

# CHICHESTER COMMUNITY INFRASTRUCTURE LEVY CHARGING SCHEDULE EXAMINATION

## Main Issues and Questions

### **Main Issues for consideration by the Examiner**

- A. *Has the Charging Authority complied with the procedural requirements in the 2008 Act (Part 11 and section 221) and the 2010 Community Infrastructure Regulations (as amended)?*
- B. *Is the CIL charging schedule supported by appropriate available evidence on infrastructure planning and economic viability?*
- C. *Are the proposed CIL charging rates informed by and consistent with the evidence?*
- D. *Does the evidence show that the proposed CIL charging rates would not put at risk the overall development of the area? Has an appropriate balance been struck between helping to fund the new infrastructure required and the potential effects of the levy on the economic viability of development across the borough?*

### **Questions for examination**

#### **RESIDENTIAL RATES**

##### **Viability Study Assumptions**

1. Is the CIL viability study (CIL-02) submitted by the Council in support of the Draft Charging Schedule appropriate, particularly with regard to its assumptions for sales values, benchmark land values, build costs, residual S106 costs, professional fees, contingency, developers profit, stamp duty and abnormal development costs for residential development?
  - a. Does the available evidence support the following values adopted in the Viability Study for residential development in the south and north of the district:
    - Sales values for market housing of £3,300-£3,600psm in the south and £4,120-£4,635psm in the north?
    - Benchmark land values of £2.47-£2.75 million/hectare in the south and £3.6-£4.12 million/hectare in the north?
  - b. Does the available evidence support the residential build costs assumed of £1,168psm for flats and £938psm for houses?
  - c. Does the available evidence support the following cost assumptions:
    - Residual S106 costs at £1,000/unit?
    - Professional fees at 8%?

## Questions for Examination

- Contingency at 5%?
  - Developers profit at 20%?
  - Stamp duty?
- d. Is the approach adopted in the Viability Study towards abnormal costs appropriate?
- e. Would sensitivity testing the appraisals with lower sales values and higher benchmark land values, higher build costs and higher percentages for contingency, professional fees and developers profit assist in more robustly demonstrating the viability of the proposed residential charges?

### **Strategic development locations**

2. Are the appraisals of the strategic development locations (SDLs) at Shopwyke, Tangmere, West of Chichester and Westhampnett/North East Chichester in the Viability Study appropriate, in particular in respect of their assumptions for:
- a. Residual S106 costs?
  - b. Site servicing and enabling costs?
  - c. Code for Sustainable Homes costs?
  - d. Benchmark land values?
3. In the light of the answers to question 2, does the available evidence demonstrate that the SDLs would be viably able to support the proposed charge of £120psm and, given the importance of the SDLs to meeting the district's future housing requirements, whether or not the proposed charge would put at risk the overall development of the area?

### **Charging Zones and Rates**

4. Does the available evidence on residential sales values support the need for more than one charging zone in the south of the district? If so where would the boundaries be drawn and would such an approach comply with the regulations and guidance on setting differential rates?
5. Does the difference in sales and land values between the north and the south of the district support the differential between the rates of £120psm for the south of the district and £200psm for the north?
6. In the light of the change in government policy on the site size threshold for affordable housing, does the evidence support the case for a differential CIL rate for small sites of 10 dwellings or less?

### **Buffer**

7. Do the rates of £120psm and £200psm allow a sufficient buffer to absorb abnormal development costs and fluctuations in the housing market?

### **Retirement/Sheltered Housing**

8. In the light of the appraisals of retirement living provided by the Council (CIL-ED-1-13), does the available viability evidence support the need for a separate or lower CIL charge for retirement and sheltered housing?

## Questions for Examination

### **RETAIL RATES**

#### **Viability Study Assumptions**

9. Is the CIL viability study (CIL-02) submitted by the Council in support of the Draft Charging Schedule appropriate, particularly with regard to its assumptions on rents and costs for retail development?
  - a. Does the available evidence support the rental level of £234psm assumed in the Viability study for the appraisal of convenience retail development in the district?
  - b. Does the available evidence support the assumptions in the Viability study for the appraisal of convenience retail development in respect of build costs, site preparation and demolition costs, abnormal costs, professional fees and residual S106 costs?
  - c. Would sensitivity testing the appraisals for convenience retail development with lower rental levels and higher costs assist in more robustly demonstrating the viability of the proposed retail charges?
  - d. Does the available evidence support the typology of unit/floorspace sizes of 465sqm, 929sqm and 4,000sqm used for the appraisals of convenience and comparison retail development and in the Viability study?
  - e. Would further sensitivity testing of floorspace sizes above and below these levels assist in more robustly demonstrating the viability of the proposed retail charges?

#### **Rates**

10. In the light of question 9, does the available evidence support the proposed rate of £125psm for convenience retail development and would it put at risk the delivery of retail development across the borough?

#### **Differential Rates**

11. Are the definitions of 'wholly or mainly convenience' and 'wholly or mainly comparison' retail sufficiently precise to provide the required clarity to developers and operators?

### **GENERAL ISSUES**

#### **Reg 123 List and S106 contributions**

12. Does the draft Reg 123 list at Annexe B to the Draft Charging Schedule provide sufficient clarity on future infrastructure to be funded by CIL or secured through S106/S278 agreements to avoid 'double-dipping'?
13. Does the Reg 123 list comply with national policy in the Planning Practice Guidance in regard to the relationship between CIL and S106/S278 agreements?

#### **Instalments Policy**

14. In the light of the CIL Regulations and the proposed revisions to the Chichester CIL Payments by Instalments Policy in the Regulation 19(1) Statement (CIL-03), does the evidence show whether or not the proposed

## Questions for Examination

revised policy would put at risk the viability of large development schemes, the delivery of which would be phased over a longer period of time?

### **Payments in Kind**

15. Does the proposed policy of Payments in Kind in paragraphs 4.6-4.8 of the Draft Charging Schedule comply with national policy in the Planning Practice Guidance?

### **Exceptional Circumstances Relief**

16. Does the evidence support the need for a policy on Exceptional Circumstances Relief from the commencement of a CIL in Chichester? Would the absence of such a policy put at risk the overall development of the district?