East Cambridgeshire Community Infrastructure Levy (CIL)

Thursday 18th and Friday 19th October 2012

9:30am

AGENDA

1. Introduction

2. Preliminary matters.

   (a) Should the introduction of CIL be postponed until the publication of the emerging East Cambridgeshire Local Plan (the emerging Local Plan) and other document such as the Supplementary Planning Document on Planning Obligations?

   (b) Is there a possibility that developers will be required to pay twice by way of CIL and by way of s.106 obligations?

Main Issues

3. Is the charging schedule supported by background documents containing appropriate available evidence?

Supplementary questions

(a) Does the CIL Infrastructure Study of December 2011 (the Infrastructure Study) identify the infrastructure necessary to support future growth up to 2025 as set out in the East Cambridgeshire Core Strategy (The Core Strategy) or does it include elements of infrastructure necessary to support growth envisaged in the emerging Plan?

(b) The Infrastructure Study identifies a funding gap of approximately £168 million. Has that figure been seriously challenged?

(c) Are there any indications that this figure could fall in the future?

(d) What contribution is it anticipated that CIL will make to bridging this gap?

(e) CIL is intended to help fund proposals in the Core Strategy. However, the Council is well advanced with the preparation of the emerging Local Plan. Does this undermine the status of the Core Strategy as one of the key pieces of evidence on which the draft charging schedule is based?

(f) In the Viability Assessment of December 2011 and its Addendum of April 2012 the ability of a range of notional schemes to support varying levels of CIL has been examined using the residual land valuation technique. In any such exercise small changes in the assumptions made about inputs can have a significant effect on the residual land value generated and hence the viable level of CIL. For residential uses, assumptions about Sales Values, s.106 Costs, Build Costs and Land Sale Values need to be examined in more detail. For retail uses, assumptions about Rental Values, Rent Free Periods, s.106 Costs, Build Costs and Land Sale Values need to be examined.

(g) The Council states that the proposed CIL charges should not be set close to the limits of viability (paragraph 3.1.5 of Viability Assessment). What is the buffer between the limits of viability and the proposed levels of CIL and is this adequate?

4. Are the proposed charging rates informed by and consistent with the evidence? In particular;

   i) Are the charging rates proposed for residential development supported by the viability evidence and how appropriate is that evidence?

   No supplementary questions

   ii) Are the charging rates proposed for retail development supported by the viability evidence and how appropriate is that evidence?

   iii) What is the justification, in terms of economic viability, for applying differential charging rates to retail developments above and below 350 sq m?

   Supplementary questions

   (a) Does the Viability Assessment (particularly Tables 3, 4, 5 and 6) show any significant difference between the ability of small and large retail schemes to support CIL?

   (b) Does the Viability Assessment (paragraph 3.4.6) or its Addendum (paragraph 2.6.1) provide any basis, in viability terms, for the 350 sq m break point?

   (c) The Sunday Trading provisions recognise a difference between shops up to 280sq m in size and larger shops. Similarly the Competition Commission and the Office of Fair Trading accept that the normal industry definition of a convenience store is below 280 sq m. What is the significance of this in terms of demonstrating that different types of shop can support different levels of CIL?

5. Does the evidence demonstrate that the proposed charge rate would not put the overall development of the area at serious risk?