

1. Do you feel that the proposed rates are suitably informed by the viability evidence provided in the Local Plan and Community Infrastructure Levy Viability Study (August 2013) and Viability Study Post Consultation Update (November 2013) produced by HDH Planning & Development?	Yes	<input type="checkbox"/>
	No	✓ <input type="checkbox"/>

[Click here to enter text.](#)

**The proposed rates have not been demonstrated to be suitably informed by the viability evidence (August 2013/ November 2013).**

On review, the viability evidence provided by the Council does not appear to demonstrate the impact of CIL on any tested scheme. The studies show whether the tested models site, based on a set of assumptions (including other planning policies) are viable against a chosen land value benchmark; but the study fails to show the impact of the proposed CIL in the charging schedule has upon the model. Clearly the potential to support a CIL will vary between modelled sites, but this does not appear to be evidenced.

**The study appears to make a leap in the evidence between what is a viable scheme and that £70 per sqm is the maximum CIL which can be supported in all cases.** To ensure that the CIL evidence is robust, this evidence should be shared publically before a CIL Examination public takes place to enable comment to be provided.

Furthermore, it is notable that whilst the residual value varies across the Authority, reflecting market fluctuations, the chosen land value benchmark does not vary across the Authority. It seems reasonable to conclude that like sales values, that the land value benchmark should vary across the Authority to reflect market differences. Further explanation is therefore required to explain why market fluctuations in residential sales values and affordable rents have been included, but this approach has not similarly been applied to the land value benchmark.

Without this evidence it is impossible to conclude if the proposed rates are suitably informed from the viability study.

**2. Do you believe the evidence on viability is correct?  
If not, please set out alternative evidence to support your view.**

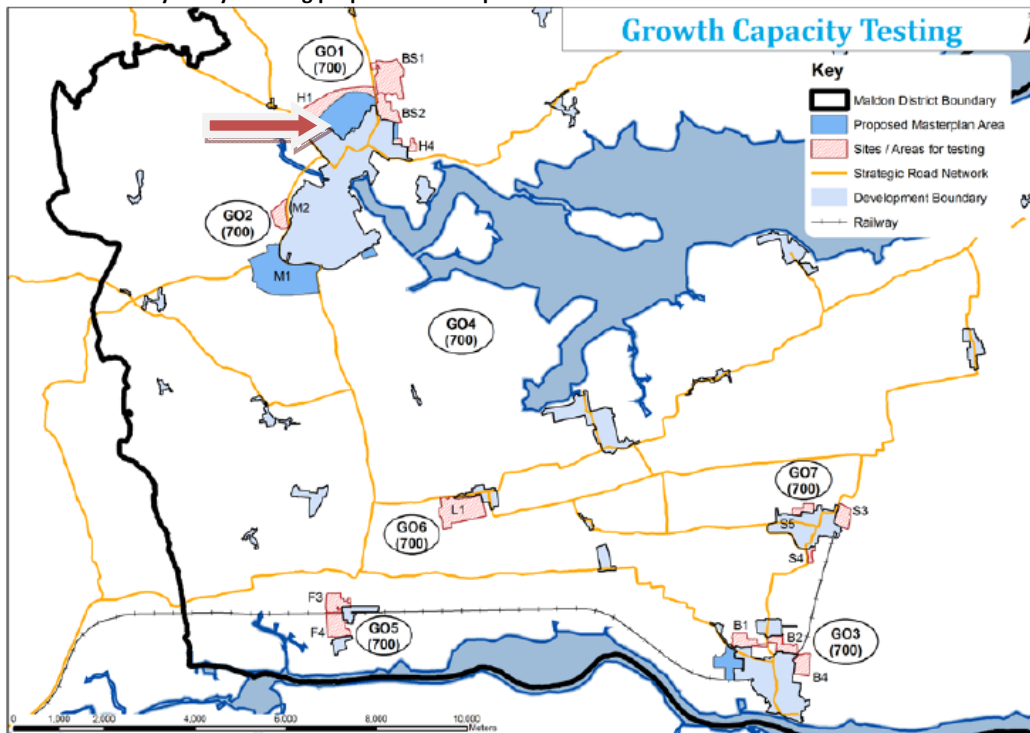
Yes   
No

[Click here to enter text.](#)

In addition to concerns as to whether the CIL evidence robustly demonstrates that the proposed maximum CIL values are reasonable in all cases, there appear to be some specific errors in the modelling in regards to the Heybridge Masterplan area.

The Viability study (August 2013) makes specific reference to the Heybridge proposed masterplan area which appears to be marked blue on figure 1.1, page 8 of the Viability study (August 2013). However, there appears to be confusion between the Draft Proposals Map and the Viability Study in regards to this area. The below plan is an extract from the viability study (August 2013):

Extract from Viability Study showing proposed master plan area.

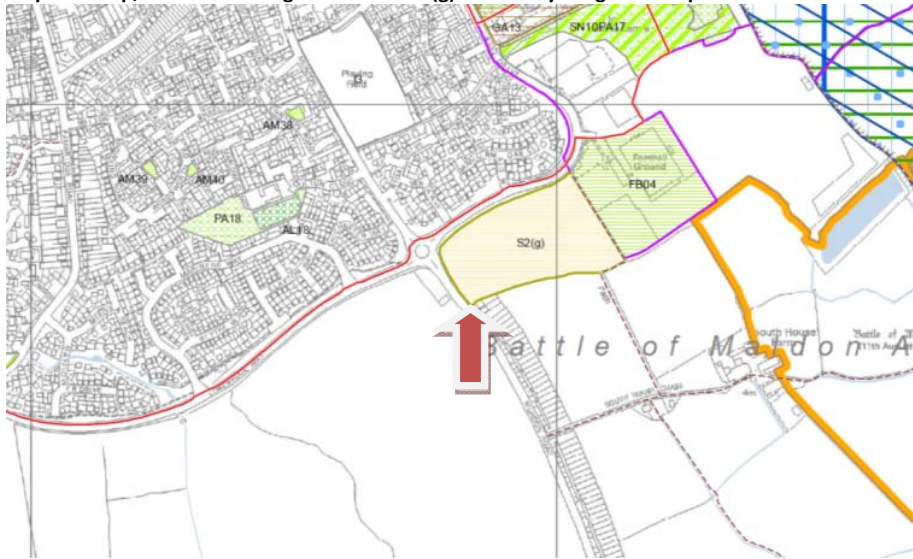


Source: MDC

The North Heybridge Proposed Masterplan area is defined in the August 2013 study as to including 74 gross hectares and 900 dwellings. It was concluded in the Viability Study (August 2013) that this scheme was unviable. However, the area identified appears smaller than the total area marked blue in figure 1.1, page 8 of the Viability study (August 2013). In the November 2013 update, the **North Heybridge master plan area** is identified as including Site S2 (d), S2 (e) and S2 (g).

Unfortunately there has been an error in the base calculations, because on review of what has been assessed it would appear to be wrongly associate sites. According the Proposals Map S2 (g) is located in South Maldon off Park Drive adjacent to Maldon and Tiptree Football club. S2 (g) is not in the Heybridge proposed masterplan as assessed in the viability study (November 2013). Furthermore, when measured S2 (g) on the proposal map has a site area of 4.9 hectares, not 3.2 acres identified in the Viability report update (November 2013). The map below is an extract from the current Draft Proposals Map, which demonstrates that S2 (g) is not in the Heybridge masterplan area:

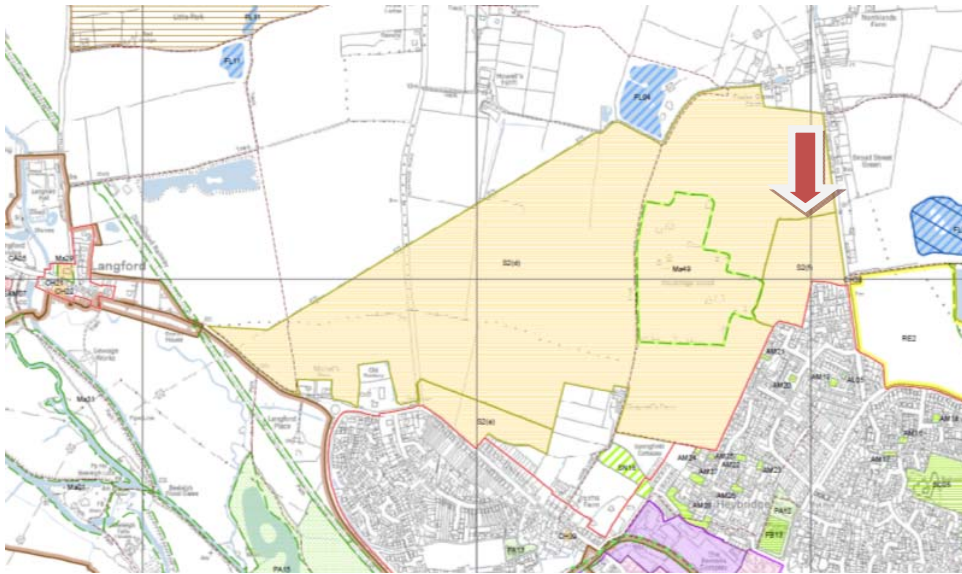
**Proposal Map, extract showing location of S2 (g) not in Heybridge masterplan**



Furthermore, S2 (f), which has been assessed in the viability study (November 2013) on the assumption it is in the South Maldon proposed master plan area (park drive) and has an area of 4.9 hectares. This is also incorrect according to the site proposals map.

The map overleaf demonstrates and extract from the Draft Proposal Map showing the location of S2 (f) is not in South Maldon:

Proposals Map, extract showing location of S2 (f) in Heybridge Master plan



It appears possible to conclude that the location of S2 (f) in the viability study is equal S2 (g) on the proposals map. However, Site (f) measures 6 hectares, not 3.2 hectares as defined in the viability study (November 2013). Therefore, it is not simply an issue of swapping the labels round. Furthermore, it means that the wrong set of assumptions have been applied in assessing the viability of this area of land (in both instances). It would therefore appear that S2 (f) has been wrongly assessed as part of the viability study. We request that this error is resolved before a CIL rate for S2 (f) is proposed.

**The issues of wrongly assessing the land is a fundamental error,** as different assumptions to sales values, land values and section 106 mitigation and infrastructure costs have been applied. This **issue clearly establishes a question mark over all of the assessed sites and also over the robustness of the CIL charging evidence on which the charging schedule has been made.** Therefore, this issue must be demonstrated to have been resolved, and re-consulted upon, before the CIL examination in public.

It seems reasonable that the **Council should review all of the assessed schemes** to ensure the correct assumptions have been applied and publish an amended viability study which takes into account to demonstrate that the proposed Maximum CIL charging schedule is robust.

As part of this review, **Stakeholders in the Heybridge Master plan area (including those of S2 (f)) should be consulted** to ensure infrastructure and Section 106 requirements are reasonably pooled across the Heybridge master plan area. It seems reasonable to conclude that applied assumption should be the same for S2 (f) as to those of S2 (d) and S2 (e). This is particularly important given that the other areas identified within the Heybridge Masterplan area are proposed at a zero CIL in the Proposed CIL Charging Schedule.

It does not appear reasonable to exclude S2 (f) from the Heybridge Masterplan as it would create a lack of development continuity along the B1022, particularly given the location of the woodland identified as Ma49 in the Masterplan area and within S2 (e). Nor does this appear to be the intention as S2 (g) was included.

Furthermore the 2014 CIL regulations allow charging authorities to set differential rates by the size of development (i.e. floorspace, units). In this instant the Council is requiring the North Heybridge sites to conform with a masterplan framework and by all sites inclusion in this framework they are also required to contribute to the big infrastructure costs. Therefore why is a CIL rate being requested for S2 (f) when it is not for S2 (d) and S2 (e).

3. Do you think the rates proposed strike an appropriate balance between helping to fund infrastructure through CIL and the potential effects of imposing CIL on the viability of development needed to deliver the aspirations of the Local Development Plan?	Yes	<input type="checkbox"/>
	No	<input checked="" type="checkbox"/> <input type="checkbox"/>

[Click here to enter text.](#)

Under the latest 2014 CIL regulations it is a requirement on the charging authority to demonstrate that they have met an appropriate balance between the desirability of funding infrastructure from the levy and the potential effects of the levy on the economic viability of development across the area. Previously the authority only had to 'aim to strike the appropriate balance'.

Furthermore **it does not appear that the appropriate balance has been demonstrated**, not only as the wrong assumptions have been applied to the Heybridge Masterplan area, but also because the **£70/sqm is regarded as the maximum CIL** which can be supported (although this hasn't been demonstrated), **not an appropriate CIL rate** which strikes a balance with sites of marginal viability.

In accordance with recent CIL examinations (Including; Hertsmere CIL Examination, Nov 2013), it is reasonable to assume that this should be demonstrated a reasonable discount has been applied to ensure marginal sites are more viable. The issues of marginal sites was raised in the viability study (August 2013:

**“Not all sites will be viable, even without any policy requirements imposed or sought by the Council. It is inevitable that the Council’s requirements will render some sites unviable in the current market. Where these sites are unviable but vital to the delivery of the Plan, the Council will need to consider how it can facilitate that development.....”** (page 8, 1.4, Maldon District Council – Local Plan and CIL viability Study August 2013).

Given that the Council are currently proposing “Maximum” Rate of CIL at £70 psqm for all residential except where identified, it seems reasonable that a suitable “buffer” is allowed for to ensure the marginal development is supported. This is of particular importance given the fact that the study does not consider “Market Value” as a suitable benchmark, although this is what would be used for Bank valuations.

4. Do you think the Council should introduce an instalments policy?	Yes	<input checked="" type="checkbox"/> <input type="checkbox"/>
	No	<input type="checkbox"/>

Click here to enter text.

**It is reasonable that, where appropriate that CIL can be paid in instalments.** This is particularly an issue for large sites which may be unviable if they have to pay significant upfront CIL outlays, but could be brought forward if paid in instalments. Therefore the inclusion of option instalments as appropriate would make larger schemes more viable, which is why the regulation has been introduced.

<b>5. Do you think the Council should include discretionary relief from CIL for charitable investment or 'exceptional circumstances' as outlined in section 2.5 of the CIL Preliminary Draft Charging Schedule consultation document?</b>	Yes	<input checked="" type="checkbox"/> <input type="checkbox"/>
	No	<input type="checkbox"/>

Click here to enter text.

Yes, the inclusion of discretionary relief would enable the Council to amend the impact of CIL where it becomes apparent after its introduction that CIL is restricting the ability to bring forward marginal but desired development.

**6. Do you have any other comments on the Preliminary Draft Charging Schedule or supporting evidence?**

Yes

✓ 

No

[Click here to enter text.](#)

In conclusion, LSH, on behalf of Persimmon Homes, object to the proposed Maximum CIL charging rates on the following grounds:

- No evidence has been made publically available of how £70 psqm has been derived once the viability of sites has been assessed.
- The proposed rates are “Maximum” rates and by definition do not reflect that a suitable buffer has been applied to ensure marginal sites can be brought forward.
- There does not appear to be a consistent consideration of the overall area which is designated as the “Heybridge Masterplan”.
- The viability study assesses S2 (f) and S2 (g) has been demonstrated to be on the wrong assumptions, which means the evidence is unsound and requires amendment before the CIL charging schedule can be reasonably proposed.
- S2 (f) has been demonstrated to be within the Heybridge Masterplan and therefore the same assumptions applied to S2 (d) and S2 (e) should be applied to S2 (f).

LSH, on behalf of Persimmon Homes, propose the following:

- HDH Planning & Development (HDH PD) make publically available the appraisals which demonstrate that the inclusion of £70 psqm does not make proposed development opportunities unviable.
- That HDH PD demonstrates why it is not reasonable to vary land value benchmark by location and by use class.
- Maldon District Council applies a discount buffer to their proposed Maximum CIL rates to demonstrate that an appropriate balance has been met between a reasonable CIL rate and viability.
- Maldon District Council demonstrates that appropriate consideration of the Heybridge Masterplan area has been undertaken and they the assumptions applied to this area by HDH PD are appropriate.
- HDH PD address the identified errors in the viability assessment in regards to S2 (f) and S2 (g) and publish their results before going to a CIL examination so that an appropriate response can be provide.
- Maldon District Council meets with the Heybridge Masterplan stakeholders; including S2 (f) to ensure the applied assumptions by HDH PD are appropriate before a proposed CIL is published.
- The same reasonable assumptions are applied to S2 (e), S2 (e) and S2 (f).
- That S2 (f) identified in the Draft Proposals Plan, as a minimum is included in the zero CIL rating.
- Confirmation that the proposed CIL charging schedule and viability study takes full account of the amendments to the CIL Guidance and Legislation, 2014 .
- Persimmon Homes currently wish to be heard at the CIL examination in public.

