve demolishing, converting or redeveloping buildings that have lain vacant for some time. This is particularly true of schemes which involve changes of use from employment land, where the fact that a unit has been vacant for a considerable time is often a key factor in the Council's decision to grant planning permission for the scheme. The Viability Reports do not acknowledge that the economics of conversion schemes are very different to those of new build schemes. It is difficult to see how the Council can assess whether the imposition of CIL will put the majority of these schemes at risk without having considered its impact on their viability. Concerns on CIL payments and the infrastructure requirements The Council's Infrastructure Delivery Plan does not appear to calculate the actual amount of the funding gap that its CIL receipts are intended to meet (or at least contribute too). As you are aware, Reg 14(1) of the Community Infrastructure Regulations (as amended) states that: (1) … a charging authority must aim to strike what appears to the charging authority to be an appropriate balance between—	This is a requirement at the examination stage and not for the PDCS consultation This is not correct. CIL will be used to collect monies for infrastructure and Section 106 agreements will be used for site specific mitigation measures and Affordable Housing contributions. Section 106 agreements can not be used to collect monies for infrastructure that can be collected by CIL. Indeed, the Infrastructure Delivery Plan does not calculate the funding gap that its CIL receipts are intended to meet, as this is not the purpose of the Infrastructure Delivery Plan. It does, however, detail the additional infrastructure that is required to support the planned increase in new homes and jobs, and the projected growth within the District up to 2026 in line with the Local Plan. In fact, the Infrastructure Delivery Schedule, included in the Infrastructure Delivery Plan, provides an analysis of the nature of future provision

			(a) the desirability of funding from CIL (in whole or in part) the actual and expected estimated total cost of infrastructure required to support the development of its area, taking into account other actual and expected sources of funding; and (b) the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area. The Council's Infrastructure Delivery Plan does not contain details of the actual or estimated cost of infrastructure provided to support the local plan. Nor, indeed, does it suggest that additional infrastructure is actually required to support the level of development set out in its Core Strategy. On Page 4 of the Plan, it states that "There are no elements of the infrastructure framework within the District that would be considered as so essential that will prevent the development outlined in the Core Strategy from occurring". It is difficult to see how the Council can conclude that it is necessary to charge CIL at all, when its infrastructure delivery plan does not state that the Council a) has a infrastructure funding gap that needs to be met or b) that additional infrastructure is necessary to support the development objectives of the Core Strategy.	and, where known, where it will be provided, when it will be provided, how it will be funded and who will be responsible for the delivery. It is true that the document states that 'There are no elements of the infrastructure framework within the District that would be considered as so essential that will prevent the development outlined in the Core Strategy from occurring', but the very next sentence states 'However, that does not mean that there are no gaps in infrastructure that will need to be addressed in order to meet the long-term needs of the District'.
			Further, the Preliminary Draft Charging Schedule, as drawn, does not make the connection between the CIL charges proposed and the infrastructure requirements of the particular developments upon which they are being levied. By way of example, using the CIL figures proposed in the Charging Schedule (£120.00 per square metre) the proposed charge would add £480,000 to the cost of a generic 4,000 square metre supermarket development. There is no evidence that this is necessarily the appropriate figure in terms of the related infrastructure costs that a retail development should be expected to carry but rather it appears to be a high level calculation based on the sector's assumed ability to pay.	As the regulations clearly state, the levy is based on viability evidence and not linked to the amount of infrastructure costs that are related to a particular development.
			We accept that some superstores may individually necessitate the provision of specific local infrastructure but it could be argued that given the proliferation of modern supermarkets infrastructure requirements have reduced. For example, it is frequently the case that journey times fall as new supermarkets are opened. The inevitable consequence of this is that most existing infrastructure is used less, not more, as a result of such developments. There is a concern that as local authorities will still seek site-specific commitments under the Section 106 regime as well as CIL that the two charges together represent an unreasonable double levy for infrastructure which is seemingly being placed onto a very limited category of development.	The Council will continue to use planning obligations under a Section 106 Agreements to deliver site specific mitigation and for the delivery of affordable housing. The regulations are quite clear that Section 106 may not provide for the funding or provision of infrastructure that can be paid for by CIL. As the regulations clearly state, the levy is based on viability evidence and not linked to the amount of infrastructure costs that are related to a particular development.
			There is also a risk that some of the infrastructure projects identified by the Council to be funded by CIL will already have been funded by undelivered projects funded by existing Section 106 commitments. At present, Section 106 contributions paid to a council are repaid to the developer if the infrastructure has not been delivered within a certain period of time. These delivery periods are long, usually between five and ten years, and the onus is on the developer to check that the council has carried out the works and to request a refund if not. As you will be aware, there is no similar mechanism to allow developers to reclaim unspent CIL contributions.	Unclear as to what representor is stating. No, there is not a similar mechanism for unspent CIL contributions to be returned to the developer.
			ASDA's SUGGESTIONS 1. Exceptional circumstances relief	
			The Council has not indicated whether it intends to implement exceptional circumstances relief. We urge the Council do so. The viability of any particular development scheme is finely balanced and will fluctuate depending on the costs involved in the development and the state of the economy when the development comes forward. By adopting exceptional circumstances relief the Council will have the flexibility to	The Council will not be introducing exceptional circumstances relief.

			allow strategic or desirable, but unprofitable, development schemes to come forward by exempting them from the CIL charge or reducing it in certain circumstances. Simply exempting schemes from certain Section 106 obligations is unlikely to be sufficient to counteract the negative impact of the CIL charge, particularly as not all schemes (in particular retail developments) would attract an affordable housing requirement which could be waived. Further, the types of strategic development which are most likely to be of concern to the Council, such as large regeneration or housing schemes, are precisely the types of development which are likely to carry heavy site specific infrastructure costs, which will be funded under Section 106, and are most likely to qualify for exceptional circumstances relief. We therefore urge the Council to adopt it.	
			2. Instalment Policy	
			We also note from the Preliminary Draft Charging Schedule that the Council does intend to adopt an instalment policy.	The instalment policy provides assistance to developers by allowing staged payments of the levy in certain circumstances.
			Many major development projects are implemented in phases and by adopting an instalment policy this should ensure that developers are not disadvantaged by submitting an application for full, rather than outline, planning permission. We therefore also urge the Council to adopt an instalment policy which ensures that developers are not disadvantaged by the decision to submit a full planning application for a phased development scheme.	
			3. Flat Rate Levy	
			A much fairer solution, accepting for the purpose of this argument the premise that CIL is necessary for the purpose of funding district-wide infrastructure, would be to divide the Council's estimate of total infrastructure costs over the charging period (and in this connection, it is important to remember that the Government's guidance as recorded in the National Planning Policy Framework is that only deliverable infrastructure should be included) by the total expected development floorspace and apply a flat rate levy across the Borough and across all forms of development. That will have the least possible adverse effect upon the market for land and for development, and yet the greatest possible opportunity for the economy to prosper and thrive and for jobs to be created.	CIL charges must be based on evidence of viability and differential rates are acceptable within the CIL Regulations. Charging a flat fee across the Borough and across all types of development does not take into account the variability in viability across different development sectors and areas of the Borough. Further, calculating CIL charges based on cost of infrastructure divided by floorspace would not be in accordance with the CIL Regulations.
			The potential impact of a flat rate levy on the viability of those types of development which are not currently identified as viable could be balanced by the Council’s implementation of exceptional circumstances relief, as mentioned above.	The Council will not be implementing exceptional circumstances relief.
			It should be noted that within the Borough over the planned period there is likely to be a limited number of retail developments, as there is limited availability of suitable sites. Consequently, reducing the levy proposed per square metre on this floor space would not result in a proportionate increase in the levy required on other forms of commercial or other development. However, applying the current proposed levy could run the risk of diminishing substantially the number of stores built, with a consequential loss of employment opportunities and investment in town and local centres.	Indeed there is likely to be limited number of retail developments in the District, not only because of a lack of suitable sites but because there is little evidence to suggest that they are needed. As stated previously, the Council’s proposed charging rates have been developed solely on viability grounds in accordance with the regulations and strike a balance between the desirability of funding infrastructure from CIL and the potential effects of the levy upon the economic viability of development across the District. There has been no evidence submitted to support that the proposed CIL rate of £120psm should be lowered.
			CONCLUSION	
			For these reasons, we would ask that the Council undertakes a rethink of its position and substantially alters its Charging Schedule in so far as it relates to large retail development. Accordingly, we would request that the Council:	

			• Revisits its viability evidence, to ensure it takes account of planning costs and residual s.106 and s.278 payments for commercial developments;	The Council is satisfied that the viability assessments are adequate. There has been no evidence submitted to support the assumption that they are not.
			• Adopts the exceptional circumstances relief exemptions allowed for under the CIL Regulations;	The Council will not be adopting an exemption policy.
			• Produces a draft staged payments policy (for all types of development) that ensures that developers are not disadvantaged by submitting an application for full, rather than outline, planning permission;	The Council will be introducing an instalment policy as detailed in the Preliminary Draft Charging Schedule to assist developers.
			• Adopts a single flat rate levy across all development within its boundaries; and/or	This point is based on the suggestion that the cost of infrastructure should be added up and divided by all types of development to give a flat rate. This approach would not be in line with the regulations.
			• In the alternative, reduces the CIL charge for retail developments across the borough so that they are in line with the rates proposed for other commercial developments.	There are no rates proposed for other commercial developments. Rates have been set at levels which are considered to strike a balance between the desirability of funding infrastructure from CIL and the potential effects of the levy upon the economic viability of development across the District.
00658	Thrive Homes		I would like to make the following comments on the draft charging schedule for the CIL:-	
			· It is good to see that charities delivering their charitable purpose and affordable housing development will be exempt from CIL. This is particularly important as it is very difficult to make affordable housing schemes financial viable in Three Rivers due to high land prices and high levels of demand and competition from the private sector due to high house prices that can be achieved in this area.	Noted.
			· I would like to know more about how TRDC will work with HCC on the use of any CIL proceeds to prioritise spend on infrastructure that is required. Will the CIL collected by TRDC only be spent in the local area or will this be used more strategically across Hertfordshire?	The Council is working with Hertfordshire County Council on infrastructure priorities.
			· How will CIL proceed be combined with any New Homes Bonus that the council receives to ensure that additional funding is appropriately prioritised on infrastructure or local requirements?	This comment relates to the spending of CIL monies.
NSO/0084	Ralph Trustees		On behalf of our client Ralph Trustees Limited (RTL), who operate The Grove Hotel, we comment below on the Community Infrastructure Levy (CIL) Preliminary Charging Schedule, currently out to consultation until 15 February 2013. Our client's comments relate primarily to the consultation document's proposed rate of CIL of £120 per sq.m for hotel development. Our comments draw on: the CIL Regulations 2010 (as amended November 2012); CLG's statutory guidance on CIL (on charge setting and charging procedures); and the CLG information document on CIL relief. As a general point, the wider economic contribution of hotels, in particular The Grove, to Three Rivers business and visitor economy should not be underestimated as these hotels contribute significantly in terms of jobs and generating business for local suppliers. The future viability of all existing hotels that need to expand, or the provision of new hotels therefore must not be undermined by a rate of CIL that renders such development unlikely to unable to proceed on viability grounds. RTL is concerned that in the case of the Three Rivers proposed CIL rates for hotels, it is at a sufficiently high level so as to deter development in this way. Methodology to setting CIL charges	Comments noted. The Council's proposed charging rates have been developed solely on viability grounds in accordance with the regulations and strike a balance between the desirability of funding

			One of the fundamental issues with regard to imposing charges under CIL, or entering into planning obligations, is the legitimacy of the charges/obligations sought and the subsequent impact that they can have on the viability of development. In setting the rates, the CIL Regulations as amended (Regulation 14) states that: "…a charging authority must aim to strike what appears to the charging authority to be an appropriate balance between: a) the desirability of funding from CIL (in whole or part) the actual and expected estimated total cost of infrastructure required to support the development of its area, taking into account actual and expected sources of funding; and b) the potential effects (taken as a whole) of the imposition of CIL on economic viability of development across its area" RTL is concerned that in setting the draft rates for Three Rivers, this requirement (specifically part b) has not been fully met, for the reasons given below. This conclusion is based on examining: Community Infrastructure Levy: Stage 2 Economic Viability Assessment prepared for 8 Hertfordshire Authorities (December 2012 – Lambeth Smith Hampton) Community Infrastructure Levy: Stage 2 Economic Viability Assessment prepared for by Three Rivers (December 2012 – Lambeth Smith Hampton) The viability studies indicate that hotel development could absorb a maximum CIL rate of £145 per sq.m. However, to tie in with the charging schedule levels and in order to avoid a new rate being set, Lambeth Smith Hampton suggest for Three Rivers that it is lowered to £120 per sq m (Stage 2 Economic Viability Assessment, para 7.15). Whilst Ralph Trustees Limited notes the principles used by the Lambeth Smith Hampton in the preparation of the Viability Studies, RTL has significant concerns on the scope and limited level of analysis and the testing that was carried out in setting the rate for hotel development. RTL notes that a variety of hotel operations exist within the Borough and the ability to pay CIL will vary considerably according to their type, quality, size and location. It is not evident from our review of the Lambert Smith Hampton work that the consultants have taken account of all the key factors affecting the viability of hotel development, including and in particular: • Occupancy levels • Seasonality • Location (there will be distinct variations between, for example, town centre hotels and rural hotels) • Increased build costs and running costs for hotels which offer a high level of facilities e.g. those in historic buildings (which, in turn, means that build costs are greater and consequently developers face a higher cost of borrowing to finance new development). RTL also notes that Dacorum Borough Council, which is a Hertfordshire County Council authority, has chosen to charge zero for hotel development. BNP Paribas Real Estate who undertook the Stage 2 Assessment for Dacorum concluded that:	infrastructure from CIL and the potential effects of the levy upon the economic viability of development across the District.
			"At current values Hotel developments are identified as not being able to generate a surplusand as such we would recommend that the Council sets a nil rate for Hotel use" Executive Summary, CIL Viability Dacorum CIL Viability Study, BNP Paribas Real Estate, Dec 2012 Whilst we accept that each of the Hertfordshire Authority are different, they do however operate under similar market conditions and therefore such a vast difference is very surprising and illustrates our concerns regarding the robustness of the analysis undertaken and the level set. At a national level based on the all CIL charging schedules published to date (draft and adopted),Three Rivers hotel rate is joint 6th highest in the country level with London authorities ranking 1-5. The M25 Hertfordshire/Three Rivers hotel market is however very different to the central and inner London market. It is more fragile and therefore would not expect the rates to in any way comparable to that charged in London. This again raises significant questions regarding the £120 per sq m proposed. Conclusions	The proposed CIL rates are based on viability evidence and cannot be based on what other authorities propose to charge as viability evidence varies from area to area. No evidence has been provided to show that £120sqm will render all hotel development unviable.

			As currently proposed, the CIL rate for hotel development is proposed at a rate which is likely to render much hotel development across the Three Rivers to be uneconomic, and is inconsistent with the rates proposed to be charged in similar market locations. The CIL rate proposed for hotels is not adequately justified nor is it sufficiently sensitive to take into account the range in viability of such development, relating to the type, quality and location of visitor accommodation in Three Rivers. RTL considers that hotel development should be included within the category of 'other non residential' that are already proposed to be zero-rated, so as not to deter hotel development, either new build or extensions, in Three Rivers District. We trust that these comments will be taken into account and used in finalising the draft CIL Charging Schedule which is to be published for consultation later in the year. Please do not hesitate to contact Steven Butterworth or me, if you have any queries in regard to these representations. We would also be grateful if you could advise us of each stage of the Charging Schedule's progress and any future opportunity to comment on its proposed content and any related comments.	
NSO/0039	The Welcome Trust	Bidwells	1 Introduction 1.1 These representations have been prepared by Bidwells on the behalf of The Wellcome Trust Limited ("the Trust"). The Trust is an independent charity funding research to improve human and animal health and in its pursuit of this it is also a significant landowner in the district. 1.2 The Trust does not object to the concept of CIL, however, we have identified a number of concerns in the ensuing representations which have the potential to compromise the delivery of new development. It is extremely important to ensure that the proposed charging schedule is sufficiently robust to ensure that the levy will not inhibit the viability of appropriate development schemes. 1.3 Our representations take into account both the CIL Regulations 2010 and the CIL Amendment Regulations 2011 and 2012. 2 General Comments Infrastructure Requirements 2.1 Paragraph 12 of the CIL Guidance 2012 requires the charging authority to identify the total cost of infrastructure that it desires to fund in whole or in part from the levy. In order to do this, the charging authority must consider what additional infrastructure is needed in its area to support development and what other funding sources are available. Paragraph 14 confirms that this process should identify a Community Infrastructure Levy infrastructure funding target. 2.2 The supporting documentation published with the Draft Charging Schedule includes the Three Rivers Infrastructure Delivery Plan 2012 (IDP). Although the IDP does, to an extent, identify existing infrastructure deficiencies and provides an infrastructure delivery schedule, the document does not clearly establish which of these projects are intended to be funded by CIL, S106 or other sources. Where dual funding is identified, there is no indication as to how this will be divided between different sources. In many cases the IDP does not even quantify the funding needed to deliver a specific project, noting that it is either not identified or to be confirmed. 2.3 Accordingly the IDP does not provide a CIL infrastructure funding target, as required by paragraph 14 of the Guidance. It is therefore not possible to assess whether the levy proposed by the Draft Charging Schedule is commensurate to the infrastructure requirements of the district. New Homes Bonus 2.4 The approach does not acknowledge the importance of the New Homes Bonus which is intended to sit alongside the planning system to help deliver the vision and objective of the community and the spatial strategy for the area. The Bonus is intended to assist with issues such as service provision and infrastructure delivery and therefore may be used to off-set CIL. Evidence from S106 Agreements 2.5 Para 22 of the CIL Guidance 2012 requires that the charging authority prepares and provides information about the amount raised in recent years through S106 agreements. This would presumably assist in establishing the likely S106 contributions to emerge from development in the future, having regard to impact of CIL. The Stage 1 Viability Assessment, prepared by LSH,	These comments mainly relate to the evidence that has to be demonstrated at a later stage in the preparation of CIL not at the Preliminary Draft Charging Schedule consultation stage. Indeed, the Infrastructure Delivery Plan does not calculate the funding gap that its CIL receipts are intended to meet, as this is ***not*** the purpose of the Infrastructure Delivery Plan. It does, however, detail the additional infrastructure that is required to support the planned increase in new homes and jobs, and the projected growth within the District up to 2026 in line with the Local Plan. In fact, the Infrastructure Delivery Schedule, included in the Infrastructure Delivery Plan, provides an analysis of the nature of future provision and, where known, where it will be provided, when it will be provided, how it will be funded and who will be responsible for the delivery. The Council will demonstrate the funding gap at the appropriate stage of development of the CIL Charging Schedule. The guidance requires this to be demonstrated at the examination of the CIL not in the Preliminary Draft Charging Schedule.

			confirms that from 2014 onwards the level of S106 contribution anticipated from new residential development in Three Rivers is £1000 per unit. No evidence is however provided to justify this figure. 2.6 It is important that the level of S106 contributions anticipated from new sites is correctly and accurately pitched in order to ensure that these costs may be off-set against CIL. It is therefore reasonable to expect the evidence base supporting the Draft Charging Schedule to include an assessment of historic S106 receipts. Affordable Housing Mandatory Relief	
			2.7 The Draft Charging Schedule at para 2.6 confirms that affordable housing will be entitled to relief from CIL. The document does not clarify the extent of relief which will be afforded to qualifying proposals. It is however assumed that this will be calculated in accordance with the qualifying amount established by Regulation 50 of the CIL Amendments 2012.	The document is quite clear and states that affordable housing will receive mandatory relief from CIL. In other words no CIL will be levied on affordable housing.
			2.8 Nonetheless, in this case, it is considered entirely appropriate to apply a nil levy to affordable housing. In the past 5 years, only 16.4% of completions in the district have been affordable housing. This is significantly below the level required by the adopted Three River Core Strategy (45%) and the figure imposed by the now abolished RSS (35%). It is difficult to see how the imposition of an additional levy on the delivery of affordable housing will stimulate supply. A nil charge is therefore strongly recommended in order to make the provision of affordable housing within new development more attractive, particularly in climate which no longer benefits from grant funding.	Support noted.
			Discretionary Relief 2.9 It is noted that the Draft Charging Schedule does not make provision of discretionary relief if a levy would have an unacceptable impact on the economic viability of a particular development due to high levels of S106 contributions. It is considered that, in accordance with CIL Regulations 55 to 58, discretionary relief is provided where a planning obligation has been entered into for a sum greater than the chargeable CIL amount. It is recognised that a viability assessment would be needed in such cases.	The Council will not be introducing a discretionary relief.
			Phasing of payments 2.10 The inclusion of a provision to allow for the phased payment of CIL is welcomed and the proposed trigger points (para 3.2, Draft Charging Schedule) are considered to be broadly appropriate. It is however unclear what evidence has been used to establish the threshold of £35,000. The viability work undertaken by LSH does not appear to consider this issue. Clarification is therefore requested as to the origin of the £35,000 threshold.	Support of the instalment policy noted. £35,000 is considered reasonable by the Council but will be reviewed to take account of recovering market conditions. An instalment policy can be introduced by the Council at its discretion and there are no set amounts provided in any guidance.
			Density 2.11 It is noted that the viability work undertaken by LSH applies a range of residential densities depending on type and status of a particular site. These density ranges are not however consistent with the assumed density applied to sites proposed for allocation within the Three Rivers Site Allocations DPD, many of which fall below the figure applied by LSH (including: Land adjacent to 65 Toms Lane (20dph), Three Acres (18dph), Killingdown Farm (18dph), Branksome Lodge (10dph) and South of Tolpits Lane (8dph)). It is important that the density assumptions used in order to test viability are consistent with those within the emerging Site Allocations DPD so as to provide a realistic representation of the revenue achievable. There is no reason why the LSH calculator should not be applied to sites which are proposed for allocation so as to provide a realistic picture of development viability.	The Stage 2 Viability did look at the proposed sites and densities across the District. These are set out on page 5 of the report in paragraph g. The regulations do not require us to look at individual sites. The Council's proposed charging rates have been developed solely on viability grounds in accordance with the regulations and strike a balance between the desirability of funding infrastructure from CIL and the potential effects of the levy upon the economic viability of development across the District.
			Developer Profit 2.12 The LHS Viability Assessment assumes a Developers Profit margin of up to 17% on GDV. Most developers and house builders will only undertake development where they can demonstrate a Profit on GDV of at least 20% at the outset and many banks and funders are insisting on 25% Profit on GDV in the current economic climate. LSH accept this to be the case, particularly in the current economic climate, but nonetheless adopt a lesser profit margin for the purposes of the assessment (Stage 2 Assessment. Para 5.3-5.4). It is considered that the applied profit margin should be increased to at least 20% on GDV.	The viability assessment considered the impact of risk on the profit assumptions and concluded that a private return of 17% was a reasonable assumption to apply on the assumption that economic markets fluctuate and that Hertfordshire is seeing house prices return to those similar to that of 2007 and that significant allowances have been made in other development costs assumptions to ensure that a net return of 17% on GDV (20% on cost) remains reasonable. There has been no evidence submitted to support this comment.
			Land Value Benchmark 2.13 The Stage 1 Economic Viability Assessment sets land value benchmarks which take account	

			of variations in site type and status. As a result, different benchmark values are quite rightly provided at Appendix 3 of the Assessment which acknowledge variances between greenfield and brownfield land. This approach is however not taken forward to the Stage 2 Viability Assessment. Indeed the Land Value Benchmarks identified at paragraph 5.20 of the Stage 2 document apply a flat rate to all land. It is considered appropriate to return to the approach adopted by the Stage 1 Assessment. Failure to do so will raise serious questions of the robustness of the LSH model. Abnormal Costs 2.14 The viability summary sheets provided at Appendix 2 of the Stage 2 Assessment include an allowance of 1.5% for externals and abnormal costs. It is not clear whether this figure encompasses the cost associated with site clearance and remediation. The majority of sites proposed for allocation within the Three Rivers Site Allocations DPD are previously developed, indeed broad areas for growth such as the Kings Langley Employment Area continue to be occupied by a variety of commercial operations. It is likely that in order for sites of this nature to be redeveloped for residential purposes, significant site remediation costs will be incurred. Clarification is requested as to whether the methodology used by LSH makes appropriate provision for the cost associated with site clearance and remediation. 3 Conclusions 3.1 It is acknowledged that the Draft Charging schedule is at an early stage of preparation, however the above comments raise a number of issues which require further consideration / clarification before the Schedule is progressed to the next stage. 3.2 We have not at this stage tested the work undertaken by LSH against our own development appraisal methodology. This is because it is envisaged that some changes will be made to the Charging Schedule prior to the next consultation. Nonetheless, it is our intention to undertake appropriate technical testing in due course.	Paragraph 5.20 states: We recognise that residential land values are directly impacted by geography, therefore rather than applying a single land value across the authority the land value benchmarks were adjusted to reflect market variation. The proposed land value benchmarks are built upon data collected as part of the Stage 1 assessment. However, where appropriate, they have been adjusted to take account of sale values reflecting geographical distribution in the authority.' The Stage 2 Study includes an allowance of 15% for externals and abnormal costs and not 1.5% as stated which include any abnormal costs such as site clearance and remediation. Noted.