

East Suffolk Community Infrastructure Levy (CIL) Charging Schedule Preparation

Developers' Forum meeting 15th April 2021

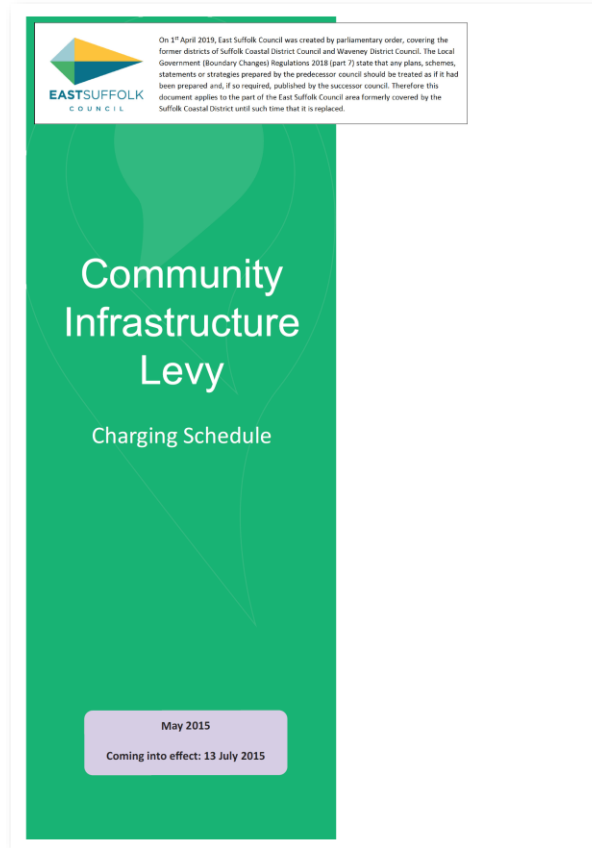


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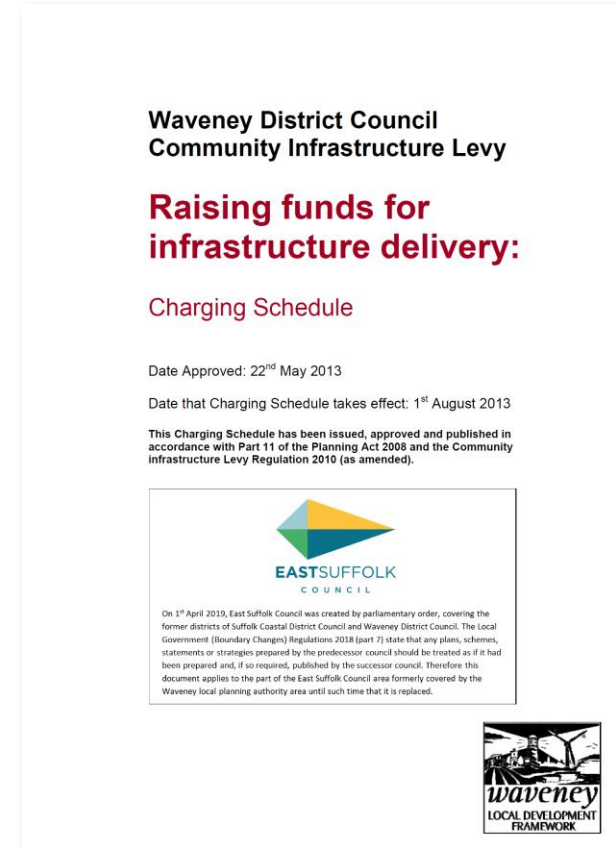
- 1) What is the current situation with CIL?
- 2) East Suffolk CIL Charging Schedule preparation
- 3) Current CIL consultation
- 4) Next steps
- 5) Questions and discussions

1a) Two existing CIL Charging Schedules

Suffolk Coastal (2015)



Waveney (2013)

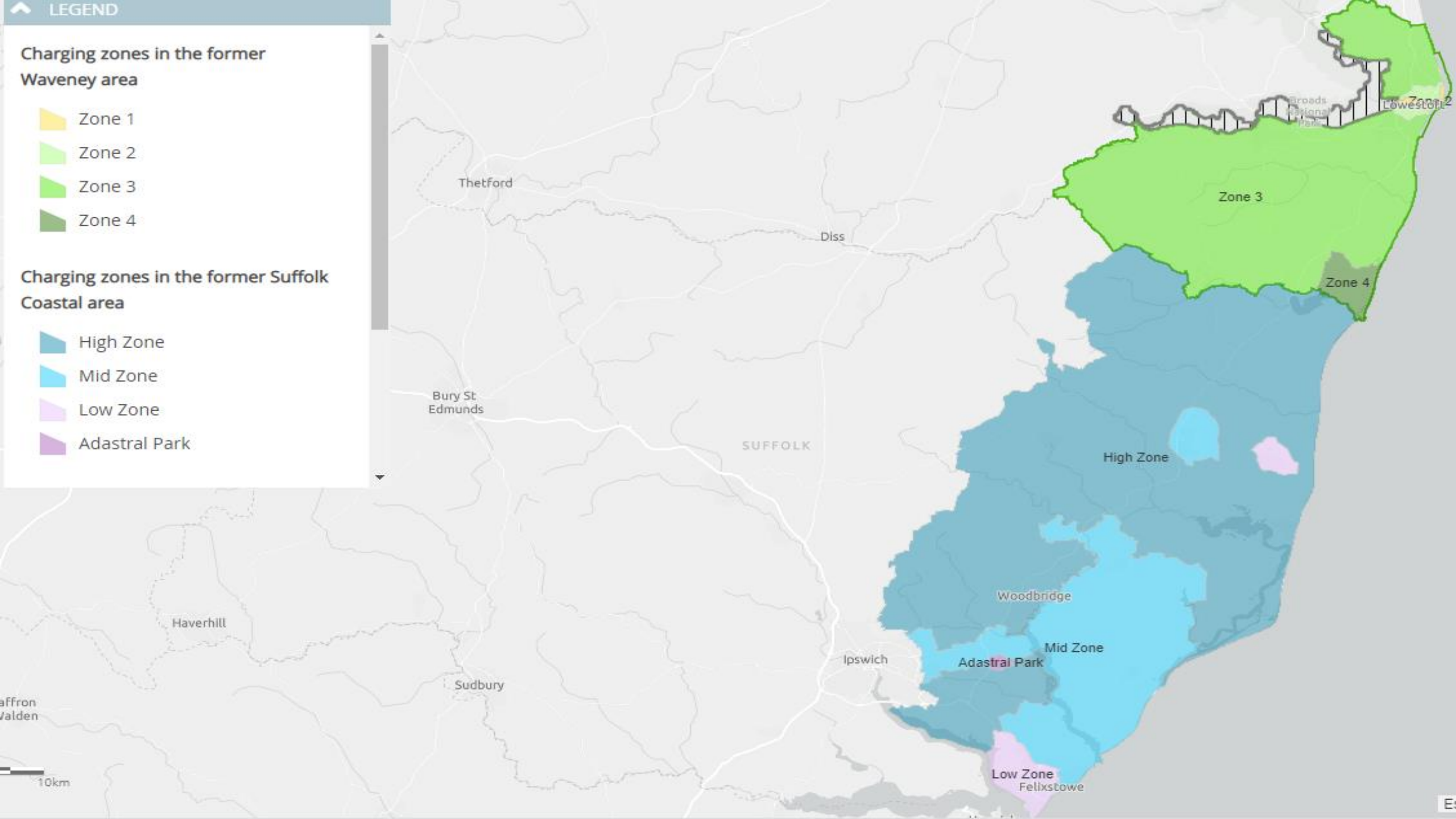


Charging zones in the former Waveney area

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

Charging zones in the former Suffolk Coastal area

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



1c) 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 Ip rate: 334	2021 Indexed CIL rate per sqm Ic rate: 224 Ip 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 Ip rate: 334	2021 Indexed CIL rate per sqm Ic rate: 224 Ip 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

2a) 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) plus creation of East Suffolk Council on 1st April 2019
- Time right to review, update and simplify CIL charges for the district as a whole
- Consultancy Aspinall Verdi has been appointed to help prepare viability information (development costs, land value, likely house sales prices etc)

2b) Preparation of East Suffolk CIL Charging Schedule

- Plan-wide viability assessments previously undertaken by Aspinall Verdi to support the two Local Plans (Waveney LP in 2018 and Suffolk Coastal LP in 2019)
- 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

2c) 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



3a) What kind of developments are being assessed?

Housing



3b) What kind of developments are being assessed?

Specialist (retirement) housing



3c) What kind of developments are being assessed?

Tourism accommodation



3d) What kind of developments are being assessed?

Retail



3e) What kind of developments are being assessed?

Offices



3f) What kind of developments are being assessed?

Industrial



3g) 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 and are industry standard, such as sale legal costs of 0.5% of GDV
- Others have been updated – build costs change regularly and the latest (2021) index is used
- ‘Conservative’ approach taken to values and assumptions, so will build in a margin

3h) 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

3i) Consultation elements

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

- Water efficiency
- CO₂ and energy obligations – (Future Homes Standards)
- 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

3j) 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

3k) Consultation elements

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

3l) Consultation elements

- Also consulting on a draft Instalment Policy
- Proposal: 2 (for CIL bills of <£10,000) to 5 (for bills of >£1m) separate instalments



INITIAL DRAFT
East Suffolk Community Infrastructure Levy (CIL)
Instalment Policy

Consultation draft March 2021

3m) Consultation elements

And consulting on technical documents:

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

3n) Consultation elements

- Comments welcomed on any consultation material
- Consultation documents at: <https://eastsuffolk.inconsult.uk/CILCS21/consultationHome> and background information at: <https://www.eastsuffolk.gov.uk/planning/developer-contributions/community-infrastructure-levy/cil-charging-schedule/>

4) Next steps and timetable (*dates subject to change*)

Stage	Time
Consultation on CIL viability 'basics'	15 th March – 26 th April 2021
Special 'virtual' meetings with interested parish councils and the Developers' Forum	13 th and 15 th 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 st April 2022

5) Questions

Questions and discussion

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