

Greater Norwich Development Partnership

Community Infrastructure Levy Developer Forum Summary of Question and Answer Panel 10 May 2011, UEA Sportspark

This note provides a summary of the Question and Answer panel at the Community Infrastructure Levy Developer Forum, 10 May 2011. The presentations given at this meeting is attached to this note, together with a list of attendees.

What is the basis for Charging CIL?

CIL is a charge per sqm based on gross internal floor space of new buildings

Why is there a discrepancy between commercial and residential CIL?

The market for commercial development is small and viability is much more challenging

Are there allowances/ incentives for green development?

The Viability Study takes account of Code for Sustainable Homes Levels 3 and 4 and BREEAM standards. The Government is reviewing standards, and research suggests costs of meeting higher standards will come down..

How will CIL be negotiated?

CIL is a standard charge, applicable to any new development, and is calculated at reserve matters. CIL breaks the link between infrastructure and development but there are strict reporting arrangements to demonstrate how CIL is spent so communities and developers will have a clear understanding of how CIL is spent. The local planning authorities and the County Council want to continue to work in partnership to ensure needed infrastructure is delivered. The authorities are continuing to look at the split between S106 and the so called 'Regulation 123' infrastructure list. The list may vary between districts.

When will it be paid?

The Government has stated that councils are able to consider a flexible payment system with interim payments and that phases of a large development can be considered separately. The authorities will be looking at the payment system in more detail.

To what extent do you see the link being broken between infrastructure and development and how will this impact on developments – will permission be given for a development without the infrastructure in place to support it?

Some infrastructure will still be delivered though Section 106, for example site access.

Will there be a prioritised infrastructure list in the charging schedule?

Prioritisation of infrastructure takes place through the Local Investment Plan and Programme (LIPP) process, which will constantly be updated. There will

also need to be a clear, short-term business plan for infrastructure delivery that the authorities will sign up to.

How will strategic infrastructure on-site be funded? Under the current system free land transfer is expected?

Free land transfer is expected to continue. There will be no double counting. If significant infrastructure is removed from the 'Regulation 123' list to be paid for by S106, the overall infrastructure bill will go down and there will be an impact on viability. This will be reflected in the CIL charge.

How does neighbourhood funding work?

A 'meaningful proportion' will be transferred to parishes to spend on infrastructure that the community prioritises (This will be ring-fenced in the CIL). What a 'meaningful proportion' is will be determined by the Government following consultation in the summer.

Will a flat-rate of CIL inhibit small brownfield sites coming forward?

The authorities have asked GVA to review this issue. DCLG guidance is clear that viability evidence needs to be prepared on an area-wide approach and it has to be based on broad assumptions. The work looked at a number of typologies and brownfield and Greenfield enabling costs. The proposed CIL allows a majority of sites to be viable, the sites that are not viable may never be. The regulations allow for 3 exceptions from CIL. The first and second involve charitable relief, the third offers relief the S106 bill is larger than CIL but this would occur in all sites when affordable housing is considered. At this point we are assuming that discretionary exceptions will not be offered. The fundamental principle underlying this is the European competition regulations which state that relief cannot be received of more than 200,000 euros in any rolling 3 year period, this discounts most national developers.

What percentage of CIL will be raised from residential development?

Nearly 100% - commercial development does not contribute a significant amount.

How will exemplars be treated?

CIL regulations have to be based on area-wide viability. The reality is that costs will be different and that land value will be impacted. Where viability is challenged, this is where the HCA's enabling role can be considered.

What is the mechanism for forward funding of infrastructure?

The authorities are looking at the option of borrowing to fund infrastructure upfront. CIL can be used to pay borrowing costs (though not to borrow against).

Will CIL cover maintenance?

This will be an issue covered by changes to the CIL regulations next year. The expectation is that the regulations will allow CIL to be used for maintenance.

If infrastructure is not delivered on land provided by free transfer will it pass back to the developer?

Existing rules around land transfer will continue to apply.

Does CIL cover public transport?

Yes

Will community development be exempt?

No. CIL is applicable to all new development. It is anticipated that a lower rate of CIL will be charged for other types of development – CIL charged on community development can be used to fund that development.

CIL will be 150,000 per acre for 10 dwellings – won't this squeeze the affordable housing provision?

CIL only applies to market dwellings, using the example of 10 dwellings an acre, only seven will be charged CIL.

Post meeting update:

At the meeting Phil Morris indicated that the Regs were not entirely clear about what happened where CIL is adopted in between the granting of outline planning permission (with an associated S106) and reserved matters. Reg 8 implies that such development would be liable for CIL. Subsequent discussion with CLG confirms that this is not the case and Reg 128 is intended to provide exemption from CIL for development relating to outline permissions granted prior to CIL adoption.

In attendance

Name		Organisation
Jeremy	Aldous	Peter Colby Commercial
Ciaran	Allen	GVA
Carole	Baker	South Norfolk Council
Amy	Baxter	Greater Norwich Development Partnership
Roger	Burroughs	Broadland District Council
Colin	Campbell	Savills
Rebecca	Carriage	Mills & Reeve
Ruth	Charles	Greater Norwich Development Partnership
Paul	Clarke	Bidwells
Helen	Cooksey	
David	Copeland	Beyond Green
Michael	Cramp	Flagship Housing
Alexander	Dade	
Caroline	Dean	Mills and Reeve
Akin	Durowoju	Homes and Communities Agency
Stephen	Faulkner	Norfolk County Council
Kevin	Garnham	K Garnham Technical Services
Mike	Goulding	Homes and Communities Agency
Tina	Gratton	

Name		Organisation
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
Gwyn	Jones	Norwich City Council
Martin	Kemp	M P Kemp Ltd
Nicole	La Ronde	Ingleton Wood
Helen	Lambert	Greater Norwich Development Partnership
Andrew	Leeder	
Andrea	Long	Broads Authority
James	Macdonald	LSI Architects
Chris	Marsden	M P Kemp Ltd
Jerry	Massey	Norwich City Council
James	Montgomery	Purcell Miller Tritton LLP
Phil	Morris	Norfolk County Council
Jacqueline	Mulliner	Terence O'Rourke
Daniel	Palman	Nathaniel Lichfield & Partners
Mark	Philpot	Ingleton Wood
Melys	Pritchett	Savills (Nottingham)
Andy	Radford	South Norfolk Council
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
Chris	Trett	South Norfolk Council
Malcolm	Vincent	Vincent Howes Chartered Surveyors
Neil	Warren	Pelham Holdings