Annex 2 Cabinet Report (May 2013)
Community Infrastructure Levy
Preliminary Draft Charging Schedule Consultation (April – 8th June 2012)

Summary comments

	Key issues
General	
Buffer below maximum rates	The proposed rates are set with a 30% buffer below the maximum viable rates, but it should be set with a 50% buffer offering protection to the affordable housing and taking into account abnormal costs dealing with brownfield developments. (as demonstrated by Bristol CC)
Map	Areas should be shown clearly on OS based map
Core Strategy	The draft Core Strategy is being examined by the Inspector. The plan used for CIL therefore is not an up to date development plan and does not give robust evidence on infrastructure needs and viability.
Development with outline permissions	CIL should not be chargeable on 'reserved matters' planning permissions if outline planning permission was granted prior to CIL coming into force.
Infrastructure requirements	
Funding gap	No sufficient evidence for the funding gap. The infrastructure requirements cited in the PDCS are site specific requirements and don't justify the preparation of the CIL. The gap indicated is smaller than presented. No consideration of other source of funding. No indication of projected income.
Phasing of payments	
	General support on the instalments policy, however it could be improved by allowing the liability for instalments over a longer period of time for larger developments, potentially linking with completion or occupation for the last instalment.
CIL v. s.106	
Combined impact with CIL and s.106	Developers are unable to assess the combined impact of CIL and s.106 in relation to any schemes which they have in the pipeline. Commenting on the rates is therefore fairly academic.
Spending	
Spending	Not clear who will spend the money and how.
A meaningful proportion	What is the meaningful proportion?
Local communities	How is it going to be defined? What will happen if the development affects over two or more community areas?
CIL charging rates	
Residential	
Residential rates	Significant concerns over the proposed rates for residential development - High levy may undermine the delivery of not only affordable housing but also market housing in general.
Two rates	Too simplistic and its consequence detract from the credibility of the entire proposal. The arbitrary grouping of the areas includes major differences of residual land values. There should be no difference in rate for CIL. Any difference will produce obvious irreconcilable issues of fairness, and will effectively manipulate market property values. A single rate is the only logical way forward.
Rural rates	The rate for rural areas should be lower than larger conurbations since very little off-site infrastructure is required.
Residential	Self-build houses should be exempted from CIL as announced by the Housing Minister.
Affordable Housing	
AH	Given that CIL is non-negotiable, if the level is not set appropriately then it could result in failing to achieve the emerging Core Strategy target of 35% affordable

	housing. Further work needed as; • Greater analysis of the strategic sites • More viability analysis at a more fine grained level • A separate charge for older person care and accommodation
Student Accommodation	
Student accommodations	Development costs for student residence schemes can vary significantly depending on their nature and context. This is not reflected in the BNP Paribas viability report. (density, heights, development costs.) A general concern that the tariffs for both on campus and off campus student residence developments which the Council are seeking to impose, and the absence of phasing of the payment will potentially discourage investment in this sector.
Student accommodations – differentiated rates	The CIL regulations only allow differential rates where there is a different “intended use of development”. ‘On-campus’ and ‘off-campus’ are not justified because the intended uses for both cases are student accommodation.
University development	The proposed developments planned on the campus within the University’s Masterplan would be exempt from CIL if they are undertaken and managed by the University itself, and requests that the Council confirms that they accept this position. The Council must give notice that the discretionary relief is available, but it is unclear whether the Council has done so.
Retail	
Retail	The CIL regulations only allow differential rates where there is a different “intended use of development”. Retail rates with $280m^2$ are not justified because small or large, the intended use is ‘retail’.
Office	
Office	£$30M^2$ for office development not justifiable, not based on robust evidence. Should be nil rates as recommended. On mixed use development scheme, it is often the residential floorspace that subsidises the unviable office development charge. It will undermine the delivery of housing including affordable housing.
Industrial	
Industrial	It is grossly unfair to exempt industrial development which generates road traffic.
Viability Assessments / methodology	
General	Overly simplistic and too optimistic over expected development costs. The extensive studies undertaken by BNP Paribas form the basis of the viability assessment and the subsequent Charging Schedule. The extent of this optimism leads us to conclude that the viability evidence is flawed particularly when taking into account exceptional development costs that exist in and around the City of Bath, being a WHS and the need to provide affordable housing without subsidy.
Residential	Some concerns over assumptions made in the Viability Assessment. eg. Benchmark Land Value, Residential Sales values, building costs, no allowance accounted for abnormal construction cost, etc.