

## SUFFOLK COASTAL DISTRICT COUNCIL

### COMMUNITY INFRASTRUCTURE LEVY CHARGING SCHEDULE

1.1 Martlesham Parish Council wishes to address elements of Issue 2 and Issue 3 as detailed in the “Examiners Main Issues and Questions”, with reference to the Adastral development:

Issue 2 – c) Overall, have reasonable assumptions been made in relation to factors affecting viability of development and up to date evidence used? Including:

- Sale prices/rental yield
- Building costs
- S.106/S.278 costs
- Contingencies Fees
- Profit levels
- Benchmark land values

Issue 3 –a) Are the proposed charging rates for residential development justified by the evidence and reasonable?

1.2. While acknowledging this is of particular concern to Martlesham, uncertainties in the methodologies used apply to other developments and the Adastral scheme are of such significance to the district that its accuracy is of general concern. We also requested a meeting with SCDC to discuss our particular concerns, but received no reply

2.1 We rely particularly on the following documents

- Suffolk Coastal Community Infrastructure Levy Viability Study Final Report Project Ref: 29815/001 | Rev: Final Report | Date: May 2014.
  - Particularly section 12.4, the costings shown in 12.4.1, and appendix D which is the worked example of 100 houses which produces a nil CIL
- Suffolk Coastal Community Infrastructure Levy Viability Study PBA Response to Initial Examiner Questions to Council January 2015
  - Particularly sections 3.1.1 and 3.1.2 which gives the methodology adopted for calculating residual land values and also section 4 which explains the calculation which gives a residual land value of £842,450 per ha

**3 1. The 100 house exemplar calculation upon which a nil CIL depends is not a reliable guide to the densities values and costs of the whole Adastral project. Therefore any conclusions based upon these are unsafe**

The development values and costs are calculated per house while the land costs and values are calculated per hectare. A comparison of these figures therefore requires a stable and known relationship between numbers and types (flats (65 per ha), houses (35 per ha)) of dwellings and hectorage for the whole of the project.

The published calculation wrongly assumes that the example of 100 houses is an adequate guide to the whole project, which actually includes a mix of houses, flats and commercial developments.

**3.2 There are no provisions for sec 278 costs in the calculations for the Adastral development**

The development costs taken into account in the calculations are detailed in sec 12.4 of the Viability Study Final Report. The figures used include only Sec 106 costs.

**3 3 The Adastral project will provide an inadequate return to the landowners, undermining its viability**

The inclusion of Sec 278 costs in the calculations will reduce the residual land values to below the benchmark land value

**3 4 There is no justification for the conclusion that residual land values and benchmark costs are exactly (or nearly) the same, so ruling out any CIL contribution**

The calculations assume that the benchmark land values (the minimum land value the landowner is likely to accept to release their land for the development specified) equals acquisition costs. There is no evidence given to justify that assumption.

Any economic assumptions regarding freely functioning markets setting benchmark land values, or acquisition costs are suspect as the land market has none of the features of a freely functioning market. (We are assuming these terms are being used in the documents in the generally accepted economic sense)

In particular the Adastral site has been in the ownership of the developers for decades and therefore the land values cannot be subject to market testing. A more reliable guide to the benchmark values would be the opportunity costs of the land in question, which would leave room for a CIL contribution

**3 5 Assumptions and calculations have not been used in a consistent and accurate way**

The contribution of each individual house to sec 106 costs has been calculated on a project of 2010 units, when elsewhere the assumption has been of 2100. This is probably only an arithmetic error, but can we be confident there are not other errors in the proposal?



# Martlesham Parish Council

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Clerk: Mrs Susan Robertson

01 July 2014

Mark Edgerley  
Principal Planner – Planning Policy & Delivery  
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Melton Hill  
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Suffolk IP12 1AU

Our ref: 14-182-cil

Dear Mr Edgerley

## **Community Infrastructure Levy – Preliminary Draft Charging Schedule Public Consultation**

Martlesham Parish Council has considered the proposals in the Community Infrastructure Levy Preliminary Draft Charging Schedule dated May 2014 and we strongly object to the proposal for a zero CIL for the Adastral Park site on the grounds that it would prevent local communities prioritising any spend, as has already been the case with the S106 agreement for that site.

We have the following comments:

- 1) We believe that the District Council proposal to set the CIL at zero is based on the assumption that any portion of the CIL which is prioritised by the local community is completely incremental spend and hence significantly increases the cost to the developer.
- 2) We do not think that is the case - most of the locally prioritised CIL spend would very probably align broadly with what is in the S106 so in reality there would be very little incremental spend relative to the total cost of the site's infrastructure.
- 3) Having a CIL in place which allows the local community to prioritise some spend would:-
  - help get the local community on board and increase the likelihood of a successfully integrated new community, which is already our jointly agreed objective;
  - go hand in hand with the discussions we are having about how the BT development would be dealt with in the context of a Neighbourhood Plan;
  - capture local experience and issues which planners from elsewhere might not be aware of;
  - help direct some spend towards mitigating the impact of the new development on the existing communities. BT's submission to the inspector concerning S106 (Matter Number 7/Lawrence Revill/Respondent Number 2444) seems to focus only on mitigation of the sensitive wildlife areas.

We find it difficult to believe that the NPPF intended that in such situations the local community would be "locked out" in this way. Not only would the original residents be excluded at the inception, but the residents of the new development would also be locked out for the complete duration of the development.

We therefore strongly request that, before the CIL schedule is finalised, we meet to discuss alternative approaches.

Our understanding is that it is lawful to have both a CIL and S106 in place for a specific site. This is not "double dipping" because the two streams of income would be used for different things - the sum total of which would be what is required to make the site as a whole sustainable. For example, having established that the Adastral site can have its own CIL level, rather than setting it at zero, would it be possible to set it a suitable low value which would allow a reasonable level of funds to be available for local priorities?

Yours sincerely

*S C Robertson*

Susan Robertson  
Clerk

Cc District Councillors C Blundell & J Kelso  
Hilary Hanslip, Principal Planner  
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