

Representations to the Draft Community Infrastructure Levy September 2023

'Rugby East', A5/ North of Houlton

1. Stoford have prepared these representations in respect of land to the east of Rugby, accessed off the A5 and north of Houlton. The land (edged red on the attached plan) extends to some 138 ha and is being promoted for employment development within the Local Plan review.
2. We responded to the previous consultation in June 2023. We note that the single change to the draft Charging Schedule is the introduction of a rate of £5 per square metre for commercial development (Appendix 1, CIL Charging Schedule July 2023). The Schedule does not however clarify if ancillary offices within the category of light industrial, industrial, storage and distribution are exempt from the charge. Clarity is sought on this point, please.
3. In terms of Appendix 2 'CIL Instalments Policy', we consider that the triggers for payment are too onerous and more flexibility could be introduced.
4. When developing a large strategic employment site¹ there are several pre commencement conditions to firstly discharge and this can usually be prior to an occupier for the site/plots within a site, being secured. At this stage, development risk is greater and it is important to minimise costs and plan cashflow. Therefore, the proposed charges being triggered within 60 days of development commencing could impact on scheme viability.
5. Stoford have experience of delivering large strategic sites across the country. Large strategic sites will also usually be constructed in phases and it is important that the charging mechanism allows for this. Development of a phase will usually commence with site clearance, constructing an access, and potential earthworks. Access may be constructed and be suitable for the wider site, as opposed to just the first phase. This programme of works on a strategic site can take a minimum of 12 months to prepare, ahead of works to commence a building. It is usual practice for infrastructure and enabling works (earthworks) to be submitted as reserved matters ahead of plot specific details and these will commence some 12, sometimes 18 months before a building. Therefore, if the CIL payment is triggered when development commences (as the Council currently suggests) and the residual figure is due by no later than 360 days (assuming a £300,000+ payment - as is likely for a strategic site) then this will significantly affect the cashflow for a scheme.
6. A more appropriate set of triggers are requested for the payment of CIL. Our preference is that these triggers are linked to occupation, ensuring that payments are to be made upon the occupation of a completed building.
7. Stoford recommend the following, and would apply this to **each phase/each reserved matters for floorspace** (the table below is assuming a £300,000+ payment, by example)

	Stoford Proposed Trigger	% of payment due
Commencement of Infrastructure works (access, utilities) and earthworks (if subject to a reserved matters approval/and if	Not triggering CIL	Nil

¹ The term 'strategic site' is loosely used in the absence of the Local Plan having yet progressed to the stage of allocations and/or defining what may or may not be strategic. In practice, sites of circa 20ha or more or sites being developed in more than one phase, are likely to be strategic.

separate to any specific unit/floorspace approval)		
Occupation of development for a reserved matters plot	£50,000 within 60 days of a building being occupied, and the residual to be paid across 3 instalments at 120 days, 240 days and 360 days	

8. If the principle of CIL payments being triggered at occupation is not acceptable to the Council, we would urge the postponement of the trigger to exclude infrastructure and earthworks, at the very least.

An Alternative Approach

9. Having reviewed the draft CIL Charging Schedule, we note that employment sites including South West Rugby and Coton Park East for example are exempt from the CIL and will deliver infrastructure related improvements to mitigate for the impacts of developing those sites via the more traditional route of Section 106 and Section 278 Highways Agreements.
10. We note that new allocations – which could for example include land being promoted by Stoford for development, will be required to pay the appropriate CIL charge, and also be subject to mitigating direct impacts arising from the development of the site, via S106 and/or S278.
11. Our previous representations in June 2023 suggested that a fairer and more transparent way to ensuring that strategic employment sites contribute towards their impact was via S106/S278 as opposed to CIL. This is perhaps more so now, since the Regulations no longer require LPA's to provide a Regulation 123 List and so when development of a strategic site is consented (or even proposed), the 'hidden' benefits that will arise from a sizable CIL payment, are not immediately identifiable to the general public and importantly, local communities. However, where impacts are mitigated for via S106 for example, these costs are known, itemised and the developer can use these to explain to local communities (through consultation, interpretation boards, leaflets etc), how the development will deliver benefits.
12. For example, our proposals to develop strategic employment land north of Houlton, are exploring the opportunities for an electric bike hub, cycleway and pedestrian connections towards the proposed Rugby Parkway Station and extended/enhanced local bus routes. These will be of wider benefit and can be directly attributed to the development and conveyed more comprehensively. If similar sums were collected via CIL and spent by the Council on projects further afield within the Borough however, the benefits would be less tangible and potentially the local community be less supportive.
13. To conclude, we consider that it is appropriate for Strategic Sites to be considered on their individual merits and the site allocation policies and subsequent planning applications, are the routes for considering what planning mitigations are required. It is likely that a site of the scale that Stoford are proposing, will require off site infrastructure improvements, a new access to the A5, public transport connections and improvements to facilitate other forms of active travel. These will need to be considered early on as part of the scheme and built into the overall cost and timing of the development. This approach will be more effective in terms of providing infrastructure necessary for the development and at the time required, than via the rigidity of a charge (£/per sqm of floorspace) that CIL would apply.

14. However if the Council continues to pursue the £5 per sqm rate proposed for commercial floorspace we would invite the Council to :-

- a) Clarify if ancillary offices are exempt
- b) Consider adjusting the triggers to exclude infrastructure and enabling works from the 'commencement of development'
- c) Consider adjusting the CIL triggers from commencement of development (excluding infrastructure and enabling works) to be triggered upon occupation of a building
- d) Apply these changes (and CIL generally) across phases of development, with each phase being a reserved matters approval for a building, unless otherwise stated

15. Stoford have undertaken initial technical work in support of promoting the land enclosed for development and alongside the promotion of it via the Local Plan, are open to opportunities for an early planning application and have commenced discussions with potential occupiers.

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