

***The Independent Voice of Local Business.....***

RESPONSE TO PUBLIC CONSULTATION BY THE DEPARTMENT OF  
COMMUNITIES AND LOCAL GOVERNMENT  
ON THE PLANNED INTRODUCTION OF A  
COMMUNITY INFRASTRUCTURE LEVY – October 2009

The Government believes that CIL will improve predictability and certainty for developers in terms of what they will be asked to contribute towards the infrastructure costs occasioned by their developments. The Government also suggests that CIL will increase fairness by broadening the range of developments contributing and will allow the cumulative impact of small developments to be better addressed. There is also the prospect of funding sub-regional infrastructure rather than only local infrastructure.

These objectives are fully endorsed by the Chamber, in particular that related to the funding of sub-regional infrastructure. Regional and sub-regional infrastructure investment is urgently needed in the South East Region and in South Hampshire. The Chamber therefore supports the need to put in place a more effective and efficient means by which appropriate funding can be secured from development in an equitable manner, thus helping to facilitate the delivery of infrastructure which is vital to the recovery and long term sustainability of economic growth and local businesses.

However, the Chamber does have concerns as to whether CIL, as currently envisaged, is the right proposal at the right time and in the right format?

Key issues which the Chamber believes are worthy of further more rigorous consideration include:

1. The introduction of CIL is not mandatory as it is for local authorities to consider if it is appropriate for their area. Whilst this may be seen by local authorities as important because they will have the choice as to whether to adopt the approach or not, the Chamber is concerned that such flexibility runs the real risk of undermining the whole approach.
2. Somewhat paradoxically, the CIL proposals also set out the idea of effective removal of the use of 'tariff' schemes based on Section 106 in future. Instead, CIL would need to be used to secure contributions, with a transitional period of at least 2 years proposed. This is seen by many authorities as forcing them to adopt CIL. In addition, the 2 year transition period is generally seen as too short. The Chamber agrees with the latter point but believes that the apparent contradiction between a "voluntary" CIL mechanism and the possible forced removal of tariff schemes needs to be resolved quickly.
3. The ability of CIL to be used across boundaries on a sub regional level is a good thing, but the Chamber would query how effective the means of agreeing priorities at the sub regional level will be, especially in the light of potentially competing local concerns. Clearly the re-direction of monies from local to sub regional projects might, under certain circumstances, not be acceptable from the perspective of individual authorities. Will the strength of the regional/sub-regional planning arrangements be sufficiently robust to be

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able to avoid possible widespread disagreements on priorities and funding allocations?

4. The Chamber remains unconvinced by the flexibility provided in terms of local definition of infrastructure. Whilst this approach might be welcomed by individual authorities as it ensures that decisions are made at the local level, it might not produce a "level playing field" and could again undermine the overall CIL approach, particularly in regional/sub-regional terms.
5. Community Infrastructure Levy (CIL) guidelines must contain a clause which allows funding to be recovered by those who have paid the CIL if local authorities fail to deliver the promised infrastructure in a reasonable time frame.
6. The Chamber believes that the current proposals that CIL payments should be made within 28 days of the date of the commencement notice submitted by the developer are inappropriate. Particularly under present economic circumstances, payment by instalments should be allowed for developments above a certain size threshold and CIL value threshold, to be set out in Regulations, with a first payment proportionate to the infrastructure involved followed by further proportionate payments falling due at the commencement of each phase of development.



James Chestnutt  
Director General  
Southampton & Fareham Chamber of Commerce

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### *Your regional Chamber working for you locally.....*

As the independent voice of local business, Southampton and Fareham Chamber of Commerce is able to represent some 2,500 businesses in the South Hampshire region and further afield through Hampshire Chambers concerning the issues that affect their ability to grow and prosper. Their views are central to the Chamber's lobbying on issues of concern to our members and are the basis of our thinking on the many local, regional and national planning or government policy initiatives on which we are asked for formal comment as a business representative organisation. The volunteer Chamber members on the committees provide expertise and a wide knowledge of specialist topics which is used in formulating the **Chamber Viewpoint**, which is published monthly in the centre pages of our magazine and on our web site.