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Brentwood CIL Hearing Statement

Iceni Projects Limited on behalf of
EA Strategic Land

June 2023

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ON BEHALF OF EA
STRATEGIC LAND

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1. MATTER 2 - APPROPRIATE, AVAILABLE EVIDENCE

Issue 2 – Viability Evidence

Q6. How does the Viability Assessment Update take into account different sales values across Brentwood? Are there any specific areas (and not just sites) where the levy would have a greater impact on viability?

- 1.1 The Viability Assessment Update acknowledges the different sales values across Brentwood in Section 4 of the Report. For instance, as shown in Table 4.6 Pilgrims Hatch and Great Warley (both suburbs of Brentwood) have average price per sq. metre at £5,700, Brentwood itself is £5,300 per sq. metre and in lower value areas such as West Horndon this is around £3,700 per sq. metre. Thus, immediately this area is achieving around £2,000 per sq. metre less than other areas and £700 less per sq. metre than the next lowest (Mountnessing).
- 1.2 Furthermore, the Consultation states that the principal driver of the differences is the situation rather than the location of a site. That is to say, the value will be more strongly influenced by the specific site characteristics, the immediate neighbours and environment, rather than in which particular ward or postcode sector the scheme is located. It is questioned whether this actually applies to Brentwood where there are clearly major differences in values depending on the location within the Borough. The Viability Report indicates that the price differential is due to the housing mix and types, however on a price per square metre basis this should not reflect the over-riding house types, and not to the extent which it does.
- 1.3 Our representations on the Draft CIL Consultation recommended that this is considered further by the Council to ascertain whether different levels of CIL contribution would be appropriate, however there has been no further evidence provided on this matter. While we recognise that the CIL rates are informed by the outcome of appraisals, rather than the values, we still believe this puts lower value areas such as West Horndon with price assumptions far higher than they are in reality.
- 1.4 The Consultation does not allow for any variation in CIL rates across the borough which appears contrary to the evidence in the report. In response to this question the Viability Assessment does not take into account different sales values in determining the Charging Schedule. It is considered that there are lower sales values envisaged in the borough and it is not clear if this has been taken into account in the Charging Schedule. The proposed Charging Schedule and rates is likely to have a greater impact on the viability of development in certain parts of the borough more than others.

Q7. *How has Local Plan Policy MG06 been taken into account in determining viability, which requires an immediate update of the Plan? Is this relevant for the purposes of examining the draft charging schedule?*

- 1.5 It is not currently clear how this Draft Charging Schedule relates to the immediate Partial Review of the Local Plan. It is not known whether the LPA would intend to update the Charging Schedule following the Partial Review, and clarity on this matter would be welcomed.
- 1.6 It is clear in the adopted Brentwood Local Plan 2016 - 2033, and likely to be the case in the Partial Review, that large scale strategic allocations form a fundamental component in terms of meeting the Council's housing requirements. These large-scale growth proposals generally deliver major infrastructure alongside the housing and associated uses. In such cases, the requirement to pay CIL in addition to the delivery of infrastructure through Section 106, would render a development unviable. It is recommended that the Council clarify that in such instances zero CIL would be applicable to ensure that the CIL does not prejudice the viability of developments. The CIL Charging Schedule should confirm that it will be for the LPA and the applicant to consider the balance of securing developer obligations through S106 contributions and/or CIL.
- 1.7 On the timelines for the Partial Review, the Brentwood LDS envisages a formal Preferred Options Consultation in Q3 '23. We understand that the Partial Review remains in the early stages and therefore it is unlikely to adhere to the timeline in the LDS. Since the Partial Review timescales are likely to be extended there is an increased possibility of unallocated strategic sites coming forward to meet the identified housing needs. These sites, if strategic in nature, will likely be required to make substantial S106 contributions and the standard CIL rate of £250 per sq. metres would render them unviable. The CIL charging schedule needs to stipulate how this will be addressed.

2. MATTER 3 - ARE THE RATES INFORMED BY, AND CONSISTENT WITH, THE EVIDENCE AVAILABLE?

Issue 2 – Strategic Residential-led and Mixed-Use Allocations

Q3. Are the strategic site rates based on appropriate available evidence?

- 2.1 It appears that where the LPA has detailed information in relation to large scale strategic sites which are delivering substantial infrastructure through S106 contributions, they reach the conclusion that nil CIL should be payable. The uncertainty arises on sites which have not yet been allocated, and either may be allocated in the Partial Review of the Local Plan or may come forward through the planning application process, without an allocation which is a realistic scenario in light of the delays to the Partial Review of the Local Plan. Based on the current Draft Charging Schedule these sites would be required to pay a CIL charge of £250 per sq. metres which is likely to render such development unviable. The Charging Schedule needs to be updated to take account of this situation.
- 2.2 An example of critical infrastructure to be funded through S106 contributions is the West Horndon New Transport Interchange which the Brentwood Infrastructure Delivery Plan highlights will be created through phases with a new multi-modal interchange at West Horndon Station. The Delivery Plan states that this interchange will serve the DHGV, Childerditch, West Horndon and Enterprise Development sites, plus any future Northern Thurrock developments. Based on the evidence the LPA has to date, it has determined that there should be zero CIL for Dunton Hills and Brentwood Enterprise Park, with a low CIL charge of £25 per sq. m. for West Horndon Industrial Estate. The Charging Schedule should acknowledge that where other developments come forward beyond the existing allocations that contribute towards this infrastructure, the LPA will support zero CIL where substantial S106 contributions are being made.
- 2.3 The challenges with setting CIL on strategic sites is acknowledged in the Viability Report which states at 12.39 – 12.41:

CIL Regulation 13 gives the flexibility to charge variable rates by zone and development type, however, there has been some uncertainty around the charging of differential rates. The advice in this assessment is based on the assumption that the Strategic Sites' infrastructure and mitigation costs will be as set out earlier in this report. Should the final costs be significantly different to this amount it may be necessary to revisit this advice (if they are lower, then viability would be improved). We recommend that the Council continues to work with the sites' promoters to better understand the delivery of the Strategic Sites.

2.4 While this issue is acknowledged in the report, it has not been reflected in the Charging Schedule which requires clarity on this point.