

Comments on the Community Infrastructure Levy Draft Charging Schedule – March 2014

1. Roffey Homes Limited

- 1.1. Roffey Homes Ltd are a Worthing based developer of new build apartments. We have been developing new build apartments in Worthing and the surrounding area for over 50 years.
- 1.2. We have considerable expertise in redeveloping brownfield sites in Worthing, having developed over 50 sites. These range from developments of 5 apartments up to 72 apartments.
- 1.3. We are working on two apartment developments on Worthing seafront at the moment, one low rise and one of high rise.
- 1.4. We are currently designing or constructing residential schemes on brownfield sites in the town that will bring in excess of 250 units to the town, half of which are on un-allocated sites.

2. Principle of CIL

- 2.1. Roffey Homes support the principle of CIL. We believe that a town that has good infrastructure, which develops as the town enlarges, will aid the local developer in his future business. The principle of raising new funds from viable building projects to fund this infrastructure is in our eyes a sound argument and we very much support this.
- 2.2. However there is a key balance to be found between continuing to encourage development whilst ensuring that any contributions do not end up potentially stifling it.

3. Comments on the Preliminary Draft Charging Schedule January 2013

Our key comments on the Preliminary Draft Charging Schedule dated January 2013 and its supporting documents were:

- 3.1. We showed by use of the table below that most future brownfield land use would not be able to support CIL

| NCS Maximum Residential CIL Rates per SQM | | | | | |
|---|-------------------------------|----------------------|---------------------|-------------------|------------------|
| Sub Market / Base Land Value | Mixed Residential Development | High Rise Apartments | Low Rise Apartments | Executive Housing | Suburban Housing |
| 1 Low | | | | | |
| Greenfield to Residential | £104 | -£1287 | -£321 | £271 | £96 |
| Industrial to Residential | £39 | -£1314 | -£347 | £206 | £40 |
| Residential to Residential | -£34 | -£1342 | -£375 | £136 | -£20 |
| 2 Medium | | | | | |
| Greenfield to Residential | £310 | -£904 | £66 | £513 | £336 |
| Industrial to Residential | £245 | -£930 | £40 | £437 | £275 |
| Residential to Residential | -£27 | -£1045 | -£75 | £162 | £41 |
| 3 High | | | | | |
| Greenfield to Residential | £271 | -£636 | £332 | £526 | £427 |
| Industrial to Residential | £206 | -£663 | £305 | £459 | £370 |
| Residential to Residential | -£134 | -£803 | £168 | £116 | £78 |

This clearly shows that 24 out of the 45 residential situations are unable to sustain a CIL rate of £100 per SQM, and a further 5 are right on the margin of economic viability, which goes against the Point 30 of the Guidance issued by DCLG (December 2012). So it is reasonable to suggest that two thirds of residential development are likely to be unviable with this rate of CIL being charged!

- 3.1.1. The Worthing Borough Council Preliminary Draft Charging Schedule says in Item 3.2 that the NCS Viability Assessment illustrates the maximum potential CIL rates which could be applied without threatening the economic viability of development, and that they (Worthing Borough Council) have set the CIL rates lower to take account of abnormal costs and other planning obligations. The following statement is then given:

“As such the recommended CIL rates are set significantly within the identified viability margins to take account of these unknown factors. In addition the proposed rates set out (below) are balanced and set against the context of Worthing where there is a clear and over-arching aim to deliver regeneration across the Borough”

It is the brownfield and regeneration areas that are most likely to deliver new residential housing, as confirmed by the Borough’s own Housing Trajectory targets for the future. We have already shown that 50% of the Areas of Change (key regeneration sites) with residential elements are for high rise developments of apartments which cannot sustain CIL. Other brownfield sites have high existing land values and require a reasonable uplift to tempt owners to sell. Our comments in our Items 3.4.23 to 3.4.45 show that we very strongly believe that how CIL is applied will materially affect development on brownfield land. The NCS authors also recognise this by saying for the ‘residential to residential’ situation, *“development will occur on recycled brownfield sites in similar value use with little or no uplift in land value – the worst case CIL position. **It is acknowledged that the majority of development in an essentially urban environment like Worthing is likely to emerge from brownfield development sites and CIL rates should be set accordingly**”.*

We would argue that the CIL rates have not been set accordingly for the ‘Residential to Residential’ areas. Out of the 15 ‘residential to residential’ examples in the viability assessment, 11 are shown to be unable to support any CIL and the remaining 4 can

only just support CIL, not allowing for any site abnormal costs. The £100 per SQM CIL rate would only allow a tiny uplift when viewed against the uplift for industrial or greenfield areas.

Taking account of the Department for Communities and Local Government ‘Community Infrastructure Levy – Guidance’ dated December 2012, which says that a key consideration is the balance between securing additional investment for infrastructure to support development and the potential economic effect of imposing the levy upon development across their area, we believe that by deciding to charge one flat rate, the Borough are more likely to have a negative impact on development across the majority of the area that is likely to provide future development, which the authors have confirmed is brownfield land. This is backed up by our table above and by our further realistic analysis of what type of development is likely to occur where. (see 3.4.23 to 3.4.45)

Further we would refer to point 10 of this Guidance which states “the examiner should be ready to recommend modification or rejection of the draft charging schedule if it threatens delivery of the relevant Plan as a whole”. Through our evidence and analysis above, we contend that the majority of the delivery of the Plan is un-likely to occur, because most of the development is likely to occur on brownfield land or strategic regeneration sites which are definitely or most likely to be unable to support CIL.

As stated in point 34 of the Guidance, we believe the Borough should review their CIL rate for brownfield development land types and set it at differential rates to suit the type of development and location. This would make the levy more flexible to local conditions.

- 3.1.2. We are not happy that the current wording in the Preliminary Draft Charging Schedule meets the recommendations of the comments made by NCS on how to approach sites where CIL will effect viability. The Council say that all eligible sites, by which we presume all land in the Borough, will be charged CIL at the £100 per SQM rate. They say in very rare circumstances will discretionary relief be given. However elsewhere they say that only developments that are shown to be viable will be charged CIL and that on developments where charging CIL will make them unviable, a zero rate shall be applied.

The wording throughout on this is ambiguous. A clear statement of policy needs to be given. If the Borough is to be ‘open to business’ for developers they should have a very clear policy on a procedure of how to deal with sites where charging CIL will make the site unviable.

- 3.1.3. We believe the proposed collection of CIL on CIL-viable developments should be made easier for developments of apartments, where financing and cash flow requirements make the early payment of CIL a lot harder, and may well prevent financing occurring. It is reasonable to apply the current standards on collection of Section 106 contributions for apartments where apartment developments have historically been allowed to pay contributions and provide affordable housing after between 30-50% of completions occurring.

4. Comments on new supplementary and supporting documents

From our previous comments, it can be seen that we had grave concerns over the delivery of future housing on brownfield land once CIL and other contributions have been applied. We therefore looked to the revised Assessment to further analyse brownfield land and to confirm our concerns.

We have read through the following new information and comment as below.

4.1. Land Value Appraisal Study – supplementary report November 2013

- 4.1.1. We have commented previously that we have not been approached for information on land values or sales values. Once again we are disappointed that as the main developer of brownfield land in Worthing, we have not been contacted at any point to ascertain our views and be provided with information on developing brownfield land.
- 4.1.2. On page 5, mention is made of 3 development sites:
- Pumping Station in Hill Barn Lane, Worthing
 - Overstrand, Shopsdam Road, Lancing
 - Soldiers Field Lane, Paddock House, Findon

The report also says that Barratts and Taylor Wimpey have been consulted.

- 4.1.3. Our issue is that we do not believe that these examples are representative of where future development is likely to occur. The sites in Lancing and Findon are in adjacent Council areas. The Pumping Station was a redundant Southern Water site used as a pumping station with no recognisable existing value except for any change of use value. There are many sites in Worthing that should have been used to check land values, particularly brownfield sites. We have not been contacted in this regard and could have provided information.
- 4.1.4. The report also notes on page 4 that residual land values were assessed against other sources of land value information to ensure that this was not just 'an academic exercise to produce a theoretical land value which may not bear scrutiny when

compared against current market activity'. Other supporting documents confirm that most development is likely to occur in the future on brownfield land within the Borough. Whilst there is some redundant brownfield land use that may be able to accept a change of use, we contend that most brownfield development is likely to come about through natural redevelopment of inefficient existing residential land. However we have not seen or been provided with any evidence that shows that residual land calculations show any residual value to support the payment of CIL, affordable housing or Section 106 contributions.

- 4.1.5. We believe the Land Value Appraisal Study should specifically look at this. It is our contention that the redevelopment of existing residential development in the town will be key to providing housing target numbers going forward because of the restricted location of Worthing between the Sea and the South Downs National Park., and adjacent councils on either side. There is very little greenfield land to redevelop and so the focus of the Planning Officers should be to aid redevelopment of inefficient existing residential land. In doing so, they should be studying in detail current types of brownfield land use in the Borough to find out if CIL and other contributions will affect delivery of future housing.
- 4.1.6. The report gives further information on sales prices. We agree that seafront locations should be able to support CIL due to the increase in sales price values. However when you step back from the seafront, values drop drastically to around £200 to £320 psf.
- 4.1.7. In recent years we have built apartments that are on inefficient existing residential brownfield land and not on the seafront. By nature of the existing value of the residential use, it is our contention that these sites shall be unable to deliver CIL, affordable housing and Section 106 contributions.

4.2. Viability Assessment

General

- 4.2.1. Item 1.7 – the last sentence says *“that a category or location of development is shown to be unviable, a zero CIL rate will be recommended.”* **We have been unable to find any mention of this within the Councils draft charging schedule.** Taking this statement, and reviewing against the residential viability results on page 31, there should be 36 potential scenarios where there should be no CIL charged out of 90 – so a third of the potential scenarios of applying CIL on residential show that it cannot be supported. If you assume then look at the greenfield / brownfield situation, this changes to 30 out of 60 – **so 50% residential development on brownfield land is unable to support CIL in Worthing!!!!!!** We find it quite staggering that even taking into account the fact that we have serious doubts over many of the figures within the document, the Local Authority continue to believe a blanket CIL rate against all residential development should still occur!
- 4.2.2. Items 1.11 to 1.13 – we disagree with these Key Findings and our reasons shall be provided later. However a quick glance at the Viability table on page 32 shows that this statement is false. The report is trying to be clever by only referring to the greenfield and brownfield figures and ignoring the market comparable. The brownfield land figures are based on change of use from industrial to residential. There is hardly any industrial use in the medium and high land values areas, and those minor areas of industrial use that do exist are highly unlikely to be redeveloped as they are currently being used as going concerns or because they are in industrial parks. The most likely brownfield redevelopment will occur where there is no change of use, residential to residential, the very results which they have deleted since their preliminary reports. **For this reason we believe it is absolutely right to refer to the market comparable results, as ignoring them will render the whole report a whitewash so that they can try and justify a fixed rate application rather than a variable rate application**
- 4.2.3. We disagree with the general conclusion remarks in 1.20.
- 4.2.4. Item 1.21 – we agree that most new development will emerge on brownfield sites.

Methodology

- 4.2.5. Item 3.26 – the Assessment approach is fundamentally wrong when their own Assessment in item 1.21 clearly states that most development will emerge on brownfield land. Rather than further analyse our comments on looking closer into brownfield development, the Assessment chooses to restrict the analysis by deleting the analysis of ‘Residential – Residential’ that existed in their December 2012 Assessment. The Assessment states that *“the median brownfield position recognises that existing commercial sites will have an established value. The existing use value is based on a low value brownfield use (Industrial)”*

We just cannot understand why, after our comments on the Preliminary Charging Schedule, they have chosen to reduce the analysis of where most future residential development is to occur.

- 4.2.6. Item 3.27 - there should be far greater analysis of brownfield change of use to residential as this is where over 75 % of the future delivery will be going forward. The report mistakenly considers that they have carried out a reasonable scope of land value scenarios. We shall argue that when past brownfield residential development is analysed, most of it has occurred on either past residential or commercial uses and as such all three situations should be analysed.
- 4.2.7. It is also worth pointing out that the current Planning Policy in Worthing (SBD – Sustainable Economy) does not allow change of use from Industrial or Commercial uses until a set of stringent steps occur, primary of which are proving they are unviable and that a two year marketing period has proven this. **So the Council have based their viability assessment on change of land uses that they in fact resist unless a long two year process has occurred!**
- 4.2.8. Item 3.36 provides summary sales values. However it does not allow for the huge differences in value in these areas due to location which occur particularly for apartments. It has taken a median value rather than the range. The Land Value Appraisal Study showed the wide range of values however it is distorted by the seafront values which in reality are a finite product that is rarely to come forward for providing CIL. Seafront sites can deliver CIL. Inland brownfield sites of residential to residential cannot.
- 4.2.9. Item 4.10 – the size of the 2 Bed apartment at 66m² is the absolute smallest allowed under the recently adopted SBD ‘Space Standards’ document by the Borough Council. It seems wholly unreasonable to adopt the lowest possible size so as to keep the build costs as low as possible in order to help the situation for potential to charge for CIL. It would be far more reasonable to increase this minimum size by 10m². Additionally, the report states that the unit type sizes are “*generally reflective of market circumstances in Worthing*”. Please can the evidence be provided to support this statement. Whilst this may be true for affordable housing apartments, it is not my understanding of private market situation.
- 4.2.10. We also believe that they have applied the lowest build costs (based on the minimum space standards mentioned above) against the median sales values for properties. This is not right. You either use the lowest land sales values against the lowest build costs, or you use the median against the median.
- 4.2.11. Item 4.22 – whilst 20% is the normal situation for Developers profit at the moment, this is more applicable to housing developments. On apartment developments, where ALL costs are born in advance of the first sale, rather than the phasing that can occur on housing sites, there is far more risk and so a higher return of 25% is needed to seek development finance from lenders. Additionally, funders are only providing 60% finance for apartment developments at the moment, which causes greater financial issues for apartment developers.

Viability Appraisal results

4.2.12. Page 31 provides a table of the Maximum Residential CIL rates.

We can see no explanation as to why the Maximum Residential CIL rates have changed as listed below:

- Low value land area CIL rates for Mixed residential development have **GONE DOWN around 10-20%**, ie. Less likely to deliver CIL
- Low rise apartment blocks for Medium and High value land areas have had their rates magically **increased by over 200%** since the Preliminary figures!! There is no explanation for this in any of the documentation. We believe these figures are manufactured.
- But executive and suburban housing in Medium value areas have had their rates **reduced** by anything from 20 to 180%

High rise apartment viability appraisal for CIL.

4.2.13. We believe that high rise development shall be unlikely to occur in many areas of Worthing because of the costs associated with high rise construction against the future sales values. The report mentions schemes such as The Causeway and Teville Gate, but neither scheme is viable even though planning permissions have been given. Where it does occur, we do believe it likely to just about be able to support CIL. However, we foresee very little future high rise in Worthing unless very close to the seafront.

Low rise apartment and housing (Suburban and Executive) viability appraisal for CIL

4.2.14. Roffey Homes believe that Worthing is not delivering its housing targets. We appointed ECE Planning to review the housing numbers. They have confirmed the following:

The following represents our assessment of those five-year housing land calculations as attached.

Table 1 – South East Plan 2006/2026 – 4,000 @ 200/Annum

Table 1 represents Worthing Borough Council’s current published five-year housing land supply position as, identified through the Worthing Borough Council 2012/13 Annual Monitoring Report. This housing land supply position is calculated against the housing requirement as set out within the now abolished South East Plan which, required Worthing Borough Council to provide 4,000 dwellings between 2006-2026 at 200 dwellings per annum. Against this requirement WBC are currently achieving a surplus of 314 dwellings (2012/13), therefore in combination with the Council’s projected completions between 2013/14-2017/18, WBC can demonstrate in excess of 15 years housing land supply.

While WBC appear to demonstrate a 15 year housing land supply against the current South East Plan and Worthing Core Strategy requirement, it is our considered view that this calculation is fundamentally flawed.

Firstly, we have significant concerns with regards to the South East Plan and Worthing Core Strategy housing requirement which, at 200 dwellings per annum is substantially reduced from the findings of the recently published Strategic Housing Market Assessment.

However of greater significance, we have major apprehensions in relation to WBC's projected housing completions as identified within the 2012/2013 AMR and, which have been used to calculate the five-year housing land supply. It is our view that WBC have 'cooked the books' with regards to their predicted housing delivery rates which, range from 227 (2013/14) and 625 (2016/17) over the next five years. These significantly outstrip and of the Council's historic delivery rates, including at the height of the economic boom.

A detailed analysis of these projected completion rates raise further questions, with WBC suggesting a delivery rate of up to 200 dwellings per annum from allocated sites including West Durrington. Such delivery rates are in our view are highly unrealistic.

Therefore it is our considered view that, under greater scrutiny, Worthing Borough Council would not be able to robustly demonstrate such a positive five-year housing land supply.

Table 2 – SHMA 2011-2031 – PROJ 2 13,527 @ 676/Annum

Table 2 is based upon the highest housing need projection identified within the West Sussex Coastal Strategic Housing Market Assessment, PROJ 2 is based on the sub-national population projections based upon census data.

On the basis of this projection, it is our considered view that Worthing Borough Council are unable to demonstrate a robust five-year housing land supply and, instead can only demonstrate 2.5 years housing land supply. This could be further reduced on the basis of our concerns in relation to the Council's housing delivery projections.

Table 3 – SHMA 2011-2031 – Average 11,600 @ 580/Annum

Table 3 is based upon our assessment of the projections provided within the West Sussex Coastal Strategic Housing Market Assessment, based upon those projections they provide for growth within the Borough.

Again, on the basis of this projection, it is our considered view that Worthing Borough Council are unable to demonstrate a robust five-year housing land supply and, instead can only demonstrate 3 years housing land supply. This could be further reduced on the basis of our concerns in relation to the Council's housing delivery projections.

Summary

Therefore, on the basis of the above calculations, WBC need to deliver significant additional housing in the future to meet defined needs. Issues such as blanket CIL charging rates will have a profound impact on the Councils ability to deliver such housing, by spatially rendering certain

forms of housing development unviable. The Council target the provision of family housing as set out in the Core Strategy and evidence base and in this regard the proposed CIL rates are likely to have the most pronounced and negative impacts in the lower value areas identified.

- 4.2.15. Based on the above, it is our belief that in order to deliver sufficient housing numbers in the Borough, there will have to be more redevelopment in existing brownfield areas. Towns and cities do by nature grow out, but when they are restricted by natural boundaries, such as the sea and Downs around Worthing, they need to encourage redevelopment of key areas around the centre, seafront and other sustainable locations. In essence we should encourage reasonable redevelopment of areas that are currently low density but can support increased density.
- 4.2.16. Such areas include commercial and industrial uses that can no longer be justified in these locations, but it is our belief that many of these in Worthing have already been redeveloped.
- 4.2.17. We believe the greatest potential exists where low density housing occurs within the existing urban fabric. The Council believe that more family housing is needed in Worthing and we agree with this. However the geography of the town is such that much of this may need to be provided in the form of family apartments as well as suburban housing. With this in mind we have analysed the ability of low rise apartments, executive and suburban housing in such areas to be delivered with CIL rates of £100 per SQM being applied.
- 4.2.18. We would refer back to the tables on Page 31. We believe the following can be determined:
- We totally agree that greenfield land can support CIL at £100 per SQM on all land value scenarios
 - The low value area occupies a third of Worthing and is unable to support CIL on any brownfield site in this area. This includes **ALL industrial sites in the Borough. This also occurs when there is zero affordable housing.**
 - Medium value brownfield areas can only just support CIL rates of £100 per SQM on low rise apartment, suburban and executive housing. However as noted in the report, this 'brownfield' value is based on the lowest land value – Industrial – changing to residential. There are very very few industrial sites in Worthing medium value areas and by nature these come to market when the existing use has closed down and no other business will move in. After meeting the Local Authority condition that the site be marketed for 2 years, the site can only then be valid for change of use to say residential. Because the industrial use is no longer valid or viable, the existing land value drops significantly unless a change of use occurs. We agree that if this can deliver CIL then the uplift should be shared by both the landowner and the Local Authority. However one must bear in mind that such industrial sites are highly likely to have abnormal costs such as contamination, asbestos, demolition etc. This is acknowledged in the report. We therefore believe that with the viability table only just showing that CIL at £100 per SQM is possible, it is highly likely that such CIL could restrict the delivery of housing on these sites unless Affordable Housing and other planning obligations are removed, in which case CIL shall be able to be charged.

- Medium value 'Market comparable' values show that low rise apartments, executive housing and suburban housing cannot support CIL. We do not fully understand what 'market comparable' is. However if this means that residential to residential land use (as previously shown in the Preliminary documents) then this means that huge areas of Worthing shall be unable to support CIL. This to us is a key area where the Council should be focusing on supporting redevelopment of residential areas with greater intensification but we believe that political factors and 'NIMBYISM' are forcing this to be ignored.
 - Even with affordable housing and planning obligations removed, intensifying housing on existing residential areas cannot support CIL.
 - High value brownfield and Market comparable land use again shows that housing in particular cannot or can barely support CIL in 3 out of 4 situations. When abnormal costs are factored in, we believe it shall become unviable. The Local Authority state that they wish to help push for family housing in the Borough. They have very few greenfield sites. How are they going to get more of this type of housing by applying CIL when it shall make housing more likely to be unviable on the very land use (brownfield, market comparable) where they really need to focus their attention?
 - We cannot understand why low rise apartments in high land values are suddenly between 3 to 8 times more able to support CIL than on medium land values when housing is only marginally more between the two value areas. **There is a definite error here.** On the basis that the construction cost is the same for an identical building, then the increased sales values for the high land value should be countered by the higher existing land value and not materially effect the land price uplift in a huge way. This huge error can further be shown up by the viability report own figures of Sales values on Page 21, where the difference in sales values between medium and high value areas is only 19%. We believe the figures for low rise apartments on high land values should be:
 - Brownfield = £155 per SQM
 - Market comparable = £65 per SQM.
- 4.2.19. Item 8.14 – this is a concocted appraisal that has huge errors in terms of construction cost on the underground parking and transfer slab. Roffey Homes have built many underground car parks with accommodation above. The cost of this and the transfer slab will make this site unviable. I could provide figures to support this.
- 4.2.20. I am also perplexed why this viability appraisal mentions just 50 residential units, whilst in item 8.23, the report say the site can support 250 units????
5. **Comments on Worthing Borough Council Community Infrastructure Levy – Draft Charging Schedule March 2104**

- 5.1. We refer to our comments above on why we believe the chosen method of a fixed rate rather than a differential rate shall materially affect the future provision of housing in the Borough.
- 5.2. Page 6 mentions Exemptions from CIL. The Viability Assessment on page 4 states that *“that a category or location of development is shown to be unviable, a zero CIL rate will*

be recommended.” 30% of all residential scenarios and 50% of all brownfield scenarios are unviable by using the fixed rate method. How can a fixed rate be appropriate in such a scenario?

5.3. Item 1.6 states *“The Levy is a fixed, non-negotiable charge relative to the size and type of the chargeable development.”* No mention is made of subject to viability in this statement, which sends out the wrong message to developers and is against the advice and statements in the NCS Viability Assessment.

5.4. We are particularly concerned that there is no mention that CIL should be applied to the gross internal floorspace of the habitable units when applied to residential apartments. There are always instances of communal corridors, bin stores, plant rooms, basement parking, lifts, entrance lobbies, cycle stores etc etc that have to be included but have no value. This is particularly valid where on a tight site the parking is underground. **There should be an absolute clear statement that CIL is only applied to the habitable footprint of a unit.**

6. Conclusions and Recommendations

Our comments on the land and viability reports clearly show that there are substantial issues with the application of a fixed rate CIL levy on residential development in Worthing.

6.1. We have compiled the following table to show graphically the ramifications of applying a fixed rate of CIL over all residential development:

Red = unviable Amber = on the margin of viability Green = viable

| NCS Maximum Residential CIL Rates per SQM | | | | | |
|--|-------------------------------|----------------------|---------------------|-------------------|------------------|
| Sub Market / Base Land Value | Mixed Residential Development | High Rise Apartments | Low Rise Apartments | Executive Housing | Suburban Housing |
| 1 Low | | | | | |
| Greenfield to Residential | £96 | -£1144 | -£256 | £137 | £73 |
| Industrial to Residential | -£48 | -£1199 | -£310 | -£9 | -£62 |
| Market Comparable (Residential to Residential) | -£64 | -£1205 | -£315 | -£25 | -£77 |
| 2 Medium | | | | | |
| Greenfield to Residential | £292 | £397 | £208 | £309 | £275 |
| Industrial to Residential | £132 | £321 | £131 | £146 | £124 |
| Market Comparable (Residential to Residential) | -£32 | £244 | £55 | -£39 | -£32 |
| 3 High | | | | | |
| Greenfield to Residential | £302 | £360 | £611 | £271 | £419 |
| Industrial to Residential | £142 | £286 | £538 | £105 | £268 |
| Market Comparable (Residential to Residential) | -£17 | £211 | £464 | -£59 | £117 |

This clearly shows that 20 out of the 45 residential situations are unable to sustain a CIL rate of £100 per SQM, and a further 8 are right on the margin of economic viability, which goes against the Point 30 of the Guidance issued by DCLG (December 2012). It is reasonable to argue that the amber colours are material as they nearly all occur on brownfield land (defined as industrial within the Viability report) where abnormal costs are very likely to occur, such as asbestos, contamination. So it is reasonable to suggest that just under two thirds of residential development are likely to be unviable with this rate of CIL being charged!

6.2. The viability report chose to remove any mention of 'residential to residential' development because they obviously realised that showing this would show up that it cannot support CIL. They have included a 'market comparable' line instead. Assuming they argue that this is residential to residential, then 11 out of 15 scenarios cannot support CIL.

6.3. We believe that there are significant errors in the viability results table for the low rise apartments in high land value areas.

6.4. We believe that the brownfield land category is not representative of brownfield land, and far greater analysis should be done on this area, as this is the key area in future where development shall occur due to Worthing have very little greenfield land sites. The viability report just looks at industrial – it should look at industrial, commercial and residential brownfield land.

6.5. Through analysis by our planning consultants, we have shown that the town is not delivering enough housing to meet the need, and they must focus more on delivery through brownfield development. The current application of CIL through a blanket rate will seriously undermine this.

We recommend that the Proposed charging schedule should be turned down by the Planning Inspector for the following reasons:

- 6.6. The fixed rate application makes most brownfield development unviable and so a variable rate method should have been chosen. This was highlighted at the preliminary stage but the Council have continued to ignore the effects that CIL will have on brownfield land. We believe this is for political and NIMBYIS reasons.
- 6.7. As a principle developer of brownfield land in Worthing, we should at last be consulted on bringing forwards proposals that will deliver BOTH CIL and new housing to meet the future housing need. This should review all types of development scenarios.
- 6.8. We believe greenfield land should have their CIL rates materially increased to provide for CIL that cannot be provided on brownfield land.