

iteration of a final Regulation 123 list.

Economic viability evidence

Methodology

18. The Council has produced viability evidence in the form of a CIL Viability Assessment (August 2015) which includes a Construction Costs Study, a Land and Property Value Appraisal Study and two volumes of summary individual appraisals (one for residential schemes, the other for commercial schemes). There is also a January 2016 update to the volume of individual

broad brush, has been found sound in other CIL examinations and Planning appeals. It is generally considered to strike a reasonable balance between

needed to support it. The evidence demonstrates a sizeable infrastructure funding gap that justifies the introduction of a CIL regime. CIL receipts will help to reduce that gap, although a significant funding shortfall will remain.

30. The economic viability evidence for both residential and commercial development that has been drawn from available sources and is well grounded and appropriate. The application, interpretation and use of that evidence, in defining the proposed CIL rates and zones, are discussed more fully below.

31. The viability testing of the generic residential development types indicated that all schemes were able to support quite substantial CIL charges once all costs and profit had been deducted. Using the updated results² and the more appropriate profit level³, the 'maximum' CIL rates generated ranged from £301 - £475 psm for brownfield sites and £465 - £548 psm for greenfield sites.

32.

36. The evidence does support the proposed differentiation by retail type and scale and the proposed CIL charges of £150 psm for larger supermarkets, £100 psm for smaller supermarkets and £50 psm for general retail are all set with very comfortable viability headroom. Based on the evidence, the charges pose no threat to retail scheme viability.

37. The particular circumstances and current uncertainties over the Gatwick second runway option justify the Council's approach of treating the 'airport zone' differently for CIL purposes. It would be wise to revisit and potentially review the CIL regime when circumstances change.

38. The CBLP and the IDS provide a clear framework for planned growth and necessary infrastructure in Crawley borough. There is a substantial infrastructure funding gap that justifies the imposition of a CIL.

39. The Council's flat rate residential development CIL charge of £100 psm will not threaten the viability of planned residential development. Indeed, the evidence indicates that the CIL would be set at a level where there will be a comfortable viability buffer across all tested development scenarios. The Council's evidence also supports its differentiation and the CIL charges for various types of retail development, which are set with substantial headroom to avoid any risk to scheme viability.

40. Overall, I conclude that the Crawley Borough Council Draft Community Infrastructure Levy Charging Schedule satisfies the requirements of Section 212 of the 2008 Act and meets the criteria for viability in the 2010 Regulations (as amended). I therefore recommend that the Charging Schedule be approved.