



Suffolk Coastal District Council

Community Infrastructure Levy - Draft Charging Schedule

The Community Infrastructure Levy Draft Charging Schedule is subject to public consultation from **Monday 6th October until Monday 17th November 2014**.

The Council invites comments on the details contained within the consultation document; those making representations are encouraged to do so by using this form.

Representations made on the Draft Charging Schedule during the representation period will be considered by the Council prior to submission for independent examination.

The independent examiner will be checking:

- Whether the charging authority (Suffolk Coastal District Council) has complied with the required procedures set out in the Planning Act 2008 and the CIL Regulations 2010 (as amended).
- Whether the Draft Charging Schedule is supported by appropriate available evidence,
- Whether the proposed rates are informed by and consistent with the evidence on economic viability across the charging authority's area.
- Whether the proposed rates would put at serious risk the overall development of the area.

Contact Details:

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Q1: Do you consider that the Council has adequately identified a funding gap using appropriate infrastructure evidence?

Please continue on a separate sheet if necessary

Q2: In setting the CIL rates, do you consider that the Council's economic viability assessment has used appropriate available evidence? If you disagree please provide evidence.

See attached sheet.

Please continue on a separate sheet if necessary

Q3: In setting the CIL rates, do you consider that the rates proposed represent the appropriate balance between the desirability of funding infrastructure and the need to maintain overall viability of growth across the District?

See attached sheet.

Please continue on a separate sheet if necessary

Q4: Do you consider the boundaries for the different charging zones to be appropriate? If you disagree please provide evidence.

Please continue on a separate sheet if necessary

Q5: Do you have any other comments on the Draft Charging Schedule or any of the associated documents or evidence base documents?

See attached sheet.

Please continue on a separate sheet if necessary

Anyone making representations on the Draft Charging Schedule has a right to be heard by the examiner in a public hearing. If you wish to exercise this right please indicate it by ticking the relevant box below.

✓	I wish to be heard at the public hearing by the examiner
✓	I wish to be notified that the Draft Charging Schedule has been submitted for examination
✓	I wish to be notified of the publication of the report of recommendations of the examiner
✓	I wish to be notified of approval of the Charging Schedule by Suffolk Coastal District Council.

Thank you for your comments.

Please return this form to:

Planning Policy and Delivery Team
Suffolk Coastal District Council
Melton Hill
Woodbridge
Suffolk
IP12 1AU

Or alternatively via email to suffolkcoastallocalplan@eastssuffolk.gov.uk before the consultation closes on **Monday 17th November at 17.00.**

Data Protection Statement: The information you have supplied may be processed by computer or form the basis of manual records. Suffolk Coastal District Council will only use the data you have provided for purposes relevant to the preparation of the Local Plan or the Community Infrastructure Levy.

If you do not wish to receive further updates relating to the Local Plan for Suffolk Coastal, please tick here

Q.1

Q.2

Having reviewed the Community Infrastructure Levy (CIL) Viability Study (May 2014), prepared by Peter Brett Associates (PBA), we agree with the basis of calculating the inputs to the residential development appraisals and note PBA's comments that the appraisals can only provide generic views on scheme viability and are subject to a margin of uncertainty (paragraph 4.1.4). In paragraph 4.2.4, PBA state that "it is important to bear in mind that these calculations are no more than approximations surrounded by margins of uncertainty but are based on best available evidence and judgement." We agree with this statement and the implied conclusion that scheme viability must ultimately be considered having regard to the specific circumstances of the scheme at the time at which the particular scheme comes forward as a planning application. Whilst a broad-brush viability testing report such as that published by PBA provides a useful guide to scheme viability in general, it cannot determine absolute viability of specific schemes. Therefore, whilst the CIL rates suggested as viable within the PBA report are supported by the appraisal assumption used, it must be noted that this evidence is not comprehensive and not scheme specific and, therefore, the viability of actual schemes to be delivered within Suffolk Coastal may be such that full policy compliant levels of CIL and other planning gain are not deliverable. The Planning Authority will need to recognise and accept this and take account of this when considering planning applications and levels of affordable housing and planning gain for each site as they come forward.

In our view, the most significant factor likely to cause non-viability at the levels of CIL and other planning gain proposed by PBA, is the impact of individual site abnormalities which can be significant, whether on brownfield or greenfield sites. The level and scope of abnormal costs in schemes will only become apparent as the schemes come forward to be considered for planning, and their presence will reduce the viability of schemes from the levels shown in the PBA report. This will, therefore, mean that the levels of CIL, affordable housing and planning gain identified as deliverable in the PBA report may not ultimately be deliverable on every scheme.

Q.3

The Infrastructure Delivery Plan (May 2014) produced by Navigus Planning considers the cost of two scenarios of growth across the District, as summarised at 12.1 of the report. The most expensive, 'worst case' scenario under Scenario 2 estimated the cost to deliver the infrastructure required to support the adopted Core Strategy to be over £105 million. In illustrating a limited number of funding streams, the Council outline that there is a clear funding gap which will need to be met through the appropriate use of CIL and S.106 contributions.

Whilst the proposed charging rate for the low (and other) value residential area(s) has been viability tested and found to be acceptable, the CIL rate should be based upon a clear understanding of the infrastructure requirements.

The National Planning Policy Framework (NPPF) states that "Where practical, CIL charges should be worked up and tested alongside the Local Plan. The CIL should support and incentivize new development, particularly by placing control over a meaningful proportion of the funds raised with the neighbourhoods where development takes place" (para.175).

At this stage, the Site Allocations DPD has not been produced by SCDC, nor the 'early review' of the Core Strategy (to consider housing numbers as requested by the Inspector with the publication of an Issues and Options Report by 2015) commenced to address objectively assessed housing need. Given that the Oxford Economics Study (2010) concluded this to be 11,000 dwellings at that point compared with the adopted 7,900 dwellings it is clear that the level of housing growth could markedly increase, having a significant impact upon the infrastructure requirement. In this context it is suggested that the Council does not progress the CIL charge until it is able to confirm the level of growth expected at each settlement through the Site Allocations DPD, the Felixstowe Peninsula Area Action Plan, and the review of the Core Strategy.

Notwithstanding the above, and in the context of the study carried out by Peter Brett Associates (PBA) that identifies a mix of affordable housing, Section 106 and CIL payments that in their view is sustainable and in line with the Council's policy position, in reality, as schemes come forward, they will have specific and peculiar viability circumstances and the overall levels planning gain must be adjusted to take account of this.

If CIL is adopted by a Local Authority, it must be applied to every chargeable development. Therefore, the CIL will have first call on the planning obligation pot, before delivery of other planning obligations including affordable housing can be considered. In the event, therefore, that abnormal costs (which are not considered by PBA's report) cause a site to be unviable, whilst it may be able to deliver CIL payments in line with the requirements of the Charging Schedule, it will certainly not be able to deliver Section 106 and affordable housing planning gain mitigation, which could be considered as a failure to strike an appropriate balance between competing planning gain priorities. The Council should recognise that in adopting CIL, they create an inability to determine for themselves an appropriate balance of development mitigation in the event that a scheme cannot deliver planning gain at the target set out in their policy.

The Council will be aware of the importance of maintaining sufficient housing supply against the adopted Core Strategy target that should be the absolute minimum when taking account of the Inspector's Report. An unrealistic CIL rate risks viability of sites and will slow or prevent the delivery of the housing/planning objectives for the District, which the Council is already struggling to achieve.

Ultimately the eventual CIL rate must ensure that the plan remains deliverable, with the scale of development identified within the plan not subject to such a scale of obligations and policy burdens that the ability to develop sites viably is threatened, contrary to para.173 of the NPPF.

Q.4

Q.5

It is noted that the implementation of the CIL 'Draft Charging Schedule' will be subject to continual monitoring as part of the SCDC Authority Monitoring Report, but that 'it is not considered appropriate to review the Draft Charging Schedule until three years after the date of adoption unless economic conditions or infrastructure requirements change significantly in that period' (para.5.2), with the Charging Schedule based on the growth expected in the Core Strategy (7,900 new dwellings), adopted July 2013.

It should be recognised that SCDC has a specific requirement to undertake an early review of housing numbers over the plan period, commencing with the publication of an Issues and Options Report by the end of 2014, with full up-to-date evidence to meet objectively assessed housing need (as required by paragraph 159 of the NPPF). Given that (in conjunction with the evidence produced to inform the



Core Strategy) the Oxford Economics Study undertaken in 2010 identified a full, objectively assessed housing need of 11,000 new dwellings (a 3,100 dwelling increase), we would suggest that it is reasonable to assume that the minimum housing requirement is likely to significantly increase upon adoption.

Presuming that the Council commence consultation shortly, and assuming that an updated housing figure is adopted within two years (i.e. late 2016/early 2017) it is suggested more appropriate for the charging schedule to be reviewed sooner than three years after adoption given the impact that a significant increase of housing volume could have on residential values, land values, and resultantly viability.

The staggering of CIL payments as indicated in the 'Draft Instalments Policy' document is welcomed in principle. However, whilst separate instalments are considered sensible in recognising development cash flows, the first trigger point on chargeable amounts greater or equal to £80,000 (a figure that will be applicable in most residential schemes) is considered to be onerous. It should be recognised that in most cases receipts from sales will not accrue during the initial development of sites. As such the intention to require 33% of the total chargeable amount to be paid within 60 days of the development commencing is considered overly burdensome.

Drawing attention to the example of Chelmsford City Council's CIL Instalments Policy (attached) we would suggest that the first instalment payment period should be delayed beyond the proposed 60 days of the development commencing and/or the amount (%) of the total chargeable amount for the first instalment to aid the viability of developments by assisting the cash flow of individual schemes.

Community Infrastructure Levy Instalments Policy



The CIL Regulations set a default requiring full payment of the Levy charge within 60 days of the commencement of the chargeable development. However, under Regulation 69B of The Community Infrastructure Levy (Amendment) Regulations 2011 it is permissible for a Charging Authority to establish an Instalments Policy, thus offering developers more flexible payment arrangements.

In accordance with Regulation 69B, Chelmsford City Council will apply the following Instalments Policy in respect of all development which is CIL liable.

Instalments Policy

Amount of CIL liability	Number of instalments	Payment periods and amounts
Any amount less than £10,000	2	50% of the chargeable amount ¹ within 90 days of the commencement ² date, the remaining 50% of the chargeable amount within 150 days of the commencement date
Amounts equal to or greater than £10,000 and less than £40,000	3	25% of the chargeable amount within 90 days of the commencement date, 25% of the chargeable amount within 270 days of the commencement date, and the remaining 50% of the chargeable amount within 360 days of the commencement date
Amounts equal to or greater than £40,000 and less than £100,000	5	20% of the chargeable amount within 90 days of the commencement date with the balance payable in four equal instalments within 270 days, 360 days, 480 days and 570 days of the commencement date
Amounts equal to or greater than £100,000	5	10% of the chargeable amount within 90 days of the commencement date with the balance payable in four equal instalments within 270 days, 450 days, 570 days, and 720 days of the commencement date

¹ This is the amount as set out in the liability notice

² The commencement date is the commencement notice date as advised by the developer under CIL Regulation 67