



**COUNCIL**

Thursday 25 September 2014

**COMMUNITY INFRASTRUCTURE LEVY – DRAFT CHARGING SCHEDULE  
(CL 19/14)**

<p><b>EXECUTIVE SUMMARY</b></p> <ol style="list-style-type: none"><li>1. The Community Infrastructure Levy (CIL) is a tool which local authorities can choose to implement to assist with the delivery of key infrastructure and facilities required to support the level of growth identified within the Core Strategy.</li><li>2. Proposed residential charges are based on a robust evidence base which strikes the appropriate balance between the desirability of funding the cost of infrastructure through CIL and the potential effects of the imposition of CIL on the economic viability of developments across the district. A nil charge is proposed for retirement/sheltered accommodation across the district.</li><li>3. Charges for residential developments and convenience retail developments.</li><li>4. The Draft Charging Schedule is required to be published for public consultation for a period of six weeks – expected to be during October and November 2014. Following the public consultation period, the Draft Charging Schedule will be submitted for independent Examination to assess the soundness of the document.</li><li>5. Subject to approval by the Examiner, the Council will be asked to consider the Examiner’s final report before subsequent adoption and implementation of the CIL Charging Schedule.</li><li>6. Priority for the CIL Charging Schedule to be in place (or near implementation) by April 2015.</li></ol>
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Is the report Open or Exempt?	Open
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<b>Wards Affected:</b>	All Wards in the District
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<b>Cabinet Member:</b>	Councillor Geoff Holdcroft Cabinet Member responsible for Planning and ICT
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<b>Supporting Officer:</b>	Mark Edgerley Principal Planner – Policy and Delivery 01394 444558 mark.edgerley@eastsoffolk.gov.uk
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## **1 INTRODUCTION**

- 1.1 The Community Infrastructure Levy (CIL) is a tool which local authorities across the country can choose to charge on new development within their area. Funds collected through the CIL can be used to support the delivery of infrastructure which the local authority, local communities and stakeholders consider necessary to support the future growth of an area.
- 1.2 CIL is a simple, clear and consistent charge that is placed on most new developments to contribute towards the provision of adequate infrastructure. The Government is clear that most new developments have an impact on the need for infrastructure, services and facilities.
- 1.3 CIL was first introduced into national legislation by the 2008 Planning Act which stated that the overall purpose of CIL is to ensure that the owners or developers of land pay towards the overall costs of providing the infrastructure to meet the needs of the new development.
- 1.4 The process by which local authorities choose to set and implement CIL within their area is detailed in the CIL Regulations, originally published in 2010, with further amendments in 2011, 2012, 2013 and 2014. Collectively these are normally referenced as CIL Regulations 2010 (as amended).
- 1.5 The CIL Regulations encourage local authorities to have their CIL Charging Schedules in place by April 2015. As detailed by the regulations, post April 2015, the Council will be severely limited in the pooling of section 106 planning obligations which will change the way infrastructure is delivered across the district. Due to the deadline imposed by the national government, it is essential that the Council processes the CIL in order to ensure that the delivery of the required infrastructure is not compromised.
- 1.6 Following the introduction of the CIL Charging Schedule the current practice of collecting developer contributions through section 106 planning obligations will change significantly. Various contributions which are currently collected as part of planning applications such as Playspace, Education and Healthcare facilities will all be superseded by CIL. Many local authorities across the country have already implemented CIL (Waveney and Chelmsford are the closest) which as required by the regulations is becoming the only way to collect funds towards the provision of necessary infrastructure, services and facilities.

## **2 CIL IN SUFFOLK COASTAL**

- 2.1 Following the adoption of the Suffolk Coastal Core Strategy and Development Management Policies document in July 2013, officers have been working on the evidence required to support the introduction of CIL in Suffolk Coastal. The Core Strategy sets out the level of growth expected across the district and the framework on which to prepare the evidence required for the CIL.
- 2.2 The Council commissioned Navigus Planning to undertake an Infrastructure Delivery Plan which identifies the total cost of infrastructure needed to support the growth identified within the Core Strategy. Navigus Planning concluded that there is a funding gap of approximately £80m between the funding committed by stakeholders and the overall cost of infrastructure required across the district. In part, identifying a funding gap justifies the introduction of the CIL in Suffolk Coastal. Funds raised through the CIL are not intended to fill the funding gap but are meant to contribute towards bridging this gap alongside other funding streams (from service providers such as Anglian Water, NHS England, Suffolk Constabulary and Environment Agency) which become available as sites come forward over the plan period and through the Site Allocations document and the Felixstowe Peninsula Area Action Plan.
- 2.3 Specialist independent consultants were also commissioned to undertake viability assessments on the types of developments expected across the district to assess what level of CIL charge might be appropriate across the district. Peter Brett Associates

undertook this work and considered the quantum of development proposed in the Core Strategy against a range of benchmarking land values to judge whether or not the introduction of the CIL would have a detrimental impact on the viability of development across the district. The Peter Brett Associates Viability Study assesses various land uses and development types across the district and recommends a series of charges.

- 2.4 The Infrastructure Delivery Plan and the Viability Study both form part of the evidence base which supports the introduction of the CIL across Suffolk Coastal. As required by the regulations, the evidence base enables the Council to strike the appropriate balance between the desirability of funding from CIL (in whole or in part) the cost of infrastructure required to support the development of the area, and the potential effects (taken as a whole) of the imposition of CIL on economic viability of development across the district.
- 2.5 Following the evidence base work, the Planning Policy & Delivery Team prepared the Preliminary Draft Charging Schedule which was subject to a six week period of public consultation between 21 May and 2 July 2014.
- 2.6 The Preliminary Draft Charging Schedule received a total of 37 representations from a range of organisations including supermarkets, house builders, utility companies, service providers, town and parish councils and private individuals. A copy of each representation received has been published on the Council's website and can be seen through this link: <http://www.suffolkcoastal.gov.uk/yourdistrict/planning/review/cil/>.
- 2.7 Officers have taken into account the representations received and responded to these accordingly through the summary of representations and where appropriate have made changes or clarifications as can be seen in the Draft Charging Schedule consultation document (Appendix A). Peter Brett Associates have also provided advice and responses to the detailed representations raising issues with the viability testing undertaken. The further work by Peter Brett Associates will also form part of the CIL evidence base and will be published alongside the consultation documents. A summary of the representations including the further work by Peter Brett Associates can be found in Appendix B of this report.
- 2.8 In response to the representation, received from McCarthy & Stone Retirement Lifestyles Ltd and Churchill Retirement Living who provide specialist retirement/sheltered accommodation across the country, Peter Brett Associates have undertaken further viability testing and revised some of the residential viability appraisals. The revised testing has concluded that the specialist retirement/sheltered accommodation is not capable of providing a CIL charge and therefore suggests a nil charge is introduced for this specific use. In light of this further work and recommendation, the Draft Charging Schedule (Appendix A) has been revised to include the nil charge proposed for retirement/sheltered schemes which are defined as grouped units, usually flats, specifically designed for older people encompassing communal non-saleable facilities.
- 2.9 The revised approach taken to retirement/sheltered accommodation schemes is a change from the first round of consultation, but is considered to be appropriate based on evidence provided by representations, further testing undertaken by Peter Brett Associates and in accordance with the CIL Regulations 2010 (as amended) as well as emerging practice seen through CIL examinations at other local authorities across the country.

### **3 DRAFT CHARGING SCHEDULE AND NEXT STEPS**

- 3.1 The Draft Charging Schedule needs to be subject to a period of six weeks public consultation which subject to member approval will take place in October and November 2014.
- 3.2 Alongside the Draft Charging Schedule consultation document the Council are also encouraged to publish additional documents which support the consultation. One of these will detail the types of infrastructure Suffolk Coastal will expect the CIL funds to be spent on, known as the Regulation 123 List (Appendix C), with another document that outlines the Council's approach to paying via instalments (Appendix D). A background document further detailing the rationale and justification for the introduction of CIL across

the district has also been prepared to support the consultation (Appendix E). These documents are not formally subject to public consultation but are intended to assist developers, land owners, stakeholders and local communities as the CIL is introduced across the district. The draft Regulation 123 List is also a requirement for the examination.

- 3.3 Once the six weeks public consultation period has been undertaken the Council will be required to submit the document for examination (usually by the Planning Inspectorate but may be undertaken by an independent person with the relevant qualifications and experience). Dependent on the level of consultation responses and should no major issues be raised, it is anticipated that the necessary documents could be submitted for examination by the end of November 2014.
- 3.4 Following submission of the documentation to the examiner the Council will be subject to the time scales set by the person appointed to undertake the examination into the Draft Charging Schedule. Experience from other local planning authorities around the country shows that the length of a CIL examination very much depends on the number of representations received and the issues raised within these. The Planning Inspectorate have indicated to officers that on average it is taking a period of 4 months from the documentation being submitted to the Inspector's final report being sent out.
- 3.5 Should the examiner find the Draft Charging Schedule sound, the Council will be in a position to formally adopt and implement the CIL across the district (subject to member approval). It is anticipated that members will be asked to consider the Inspector's final report and the Charging Schedule in Spring 2015 with a view to subsequent implementation. At this time the Regulation 123 List and Instalments Policy will also be finalised and brought into effect by the Council.

#### **4 FINANCIAL AND GOVERNANCE IMPLICATIONS**

- 4.1 There will be costs associated with the public consultation and future examination into the Draft Charging Schedule which have already been budgeted for this year.
- 4.2 The CIL is a simple, clear and consistent charge which is non negotiable and provides greater certainty for all parties. The Government is clear that the owners or developers of land make a real contribution towards the delivery of the infrastructure required. Once introduced across the district it is anticipated that CIL will generate between £15-20m as a result of residential development over the plan period.
- 4.3 Financial contributions from developers are usually collected through section 106 planning obligations. Section 106 planning obligations are subject to negotiation and take into account scheme viability which results in some schemes contributing less than others. Overall, funds received through CIL are expected to be larger than those received through section 106 planning obligations. In 2012/13, a total of 324 units were delivered across the district which would generate in excess of £1m in CIL receipts, compared to £475,000 (as at July 2014) received through section 106 planning obligations.
- 4.4 As detailed within the CIL Regulations 2010 (as amended), the Council will be the Charging Authority responsible for calculating and collecting funds across the district. The Council can use up to 5% of the receipts received to cover the costs of implementing the Charging Schedule.
- 4.5 The CIL Regulations 2010 (as amended) require that local planning authorities pass a meaningful proportion of the CIL funds onto local communities. Local communities across the district which have an adopted Neighbourhood Plan will benefit from 25% of the funds derived from development within their area. Those communities without a Neighbourhood Plan will receive 15% of the funds derived from development in their area, but this will be capped at £100 per existing council tax dwelling.
- 4.6 The spending of funds raised through the CIL will be governed by the Regulation 123 List which will detail the range and type of infrastructure the Council will expect to provide through CIL payments.

## **5 OTHER KEY ISSUES**

- 5.1 This report has been prepared having taken into account the results of an Equality Impact Assessment, a Sustainability Impact Assessment and a Partnership Impact Assessment, no issues have been raised by these assessments.

## **6 CONSULTATION**

- 6.1 The CIL project has been subject to extensive engagement and on-going consultation. Consultants commissioned to undertake evidence base studies have engaged with land owners, developers and agents as well as service providers (such as Anglian Water) and Suffolk County Council to understand the viability of development and infrastructure requirements across the district.
- 6.2 Consultants have briefed members on the initial viability work that was undertaken across Suffolk. Officers have also provided a briefing session for members (17 July 2014) on the CIL project and through Cabinet Member reports regular updates have been provided as to the milestones and progress that have been achieved.
- 6.3 Officers from the Planning Policy & Delivery Team have presented to representatives from town and parish council's at the World of Planning events hosted in June and July 2014 as well as to the parish clerks of the Market Towns across the district on 19 September 2014.
- 6.4 A first round of public consultation as detailed in paragraph 2.5 and 2.6 above took place which further raised the awareness of the CIL project across communities, residents, developers and landowners in Suffolk Coastal and no significant issues which fundamentally change or halt the project were raised.
- 6.5 The Draft Charging Schedule is required to be subject to a second six week period of public consultation. Details of the consultation will be sent to all general and specific consultation bodies which include town/parish councils, stakeholders, businesses, utility companies, service providers and neighbouring authorities.
- 6.6 Information will also be published on the Council's website alongside a press release at the start of the consultation period. Hard copies of the documents will also be made available in the Council offices and public libraries across the district.

## **7 OTHER OPTIONS CONSIDERED**

- 7.1 The Council could choose to not introduce the CIL across the district but as detailed in the CIL Regulations 2010 (as amended) this would place severe restrictions on the way funds are collected to provide the infrastructure required.
- 7.2 An alternative option would be to set the CIL charges at a different level but if these were too high they would make some development unviable and therefore delay sites coming forward. If the CIL charges were too low the level of funds generated would not be sufficient to provide some of the infrastructure required to support the growth outlined in the Core Strategy.

## **8 REASON FOR RECOMMENDATION**

- 8.1 To allow the Council to progress the introduction of the CIL across the district which will contribute towards the delivery of the infrastructure required alongside the Core Strategy.
- 8.2 During the examination stages, it is important for officers and members to be able to react quickly to issues which are raised by the examiner. Delegating authority to allow officers and members the ability to agree minor modifications will allow the examination stage to be undertaken without unnecessary delay. Full Council is required to formally agree the

examiners formal recommendations and final Charging Schedule following the examination as detailed in the Council's constitution.

## RECOMMENDATIONS

1. That the Council approves the publication of the Draft Charging Schedule for a period of six weeks public consultation during October and November 2014.
2. That the Cabinet Member with responsibility for Planning and ICT and the Head of Planning and Coastal Management are given delegated authority following the public consultation period to agree any minor modifications suggested by consultation responses and submit the Draft Charging Schedule for Examination.
3. That the Cabinet Member with responsibility for Planning and ICT and the Head of Planning and Coastal Management are given delegated authority during the Examination into the CIL Draft Charging Schedule to address minor modifications that may arise as part of the Examination.

## APPENDICES

<b>Appendix A</b>	SCDC Draft Charging Schedule
<b>Appendix B</b>	Summary of Preliminary Draft Charging Schedule Representations
<b>Appendix C</b>	SCDC Draft Regulation 123 List
<b>Appendix D</b>	SCDC Draft Instalments Policy
<b>Appendix E</b>	SCDC CIL Background Document

## BACKGROUND PAPERS

<b>Date</b>	<b>Type</b>	<b>Available From</b>
May 2014	Infrastructure Delivery Plan – Navigus Planning	<a href="http://www.suffolkcoastal.gov.uk">www.suffolkcoastal.gov.uk</a>
May 2014	Suffolk Coastal CIL Viability Study – Peter Brett Associates	<a href="http://www.suffolkcoastal.gov.uk">www.suffolkcoastal.gov.uk</a>
May 2014	Suffolk Coastal CIL Preliminary Draft Charging Schedule	<a href="http://www.suffolkcoastal.gov.uk">www.suffolkcoastal.gov.uk</a>
August 2014	CIL Equality Impact Assessment	Planning Policy & Delivery Team
August 2014	CIL Sustainability Impact Assessment	Planning Policy & Delivery Team
August 2014	CIL Partnership Impact Assessment	Planning Policy & Delivery Team