

Chichester District Council

Community Infrastructure Levy Examination Hearing 9<sup>th</sup> June 2015

## Opening Statement

1. The Council has been progressing the introduction of the Community Infrastructure Levy (CIL) alongside its new Local Plan. CIL is an essential part of the strategy for facilitating growth and ensuring the delivery of the infrastructure required to support development in the plan area (i.e. the part of the district outside of the South Downs National Park). One of the most common issues raised through consultation on the new Local Plan has been the perceived existing lack of infrastructure and the need to ensure that new development is accompanied by the necessary infrastructure so that the existing deficiencies are not made worse.
2. The Council has received the Inspector's Report in to the soundness of the draft Local Plan and the Inspector has concluded that, subject to modifications, the plan is sound. The Council intends to consider the adoption of the plan at the July meetings of Cabinet and Full Council.
3. The proposed modifications that are most relevant to the consideration of the CIL charging schedule are:
  - a. The increase in the rate of residential development from 410 to 435 dwellings per annum
  - b. The introduction of the government's threshold for the provision of affordable housing
  - c. The removal of the requirement to meet certain levels of the Code for Sustainable Homes.

These modifications may be seen to have a positive effect on the overall viability of development.
4. As part of the examination of the Local Plan the Inspector considered the issue, 'Is the Plan supported by robust infrastructure planning which demonstrates the capability of local and strategic infrastructure to support the quantum of development proposed?' The plan refers to the intention to introduce CIL to secure funding for infrastructure. The Inspector's conclusion on this issue is, 'In conclusion the Plan takes account of the need for strategic infrastructure and demonstrates that it can realistically be provided to ensure that the level of development that is proposed can be delivered.'
5. The Council proposes a practical approach in setting the CIL charging rates to ensure that development across the plan area remains viable. This approach includes the following specific measures:

- a. A significant buffer between the rate and margins of viability to ensure that the charging schedule can operate across the plan area and deal with fluctuations in costs and sales values
  - b. A payments in kind policy to ensure that aspirations for the provision on-site of infrastructure, for which that individual development does not generate a specific need, can be met
  - c. A flexible payment by instalments policy to allow payments to be made in up to ten instalments to ensure that larger sites are able to be developed without excessive payments which may prevent the commencement of development.
6. In order to ensure that there was sufficient funding for infrastructure the Council made a conscious decision in the draft Local Plan to require 30% affordable housing as part of new development. This reflects a rebalancing of priorities to ensure that other wider infrastructure needs are met. It should be noted that 40% affordable housing had been achieved over a significant period of time.
7. The Council is aware that there are areas within the plan area (particularly south of the National Park) that could accommodate a higher CIL charging rate than is proposed. However, these higher value areas are either in the Chichester Harbour AONB or in the rural area close to the National Park where there is little development proposed. The Council has chosen to avoid having a multiplicity of different charging zones to achieve the benefits of making CIL simpler, more transparent and easier to operate.
8. The Council has had to take account of the changes in regulations that have occurred through the development of its CIL charging schedule. The Council had originally proposed that the funding for mitigation of the impact of potential recreational disturbance on protected species in Chichester Harbour and the funding from the strategic sites towards the improvements to the A27 Chichester Bypass would be provided through CIL. However, a change in the regulations in February 2014 so that any infrastructure that was necessary to make the development acceptable in planning terms should be secured through S106/S278 agreements meant that this approach was no longer feasible. The evidence submitted in response to consultation on the preliminary draft charging schedule reassured the Council that, given the reduction in the affordable housing requirement to 30%, the strategic sites remained viable with these contributions.
9. The Council has embarked on a process of working in partnership with parish councils, West Sussex County Council and other infrastructure providers to prioritise the spending of future CIL receipts. The Council is in the process of preparing a five year Infrastructure Business Plan that will set out agreed priorities against the likely income. This will be rolled forward each year. The Council is engaging with infrastructure providers to establish timings and

programmes for the provision of infrastructure. There will be stakeholder consultation and Cabinet and Council approval of the Infrastructure Business Plan which will lead to allocations of the CIL receipts each year as part of the budget setting process. It should also be noted that a significant number of neighbourhood plans are being progressed in the plan area which will result in 25% of CIL receipts being passed to the parish councils. Many parishes are setting out their priorities in their neighbourhood plans.

10. To conclude, the Council would commend this proposed CIL charging schedule to the Examiner. The Council believes that it has reached the appropriate balance between ensuring the provision of funding for infrastructure to support the development of the plan area whilst ensuring that development remains viable. Introduction of the CIL at the rates proposed will bring the realistic prospect of substantial funding for infrastructure and allow the Council to manage the provision of infrastructure with real local choice over priorities.