



rhondda cynon taf

community infrastructure levy

ardoll seilwaith cymunedol

COMMUNITY INFRASTRUCTURE LEVY

Hearing Session Statement – Identification of Evidence

Date 22nd April 2014

Introduction

This paper has been prepared by Rhondda Cynon Taf County Borough Council (RCTCBC) in order to help facilitate appropriate discussion at the Examination of the Draft Community Infrastructure Levy for RCTCBC. The statement is structured in accordance with the Identification of the Main Issues and Questions set out by the CIL Examiner (Mr. Philip Staddon), as part of the Hearing Programme and provides a succinct response to the questions raised as part of that Agenda.

The Inspector's attention is directed to the relevant part of the Evidence Base for the local authority, which in the view of the Council addresses the matters raised. Further explanation will be given at the hearing session. The paper will not repeat evidence previously submitted for consideration.

Session 1 – Introductions and Scene Setting

This response will be given at the Hearing Session.

Session 2 – Evidence Base – Development Plan and Infrastructure

To assist the Examination the Council will be asked to explain (briefly) their Development Plan's approach to sustainable growth in terms of scale, type and location of housing and commercial development.

This response will be given at the Hearing Session by the Council, making reference to the Local Development Plan Strategies set out within the Rhondda Cynon Taf Local Development Plan (adopted March 2011).

Whether the infrastructure requirements set out in the Infrastructure Assessment Background Paper (March 2013) are reasonable and necessary to support planned development in the area?

The Examiner's attention is directed to the Evidence Base as follows:

(CD 4) Infrastructure Assessment Background Paper (Revised March 2013) paragraphs 4.1 – 4.8 and Appendices 1 and 3.

Whether the infrastructure funding gap of £243.1million set out in the Infrastructure Assessment Background Paper (Revised March 2013) is reasonable and whether full account has been taken of other (non CIL) funding sources?

The Examiner's attention is directed to the Evidence Base as follows:

(CD 4) Infrastructure Assessment Background Paper (Revised March 2013) paragraphs 4.1 – 4.8 and Appendices 1 and 3.

To what extent will anticipated CIL receipts fill the infrastructure funding gap?

The Council has undertaken a calculation to determine the likely contribution of CIL receipts generated from housing allocations in the LDP that do not currently have planning permission or a Committee resolution to approve, along with contributions from potential windfall and small sites. Using forecast completions from the Joint Housing Land Availability Study (JHLA), it is anticipated that approximately £6,189,460 could realistically be generated in the first 5 years (2015-2020) **(CD 10)**.

It is difficult to calculate the potential CIL receipts generated from A3 or D1 uses for Rhondda Cynon Taf as the number of developments within these use classes are likely to be small.

A number of the retail (A1) allocations in the LDP either already have the benefit of planning permission or have a committee resolution to approve (with a S106 which is likely to be signed before the Council's CIL levy takes effect).

Therefore, from the retail allocations CIL anticipated receipts include:
950 square metres at Oxford St, Mountain Ash = £95,000
2,000 square metres East Mill St, Tonyrefail = £200,000

There is also a current planning application in Treorchy for a new retail food store which is likely to pay CIL which has a floor area of 1,860 square metres = £186,000.

Therefore, the CIL receipts for A1 retail uses from allocated sites and a current planning application is anticipated to be £481,000

Is the Draft Regulation 123 List sufficiently comprehensive and clear on the use of CIL receipts? Does the list's focus on education and (road) transportation projects create any delivery issues about other types of infrastructure?

The Examiner's attention is directed to the Evidence Base as follows:

(CD 11) Draft Infrastructure List April 2013

(CD 4) Infrastructure Assessment Background Paper (Revised March 2013) paragraphs 4.6 – 4.8 and Appendices 1 - 3.

(SD 2) Preliminary Draft Charging schedule – Report of Comments and Responses April 2013 – includes details of the Council's reasons for excluding/including certain types of infrastructure in response to representations made including - page 27 Glamorgan Ramblers Association, pages 28-30 Network Rail and pages 53 – 54, Dwr Cymru Welsh Water.

(CD 8) Draft Charging Schedule – Report of Comments and Responses October 2013 – pages 24 – 69 includes details of the Council's reasons for excluding/including certain types of infrastructure in response to representations made including Cwm Taf Health Board pages 25 – 26, Dwr Cymru Welsh Water pages 32 – 34, CPL Industries Ltd pages 34 – 35, Network Rail pages 62 – 67 and HSF page 49 paragraph 2.1.

Whether the residual role for S.106 planning agreements is clear and reasonable?

The Examiner's attention is directed to Evidence Base as follows:

(CD 5) Viability Study 2012 (DVS) paragraphs 1.8, 5.23.

(CD 8) Draft Charging Schedule – Report of Comments and Responses October 2013 – page 60.

(SD 3) Supplementary Planning Guidance: Draft Planning Obligations (May 2013)

Session 3 – Residential CIL

The Council's consultant has made a range of assumptions that have been used in its assessment of viability on different sites, which it has then used to determine its proposed CIL zones and rates. The key questions to be explored in this session are:

i) Has appropriate available evidence been used to establish land values and benchmark land values and have these been applied consistently?

The Examiner's attention is directed to the Evidence Base as follows:

(CD 5) Viability Study 2012 (DVS) paragraphs 5.28 – 5.42

(CD 8) Draft Charging Schedule – Report Comments and Responses Oct 2013 - pages 57 – 62

(ED 2) Clarification Note of Council's Viability Evidence 11th April 2014 – particular reference to benchmark land values in table titled Assumptions used in Viability Testing.

ii) Has appropriate available evidence been used to establish sales values and have these been applied consistently?

The Examiner's attention is directed to the Evidence Base as follows:

(CD 5) Viability Study 2012 (DVS) paragraphs 5.11 – 5.12

(CD 8) Draft Charging Schedule – Report Comments and Responses Oct 2013 - pages 57 – 62.

(ED 2) Clarification Note of Council's Viability Evidence 11th April 2014 – particular reference to sales values in table titled Assumptions used in Viability Testing.

iii) Are accurate build costs properly reflected in the viability modelling?

The Examiner's attention is directed to the Evidence Base as follows:

(CD 5) Viability Study 2012 (DVS) paragraphs 5.18 – 5.22

(CD 8) Draft Charging Schedule – Report Comments and Responses Oct 2013 - pages 57 – 62

(ED 2) Clarification Note of Council's Viability Evidence 11th April 2014 – particular reference to build costs in table titled Assumptions used in Viability Testing.

iv) Is the Council's approach of not making allowances in the modelling for site-specific infrastructure costs (s.106 and s.278) sound?

The Examiner's attention is directed to the Evidence Base as follows:

(CD 5) Viability Study 2012 (DVS) paragraphs 1.8, 1.15, and 5.23.

(CD 8) Draft Charging Schedule – Report Comments and Responses Oct 2013 pages 57 – 62.

(ED 2) Clarification Note of Council's Viability Evidence 11th April 2014 – particular reference to paragraphs 4 - 6.

v. Is there a case for making greater allowances for abnormals, sustainability features and the future requirement for costs of fire sprinklers in residential properties?

The Examiner's attention is directed to the Evidence Base as follows:

(CD 5) Viability Study 2012 (DVS) paragraphs 1.11, 1.15.

(SD 2) Preliminary Draft Charging Schedule Report of Comments and Responses April 2013 – pages 41 – 42.

(CD 8) Draft Charging Schedule – Report Comments and Responses Oct 2013 pages 57 – 62.

(ED 2) Clarification Note of Council's Viability Evidence 11th April 2014 – particular reference to paragraphs 4 – 6.

vi) Has the viability testing included a good range of development sites that reflect the variety of residential developments that are anticipated to meet the LDP housing requirements?

The Examiner's attention is directed to the Evidence Base as follows:

(CD 5) Viability Study 2012 (DVS) paragraphs 5.1- 5.2, 5.8, Appendix F.

(SD 2) Preliminary Draft Charging Schedule Report of Comments and Responses April 2013 – page 41.

Vii) Does the viability evidence support the differentiation into the three charging zones and specifically, does the evidence support the modification to the zones which moves the Tonyrefail area from Zone 3 to Zone 2?

The Examiner's attention is directed to the Evidence Base as follows:

(CD 5) Viability Study 2012 (DVS) paragraphs 6.5, 6.21, Schedule 1, Appendices J, K and P.

(SD 2) Preliminary Draft Charging Schedule Report of Comments and Responses April 2013 – pages 59 – 62.

(CD 6) Further Viability Testing October 2013 - paragraphs 2, 3 and 9.

(CD 8) Draft Charging Schedule – Report Comments and Responses Oct 2013 pages 50 – 57.

vii) Does the evidence support the proposed £0 per square metre (psm) CIL charge in zone 1?

The Examiner's attention is directed to the Evidence Base as follows:

(CD 5) Viability Study 2012 (DVS) paragraphs 6.5, 6.21, Schedule 1, Appendices P and Q.

(SD 2) Preliminary Draft Charging Schedule Report of Comments and Responses April 2013 – pages 35, 61 e).

(CD 8) Draft Charging Schedule – Report Comments and Responses Oct 2013 pages 24, 41.

ix) Does the evidence support the £40 psm CIL charge in zone 2 and does it allow for reasonable viability 'buffers' or headroom to accommodate the variability of site specific costs and viability across the zone?

The Examiner's attention is directed to the Evidence Base as follows:

(CD 5) Viability Study 2012 (DVS) paragraphs 6.5, 6.21, schedule 1, Appendices P and Q.

(CD 8) Draft Charging Schedule – Report Comments and Responses Oct 2013 pages 24, 57-62.

(CD 6) Further viability testing October 2013 - paragraphs 2, 3, 4 – 9, Appendix A, B and E.

(ED 2) Clarification Note of Council's Viability Evidence 11th April 2014.

x) Does the evidence support the £85 psm CIL charge in zone 3 and does it allow for reasonable viability 'buffers' or headroom to accommodate the variability of site specific costs and scheme viability across the zone? In particular, what will the effect of the charge be on strategic sites including those with known issues such as Cwm Cokeworks site?

The Examiner's attention is directed to the Evidence Base as follows:

(CD 5) Viability Study 2012 (DVS) paragraphs 6.5, 6.21, schedule 1, Appendices P and Q.

(CD 8) Draft Charging Schedule – Report Comments and Responses Oct 2013 pages 24, 57-62.

(CD 6) Further viability testing October 2013 - paragraphs 2, 3, 4 – 9, Appendix C, D and E.

(ED 2) Clarification Note of Council's Viability Evidence 11th April 2014.

In respect of Strategic Sites, including Cwm Coking Works:

(CD 6) Further viability testing October 2013 – paragraphs. 3, 10 – 13 and Appendices F, G, H and I.

(CD 8) Draft Charging Schedule – Report Comments and Responses Oct 2013 pages 34 – 35 and 62.

Xi) Does the evidence suggest a need to adopt a different approach for specialist residential development for elderly people?

The Examiner's attention is directed to the Evidence Base as follows:

CD 6) Further viability testing October 2013 - paragraphs 2, 3, 14 – 18 and Appendices J, K, L and M.

(CD 8) Draft Charging Schedule – Report Comments and Responses Oct 2013 pages 44 - 48.

xii) Should Agricultural Worker's dwellings be treated differently?

(SD 2) Preliminary Draft Charging schedule – Report of Comments and Responses April 2013 – pages 31 – 32 Country Land Owners Association.

(CD 8) Draft Charging Schedule – Report Comments and Responses Oct 2013 pages 39 – 40 Country Land Owners Association

xiii) What would be the overall effect of the residential CIL proposals on the provision of new housing across the County Borough?

The Examiner's attention is drawn to:

(CD 10) Allocated sites Status and Projected CIL Paper February 2014.

A further response will also be given at the hearing session.

xiv) What would be the overall effect of the residential CIL proposals on the provision of affordable housing across the borough?

The Examiner's attention is drawn to:

(CD 5) Viability Study 2012 (DVS) paragraphs 5.13, 5.24, 6.19 - 6.20 and Appendices P and Q.

(CD 8) Draft Charging Schedule – Report Comments and Responses Oct 2013 - pages 35 – 38 and 41- 44.

Session 4 – Commercial CIL

This session will explore each of the proposed commercial CIL charges in turn.

Class A1 Retail

i) Is the Council’s viability modelling of retail development robust, reasonable and up to date, in terms of assumptions made about likely development scenarios, land values, development costs, rents and yields?

The Examiner’s attention is directed to the Evidence Base as follows:

(CD 5) Viability Study 2012 (DVS) paragraphs 5.14, 5.18 – 5.43, 7.1 – 7.7, Tables 3 and 11, schedule 1 and Appendix Y.

(SD 2) Preliminary Draft Charging schedule – Report of Comments and Responses April 2013 – pages 30 – 31, 48 – 53 and 63 – 67.

ii) Does the viability evidence support the Council’s proposals for £100 psm CIL charge for all retail development and does it allow for satisfactory viability buffers and is it reasonable in all other respects?

The Examiner’s attention is directed to the Evidence Base as follows:

The viability buffer for A1 use within Rhondda Cynon Taf is set out below:

Development Type	Maximum viable CIL rate (per sq m)	Proposed CIL rate (per sq m)	CIL as a % of maximum viable rate (as DVS report)	CIL Viability buffer
A1 retail	£300	£100	33%	67%

iii) Has the concern that there may be circumstances where a ‘fresh’ planning application for a retail development might result in ‘double dipping’ been resolved (the issue raised by Sainsbury’s/Talbot Green Developments Ltd.)?

(CD 8) Draft Charging Schedule – Report Comments and responses Oct 2013 – pages 26 – 32.

This response will be discussed further at the Hearing Session.

Class A3 Development

iv) Is the Council’s viability modelling of Class A3 development robust, reasonable and up to date, in terms of assumptions made about likely

development scenarios, land values, development costs, rents and yields?

The Examiner's attention is directed to the Evidence Base as follows:

(CD 5) Viability Study 2012 (DVS) paragraphs 5.14, 5.18 – 5.43, 7.1 – 7.3, 7.14, Tables 10 and 11, Schedule 1 and Appendix Y.

v. Does the viability evidence support the Council's proposals for a £25 psm CIL charge for Class A3 development and does it allow for satisfactory viability buffers and is it reasonable in all other respects?

The viability buffer for A3 use within Rhondda Cynon Taf is set out below:

Development Type	Maximum viable CIL rate (per sq m)	Proposed CIL rate (per sq m)	CIL as a % of maximum viable rate (as DVS report)	CIL Viability buffer
A3 food and drink	£40	£25	63%	37%

Class D1 Primary Healthcare Development

vi) Does the viability evidence support the Council's proposals for a £10 psm CIL charge for all class D1 Primary Healthcare development?

The Examiner's attention is directed to the Evidence Base as follows:

(CD 5) Viability Study 2012 (DVS) paragraphs 5.14, 7.11, Tables 7 and 11, Schedule 1 and Appendix Y.

(CD 6) Further viability testing October 2013 – paragraphs 2, 19 – 21.

(CD 8) Draft Charging Schedule – Report Comments and Responses Oct 2013 pages 67 – 69.

The viability buffer for D1 use within Rhondda Cynon Taf is set out below:

Development Type	Maximum viable CIL rate (per sq m)	Proposed CIL rate (per sq m)	CIL as a % of maximum viable rate (as DVS report)	CIL Viability buffer
Primary health care	£125	£10	8%	92%

All other development

vii) Does the viability evidence support the absence of CIL charges on all other types of development and if so, should this be stated in the Charging Schedule for Clarity?

(CD 5) Viability Study 2012 (DVS) paragraphs 5.14, 7.8 - B1 Office Use, 7.9 - B2- B8 Industrial Use, 7.10 – Care and Nursing uses, 7.12 – Hotels and 7.13 – Cinemas.

The Council is of the opinion that for clarity the nil CIL rate for all other types of development should be stated in the Charging Schedule.

Session 5 – Other CIL Matters

i) What is the Council's up to date position on offering Discretionary Relief for Exceptional Circumstances?

(CD 8) Draft Charging Schedule – Report Comments and Responses Oct 2013 - page 35.

This will be discussed further at the Hearing Session.

ii) Any other matters that the Council and Representors wish to raise?

This will be discussed at the Hearing Session.

Session 6 – Round up and conclusions

In this final session, I will give the participants an opportunity to sum up their views on the evidence. The focus of this session will be on an overarching examination question which is:

i) Does the evidence demonstrate that the proposed CIL zones and charge rates strike an 'appropriate balance' between funding necessary infrastructure and development viability such that the delivery of the Local Development Plan as a whole would not be threatened?

This will be discussed at the Hearing Session.