

Examination into the Community Infrastructure Levy Draft Charging Schedules

Opening Statement from Broadland District Council, Norwich City Council and South Norfolk Council

1. Introduction – the GNDP

- 1.1 The charging schedules to be considered at this examination for Broadland, Norwich and South Norfolk are submitted as separate documents to comply with legal requirements, but the close resemblance between them is immediately apparent.
- 1.2 This is, in large part, because they share a common evidence base, but this itself is reflective of the long history of joint working between the three prospective charging authorities together with Norfolk County Council.
- 1.3 Most recently this has taken the form of working as the Greater Norwich Development Partnership on areas of common interest including land use planning and economic promotion. The partnership is non statutory but meets regularly. It is headed by a Board consisting of the leader and two other senior members with relevant roles, of each authority, and also representatives from the Broads Authority, HCA and LEP. It is supported by directors of all the authorities.
- 1.4 The GNDP has never been a decision-making body, but is a forum for issues to be discussed so that an outcome acceptable to all partners can be achieved. All decisions have been made by the individual authorities as appropriate to the matter in hand.

2. Joint Core Strategy including legal challenge – Policy 20, infrastructure schedule, the work by AECOM

- 2.1 The earliest piece of work to be commenced under the auspices of the GNDP was a bid for New Growth Point (NGP) status. The regional strategy established housing provision figures which opened the way to such status, and the opportunity to become a NGP was seen as a means to maximize financial support for the sustainable delivery of stretching requirements.
- 2.2 The same regional strategy required that the planning strategy for the Norwich area should be carried through in the form of joint or co-ordinated planning documents, and after some discussion it was

agreed that a joint core strategy (JCS) would be the most appropriate and practical approach.

- 2.3 The strategy eventually promoted was informed by early work on infrastructure requirements and deliverability undertaken by AECOM, and the same company provided more detailed work to support the strategy eventually selected. The work by AECOM was the foundation for the infrastructure framework in the JCS and the more detailed implementation plan that became the Local Investment Plan and Programme (the LIPP). These documents outline infrastructure requirements and broad indicative costs. They were the subject of significant debate at the public examination into the JCS. The JCS also included a policy on implementation which highlights the intention to adopt a Community Infrastructure Levy.
- 2.4 The JCS was found sound, subject to some modifications which included refinement of the policy on implementation, and recasting of the appendix dealing with infrastructure requirements to assist clarity. It was adopted in March 2011.
- 2.5 However, following a partially successful legal challenge, some parts of the JCS were remitted by Order of the High Court. This required further sustainability appraisal/strategic environmental assessment work to be undertaken, and, following consideration of the outcome, publication of the material proposed for submission, to address the requirements of the Order. The steps have been undertaken, and the proposed submission material is currently published for representations.
- 2.6 Advice from the partnership's legal advisers and the Planning Inspectorate has supported the view that the remittal of parts of the JCS does not present a legal barrier to the examination of CIL charging schedules.

3. Commencement of work on CIL

- 3.1 The work undertaken by AECOM helped to establish the scale of the infrastructure needed to accommodate the scale of development proposed, and the favoured strategy. It also gave an indication of the magnitude of costs involved in providing such infrastructure. It confirmed the cost will exceed anything which can reasonably be anticipated from mainstream public sector funding.
- 3.2 To progress matters as quickly as practical, work commenced on the gathering of viability evidence to support CIL charging schedules in the second half of 2010. Following a tender exercise, GVA Grimley (now GVA) was appointed to provide viability evidence.

4. Evidence sources

- 4.1 The completion of this work, taken together with the infrastructure needs and funding work undertaken by AECOM, and the anticipated adoption of the JCS, put the essential foundations for CIL in place. The first report from GVA was received in mid 2011. This highlighted the need for charges for residential property to be varied by geographical zone if the requirements for viability and securing appropriate levels of contribution were to be balanced.
- 4.2 The subsequent work focused on refining this work and adding to understanding of specific issues which arose out of it. In part, these issues were raised through dialogue with representatives of the local development industry.
- 4.3 One of the areas where further work was needed was more detailed evidence of transactions to enable charging zones to be robustly defined on OS base. This was undertaken and the results published in a further report by GVA in August, 2011.
- 4.4 This paper also contained the results of further work on appropriate charges for residential and non residential forms of development.
- 4.5 Additional work has been undertaken in house, or by other consultants looking at some specific issues including
 - How best to deal with garages in view of uncertainty over their relative impacts on the gross value of the development and the additional cost
 - Understanding the variations in the cost associated with multi-storey residential buildings, whether, as a consequence, there is justification for varying the CIL rate according to the number of floors of a development, and where the threshold for such a variation might lie.
 - How the charge for retail development could justifiably be varied between large and small premises, and where the thresholds for such a variation might lie.
 - Refinement of the cost assumptions for green infrastructure.

5. Liaison with development interests and others

- 5.1 Throughout the process there has been engagement with the local development industry either through formal presentations, or smaller groups, or bilateral discussions.
- 5.2 In particular GVA presented the results of their work to a developer forum. More detailed discussions were held by GNDP officers with smaller meetings in the form of developer focus groups. Details of these are in an appendix to this statement. As a part of this process, the offer of one to one dialogue with individual development interests

was extended, and resulted in meetings with some developers and their advisors.

- 5.3 This process was helpful in providing more detail on the assumptions developers use in assessing viability and also their concerns about the impact of the recession. This dialogue was one of the key factors in the reduction in the proposed residential rates between the publication of preliminary draft charging schedules and the submitted proposals.
- 5.4 As an integral part of this process, dialogue was also held with representatives of the HCA and Housing Associations. Indeed the HCA gave one of the presentations at the wider forum meeting. Housing associations were represented, and as a follow-up, a meeting was held with a representative of a local housing association to enable the GNDP team to better understand the economics of providing affordable housing within mixed tenure developments.
- 5.5 One of the advisors with whom informal meetings were held is Savills. Savills have submitted representations on behalf of their clients, but they and the GNDP officers have agreed to meet to try and agree a Statement of Common Ground.

6. Stages

- 6.1 Preliminary draft charging schedules were published and available for comment in the period between 3 October and 14 November 2011. Details of the consultation documents and a report of the outcome of the consultation are on the GNDP web site. The principal changes to the charging schedules which resulted concerned residential charging rates, including garages, a zero rate for certain community buildings which have no commercial value, and refinements to the indicative policy on staging of payments.
- 6.2 Draft charging schedules were published from 6 February to 5 March 2012. It was during this consultation period that the High Court judgment on the JCS was handed down. Under the circumstances, it was necessary to wait for the formal Order of the High Court to understand the full consequences for CIL. Therefore, following receipt of the Order in April, further advice was taken to determine that it would be appropriate to formally submit the charging schedules for examination.
- 6.3 The outcome of the consultation is fully reported on the GNDP web site.

7. Continuing cooperation by the authorities

- 7.1 At the beginning of this statement, the point was made that there is a history of cooperation between the authorities in the Norwich area. The authorities are committed to continue co-operating to deliver

infrastructure and growth and this will be assisted by the adoption of the charging schedules.

- 7.2 It is recognised that much infrastructure will serve more than one local authority area, and there have been discussions facilitated by specialist advice from PricewaterhouseCoopers on matters such as forward funding of infrastructure, managing risk, maximising mainstream funding opportunities and taking advantage of innovative opportunities.
- 7.3 Cooperation on delivery is facilitated through the local investment plan and programme which is a working document, regularly updated. This will be supplemented by a more detailed five year investment programme at a project by project level based on the most up to date emerging work in planning, and also, for example, in the implementation of strategic green infrastructure priorities.
- 7.4 Similarly, we continue to liaise with other bodies responsible for infrastructure provision (such as Anglian Water, Norfolk Police, UK Power Networks etc).
- 7.5 In short, we all recognise that the adoption of charging schedules is far from the end of the story and look forward to continuing to work together.

Appendix 1 Developer and stakeholder engagement

CIL Developer Focus Group

Developer Focus Group meetings were held on Tuesday 12 April 2011 and Thursday 5 May 2011. A list of attendees is detailed below. Summary notes of the discussions were produced and have been previously submitted to the examiner as background document BG 5.

Attendees (at one or both events)

Name	Organisation
Ciara Arundel	Savills
Paul Clarke	Bidwells
David Copeland	Beyond Green
Martin Davidson	Persimmon Homes
Robert Eburne	Hopkins Homes
Ian Fieldhouse	Stepford Homes
Jerry Fuller	Iceni Developments
Jonathon Green	NPS
Garth Hanlon	Savills
Terry Harper	Norfolk Homes
Hugh Ivins	
Paul Knowles	Building Partnerships
Andrew Leeder	
John Long	Bidwells
Will Lusty	Savills
Gail Mayhew	Thorpe & Felthorpe Trust
Craig Neilson	Ptarmigan Land
Adrian Parker	Parker Planning
Peter Roy	Richard Pike Associates
Mark Sperrin	Camland Developments
Graham Tuddenham	United Business & Leisure
Matthew Ward	Barratt Eastern Counties
Andrew Wilford	Barton Willmore

Community Infrastructure Levy Developer Forum

A wider Developer Forum event was held on Tuesday 10 May 2011. The list of attendees is detailed below. A summary of the Question and Answer panel at this forum and copies of the presentations given have been previously submitted to the examiner as background document BG 6.

Attendees

Name	Organisation
Jeremy Aldous	Peter Colby Commercial
Ciaran Allen	GVA
Colin Campbell	Savills
Rebecca Carriage	Mills & Reeve

Paul Clarke	Bidwells
Helen Cooksey	
David Copeland	Beyond Green
Michael Cramp	Flagship Housing
Alexander Dade	
Caroline Dean	Mills and Reeve
Akin Duwoju	Homes and Communities Agency
Kevin Garnham	K Garnham Technical Services
Mike Goulding	Homes and Communities Agency
Tina Gratton	
James Gratton	
Liz Hovey	Oak Square Architectural Design
Jim Howard	Keys Commercial
Anthony Hudson	Hudson Architects
Oliver Hunt	Capital Shopping Centres
Jane Hunting	Richard Pike Associates
Alan Irvine	
Hugh Ivins	
Trevor Ivory	Howes Percival
Mr Jalil	
Mrs Jalil	
Jonathan Jennings	Pegasus Planning Group
Martin Kemp	M P Kemp Ltd
Nicole La Ronde	Ingleton Wood
Andrew Leeder	
Andrea Long	Broads Authority
James Macdonald	LSI Architects
Chris Marsden	M P Kemp Ltd
James Montgomery	Purcell Miller Tritton LLP
Jacqueline Mullimer	Terence O'Rourke
Daniel Palman	Nathaniel Lichfield & Partners
Mark Philpot	Ingleton Wood
Melys Pritchett	Savills (Nottingham)
Ian Reid	City Gate Developments
Ray Ricks	Boyer Planning
Suzanne Sale	Norfolk County Council
Andy Scales	NPS
Graham Smith	Landmark Associates
Christopher Smith	Hopkins Homes
Tony Tann	Youngs Homes
Mike Taylor	GVA
David Thompson	LSI Architects
Malcolm Vincent	Vincent Howes Chartered Surveyors
Neil Warren	Pelham Holdings