

# East Suffolk Community Infrastructure Levy (CIL) Charging Schedule Preparation

Parish Councils meeting 13<sup>th</sup> April 2021



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## 1a – What is CIL?

- *“A charge which can be levied by local authorities on new development in their area. It is an important tool for local authorities to use to help them deliver the infrastructure needed to support development in their area”* (Planning Practice Guidance)
- Introduced through 2010 CIL Regulations (with many amendments since)
- Infrastructure can also be secured through planning obligations (S106 agreements) and highways agreements (S38/S278 agreements)

## 1b – What is CIL?

- S106 and S38/278 agreement monies can only be spent 'locally' (directly connected to the development)
- CIL monies must be spent on infrastructure to support growth e.g. roads, cyclepaths, schools, playspace, health facilities etc
- Parishes get either 25% or 15% of CIL monies from development arising in their parish area
- ES Council gets the rest, including an element to be spent on administration of CIL



# 2a) Two existing CIL Charging Schedules

## Suffolk Coastal (2015)

On 1<sup>st</sup> April 2019, East Suffolk Council was created by parliamentary order, covering the former districts of Suffolk Coastal District Council and Waveney District Council. The Local Government (Boundary Changes) Regulations 2018 (part 7) state that any plans, schemes, statements or strategies prepared by the predecessor council should be treated as if it had been prepared and, if so required, published by the successor council. Therefore this document applies to the part of the East Suffolk Council area formerly covered by the Suffolk Coastal District until such time that it is replaced.

**EASTSUFFOLK COUNCIL**

### Community Infrastructure Levy

#### Charging Schedule

May 2015  
Coming into effect: 13 July 2015

## Waveney (2013)

### Waveney District Council Community Infrastructure Levy

## Raising funds for infrastructure delivery:

### Charging Schedule

Date Approved: 22<sup>nd</sup> May 2013  
Date that Charging Schedule takes effect: 1<sup>st</sup> August 2013

This Charging Schedule has been issued, approved and published in accordance with Part 11 of the Planning Act 2008 and the Community Infrastructure Levy Regulation 2010 (as amended).

On 1<sup>st</sup> April 2019, East Suffolk Council was created by parliamentary order, covering the former districts of Suffolk Coastal District Council and Waveney District Council. The Local Government (Boundary Changes) Regulations 2018 (part 7) state that any plans, schemes, statements or strategies prepared by the predecessor council should be treated as if it had been prepared and, if so required, published by the successor council. Therefore this document applies to the part of the East Suffolk Council area formerly covered by the Waveney local planning authority area until such time that it is replaced.

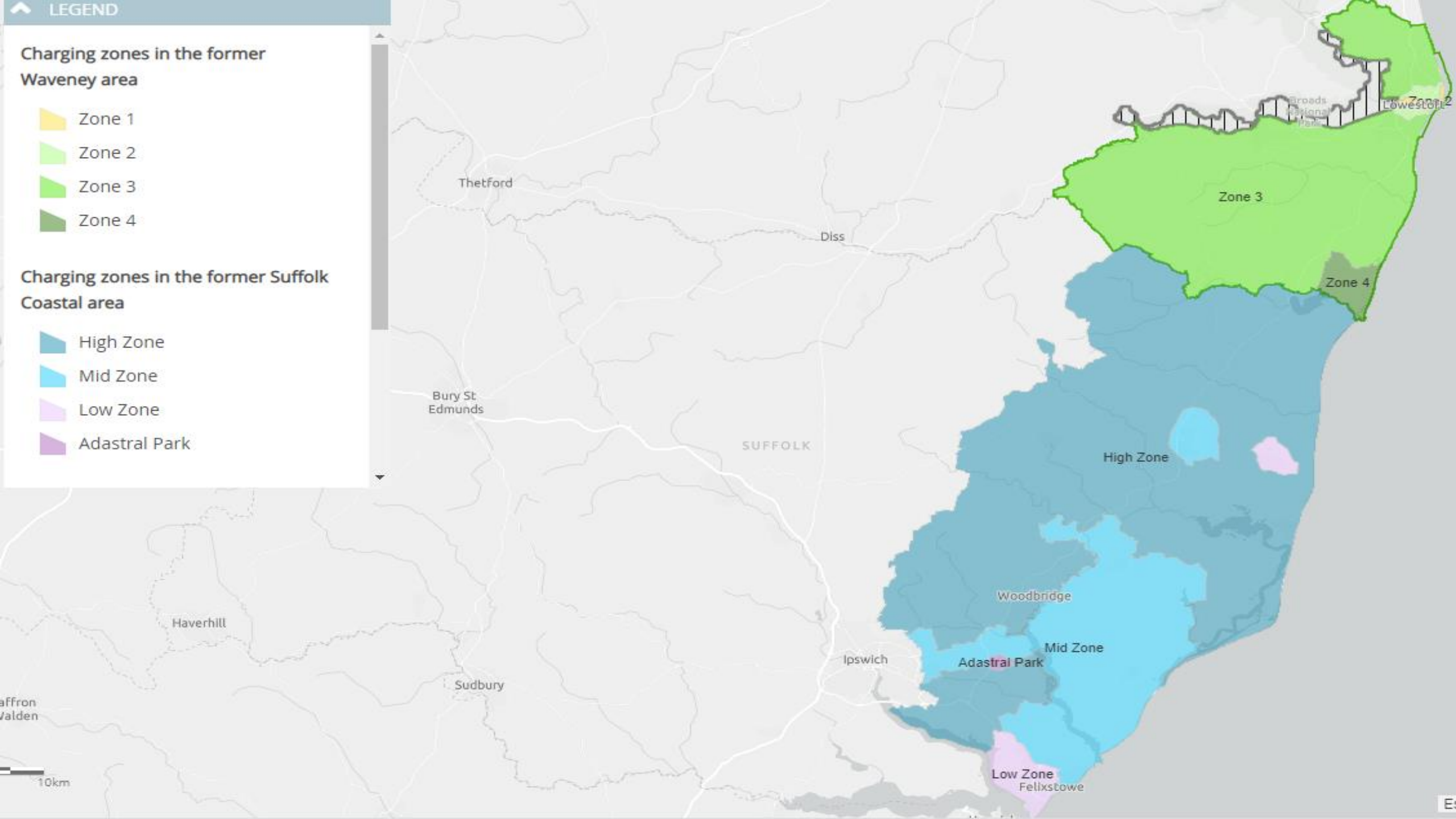
LEGEND

Charging zones in the former Waveney area

- Zone 1
- Zone 2
- Zone 3
- Zone 4

Charging zones in the former Suffolk Coastal area

- High Zone
- Mid Zone
- Low Zone
- Adastral Park



## 2c) List of current CIL charges

### Suffolk Coastal

Residential (C3/C4) Charging Zone	CIL Charging Schedule Rate 2015 Ic rate originally 244 ((nearest firm) then 259 from Annual Rate in 2017)	2020 Indexed CIL rate per sqm Ic rate: 259 ly rate: 334	2021 Indexed CIL rate per sqm Ic rate: 259 ly rate: 333
Adastral Park	£0	£0	£0
Low Zone	£50	£64.48	£64.29
Mid Zone	£90	£116.06	£115.71
High Zone	£150	£193.44	£192.86
Other types of development (applicable throughout the District)	CIL Charging Schedule Rate 2015 Ic rate originally 244 ((nearest firm) then 259 from Annual Rate in 2017)	2020 Indexed CIL rate per sqm Ic rate: 259 ly rate: 334	2021 Indexed CIL rate per sqm Ic rate: 259 ly rate: 333
Convenience Retail	£100	£128.96	£128.57
All other development	£0	£0	£0

### Waveney

Zone	Residential Charging Zone	CIL Charging Schedule Rate 2013 Ic rate originally 222 ((nearest firm) then 224 from Annual Rate in 2014)	2020 Indexed CIL rate per sqm Ic rate: 224 lp rate: 334	2021 Indexed CIL rate per sqm Ic rate: 224 lp rate: 333
1	Lake Lothing flood zone and the Sustainable Urban Neighbourhood and Kirkley Waterfront site	£0	£0	£0
2	Inner Lowestoft	£45	£67.10	£66.90
3	Oulton, Lowestoft, Beccles, Bungay, Halesworth and surrounding rural areas	£60	£89.46	£89.20
4	Reydon and Southwold and surrounding rural areas	£150	£223.66	£222.99
Other types of development (applicable throughout the District)	CIL Charging Schedule Rate 2013 Ic rate originally 222 ((nearest firm) then 224 from Annual Rate in 2014)	2020 Indexed CIL rate per sqm Ic rate: 224 lp rate: 334	2021 Indexed CIL rate per sqm Ic rate: 224 lp rate: 333	
Holiday lets	£ 40	£59.64	£59.46	
Supermarkets, superstores and retail warehouses	£130	£193.84	£193.26	
All other development	£0	£0	£0	

## 3a) Preparation of East Suffolk CIL Charging Schedule

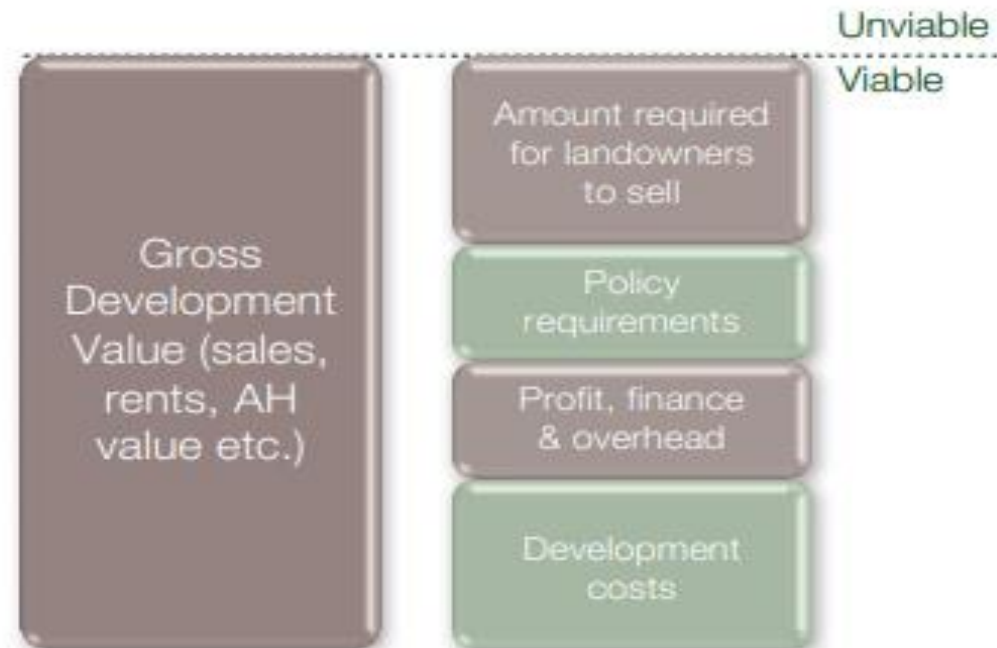
- Both CIL Charging Schedules are now quite dated
- Local Plans adopted in 2019 (Waveney) and 2020 (Suffolk Coastal)
- Time right to review, update and simplify CIL charges across the district as a whole
- Consultancy Aspinall Verdi has been appointed to help prepare viability information (development costs, profit margins, land value, house sales prices etc)



## 3b) Preparation of East Suffolk CIL Charging Schedule

- Lots of different cost elements to a development scheme but for a development to be viable, the Gross Development Value (GDV) must be at least equal to all development costs (source for diagram below: Harman Report (2012))

**Basic outline of elements required for a viability assessment**



## 3c) Preparation of East Suffolk CIL Charging Schedule

- Plan-wide viability assessments previously undertaken by Aspinall Verdi to support the two Local Plans (Waveney LP and Suffolk Coastal LP)
- A ‘typology’ approach to viability was practised – having a representative range of sites rather than testing each individual site
- Exception: various ‘strategic’-scale sites – such as South Saxmundham Garden Neighbourhood – were tested individually
- Same approach being taken for CIL Viability Assessment

4a) What kind of developments are being assessed?

## Housing





4b) What kind of developments are being assessed?

## Specialist (retirement) housing



4c) What kind of developments are being assessed?

## Tourism accommodation





4d) What kind of developments are being assessed?

## Retail



4e) What kind of developments are being assessed?

## Offices





4f) What kind of developments are being assessed?

## Industrial





## 4g) Consultation elements

- The key development cost components are the same as used for the Plan-Wide Viability Studies (in 2018 and 2019)
- Many assumptions have not changed since then but others have been updated – build costs change regularly and the latest (2021) index is used
- ‘Conservative’ approach taken to values and assumptions

## 4h) Consultation elements

i) Housing 'typologies' – various different housing sites of different sizes in different parts of the district, including greenfield and brownfield sites

ii) Build and development costs for residential development

- Build costs
- External works (gardens, garages, paths etc)
- Site 'abnormals' (additional costs for brownfield sites, such as dealing with contamination)
- Professional fees (architects etc)
- Planning application fees
- Contingency costs (standard for any development)
- RAMS payment (wildlife mitigation)
- Accessible and adaptable dwellings

## 4i) Consultation elements

### ii) Build and development costs for residential development (cont)

- Water efficiency
- CO<sub>2</sub> and energy obligations
- Selling agent's costs
- Sale legal costs
- Scheme marketing and promotion
- Profit (20% on Gross Development Value or 6% for affordable housing)
- Finance interest costs
- Stamp Duty Land Tax
- Agent's fee on land value
- Legal fee on land value
- Biodiversity Net Gain

## 4j) Consultation elements

- Consultation does not include land values and sales values – these will be updated in spring 2021
- Individual engagement has been/is taking place with promoters of ‘strategic’ sites and as a work in progress, this is not subject to current consultation either
- East Suffolk Council will be having individual discussions with parish councils with ‘strategic’ sites in their area in the next couple of months

## 4k) Consultation elements

iii) Build and development costs for commercial, office and retail developments plus tourism accommodation and specialist (retirement/care) accommodation

## 41) Consultation elements

- Also consulting on a draft Instalment Policy
- Instalment Policy enables CIL payments to be split, with payments spread over time – which helps cashflow
- Current separate Instalment Policies for Waveney and Suffolk



**INITIAL DRAFT**

**East Suffolk Community Infrastructure Levy (CIL)  
Instalment Policy**

**Consultation draft March 2021**

## 4m) Consultation elements

And consulting on technical documents:

- Habitats Regulations Assessment Screening Opinion
- Strategic Environmental Assessment Screening Opinion
- Equality Impact Assessment Screening Opinion

## 4n) Consultation elements

- Comments welcomed on any consultation material but it is recognised that much of the content is quite technical and specialist
- Consultation documents at: <https://eastsuffolk.inconsult.uk/CILCS21/consultationHome> and background information at: <https://www.eastsuffolk.gov.uk/planning/develop-contributions/community-infrastructure-levy/cil-charging-schedule/>



## 5) Next steps and timetable *(dates subject to change)*

Stage	Time
Consultation on CIL viability 'basics'	15 <sup>th</sup> March – 26 <sup>th</sup> April 2021
Special 'virtual' meetings with interested parish councils and the Developers' Forum	13 <sup>th</sup> and 15 <sup>th</sup> April 2021
Formal agreement of draft CIL Charging Schedule by Cabinet	Summer 2021
Public consultation	Summer 2021
Submission for examination	Late summer/autumn 2021
Examination hearing(s)	Autumn/winter 2021
Examiner's report	Early 2022
Adoption (Council)	Early 2022
CIL Charging Schedule comes into effect	1 <sup>st</sup> April 2022

## 6) Questions

- **Any questions?**

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