

Do you wish to be kept informed of future stages of this document?	Do you wish to be kept informed of future Planning Policy consultations by joining the Council's Development Strategy consultation database?	Name (Name)	Organisation (Organisation)	Address (Address)	Postcode (Postcode)	Email (Email)	Telephone (Telephone)	Date (Date)	Have you appointed somebody to act as your agent?	Name (Name1)	Organisation (Organisation1)	Address (Address1)	Postcode (Postcode1)	Email (Email1)	Telephone (Telephone1)	Date (Date1)	Do you support, object or have comments?
Yes	Yes	[REDACTED]	Terence O'Rourke	3 Edmund Street, 117 Edmund Street, Birmingham	B3 2HJ	[REDACTED]	[REDACTED]	17/11/2022	Yes	[REDACTED]	William Davis Homes	c/o agent	c/o agent	c/o agent	[REDACTED]	17/11/2022	Comment

<p>Please give details to explain why you support, object or have comments on the draft Community Infrastructure Levy draft charging schedule or Planning Obligations SPD. Please state the paragraph/section you wish to comment on.</p>	<p>Signature (Signature)</p>
<p>Terence O'Rourke submit these representations on behalf of William Davis Homes Ltd who have land interests in the Rugby Borough Council area. For clarity, the representations are split to address the two documents that are currently being consulted on by Rugby Borough: the Draft Community Infrastructure Levy (CIL) Charging Schedule and the Developer Contributions Supplementary Planning Document (SPD). Draft Community Infrastructure Levy Schedule Charging Schedule William Davis Homes questions the need for Rugby Borough Council to adopt CIL to collect sufficient funds to support delivery of new infrastructure in the Council area. The collection of monies through the Section 106 mechanisms is a proven process through which the Council can achieve appropriate and sustainable funding through collaboration with developers reflecting the infrastructure needs of the development. The Council has produced a CIL Infrastructure Funding Gap document, claiming that there is a material deficit in funding towards infrastructure investment and therefore this is a justification for the introduction of CIL. However, it is considered that the process in identifying this gap has been ineffective. The funding gap assessment has not demonstrated whether it has considered the latest S106 income data, indeed, the Council's Infrastructure Funding Statement (IFS) dates from 2020-2021. The Council have therefore not effectively shown the extent of any shortfall in funding when taking into account the latest S106 monies data. Furthermore, the funding gap assessment identifies that a significant proportion of infrastructure is required to support the delivery of strategic sites at South West Rugby and Coton Park East. Given that these strategic allocations are proposed to be exempt from CIL, the approach will inappropriately and unjustifiably rely on other sites to fund this strategic infrastructure. Sites in rural areas, which the proposal attributes a higher CIL charge, will bear this cost. This will potentially reduce site viability and compromise deliverability, thereby undermining the Council's ability to maintain a healthy housing pipeline and 5-year housing land supply. The adoption of the levy will establish additional unnecessary constraints to the delivery of viable housing in the Borough. This is a significant issue as there are substantial strategic housing pressures from within the Housing Market Area and wider sub-region. The Council recognises this in its Local Plan where at Policy DS1 (Overall Development Needs) it acknowledges that unmet housing needs arising from Coventry is accommodated. It is likely that Coventry will continue to export its unmet needs to the wider HMA, which includes Rugby, over the next Plan period. Consequently, it is imperative that Rugby Council adopts a development-positive approach that encourages the delivery of housing, which is both sustainable and viable, allowing the delivery of market and cross-subsidised affordable housing. William Davis Homes consider that the supporting CIL Viability Assessment Review is inaccurate in its position on the macroeconomic conditions that fundamentally dictate the housing market and local land values. The Assessment, dates from January 2022 and is therefore already outdated. Subsequent to its publication, the condition of the national economy has significantly changed and deteriorated. Paragraph 2.11 of the assessment identifies that inflation is expected to peak at 6% in Spring 2022 (as ascertained by the Bank of England). However, inflation has continued to climb steeply, with the latest Bank of England forecast establishing that it expects inflation to peak in 2023 at 11-12% (November 2022 Monetary Policy Report). As such, there is an expectation that interest rates will continue to increase, which will inflate the prevailing retail mortgage rate and so reducing the ability of many to re-mortgage, buy new properties or keep-up on their mortgage repayments. Additionally, the assessment's view on the housing market is also significantly out of date. The report's position is that the housing market will continue to grow, albeit at a reduced rate. However, the Lloyds Banking Group October 2022 Housing Price Index predicts house prices to fall by at least 7.3% in 2023, with potential stagnation thereafter until 2027. This is linked to the forecasted contraction of the British economy, potentially over the next two years, as referenced by the Bank of England in their November 2022 Monetary Policy Report. The CIL Viability Assessment is acutely incorrect when the latest macroeconomic conditions are considered and how it will adversely impact the Borough's housing market. This has a direct and significant impact on the viability of developers, such as William Homes to deliver housing sites, consequently requiring them to demonstrate their efforts to achieve viability. These efforts may include renegotiated developer contributions, or the reduction of affordable housing provision. This will in turn effect the Council's ability to deliver sufficient homes, infrastructure, and affordable housing. The adoption of the CIL at this time will apply further and unnecessary constraints on developers to deliver viable housing schemes in the Borough. It is therefore put to the Council that they should do not adopt CIL given current economic conditions. At the very least the CIL Viability Assessment Review should be updated, and its revised outlook reflected in the form and levels of contributions being suggested. Developer Contributions SPD William Davis Homes welcome the direction made by Rugby Borough Council in establishing additional guidance and details that are contained within the Developer Contributions SPD which will assist in clarifying the planning obligations and contributions process. However, the Council must be careful not to impose inappropriate additional requirements on developers through the SPD. Notwithstanding that this would not comply with the Town and Country Planning (2012) Regulations, it would also establish further prescriptive requirements on developers, thereby reducing competitiveness and viability. Whilst it is welcome that the SPD provides guidance and clarity, William Davis Homes consider that the document should go further in explaining how contributions should be weighed against viability concerns. Given that the Borough Council is seeking to implement an additional mechanism to collect financial contributions from developers via CIL, it is important that the Authority demonstrates how it will engage with viability considerations. The SPD references Policy DS5 (Comprehensive Development of Strategic Sites) as it contains provisions relating to developer contributions and obligations. It also states that strategic schemes (100 dwellings or more) should be supported by information, such as viability assessments. However, the SPD does not provide any further guidance or explanation in what it requires from such assessments and this is particularly important given that the Council is seeking to adopt CIL. Consequently, the contents of the supplementary document should be reviewed by the Council to ensure that it contains sufficient viability guidance for developers given the likely adverse impacts that the adoption of CIL will have on the deliverability of sites in the Borough. In its current form, it is considered that the SPD is not sufficiently effective in its guidance on developer contributions.</p>	

Signature (Signature 1)	Please give details to explain why you support, object or have comments on the draft Climate Change SPD 2022. Please state the paragraph/section you wish to comment on.	Status	Modified Date	Author
		Approved	17/11/2022 16:42	