



Author	WDC
Matter	Issue 3
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WDC's Response to Issue 3 - Does the evidence demonstrate that the proposed charge rates would not threaten the delivery of the relevant Plan as a whole?

a.) Is there an appropriate balance between the need to fund infrastructure and the potential implications for the economic viability of development across the area?

1.1 As stated on the first page of the Draft Charging Schedule (Document A1), the Council considers that the Draft Charging Schedule has achieved a balance between the need to fund infrastructure and the potential implications on economic viability across the area. The Infrastructure Study (Document B2) calculates a funding gap of between £11,612,877 and £14,839,027 that CIL will need to address. It was quite clear to the Council after completing the Infrastructure Study that CIL would not be able to viably fill this gap. Therefore, the Council commissioned the viability study on the basis that it should examine the maximum level of CIL all types of development likely to come forward in the District could viably pay. The rates proposed in the Draft Charging Schedule have been based on the outcomes of the CIL Viability Study (Document B3). Therefore they represent the most appropriate CIL rates that will not put planned development across the area at risk whilst making the maximum contribution possible towards filling the funding gap.

1.2 Barton Willmore (Comment ID 21) argue that the rate of £60 per square metre in Beccles could put the future development of the District at risk given the future reliance on Beccles for housing delivery. The Council disagrees. Barton Willmore have provided no evidence as to why the £60 per square metre rate would be unviable (or at the margins of viability) and therefore put development at risk. As stated in the Council's response to Issue 2b, a maximum rate of £80 per square metre could be supported in Beccles. Whilst Beccles may have delivered a significant proportion of housing in the District in the past, the focus of the rest of the plan period is on Lowestoft to deliver housing. The Site Specific Allocations DPD (Document B8) only allocates land for 43 houses in Beccles over the period to 2025. 15 of these homes are proposed to be affordable homes and therefore would be eligible for full CIL relief. Therefore, even if the £60 per square metre rate was unviable only a limited number of new homes would be put at risk. As the Council has significantly over allocated housing in Site Specific Allocations DPD, the non-delivery of the remaining houses in Beccles in the lifetime of this charging schedule would not put the overall plan at risk.

1.3 Brookhouse Group (Comment ID 4) state that they do not consider an appropriate balance has been made unless the Charging Authority retains the

ability to reduce CIL liability on qualifying schemes. Regulations 55-57 of the CIL Regulations 2010 (as amended) allow the Council to give discretionary exceptional relief. The Council has not yet made a decision as to whether to offer this relief. Absence of reference in the Draft Charging Schedule does not mean that the Council cannot introduce this at any point in the future. There is nothing in the CIL Regulations that state proposals for discretionary relief have to be set out in the Draft Charging Schedule.

- 1.4 Cllr Norman Brooks (Comment ID2) and Hektor Rous (Comment ID1) both raise concerns that the residential rates proposed would increase house prices. The Council does not consider this to be the case. The cost of CIL ultimately comes off the land value in the same way the cost of complying with Section 106 planning obligations does today. Developers cannot pass the cost of CIL and other planning requirements on to purchasers, as the price of new homes is set by the market which is made up of predominantly second-hand homes which have not been subject to the charge.

b.) Has an appropriate ‘buffer’ been used so that an acceptable amount of development can be achieved on lower value sites?

- 2.1 The Background Document (Document B1, pages 7-8) describes how the rates proposed in the Draft Charging Schedule have been set at a level sufficiently below the maximum viable level. For residential development, the rates are 25% below the maximum rates that would ensure viability across all site types and benchmarks. Additionally the approach to having a differential rate for the lower value area of Inner Lowestoft helps ensure that development can be achieved in lower value areas.
- 2.2 The CIL Viability Study (Document B3) shows that supermarkets, superstores and retail warehouses could accommodate a CIL rate of up to £200 per sqm. The rate proposed at £130 per square metre is 35% lower than this. Document B4 which re-looks at the viability of supermarkets shows a comfortable margin between the residual land value with a CIL charge of £130 per square metre and the benchmark land value for supermarket developments of all sizes and retail warehouses.

c.) Is it clear how the Council’s s106 policies will be varied when CIL is introduced?

- 3.1 The Council has described how its s106 policies will be varied in its response to the implications of the new CIL Guidance (Document D4, page 5).

d.) Is it clear what the Council’s approach to future use of any pooled s106 contributions will be?

- 4.1 The Council has described its approach to the future use of pooled section 106 contributions in its response to the implications of the new CIL Guidance (Document D4, page 5).