Community Infrastructure Levy - Preliminary Draft Charging Schedule

Funding gap and charging rates

The significant funding gap between the cost of infrastructure identified in the OPDC’s Development and Infrastructure Funding Study (£1.5 billion) and amount that it is assessed will be collected through CIL (£380 million) is of huge concern. It is of greater concern that the recently published OPDC Review assumed that the gap is actually higher, at £2.5 billion. Whilst necessarily the opportunities to raise additional monies such as TiF, Enterprise Zones, New Homes bonus, are identified in the OPDC CIL consultation document, the lack of clarity around how the actual gap will be addressed is problematic.

The growing gap would, however, suggest that

1. consideration could be given to setting the charging schedule at the higher rates proposed in the OPDC CIL viability assessment (which for example suggests £250 per sqm for residential development);
2. since developer requests for pre-application discussions and applications are coming in quite quickly, indicating high demand, an update on the viability assessment of April 2015 should be carried out prior to the final consultation on the CIL as this is quite likely already out of date; it is not evident that the relatively high level of knowledge about the developments coming forward\* has informed the establishing of maximum rates to deliver the plan.(\* OPDC Director of Planning to MIPIM UK October 2016: sites providing more than 12,000 homes had come forward to the pre-app stage – [lookwestlondon.com](http://lookwestlondon.com/))
3. the charging rates be reviewed as often is possible through the course of the development to ensure that a greater proportion of any increased land values (as DIFS suggests will occur) will be captured through the charging schedule for the benefit of social infrastructure provision.

Regulation 123 list

While we appreciate that the regulation 123 list is not part of the CIL there would appear to be a potential imbalance in the proposed allocation of CIL funding by including large transport infrastructure projects on the list, rather than prioritising the provision of social and community infrastructure.

There are also significant omissions from this list in respect of health facilities, new schools, public open space, green space, play areas and leisure facilities that will be required (some of which were highlighted in the DIFS) to ensure the development of sustainable Lifetime Neighbourhoods. We / I propose that

(i) CIL funding should be prioritised for social and community infrastructure, and alternative funding streams sought for large transport and other infrastructure elements of the development. Where these are allocated against the CIL charge it needs to be clearly demonstrated that they are not required to unlock a specific individual development, or 5 or fewer developments, in which case they can be directly chargeable to developers via S106. The funds available for community infrastructure should be protected and ring-fenced from developer pressure which comes forward in viability negotiations, and should therefore be seen as a priority for allocation via the CIL charge, to ensure that sustainable lifetime neighbourhoods will result from the development,

(ii) health facilities, schools, green space, play space, young peoples’ and leisure facilities must be explicitly included in the list,

1. the OPDC Review report suggestions governmental funds should be sought to cover the high costs of transport infrastructure (as was the case with the Ebbsfleet development in Kent and HS2 related development in Birmingham). We / I support this proposal be actioned.

Neighbourhood Portion of CIL

The OPDC should clarify mechanisms around how it will engage with local communities to agree with the how best to spend the Neighbourhood Portion of CIL.

We / I propose that the Grand Union Alliance would be in a very good position to facilitate some engagement with resident and community sector groups on this.

We / I look forward to being consulted early on the promised draft supplementary planning document on planning obligation (S106 and CIL) next year as it may address some of the issues we have raised. Hopefully it will provide more guidance on how the OPDC intends to ensure that the infrastructure, particularly community facilities, necessary to achieve successful and sustainable Lifetime Neighbourhoods will be funded and provided at the time that they are needed.