

Community Infrastructure Levy Consultation 2023

QUESTION SUMMARIES

DATA TRENDS

INDIVIDUAL RESPONSES

All Pages –

Respondent #51 –

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COMPLETE

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IP Address:

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Page 1: Survey Information

Q1

Do you confirm that you have read and understood the privacy notice? You must select 'Yes' in order to take the survey.

Yes

Page 2: Register for consultation

Q2

Your name:

Alice Ingram

Contact details:

Organisation (optional) WNY Chamber of Commerce

Address

[REDACTED]

Address 2

[REDACTED]

City/town

[REDACTED]

Post code

[REDACTED]

Email address

[REDACTED]

Q4

Do you wish to notified of future updates to CIL by the council? If yes we will use contact details provided above

Yes

Q5

Do you wish to participate in the CIL examination? If yes we will use contact details provided above

Yes

Page 3: Your response

Q6

1a. The Community Infrastructure Levy (CIL) Viability Study informed the production of the proposed rates in the draft CIL Charging Schedule. Do you have any comments on the content of the CIL Viability Study?

Comments as per uploaded file

Q8

2a. Do the proposed levy rates set out in the draft CIL Charging Schedule appropriately reflect the conclusions of the CIL Viability Study?

Comments as per uploaded file

Q10

3a. Do the proposed levy rates set out in the draft CIL Charging Schedule provide an appropriate balance between securing infrastructure investment and supporting the financial viability of new development in the area?

Comments as per uploaded file

Q12

4a. CIL rates should not be set at a level which could render new development financially unviable. To ensure the financial viability of new development in the area, and to take into account variations in land prices and development costs throughout the authority's area, the draft CIL Charging Schedule proposes variable rates for different kinds of development. Do you have any comments on the proposed CIL rates?

Comments as per uploaded file

Q14

5a. Should any types of development be charged a different CIL rate, and if so, why? Where alternative rates are proposed, please provide evidence to demonstrate why a proposed rate should be changed.

Comments as per uploaded file

Page 4: Your response

Q16

6a. To support the financial viability of new development in the area, the draft CIL Charging Schedule includes an Instalments Policy which allows specified levels of levy charges to be paid in instalments over a set period of time. Do you have any comments on the draft Instalments Policy?

Comments included in uploaded file

Q18

7a. Part 6 of the CIL Regulations (as amended) allows the Council to give discretionary relief for certain types of development from paying the levy. The Council has not identified any types of

development which may require this beyond the compulsory relief and exemptions outlined in the Regulations. Is there a need to provide discretionary relief from the levy to any types of development, and if so, why?

Comments included in uploaded file

Q20

8a. Do you have any other comments on the draft CIL Charging Schedule?

Comments included in uploaded file

Q22

9a. Do you have any other comments on the CIL evidence base?

Comments included in uploaded file

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The York property forum on behalf of the York & North Yorkshire Chamber of Commerce makes representations on the draft community infrastructure levy. We recognise that new property development should pay its fair share of infrastructure needed so that the City and its residents benefit from the fruits of new development. However we are very concerned at the scale of the charges proposed.

We know that others in the property sector are making more detailed representations. We will confine ourselves to more broad brush concerns, but would add our voice to those from others.

The CIL is proposed at a time of considerable uncertainty in terms of both the economy, and central government's changes to the developers contributions regime proposed by the Levelling Up and Regeneration Bill. At the time of writing the government has published its consultation on The Infrastructure Levy, and inflation was expected to be falling but instead has increased to 10.4% (up from 10.1%) and interest rates have risen for 4.0% to 4.25%. This wider economic picture of rising costs has fed through to rapidly increasing construction costs. Barbour ABI, the market leading provider of construction project information, reported that "Price rises were at record levels over summer 2022, with many goods seeing 25 per cent annual inflation. This has now dropped closer to 15 per cent, but some products still hover well above 20 per cent and insulation products have recently jumped to 50 per cent".

Against this uncertain economic background, the government has decided to delay the full introduction of its proposed new Infrastructure Levy by up to 10 years due to uncertain of impact on the delivery of development. These same uncertainties exist with the current CIL system.

The York draft charging schedule envisages charges on Brownfield development which are significantly higher than any authority nearby in particular Harrogate, which enjoys many of the same economic & house price advantages as York. Whilst we appreciate more detailed viability work has been undertaken we struggle to understand how it can be feasible for these significantly higher charges to work. These higher charges could well act to deter developers from entering the York market and so run counter to the city's recently Published York 2032 10 year strategy to promote economic growth.

We are particularly concerned about the £200 levy proposed for residential development. The Residential CIL rate must be considered in the context of the acknowledged poor delivery of housing in the City over a long run period. The Councils own data, demonstrates that in the 10 years 2013/13 to 2021/22, house completion rates fell below the OAH of 790 in 7 of those years. However, the Council's housing completion data includes student accommodation. If student accommodation is excluded, housing completions fell below the OAHN for 9 of the 10 years.

Furthermore, the Council's Housing trajectory set out in supporting evidence to the Local Plan Examination, shows that a cumulative undersupply of housing will persist until 2023/24 – i.e. 7 years into the Plan period.

In this context of long-term undersupply of housing, the imperative is clearly to implement the NPPF requirement to significantly boost the supply of housing. Against this background, the proposed £200 psm rate for housing, the highest rate in the Yorkshire region, seems clearly anomalous and could seriously impede the delivery of housing so desperately required to make good more than a decade of undersupply.

The Policy refers to consultation with the sector back in 2016; but there has been nothing done since then. the world is very different to how it was in 2016! Very disingenuously the document suggests that the industry did not respond after 2016, but so far as we're aware no attempt was made by the council to seek the sectors views and we were waiting for the council.

Brownfield land is typically significantly more expensive to develop with costs of demolition, land remediation, archaeology etc. this is well established yet CYC propose a higher charge than levied on greenfield which we find difficult to comprehend. This preference for greenfield sites runs counter to national policy and all principles of sustainable land use.

A very high CIL charge will likely result in reduced supply of S106 contributions for affordable housing as CIL is deductible from a viability assessment which many more brownfield housing sites will use in future.

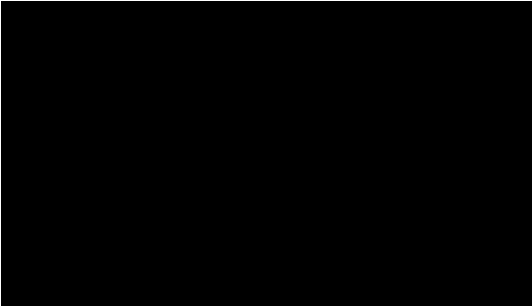
So the scale of the levy sought is likely to result in less development overall and in particular less of one of categories of property most needed in York.

The *CIL Infrastructure Funding Gap Assessment (IFGA)* and *Consultation Information Booklet (CIB)* documents issued with the Draft Charging Schedule set out to identify the cost of infrastructure required to support new development and where it is to be spent. However, there is a lack of clarity between the documents. For example, the IFGA identifies a cost of £47.3 million required for "Education". However, section 10 of the CIB, states that Infrastructure for the purposes of CIL spend "can" include transport, flood defences, schools, hospitals and other health and social care facilities.

This provides no certainty or clarity, for example, for residential developers as to whether they will be paying CIL and a Section 106 contribution for education; flood alleviation; or health facilities.

The Charging Schedule therefore needs to state clearly what the CIL will be spent on so that developers can make a proper assessment of whether the CIL and S106 costs on a scheme be viable or whether necessary development will be inhibited.

Yours sincerely



Head of Business Representation