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Philip Ridley
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Dear Mr Ridley,

Suffolk Coastal Community Infrastructure Levy- Draft Charging Schedule

Thank you for consulting Suffolk County Council on the proposals for a Community Infrastructure Levy for Suffolk Coastal. The County Council has reservations at this stage and will continue to work through these with officers from Suffolk Coastal District Council. Specifically, whether the proposed rates can deliver sufficient funding to deliver all the infrastructure necessary to support the implementation of the Core Strategy. On available evidence, in the absence of a site allocations document, it is not known whether:

- (i) development will come forward in locations with infrastructure capacity.
- (ii) the CIL rates proposed will be able to deliver the resultant need for community infrastructure.
- (iii) this will be a sufficiently reliable funding source.

Current engagement between officers at our two authorities has been very useful, and it is hoped that these matters can be worked through by the time of the examination.

Detailed comments are as follows.

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

It is clear that there is a significant need for infrastructure to meet the requirements of the growth set out in the Core Strategy, and that County Council infrastructure (including education and transport) makes up a large proportion of that need. Whilst some funding is available from the New Anglia Local Enterprise Partnership towards infrastructure which unlocks growth, these limited funds are available to the whole of Norfolk and Suffolk and are not intended to provide funding toward otherwise viable development.

There is, therefore, a significant infrastructure funding gap. For example, in the case of education, the County Council can only access Government funding for school capacity where it arises from latent population growth. There is an expectation that development will fund capacity where it creates a need.

2. 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.

It is noted that the CIL is predicated on an assumption of £1,000 per unit being secured through Section 106 agreements (covering necessary, site-specific infrastructure), and also based on 35% affordable housing being delivered on all sites of more than six dwellings. These assumptions mean that the value available for community infrastructure and affordable housing is grouped together.

Over the District as a whole, between 2007/08 and 2012/13, delivery of affordable housing has actually stood at an average of 20.6%, this suggests that residual land values in Suffolk Coastal do not support the delivery of sufficient infrastructure and a policy compliant amount of affordable housing.

Paragraph 5.2.8 of the Viability Report by Peter Brett Associates notes that the different charging rates between larger and smaller sites is based, in part, on the way in which affordable housing requirements differ between larger and smaller sites. Earlier this year, the Government consulted on changing the threshold at which affordable housing requirements will be applied, such that sites of fewer than ten dwellings would not be expected to provide affordable housing. If implemented, this would override the requirements of Development Management Policy DM2 – Affordable Housing on Residential Sites, and could be significant in terms of determining what is a viable CIL rate. This could be relevant by the time of the examination.

3. 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?

The County Council is concerned that the rates set will not deliver sufficient infrastructure to meet the requirements of the Core Strategy. Under a pure Section 106 regime, excluding transport requirements, were a full contribution required towards early years, primary, secondary and sixth form education, libraries and waste facilities, on 2014/15 prices this would equate to a charge of £8,021.53 per dwelling.

Assuming a dwelling of 90m² on a large site, the following will be collected from dwellings in Suffolk Coastal under CIL:

Low Value = £4,500
Mid Value = £8,100
High Value = £13,500

On the basis of the Core Strategy settlement hierarchy, and in the absence of site allocations, it is reasonable to assume that the bulk of development will come in the Mid and Low Value areas. Based on these assumptions, it is not clear that CIL can deliver all the infrastructure on the Regulation 123 List. Suffolk County Council will continue to work with officers to further assess this matter.

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

On the assumption that the boundaries are based on an effective assessment of viability, the County Council is content that the boundaries are appropriate. Section 106 is considered a more appropriate mechanism to ensure delivery of the large scale specific infrastructure impacts of the Adastral Park site.

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

The draft Regulation 123 list includes provision of additional pre- and primary school places. It is therefore assumed that, where site allocation documents and emerging developments justify the establishment of a new school, the District Council will not object to the County Council's requests for funding through Section 106 agreements on principle. Given that delivery of new schools is significantly more expensive than expansion of existing ones, this is preferable to funding all education requirements through CIL.

However, without site allocations, it is not clear where new schools will be required. This is a potential problem which needs further investigation. Suffolk County Council is already working with the District Council to consider the implications of a forthcoming site allocations document for education provision. As alluded to in paragraph 5.3.3 of the viability study, the site allocations document may reveal larger sites for which a pure Section 106 approach is preferable. This point could usefully be set out in the Charging Schedule document.

The draft Regulation 123 list includes strategic transport. In principle, this is acceptable to the County Council but it requires clarification as to the distinction between strategic and non-strategic transport. The County Council's view is that any measures which are identified through transport assessment as being necessary for a development to be acceptable in planning terms should remain as Section 106 or Section 278 matters. This would include off site measures.

The County Council and other service providers will also incur costs arising from the management of the CIL. The District Council might wish to consider the overall cost of CIL management to all service providers. Furthermore, CIL could be used to help program strategic infrastructure schemes, such as strategic cycle routes.

Finally, the successful operation of the CIL will depend on cooperation between the District Council, parish councils and infrastructure providers. Robust governance measures will be required, and the County Council would be pleased to discuss them further. The County Council is working towards an infrastructure plan approach for its services across the county. This will consider short term needs based upon the Five Year land supply and longer term needs based on the financial and policy changes affecting the service and the Local Plan. It is intended that this will be a key piece of delivery evidence for the allocation of CIL funding.

I hope that these comments are helpful. Please contact me, via the contact details at the top of this page, should you wish to discuss this letter further.

Officers at the County Council will review the matters and questions for the examination when published and will make a decision as to whether an appearance is necessary, based upon progress towards resolving the issues above. However, should the Inspector wish the County Council to appear, the County Council would be happy to oblige.

Yours sincerely,

James Cutting
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Economy, Skills and Environment Manager