Thank you for inviting the Marine Management Organisation (MMO) to comment on the above consultation. I can confirm that the MMO has no comments to submit in relation to this consultation. If you have any questions or need any further information please just let me know. More information on the role of the MMO can be found on our website www.gov.uk/mmo.

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5426  Comment

Section 1: Introduction

Respondent: Mr Terry Lomax [60]  Agent: N/A

Full Text:
A good idea which is long overdue - provided it is limited to new builds and not used as a financial instrument against people enlarging existing homes, which clearly obviates the need for more housing in many cases.

Another matter that should be addressed - particularly in Felixstowe and surrounds - relates to all land that was once in the ownership of Trinity College. All such land has been subjected to Deeds of Covenant which are both restrictive and duplicitous. The practice should be ended as many developments are precluded by the medieval behaviour of the college and its agents in preventing further building without their express permission (and financial inducements, no doubt).

Summary:
A good idea which is long overdue - provided it is limited to new builds and not used as a financial instrument against people enlarging existing homes, which clearly obviates the need for more housing in many cases.

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Attachments:

Note: The composite reference number in the box at the top of the page is made up of the following information: Object/Support - Representation Number - Respondent Number - Plan Reference - Soundness Tests (if applicable).
Thank you for your consultation on the above document which was received by Natural England on 06 October 2014. Natural England is a non-departmental public body. Our statutory purpose is to ensure that the natural environment is conserved, enhanced, and managed for the benefit of present and future generations, thereby contributing to sustainable development. Natural England is not a service provider, nor do we have detailed knowledge of infrastructure requirements of the area concerned. However, we note that the National Planning Policy Framework Para 114 states "Local planning authorities should set out a strategic approach in their Local Plans, planning positively for the creation, protection, enhancement and management of networks of biodiversity and green infrastructure." We view CIL as playing an important role in delivering such a strategic approach. With this in mind we particularly welcome the provision in the Draft Regulation123 List for CIL funding of the following: provision of off-site open space, maintenance of open space and strategic green infrastructure.

We note that planning obligations will be used to deliver open space provision to mitigate the impact of the proposed development at Adastral Park on designated European nature conservation sites. We would be happy to comment further should the need arise but if in the meantime you have any queries please do not hesitate to contact us. For any new consultations, or to provide further information on this consultation please send your correspondences to consultations@naturalengland.org.uk.

We really value your feedback to help us improve the service we offer. We have attached a feedback form to this letter and welcome any comments you might have about our service.

Summary:
We note that the National Planning Policy Framework Para 114 states "Local planning authorities should set out a strategic approach in their Local Plans, planning positively for the creation, protection, enhancement and management of networks of biodiversity and green infrastructure." We view CIL as playing an important role in delivering such a strategic approach. With this in mind we particularly welcome the provision in the Draft Regulation123 List for CIL funding of the following: provision of off-site open space, maintenance of open space and strategic green infrastructure.
Comment

Section 2: CIL in Suffolk Coastal

Full Text:

I would just say that I have heard about this new Building Tax, really which replaces Section 106 Agreements, and all it is going to do is to push up the cost of housing which, I believe, the Government is so keen to encourage. Also, I believe, that you, as a Local Authority, receive money from the Government for houses built as a result of unopposed planning applications, which, I believe, tends to encourage you not to oppose the building of new homes! As far as this levy goes, it seems strange because once the houses are built then you have, in perpetuity, Council Tax levied thereon. There was also an inherent unfairness in this levy because, particularly with more expensive properties, it is possible that the occupants are older and do not use many of SCDC’s services, or send their children to private schools and therefore save the Government a great deal of money etc.
Therefore perhaps you can take the above as my views for the public consultation.

Summary:

It is going to do is to push up the cost of housing which, I believe, the Government is so keen to encourage. I believe, that you as a Local Authority, receive money from the Government for houses built as a result of unopposed planning applications, which tends to encourage you not to oppose the building of new homes! It seems strange because once the houses are built then you have Council Tax levied thereon. There was also an inherent unfairness particularly with more expensive properties, it is possible that the occupants are older and do not use all SCDC services, or send their children to private schools therefore saving the Government money.

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Not Specified | Not Specified | Not Specified | Not Specified | None

Attachments:
Community Infrastructure Levy Draft Charging Schedule

5431       Comment
Section 2: CIL in Suffolk Coastal       Section 2: CIL in Suffolk Coastal

Respondent: Otley Parish Council (Vanessa Osborne) [3047]      Agent: N/A

Full Text: Otley Parish Council feel there should be lower levels of CIL for starter homes to encourage more of these within developments.

Summary: Otley Parish Council feel there should be lower levels of CIL for starter homes to encourage more of these within developments.

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Community Infrastructure Levy Draft Charging Schedule

5434 Comment
Section 2: CIL in Suffolk Coastal

Respondent: Historic England (Mr Mark White) [2971]  Agent: N/A

Full Text:

English Heritage does not wish to make detailed comments on the level at which the Community Infrastructure Levy (CIL) charge is set for Suffolk Coastal District or the boundaries for the different charging zones. We recognise, however, that it will be important to ensure that the charge does not have an adverse effect on the protection that the Council affords to designated and non-designated heritage assets and the historic environment within the district.

Suffolk Coastal District's designated heritage assets include 2,242 listed buildings, 115 scheduled monuments and 34 conservation areas.

The National Planning Policy Framework (NPPF) sets out a presumption in favour of sustainable development and clearly identifies the historic environment as a relevant matter for consideration in achieving this.

In certain contexts, it may be appropriate to consider exemptions or discretionary relief from CIL, where the viable future of a heritage asset is at issue, or its significance is threatened by intrusive development.

We note that there is no reference in the Draft Regulation 123 list to Heritage; although there a number of items could potentially impact on the historic environment such as strategic highway improvement, provision of off site open space and strategic green space. The Charging Schedule should include confirmation that heritage assets in Suffolk Coastal District will continue, for the present, to be eligible for s106 contributions; the important issue will be to ensure that this aspect is not vulnerable to being sacrificed as the last call on a prospective developer's financial contributions.

With regard to relief from CIL, we urge the Council to reserve the right to offer CIL relief for particular cases which affect heritage assets in order to avoid unintended harm to the historic environment through the application of CIL. For example, there may be instances where the requirement to pay CIL would threaten the viability of schemes designed to ensure the reuse of heritage assets identified as being 'at-risk' through enabling development.

We do not wish to object to the Draft Schedule, but hope that there will be opportunities for discussion and flexibility in the future where significant heritage issues arise, to ensure heritage protection is sustained in accordance with the NPPF.

We also strongly advise that local conservation staff are involved throughout the further preparation and implementation of the Draft Charging Schedule as they are often best placed to advise on local historic environment issues.

Summary:

We note that there is no reference in the Draft Regulation 123 list to Heritage; although there a number of items could potentially impact on the historic environment such as strategic highway improvement, provision of off site open space and strategic green space. The Charging Schedule should include confirmation that heritage assets in Suffolk Coastal District will continue, for the present, to be eligible for s106 contributions; the important issue will be to ensure that this aspect is not vulnerable to being sacrificed as the last call on a prospective developer's financial contributions.

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Community Infrastructure Levy Draft Charging Schedule

5435 Object
Section 2: CIL in Suffolk Coastal

Full Text:

Under Regulation 14 of the Community Infrastructure Levy Regulations 2010 ("CIL Regulations") the Council's primary duty when setting the level of Community Infrastructure Levy ("CIL") charge is to strike an appropriate balance between the desirability of funding the cost of infrastructure required to support development from CIL and its potential effects on the economic viability of development.

In our view, the approach taken to assessing the Draft Charging Schedule does not achieve an appropriate balance between these two objectives.

We wish to object to the approach taken to assessing the Draft Charging Schedule on the following grounds:

1. The fact that the consultation study fails to take adequately take account of changes introduced by the Community Infrastructure Levy (Amendment) Regulations 2014/385;
2. the impact on policies concerning enhanced economic performance;
3. the financial assumptions and viability assessments contained in the Council's Viability Study;
4. issues relating to State Aid; and
5. concerns about the Council's approach to setting CIL charges generally.

As the Council will be aware, the Community Infrastructure Levy (Amendment) Regulations 2014/385 came into effect in February.

These regulations have made a number of wide-reaching changes to the CIL regime, the most important of which, for the purposes of this letter, are summarised below:

* Regulation 14 has been amended so as to strengthen the obligations on the Council objectively to justify the adopted charging rates. Reg 14 now states that a Council "must strike an appropriate balance" as opposed to simply aiming to do so;
* Examiners are now being asked to assess whether an appropriate balance has, in fact, been struck;
* The Regulations governing payment in kind have been amended to allow local authorities to accept items of infrastructure as well as the transfer of land;
* Draft Regulation 123 lists should now be made available much earlier in the rate-setting process and these will be capable of being examined at inquiry; and
* There have been significant changes to the various CIL exemptions; which will significantly affect the Council's expected levels of receipts.

Although the Draft Charging schedule, and the viability report on which it is based, considers the impact of these amendments it does not include any analysis of the cost or types of infrastructure that are likely to require funding through s.106 Agreements for non-residential development.

As a result, the 'balancing exercise' carried out by the viability study is flawed, as it does not include all of the likely costs of bringing forward development. This in turn casts doubt on the level of 'headroom' available out of which CIL can be paid.

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

We do not consider that the Council has adequately identified a funding gap using appropriate infrastructure evidence. Whilst the Local Plan was adopted in July 2013, in recognition of the lengthy time period involved in the development of the Plan, we suggest a review of the Plan with full up-to-date evidence in order to fully assess the funding gap.

The Navigus Planning Report identifies that not all of the funding gap is expected to be borne by the developer. However the Council at present does not know how much will be invested by other providers, such as UK Power Networks, who are expected to invest as part of their investment programmes. This creates great uncertainty and potential fluctuations to the identified funding gap. Furthermore, there are some costs which are not known which could add to costs and therefore increase the funding gap.

Q2. In setting the CIL rates, do you consider that the Council's economic viability assessment has used appropriate evidence?

Note: The composite reference number in the box at the top of the page is made up of the following information:Object/Support - Representation Number - Respondent Number - Plan Reference - Soundness Tests (if applicable).
We also have a number of concerns about the study Peter Brett Associates conducted in May 2014 (the “Viability Study”).

The Viability Study contains retail development assumptions that in our view may not make sufficient allowance for the costs involved in obtaining planning permission for a development scheme.

By underestimating the true cost of residual planning obligations commercial developments, the Council is at risk of artificially inflating the residual land values used for the financial viability models. This will, in turn, have inflated the amount of CIL proposed for these uses.

As stated above, the Viability Study does not provide analysis of the cost for non-residential residual s106 / s278 agreements. It is our view that the retail development assumptions are inadequate as they do not make allowances for s.106 contributions which need to be paid by developers in addition to CIL payments. We urge you to look again at the allowances for such residual s.106/s.278 contributions for non-residential schemes.

Although the Council will not be able to pool section 106 contributions once CIL is adopted, the types of commonly pooled contributions tend not to make up a large proportion of the contributions sought from commercial schemes - which are usually focussed on site specific highways and access works, employment and training contributions, environmental mitigation works and other, site specific, requirements.

The draft Regulation 123 list produced makes it clear that any site specific matters such as green infrastructure, off site landscaping, improvements to the public transport network or highways improvements, that are needed to mitigate the impact of the development and to make it acceptable in planning terms, are likely to be funded through section 106 and section 278 agreements. The costs of these works are almost certain to exceed the £10,000 allowance included in the Viability Assessment.

Taking the example of a 4,000 sqm convenience supermarket used in the Viability Report, this sized store, would be expected to bear a CIL payment of £400,000 and potentially fund all of the following costs:

* demolition, remediation and on site highways works
* the cost of non-strategic any off-site highways works required to make the development acceptable in planning terms including junction improvements, road widening schemes, new access roads, diversion orders and other highways works;
* the cost of extending the Council’s CCTV or public transport network to include the scheme (including the costs of creating new bus stops, real time information and providing new bus services to serve the site);
* monitoring costs of compliance with employment/apprenticeship schemes and travel plans;
* environmental off-set contributions to mitigate the loss of habitat or greenery caused by the scheme;
* The cost of any remediation and decontamination works to be carried out by the council on the developer’s behalf;
* payments for town centre improvements intended to mitigate the impact of the development on the town centre or neighbouring areas; and
* the costs incurred by the Council of maintaining any site specific infrastructure required by the development.

To put this in context:

* the section 106 Contributions incurred in relation to a c.3,000 sqm food store in Ware, Hertfordshire amounted to £871,800. These sums related to bus service contributions; development of a community centre, nursery; education contributions; various highway safety improvements; youth service contribution; residents parking schemes and open space contribution. In addition to these Contributions, green travel plan contributions, monitoring fees and architectural lighting on pedestrian routes between the store and city centre were also incurred.
* the section 106 Contributions incurred in relation to a c.6,700 sqm food store in Newhaven, East Sussex amounted to £1,345,544. These sums related to contributions for improvements to and an extension of the local bus network; economic initiatives; contributions for relocating local habitats; improvement of recreational space; recycling contributions; residential and retail travel plan auditing; transportation and town centre contributions.

With this in mind, we again, suggest that the Council has significantly underestimated the impact of CIL on the viability of such developments. We request that the underlying viability evidence be revised accordingly.

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?

We will not repeat the Council’s strategic objectives in full here, but in order to achieve its overall objectives, it will be important for the Council to set an appropriate CIL charge to encourage new development to come forward.

An appropriate CIL charge will encourage new development and promote redevelopment to create employment and ensure a range of shopping choices for consumers and enhance the vitality and viability in district and local centres.

The proposed retail CIL rates would discourage larger retail developments and would not ensure that the relevant retail and employment aims of the local plan are met. This could have the effect of reducing the range, variety and choice of retail shopping and, if no redevelopment or regeneration schemes are put forward, then existing buildings are unlikely to be refurbished and re-used.

It is our view that if the retail charges set out in the Draft Charging Schedule are adopted, there will be several consequences across the Borough that will put the Council’s ability to achieve its key objectives at risk. For example:

* All other forms of development will receive a significant subsidy at the expense of retail schemes; and

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* There will be a corresponding disincentive (and market distortion accordingly) to investment in this sector of the local economy.

The Government is keen to encourage the creation of additional employment across the economy and the retail sector as a whole is one of the largest employers and the largest creator of new jobs at the present time as well as being one of the most dynamic and innovative sectors within the UK economy.

Asda example 1

Asda has a proven track record of investing in local communities and of creating jobs within these areas. For example, of the 123 colleagues recruited for the ASDA store in Tunbridge Wells, 76 colleagues (71%) were previously unemployed.

The supporting papers do not acknowledge this trend nor do they fully assess the role of retail within the national economy. They simply assert that large scale retail is performing stronger in comparison to the other sectors of the retail sector and accordingly, it implies that large scale retail establishments have the capacity to pay potentially very large sums of CIL, whereas the Town Centre comparison and small convenience retail rates are much lower. Any CIL schedule that imposes a substantial CIL charge on supermarkets or supermarkets and a very low or nil rate on all other uses could effectively undermine the retail function of local and town centres, detracting from their viability and vitality as large scale retail developers would be discouraged by the imposition of CIL.

Asda example 2

Asda stores regularly rejuvenate and regenerate existing centres, and the surrounding areas, and draw new shoppers to them, which benefits the existing retailers, and those who own stores in Asda-anchored centres in their wake. For example in 2006, Asda opened a store in Romford, transforming a derelict brownfield site through an extension of an existing retail mall and creating 347 jobs. This helped to propel Romford into the top 50 UK retailing cities. Indeed, due to the success of the store in attracting more footfall to that part of the town’s Primary Shopping Area, the local authority redrew the town centre boundary to include the edge of centre Asda store into the heart of the Romford town centre.

Q4. Do you consider the boundaries for the different charging zones to be appropriate?

It is noted that the boundary running through Trimley St Mary creates two distinct charging zones of mid and low. We ask the Council to clarify its position creating certainty for those wishing to develop throughout the district.

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

1. State Aid

We wish to bring it to your attention that there will be EU State Aid issues arising out of the setting of differential rates for different types of commercial entity within the same use class. Introducing such differential rates confers a selective economic advantage on certain retailers depending on the size of the shop they operate out of, or their type of business. For example, setting the levy for comparison retail schemes at a lower rate than an equivalent convenience retail scheme provides an economic advantage to comparison retailers. Alternatively, basing rate differentials on the size of a store favours smaller retailers over their larger competitors.

As far as we are aware, the UK government has not applied for a block exemption for CIL. CIL charges do not form part of the UK’s taxation system and there does not appear to be an exemption in place to cover any State Aid issues that may arise. With this in mind, we would be grateful if the Council adopted a flat levy rate for comparable sectors of the economy/use classes or, if it is not prepared to do so, providing an explanation as to why State Aid issues are not engaged by the setting of differential rates within use classes to the Inspector at the Inquiry.

2. Concerns about the Council’s approach to setting CIL charges generally

The stated purpose of CIL is to raise revenue for infrastructure necessary to serve development. CIL is intended to address the imbalance of raising funds for infrastructure under the section 106 route, where larger schemes have effectively subsidised minor developments. However, CIL does not replace the section 106 revenue stream - it will simply provide additional revenue for infrastructure.

In light of this, we have some further concerns:

Concerns relating to change of use and conversion projects

The Council appears only to have taken the economics of regeneration projects into account when considering the strategic development areas as otherwise the viability assessments do not appear to have given any weight to this consideration (particularly for retail developments).

As you will be aware, Regulation 40 of the CIL Regulations only permits developers to deduct pre-existing floor space from the CIL calculation if it is ‘in lawful use.’ Lawful use is defined in Regulation 40 (10) and essentially requires part of a building to have been in use for a six month continuous period in the three years before the date of the planning permission permitting the development.

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However, many regeneration projects on brownfield land or town centres involve demolishing, converting or redeveloping buildings that have lain vacant for some time. This is particularly true of schemes which involve changes of use from employment land, where the fact that a unit has been vacant for a considerable time is often a key factor in the Council's decision to grant planning permission for the scheme.

The Viability Study does not acknowledge that the economics of conversion schemes are very different to those of new build schemes. It is difficult to see how the Council can assess whether the imposition of CIL will put the majority of these schemes at risk without having considered its impact on their viability.

ASDA's SUGGESTIONS

1. Instalment Policy

We support the Council's decision to introduce an instalment policy for CIL payments. Managing cash flow during development is often key in determining whether a scheme will be successfully delivered. We would strongly encourage the Council to adopt a realistic instalment policy that spreads the cost of CIL over a number of months or years (depending on the size of the development scheme proposed).

We would recommend that any instalment policy should link the instalments to the pace of the actual development; and should not link the instalments to an arbitrary time frame following on from the date the development is commenced.

2. Exceptional Circumstances Relief

We note that the Council has indicated that at present it will provide any discretionary relief from CIL. We would encourage the Council to adopt an Exceptional Circumstances Relief Policy. By doing so, the Council will have the flexibility to allow strategic or desirable, but unprofitable, development schemes to come forward, by exempting them from the CIL charge or reducing it in certain circumstances.

Given the rigid nature of the CIL regulations, which operate in a similar manner to a development land tax, this is a necessary and worthwhile safeguard that the Council will be able to use in appropriate circumstances.

3. Flat Rate Levy

Accepting for the purpose of this argument the premise that CIL is necessary for the purpose of funding Borough-wide infrastructure, a much fairer solution would be to divide the Council's estimate of total infrastructure costs over the charging period (and in this connection, it is important to remember that the Government's guidance as recorded in the National Planning Policy Framework is that only deliverable infrastructure should be included) by the total expected development floor space and apply a flat rate levy across the Borough and across all forms of development. That will have the least possible adverse effect upon the market for land and for development, and yet the greatest possible opportunity for the economy to prosper and thrive and for jobs to be created.

The potential impact of a flat rate levy on the viability of those types of development which are not currently identified as viable could be balanced by the Council's implementation of Exceptional Circumstances Relief, as mentioned above.

Consequently, reducing the levy proposed per square metre on retail and residential floor space would not result in a proportionate increase in the levy required on other forms of commercial or other development. However, applying the current proposed levy could run the risk of diminishing substantially the number of such retail stores built, with a consequential loss of employment opportunities and investment.

4. Provision of Infrastructure as Payment in Kind

We support the Council's decision to introduce a provision of infrastructure as payment in kind. As stated above, the latest set of amendments to the CIL Regulations have now made it lawful for authorities CIL contributions to be paid by the provision of infrastructure in certain circumstances. Given that the provision of infrastructure is often key to unlocking unimplemented planning permissions and enabling developments.

CONCLUSION

For these reasons, we would ask that the Council undertakes a rethink of its position and substantially alters its Charging Schedule in so far as it relates to retail development.

Accordingly, we would request that the Council:

* Revisits its viability assessments for retail development, to address the concerns set out above;
* Adopts a staged payments policy;
* Adopt an Exceptional Circumstances Relief Policy;

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* Considers the allowing developers to pay their CIL Liability through the provision of infrastructure; and

* Adopts a single flat rate levy across all development within its boundaries.

**Summary:** We wish to object to the approach taken to assessing the Draft Charging Schedule on the following grounds:

1. The fact that the consultation study fails to take adequately take account of changes introduced by the Community Infrastructure Levy (Amendment) Regulations 2014/385;

2. the impact on policies concerning enhanced economic performance;

3. the financial assumptions and viability assessments contained in the Council's Viability Study;

4. issues relating to State Aid; and

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**Attachments:**

SuffolkCoastalDraftChargingSchedulerepresentation.pdf

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* Examiners are now being asked to assess whether an appropriate balance has, in fact, been struck;
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* Draft Regulation 123 lists should now be made available much earlier in the rate-setting process and these will be capable of being examined at inquiry; and
* There have been significant changes to the various CIL exemptions; which will significantly affect the Council's expected levels of receipts.

Although the Draft Charging schedule, and the viability report on which it is based, considers the impact of these amendments it does not include any analysis of the cost or types of infrastructure that are likely to require funding through s.106 Agreements for non-residential development.

As a result, the 'balancing exercise' carried out by the viability study is flawed, as it does not include all of the likely costs of bringing forward development. This in turn casts doubt on the level of 'headroom' available out of which CIL can be paid.

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

We do not consider that the Council has adequately identified a funding gap using appropriate infrastructure evidence. Whilst the Local Plan was adopted in July 2013, in recognition of the lengthy time period involved in the development of the Plan, we suggest a review of the Plan with full up-to-date evidence in order to fully assess the funding gap.

The Navigus Planning Report identifies that not all of the funding gap is expected to be borne by the developer. However the Council at present does not know how much will be invested by other providers, such as UK Power Networks, who are expected to invest as part of their investment programmes. This creates great uncertainty and potential fluctuations to the identified funding gap. Furthermore, there are some costs which are not known which could add to costs and therefore increase the funding gap.

Q2. In setting the CIL rates, do you consider that the Council's economic viability assessment has used appropriate evidence?
We also have a number of concerns about the study Peter Brett Associates conducted in May 2014 (the "Viability Study"). The Viability Study contains retail development assumptions that in our view may not make sufficient allowance for the costs involved in obtaining planning permission for a development scheme. By underestimating the true cost of residual planning obligations commercial developments, the Council is at risk of artificially inflating the residual land values used for the financial viability models. This will, in turn, have inflated the amount of CIL proposed for these uses.

As stated above, the Viability Study does not provide analysis of the cost for non-residential residual s106 / s278 agreements. It is our view that the retail development assumptions are inadequate as they do not make allowances for s.106 contributions which need to be paid by developers in addition to CIL payments. We urge you to look again at the allowances for such residual s.106/s.278 contributions for non-residential schemes.

Although the Council will not be able to pool section 106 contributions once CIL is adopted, the types of commonly pooled contributions tend not to make up a large proportion of the contributions sought from commercial schemes - which are usually focussed on site specific highways and access works, employment and training contributions, environmental mitigation works and other, site specific, requirements. The draft Regulation 123 list produced makes it clear that any site specific matters such as green infrastructure, off site landscaping, improvements to the public transport network or highways improvements, that are needed to mitigate the impact of the development and to make it acceptable in planning terms, are likely to be funded through section 106 and section 278 agreements. The costs of these works are almost certain to exceed the £100,000 allowance included in the Viability Assessment.

Taking the example of a 4,000 sqm convenience supermarket used in the Viability Report, this sized store, would be expected to bear a CIL payment of £400,000 and potentially fund all of the following costs:
* demolition, remediation and on site highways works
* the cost of non-strategic any off-site highways works required to make the development acceptable in planning terms including junction improvements, road widening schemes, new access roads, diversion orders and other highways works;
* the cost of extending the Council's CCTV or public transport network to include the scheme (including the costs of creating new bus stops, real time information and providing new bus services to serve the site);
* monitoring costs of compliance with employment/apprenticeship schemes and travel plans;
* environmental off-set contributions to mitigate the loss of habitat or greenery caused by the scheme;
* The cost of any remediation and decontamination works to be carried out by the council on the developer's behalf;
* payments for town centre improvements intended to mitigate the impact of the development on the town centre or neighbouring areas; and
* the costs incurred by the Council of maintaining any site specific infrastructure required by the development.

To put this in context:
* the section 106 Contributions incurred in relation to a c.3,000 sqm food store in Ware, Hertfordshire amounted to £871,800. These sums related to bus service contributions; development of a community centre, nursery; education contributions; various highway safety improvements; youth service contribution; residents parking schemes and open space contribution. In addition to these Contributions, green travel plan contributions, monitoring fees and architectural lighting on pedestrian routes between the store and city centre were also incurred.
* the section 106 Contributions incurred in relation to a c.6,700 sqm food store in Newhaven, East Sussex amounted to £1,345,544. These sums related to contributions for improvements to and an extension of the local bus network; economic initiatives; contributions for relocating local habitats; improvement of recreational space; recycling contributions; residential and retail travel plan auditing; transportation and town centre contributions.

With this in mind, we again, suggest that the Council has significantly underestimated the impact of CIL on the viability of such developments. We request that the underlying viability evidence be revised accordingly.

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?

We will not repeat the Council’s strategic objectives in full here, but in order to achieve its overall objectives, it will be important for the Council to set an appropriate CIL charge to encourage new development to come forward.

An appropriate CIL charge will encourage new development and promote redevelopment to create employment and ensure a range of shopping choices for consumers and enhance the vitality and viability in district and local centres.

The proposed retail CIL rates would discourage larger retail developments and would not ensure that the relevant retail and employment aims of the local plan are met. This could have the effect of reducing the range, variety and choice of retail shopping and, if no redevelopment or regeneration schemes are put forward, then existing buildings are unlikely to be refurbished and re-used.

It is our view that if the retail charges set out in the Draft Charging Schedule are adopted, there will be several consequences across the Borough that will put the Council’s ability to achieve its key objectives at risk. For example:

* All other forms of development will receive a significant subsidy at the expense of retail schemes; and

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Community Infrastructure Levy Draft Charging Schedule

Section 2: CIL in Suffolk Coastal

5436 Object

* There will be a corresponding disincentive (and market distortion accordingly) to investment in this sector of the local economy.

The Government is keen to encourage the creation of additional employment across the economy and the retail sector as a whole is one of the largest employers and the largest creator of new jobs at the present time as well as being one of the most dynamic and innovative sectors within the UK economy.

Asda example 1

Asda has a proven track record of investing in local communities and of creating jobs within these areas. For example, of the 123 colleagues recruited for the ASDA store in Tunbridge Wells, 76 colleagues (71%) were previously unemployed.

The supporting papers do not acknowledge this trend nor do they fully assess the role of retail within the national economy. They simply assert that large scale retail is performing stronger in comparison to the other aspects of the retail sector and accordingly, it implies that large scale retail establishments have the capacity to pay potentially very large sums of CIL, whereas the Town Centre comparison and small convenience retail rates are much lower. Any CIL schedule that imposes a substantial CIL charge on supermarkets or supermarkets and a very low or nil rate on all other uses could effectively undermine the retail function of local and town centres, detracting from their viability and vitality as large scale retail developers would be discouraged by the imposition of CIL.

Asda example 2

Asda's stores regularly rejuvenate and regenerate existing centres, and the surrounding areas, and draw new shoppers to them, which benefits the existing retailers, and those who open stores in Asda-anchored centres in their wake. For example, in 2006, Asda opened a store in Romford, transforming a derelict brownfield site through an extension of an existing retail mall and creating 347 jobs. This helped to propel Romford into the top 50 UK retailing cities. Indeed, due to the success of the store in attracting more footfall to that part of the town's Primary Shopping Area, the local authority redrew the town centre boundary to include the edge of centre Asda store into the heart of the Romford town centre.

Q4. Do you consider the boundaries for the different charging zones to be appropriate?

It is noted that the boundary running through Trimley St Mary creates two distinct charging zones of mid and low. We ask the Council to clarify its position creating certainty for those wishing to develop throughout the district.

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

1. State Aid

As demonstrated by examples of change of use and conversion projects

Concerns relating to change of use and conversion projects

The Council appears only to have taken the economics of regeneration projects into account when considering the strategic development areas as otherwise the viability assessments do not appear to have given any weight to this consideration (particularly for retail developments).

As you will be aware, Regulation 40 of the CIL Regulations only permits developers to deduct pre-existing floor space from the CIL calculation if it is 'in lawful use.' Lawful use is defined in Regulation 40 (10) and essentially requires part of a building to have been in use for a six month continuous period in the three years before the date of the planning permission permitting the development.
However, many regeneration projects on brownfield land or town centres involve demolishing, converting or redeveloping buildings that have lain vacant for some time. This is particularly true of schemes which involve changes of use from employment land, where the fact that a unit has been vacant for a considerable time is often a key factor in the Council's decision to grant planning permission for the scheme.

The Viability Study does not acknowledge that the economics of conversion schemes are very different to those of new build schemes. It is difficult to see how the Council can assess whether the imposition of CIL will put the majority of these schemes at risk without having considered its impact on their viability.

ASDA's SUGGESTIONS

1. Instalment Policy

We support the Council's decision to introduce an instalment policy for CIL payments. Managing cash flow during development is often key in determining whether a scheme will be successfully delivered. We would strongly encourage the Council to adopt a realistic instalment policy that spreads the cost of CIL over a number of months or years (depending on the size of the development scheme proposed).

We would recommend that any instalment policy should link the instalments to the pace of the actual development; and should not link the instalments to an arbitrary time frame following on from the date the development is commenced.

2. Exceptional Circumstances Relief

We note that the Council has indicated that at present it will provide any discretionary relief from CIL. We would encourage the Council to adopt an Exceptional Circumstances Relief Policy. By doing so, the Council will have the flexibility to allow strategic or desirable, but unprofitable, development schemes to come forward, by exempting them from the CIL charge or reducing it in certain circumstances.

Given the rigid nature of the CIL regulations, which operate in a similar manner to a development land tax, this is a necessary and worthwhile safeguard that the Council will be able to use in appropriate circumstances.

3. Flat Rate Levy

Accepting for the purpose of this argument the premise that CIL is necessary for the purpose of funding Borough-wide infrastructure, a much fairer solution would be to divide the Council's estimate of total infrastructure costs over the charging period (and in this connection, it is important to remember that the Government's guidance as recorded in the National Planning Policy Framework is that only deliverable infrastructure should be included) by the total expected development floor space and apply a flat rate levy across the Borough and across all forms of development. That will have the least possible adverse effect upon the market for land and for development, and yet the greatest possible opportunity for the economy to prosper and thrive and for jobs to be created.

The potential impact of a flat rate levy on the viability of those types of development which are not currently identified as viable could be balanced by the Council's implementation of Exceptional Circumstances Relief, as mentioned above.

Consequently, reducing the levy proposed per square metre on retail and residential floor space would not result in a proportionate increase in the levy required on other forms of commercial or other development. However, applying the current proposed levy could run the risk of diminishing substantially the number of such retail stores built, with a consequential loss of employment opportunities and investment.

4. Provision of Infrastructure as Payment in Kind

We support the Council's decision to introduce a provision of infrastructure as payment in kind. As stated above, the latest set of amendments to the CIL Regulations have now made it lawful for authorities CIL contributions to be paid by the provision of infrastructure in certain circumstances. Given that the provision of infrastructure is often key to unlocking unimplemented planning permissions and enabling developments.

CONCLUSION

For these reasons, we would ask that the Council undertakes a rethink of its position and substantially alters its Charging Schedule in so far as it relates to retail development.

Accordingly, we would request that the Council:

* Revisits its viability assessments for retail development, to address the concerns set out above;

* Adopts a staged payments policy;

* Adopt an Exceptional Circumstances Relief Policy;
### 5436 Object
Section 2: CIL in Suffolk Coastal

* Considers the allowing developers to pay their CIL Liability through the provision of infrastructure; and

* Adopts a single flat rate levy across all development within its boundaries.

#### Summary:
The Community Infrastructure Levy (Amendment) Regulations 2014/385 came into effect in February. Although the Draft Charging schedule, and the viability report considers the impact of these amendments it does not include any analysis of the cost or types of infrastructure that are likely to require funding through s.106 Agreements for non-residential development.

As a result, the 'balancing exercise' carried out by the viability study is flawed, as it does not include all of the likely costs of bringing forward development. This in turn casts doubt on the level of 'headroom' available out of which CIL can be paid.

### Change to Plan

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### Attachments:
- SuffolkCoastalDraftChargingSchedulerepresentation.pdf

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Note: The composite reference number in the box at the top of the page is made up of the following information:Object/Support - Representation Number - Respondent Number - Plan Reference - Soundness Tests (if applicable).
Under Regulation 14 of the Community Infrastructure Levy Regulations 2010 ("CIL Regulations") the Council's primary duty when setting the level of Community Infrastructure Levy ("CIL") charge is to strike an appropriate balance between the desirability of funding the cost of infrastructure required to support development from CIL and its potential effects on the economic viability of development.

In our view, the approach taken to assessing the Draft Charging Schedule does not achieve an appropriate balance between these two objectives.

We wish to object to the approach taken to assessing the Draft Charging Schedule on the following grounds:

1. The fact that the consultation study fails to take adequately take account of changes introduced by the Community Infrastructure Levy (Amendment) Regulations 2014/385;
2. the impact on policies concerning enhanced economic performance;
3. the financial assumptions and viability assessments contained in the Council's Viability Study;
4. issues relating to State Aid; and
5. concerns about the Council's approach to setting CIL charges generally.

As the Council will be aware, the Community Infrastructure Levy (Amendment) Regulations 2014/385 came into effect in February.

These regulations have made a number of wide-reaching changes to the CIL regime, the most important of which, for the purposes of this letter, are summarised below:

* Regulation 14 has been amended so as to strengthen the obligations on the Council objectively to justify the adopted charging rates. Reg 14 now states that a Council “must strike an appropriate balance” as opposed to simply aiming to do so;
* Examiners are now being asked to assess whether an appropriate balance has, in fact, been struck;
* The Regulations governing payment in kind have been amended to allow local authorities to accept items of infrastructure as well as the transfer of land;
* Draft Regulation 123 lists should now be made available much earlier in the rate-setting process and these will be capable of being examined at inquiry; and
* There have been significant changes to the various CIL exemptions; which will significantly affect the Council's expected levels of receipts.

Although the Draft Charging schedule, and the viability report on which it is based, considers the impact of these amendments it does not include any analysis of the cost or types of infrastructure that are likely to require funding through s.106 Agreements for non-residential development.

As a result, the ‘balancing exercise’ carried out by the viability study is flawed, as it does not include all of the likely costs of bringing forward development. This in turn casts doubt on the level of ‘headroom’ available out of which CIL can be paid.

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

We do not consider that the Council has adequately identified a funding gap using appropriate infrastructure evidence. Whilst the Local Plan was adopted in July 2013, in recognition of the lengthy time period involved in the development of the Plan, we suggest a review of the Plan with full up-to-date evidence in order to fully assess the funding gap.

The Navigus Planning Report identifies that not all of the funding gap is expected to be borne by the developer. However the Council at present does not know how much will be invested by other providers, such as UK Power Networks, who are expected to invest as part of their investment programmes. This creates great uncertainty and potential fluctuations to the identified funding gap. Furthermore, there are some costs which are not known which could add to costs and therefore increase the funding gap.

Q2. In setting the CIL rates, do you consider that the Council's economic viability assessment has used appropriate evidence?
We also have a number of concerns about the study Peter Brett Associates conducted in May 2014 (the "Viability Study"). The Viability Study contains retail development assumptions that in our view may not make sufficient allowance for the costs involved in obtaining planning permission for a development scheme.

By underestimating the true cost of residual planning obligations commercial developments, the Council is at risk of artificially inflated the residual land values used for the financial viability models. This will, in turn, have inflated the amount of CIL proposed for these uses.

As stated above, the Viability Study does not provide analysis of the cost for non-residential residual s106 / s278 agreements. It is our view that the retail development assumptions are inadequate as they do not make allowances for s.106 contributions which need to be paid by developers in addition to CIL payments. We urge you to look again at the allowances for such residual s.106/s.278 contributions for non-residential schemes.

Although the Council will not be able to pool section 106 contributions once CIL is adopted, the types of commonly pooled contributions tend not to make up a large proportion of the contributions sought from commercial schemes - which are usually focussed on site specific highways and access works, employment and training contributions, environmental mitigation works and other, site specific, requirements.

The draft Regulation 123 list produced makes it clear that any site specific matters such as green infrastructure, off site landscaping, improvements to the public transport network or highways improvements, that are needed to mitigate the impact of the development and to make it acceptable in planning terms, are likely to be funded through section 106 and section 278 agreements. The costs of these works are almost certain to exceed the £10,000 allowance included in the Viability Assessment.

Taking the example of a 4,000 sqm convenience supermarket used in the Viability Report, this sized store, would be expected to bear a CIL payment of £400,000 and potentially fund all of the following costs:

- demolition, remediation and on site highways works
- the cost of non-strategic any off-site highways works required to make the development acceptable in planning terms including junction improvements, road widening schemes, new access roads, diversion orders and other highways works;
- the cost of extending the Council's CCTV or public transport network to include the scheme (including the costs of creating new bus stops, real time information and providing new bus services to serve the site);
- monitoring costs of compliance with employment/apprenticeship schemes and travel plans;
- environmental off-set contributions to mitigate the loss of habitat or greenery caused by the scheme;
- The cost of any remediation and decontamination works to be carried out by the council on the developer's behalf;
- payments for town centre improvements intended to mitigate the impact of the development on the town centre or neighbouring areas; and
- the costs incurred by the Council of maintaining any site specific infrastructure required by the development.

To put this in context:
- the section 106 Contributions incurred in relation to a c.3,000 sqm food store in Ware, Hertfordshire amounted to £871,800. These sums related to bus service contributions; development of a community centre, nursery; education contributions; various highway safety improvements; youth service contribution; residents parking schemes and open space contribution. In addition to these Contributions, green travel plan contributions, monitoring fees and architectural lighting on pedestrian routes between the store and city centre were also incurred.
- the section 106 Contributions incurred in relation to a c.6,700 sqm food store in Newhaven, East Sussex amounted to £1,345,544. These sums related to contributions for improvements to and an extension of the local bus network; urban design; monitoring costs of compliance with employment/apprenticeship schemes and travel plans; environmental off-set contributions to mitigate the loss of habitat or greenery caused by the scheme; economic initiatives; contributions for relocating local habitats; improvement of recreational space; recycling contributions; residential and retail travel plan auditing; transportation and town centre contributions.

With this in mind, we again, suggest that the Council has significantly underestimated the impact of CIL on the viability of such developments. We request that the underlying viability evidence be revised accordingly.

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?

We will not repeat the Council’s strategic objectives in full here, but in order to achieve its overall objectives, it will be important for the Council to set an appropriate CIL charge to encourage new development to come forward.

An appropriate CIL charge will encourage new development and promote redevelopment to create employment and ensure a range of shopping choices for consumers and enhance the vitality and viability in district and local centres.

The proposed retail CIL rates would discourage larger retail developments and would not ensure that the relevant retail and employment aims of the local plan are met. This could have the effect of reducing the range, variety and choice of retail shopping and, if no redevelopment or regeneration schemes are put forward, then existing buildings are unlikely to be refurbished and re-used.

It is our view that if the retail charges set out in the Draft Charging Schedule are adopted, there will be several consequences across the Borough that will put the Council's ability to achieve its key objectives at risk. For example:

- All other forms of development will receive a significant subsidy at the expense of retail schemes; and

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Community Infrastructure Levy Draft Charging Schedule

5439  Object
Section 2: CIL in Suffolk Coastal

* There will be a corresponding disincentive (and market distortion accordingly) to investment in this sector of the local economy.

The Government is keen to encourage the creation of additional employment across the economy and the retail sector as a whole is one of the largest employers and the largest creator of new jobs at the present time as well as being one of the most dynamic and innovative sectors within the UK economy.

Asda example 1
ASDA has a proven track record of investing in local communities and of creating jobs within these areas. For example, of the 123 colleagues recruited for the ASDA store in Tunbridge Wells, 76 colleagues (71%) were previously unemployed.

The supporting papers do not acknowledge this trend nor do they fully assess the role of retail within the national economy. They simply assert that large scale retail is performing stronger in comparison to the other aspects of the retail sector and accordingly, it implies that large scale retail establishments have the capacity to pay potentially very large sums of CIL, whereas the Town Centre comparison and small convenience retail rates are much lower.

Any CIL schedule that imposes a substantial CIL charge on superstores or supermarkets and a very low or nil rate on all other uses could effectively undermine the retail function of local and town centres, detracting from their viability and vitality as large scale retail developers would be discouraged by the imposition of CIL.

Asda example 2
Asda stores regularly rejuvenate and regenerate existing centres, and the surrounding areas, and draw new shoppers to them, which benefits the existing retailers, and those who open stores in Asda-anchored centres in their wake. For example in 2006, Asda opened a store in Romford, transforming a derelict brownfield site through an extension of an existing retail mall and creating 347 jobs. This helped to propel Romford into the top 50 UK retailing cities. Indeed, due to the success of the store in attracting more footfall to that part of the town’s Primary Shopping Area, the local authority redrew the town centre boundary to include the edge of centre Asda store into the heart of the Romford town centre.

Q4. Do you consider the boundaries for the different charging zones to be appropriate?

It is noted that the boundary running through Trimley St Mary creates two distinct charging zones of mid and low. We ask the Council to clarify its position creating certainty for those wishing to develop throughout the district.

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

1. State Aid

We wish to bring to it your attention that there will be EU State Aid issues arising out of the setting of differential rates for different types of commercial entity within the same use class. Introducing such differential rates confers a selective economic advantage on certain retailers depending on the size of the shop they operate out of, or their type of business. For example, setting the levy for comparison retail schemes at a lower rate than an equivalent convenience retail scheme provides an economic advantage to comparison retailers. Alternatively, basing rate differentials on the size of a store favours smaller retailers over their larger competitors.

As far as we are aware, the UK government has not applied for a block exemption for CIL. CIL charges do not form part of the UK’s taxation system and there does not appear to be an exemption in place to cover any State Aid issues that may arise. With this in mind, we would be grateful if the Council adopted a flat levy rate for comparable sectors of the economy/use classes or, if it is not prepared to do so, providing an explanation as to why State Aid issues are not engaged by the setting of differential rates within use classes to the Inspector at the Inquiry.

2. Concerns about the Council’s approach to setting CIL charges generally

The stated purpose of CIL is to raise revenue for infrastructure necessary to serve development. CIL is intended to address the imbalance of raising funds for infrastructure under the section 106 route, where larger schemes have effectively subsidised minor developments. However, CIL does not replace the section 106 revenue stream - it will simply provide additional revenue for infrastructure.

In light of this, we have some further concerns:

Concerns relating to change of use and conversion projects

The Council appears only to have taken the economics of regeneration projects into account when considering the strategic development areas as otherwise the viability assessments do not appear to have given any weight to this consideration (particularly for retail developments).

As you will be aware, Regulation 40 of the CIL Regulations only permits developers to deduct pre-existing floor space from the CIL calculation if it is ‘in lawful use.’ Lawful use is defined in Regulation 40 (10) and essentially requires part of a building to have been in use for a six month continuous period in the three years before the date of the planning permission permitting the development.

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However, many regeneration projects on brownfield land or town centres involve demolishing, converting or redeveloping buildings that have lain vacant for some time. This is particularly true of schemes which involve changes of use from employment land, where the fact that a unit has been vacant for a considerable time is often a key factor in the Council's decision to grant planning permission for the scheme.

The Viability Study does not acknowledge that the economics of conversion schemes are very different to those of new build schemes. It is difficult to see how the Council can assess whether the imposition of CIL will put the majority of these schemes at risk without having considered its impact on their viability.

ASDA's SUGGESTIONS

1. Instalment Policy

We support the Council's decision to introduce an instalment policy for CIL payments. Managing cash flow during development is often key in determining whether a scheme will be successfully delivered. We would strongly encourage the Council to adopt a realistic instalment policy that spreads the cost of CIL over a number of months or years (depending on the size of the development scheme proposed).

We would recommend that any instalment policy should link the instalments to the pace of the actual development; and should not link the instalments to an arbitrary time frame following on from the date the development is commenced.

2. Exceptional Circumstances Relief

We note that the Council has indicated that at present it will provide any discretionary relief from CIL. We would encourage the Council to adopt an Exceptional Circumstances Relief Policy. By doing so, the Council will have the flexibility to allow strategic or desirable, but unprofitable, development schemes to come forward, by exempting them from the CIL charge or reducing it in certain circumstances.

Given the rigid nature of the CIL regulations, which operate in a similar manner to a development land tax, this is a necessary and worthwhile safeguard that the Council will be able to use in appropriate circumstances.

3. Flat Rate Levy

Accepting for the purpose of this argument the premise that CIL is necessary for the purpose of funding Borough-wide infrastructure, a much fairer solution would be to divide the Council's estimate of total infrastructure costs over the charging period (and in this connection, it is important to remember that the Government's guidance as recorded in the National Planning Policy Framework is that only deliverable infrastructure should be included) by the total expected development floor space and apply a flat rate levy across the Borough and across all forms of development. That will have the least possible adverse effect upon the market for land and for development, and yet the greatest possible opportunity for the economy to prosper and thrive and for jobs to be created.

The potential impact of a flat rate levy on the viability of those types of development which are not currently identified as viable could be balanced by the Council's implementation of Exceptional Circumstances Relief, as mentioned above.

Consequently, reducing the levy proposed per square metre on retail and residential floor space would not result in a proportionate increase in the levy required on other forms of commercial or other development. However, applying the current proposed levy could run the risk of diminishing substantially the number of such retail stores built, with a consequential loss of employment opportunities and investment.

4. Provision of Infrastructure as Payment in Kind

We support the Council's decision to introduce a provision of infrastructure as payment in kind. As stated above, the latest set of amendments to the CIL Regulations have now made it lawful for authorities CIL contributions to be paid by the provision of infrastructure in certain circumstances. Given that the provision of infrastructure is often key to unlocking unimplemented planning permissions and enabling developments.

CONCLUSION

For these reasons, we would ask that the Council undertakes a rethink of its position and substantially alters its Charging Schedule in so far as it relates to retail development.

Accordingly, we would request that the Council:

* Revisits its viability assessments for retail development, to address the concerns set out above;

* Adopts a staged payments policy;

* Adopt an Exceptional Circumstances Relief Policy;

Note: The composite reference number in the box at the top of the page is made up of the following information: Object/Support - Representation Number - Respondent Number - Plan Reference - Soundness Tests (if applicable).
* Considers the allowing developers to pay their CIL Liability through the provision of infrastructure; and
* Adopts a single flat rate levy across all development within its boundaries.

**Summary:** We would ask that the Council undertakes a rethink of its position and substantially alters its Charging Schedule in so far as it relates to retail development.

Accordingly, we would request that the Council:
* Revisits its viability assessments for retail development, to address the concerns set out above;
* Adopts a staged payments policy;
* Adopt an Exceptional Circumstances Relief Policy;
* Considers the allowing developers to pay their CIL Liability through the provision of infrastructure; and
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**Attachments:**
SuffolkCoastalDraftChargingSchedulerepresentation.pdf
I offer the following comments on your consultative document.

1. Paragraph 2.2. I do not see as to why not all new builds and not most will be subject to CIL; I can see that there would always be a body of opinion that would contest any issue near the borderline cases. For instance; why is BT in the not paying any Community Infrastructure Levy (CIL) when they are constantly expanding their operation? Would this CIL be paid on the proposed new village on BT land?

2. I believe that the same sort of conflict will arise as with the previous case. Who would decide whether or not this type of extension is to be included in the CIL.

3. Appendices. I found that I could not understand the plans at all, on 3 points.
   1 the plans list the colours High Medium and Low, but what is high medium and low.
   2 There is no use made of these plans in the main document so why are they there?
   3 Adastral Park is shown as a red hashed box but in reality it is shown on the plans as a blue hashed area.

4. Readability. This document needs a glossary and references to make reading clearer. As in all cases the reference will not be read as it is an already agreed document. For instance, paragraph 2.1 there are two sentences in the paragraph, this paragraph could be shortened to one short sentence.

CIL was introduced in 2008 (ref 1) for developing infra-structure and the process will be based on the existing regulations (ref 2)

At the back of the document would be as below

Reference 1 national legislation, 2008 Planning Act
Reference 2 CIL regulations 2010 and amendments

I offer these comments in reply to your request on the 8/Oct/2014. I must admit I found the document extremely difficult to digest.

Summary: Paragraph 2.2. I do not see as to why not all new builds and not most will be subject to CIL; I can see that there would always be a body of opinion that would contest any issue near the borderline cases; why is BT in the not paying any CIL when they are constantly expanding their operation? Would this CIL be paid on the proposed new village on BT land?
The same sort of conflict will arise as with the previous case. Who would decide whether or not this type of extension is to be included in the CIL.
I offer the following comments on your consultative document:

1. Paragraph 2.2. I do not see as to why not all new builds and not most will be subject to CIL; I can see that there would always be a body of opinion that would contest any issue near the borderline cases. For instance, why is BT in the not paying any Community Infrastructure Levy (CIL) when they are constantly expanding their operation? Would this CIL be paid on the proposed new village on BT land?

2. I believe that the same sort of conflict will arise as with the previous case. Who would decide whether or not this type of extension is to be included in the CIL.

3. Appendices. I found that I could not understand the plans at all, on 3 points.
   1 the plans list the colours High Medium and Low, but what is high medium and low.
   2 There is no use made of these plans in the main document so why are they there?
   3 Adastral Park is shown as a red hashed box but in reality it is shown on the plans as a blue hashed area.

4. Readability. This document needs a glossary and references to make reading clearer. As in all cases the reference will not be read as it is an already agreed document. For instance, paragraph 2.1 there are two sentences in the paragraph, this paragraph could be shortened to one short sentence.

CIL was introduced in 2008 (ref 1) for developing infra-structure and the process will be based on the existing regulations (ref 2)

At the back of the document would be as below

Reference 1 national legislation, 2008 Planning Act
Reference 2 CIL regulations 2010 and amendments

I offer these comments in reply to your request on the 8/Oct/2014. I must admit I found the document extremely difficult to digest.

Summary:
4. Readability. This document needs a glossary and references to make reading clearer. As in all cases the reference will not be read as it is an already agreed document. For instance, paragraph 2.1 there are two sentences in the paragraph, this paragraph could be shortened to one short sentence.

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At the back of the document would be as below

Reference 1 national legislation, 2008 Planning Act
Reference 2 CIL regulations 2010 and amendments

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Attachments: None

Note: The composite reference number in the box at the top of the page is made up of the following information: Object/Support - Representation Number - Respondent Number - Plan Reference - Soundness Tests (if applicable).
### Community Infrastructure Levy Draft Charging Schedule

#### 5447 Support

| Section 2: CIL in Suffolk Coastal | Section 2: CIL in Suffolk Coastal |

**Respondent:** Rendlesham Parish Council (Heather Heelis) [3059]  **Agent:** N/A

**Full Text:** Rendlesham Parish support the proposed charges as outlined in the Draft Charging Schedule and that parishes with a neighbourhood plan will receive 25% of any community infrastructure levy arising from developments in their area.

**Summary:** Rendlesham Parish support the proposed charges as outlined in the Draft Charging Schedule and that parishes with a neighbourhood plan will receive 25% of any community infrastructure levy arising from developments in their area.

**Change to Plan** N/A

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**Attachments:**

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Note: The composite reference number in the box at the top of the page is made up of the following information: Object/Support - Representation Number - Respondent Number - Plan Reference - Soundness Tests (if applicable).
This is a representation on behalf of McCarthy & Stone Retirement Lifestyles Ltd, the market leaders in the provision of retirement housing for sale to the elderly.

We previously provided commentary to the Preliminary Draft Charging Schedule in June 2014 in which we expressed our concern that the emerging CIL could prohibit the development of specialist accommodation for the elderly at a time when there is an existing and urgent need for this form of development.

In the proposed Draft Charging Schedule we note that the Council have included the following footnote which reads as follows:

1. For the purposes of the CIL Draft Charging Schedule, the Council will consider developments which fall under the C3 (Dwelling houses) and C4 (Houses in multiple occupation) use class as defined in the Use Classes Order as being subject to the relevant residential rates as detailed. This excludes sheltered/retirement accommodation schemes which are defined as grouped units, usually flats, specially designed for older people encompassing communal non-saleable facilities.

We commend the Council for its commitment to ensuring that specialist accommodation for the elderly remains viable under the emerging CIL regime. We withdraw our objection to the Charging Schedule accordingly.

Thank you for the opportunity for comment.

Summary:

In the proposed Draft Charging Schedule we note that the Council have included the following footnote which reads as follows:

1. For the purposes of the CIL Draft Charging Schedule, the Council will consider developments which fall under the C3 (Dwelling houses) and C4 (Houses in multiple occupation) use class as defined in the Use Classes Order as being subject to the relevant residential rates as detailed. This excludes sheltered/retirement accommodation schemes which are defined as grouped units, usually flats, specially designed for older people encompassing communal non-saleable facilities.

We withdraw our objection to the Charging Schedule accordingly.

Change to Plan: N/A

Not Specified Not Specified Not Specified N/A N/A

Attachments:
Felixstowe Town Council (FTC) has received input on this topic both by way of a summary explanation of the salient issues directly from Suffolk Coastal District Council (SCDC) officers and the papers associated with consultation exercise published on the SCDC website. It has carefully considered the documents and background data to debate the issues involved.

FTC is generally of the opinion that CIL is a complicated mechanism providing for developer financial contributions to infrastructure requirements across the Suffolk Coastal District. However, having witnessed the difficulty that the local authority has had realising S106 contributions from developers benefitting from existing planning consents, especially within schemes in Felixstowe, FTC feels that CIL is generally a more transparent and potentially more reliable and deliverable source of contributions.

FTC understands that SCDC has commissioned a significant amount of research work by virtue of the reports published from Navigus Planning relating to the Infrastructure Delivery Plan and the viability study by Peter Brett Associates cited in the CIL background document. Nevertheless, FTC does not feel it is in a position to comment on the validity of this technical information in relation to the 5 specific questions in the consultation questionnaire but would like to make some general observations.

FTC has understood the basis on which the differing charging rates across the district have been calculated but feels that this may lead to a disproportionate amount of development planned for the lower value areas like Felixstowe which has been rated cheaper than the more rural areas and some market towns.

Whilst recognising that there is a need for investment locally, FTC is concerned whether the appropriate types of housing mix which is so desperately needed can still be achieved if CIL is in place whilst welcoming that smaller residential units, sheltered accommodation and social housing will be exempt.

There is some concern that CIL may be a disincentive for developers and that some of the marginal schemes which may have been designed for brownfield or more challenging sites may not be pursued as a result.

FTC is keen to endorse the regular review of the Regulation 123 list relating to infrastructure items which can be funded by CIL monies and endorses the periodic review of the charging schedule itself.

Summary:
FTC understands the differing charging rates across the district but feels that this may lead to a disproportionate amount of development for the lower value areas like Felixstowe.
FTC is concerned whether the appropriate types of housing mix so desperately needed can still be achieved if CIL is in place whilst welcoming that smaller residential units, sheltered accommodation and social housing will be exempt.
There is some concern that CIL may be a disincentive for developers and some of the marginal schemes which may have been designed for brownfield or more challenging sites may not be pursued as a result.

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Note: The composite reference number in the box at the top of the page is made up of the following information: Object/Support - Representation Number - Respondent Number - Plan Reference - Soundness Tests (if applicable).
I would like to comment on the proposed infrastructure levy. I am not good at writing letters but will try my best. I am a bricklayer that has worked for developers as well as myself so I feel able to comment. Frankly I find these proposals outrageous. At a time when there is a desperate need for new and affordable housing these proposals will add it seems to me anywhere from £5k to £10k for each house, who is going to pay for that? It will mean that small time builders or self builders will be priced out, leaving only large scale developers. Particularly when building lower priced housing for the first time market.

Why charge more for areas such as Aldeburgh when those are exactly the places that need low cost housing. How can you justify charging for extensions when it has no impact on infrastructure? How can you treat large multi-national building companies the same as a self employed builder, does that seem fair? Why not charge more for large developers building on large sites and a smaller fixed amount for everyone else along the same lines as the play space charge.

Why not only charge when it actually affects the infrastructure? For a single plot in most areas no change to the infrastructure is necessary so how can you justify charging for it? This whole idea smacks of just being a money making plan by the council at the expense of small time builders and is very short sighted.

Summary:
When there is a desperate need for new and affordable housing these proposals will add anywhere from £5k to £10k for each house. It will mean that small time or self builders will be priced out, leaving only large scale developers. Why charge more for areas such as Aldeburgh when those are the places that need low cost housing. How can you treat large multi-national building companies the same as a self employed builder? Why not charge more for large developers building on large sites and a smaller amount for everyone else along the same lines as the playspace charge.

Change to Plan

Note: The composite reference number in the box at the top of the page is made up of the following information: Object/Support - Representation Number - Respondent Number - Plan Reference - Soundness Tests (if applicable).
Object

Section 2: CIL in Suffolk Coastal

Respondent: Waldringfield Parish Council (Mr Ian Kay) [282]  
Agent: N/A

Full Text:

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.

No. The £0 CIL rate for Adastral Park fails to assess the economic viability correctly. In particular it ignores the claim made by BT on many occasions that the development is viable, and underestimates the land value. Waldringfield PC made these points in its response to the July 2014 consultation, but SCDC has not addressed them in its reply. See paragraph 'The calculation of the CIL rate is flawed' on p26 of the Responses to Preliminary Draft Charging Schedule. We note that the CIL Viability Study says "Ultimately, if the residual land value is greater than the benchmark land value, there may be capacity for a CIL charge" (§12.4.7). We hope that (if it persists with the £0 CIL charge) SCDC will therefore monitor the land values and ensure that a CIL is charged if they turn out to be greater than the benchmark values used so far.

The CIL Viability Study also says "We have not tested the entire scheme due to a lack of readily available evidence on the phasing strategy on a project which may take over 10 years to deliver" (§12.4.3). David Lock Associates (on behalf of BT) provided a detailed phasing strategy at the Examination in Public in November 2012.

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?

No. The £0 CIL rate for Adastral Park fails to get the balance right, as it provides no direct benefit to the local communities. Waldringfield PC made this point in its response to the July 2014 consultation, but SCDC has not addressed our concerns in its reply. See paragraph 'There is no direct benefit for local communities' on p26 of the Responses to Preliminary Draft Charging Schedule.

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

Yes

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

In its response to the July 2014 consultation Waldringfield PC made the point that the S106 agreement for the Adastral Park development has been negotiated in secret between BT and SCDC, with no involvement of local communities, who therefore have no control over how the money is spent, which undermines localism. SCDC has not addressed our concerns in its reply. See paragraph 'Local communities are being sidelined' on p25 of the Responses to Preliminary Draft Charging Schedule.

Summary:

The £0 CIL rate for Adastral Park fails to get the balance right, as it provides no direct benefit to the local communities. In its response to the July 2014 consultation Waldringfield PC made the point that the S106 agreement for the Adastral Park development has been negotiated in secret between BT and SCDC, with no involvement of local communities, who therefore have no control over how the money is spent, which undermines localism. SCDC has not addressed our concerns in its reply. See paragraph 'Local communities are being sidelined' on p25 of the Responses to Preliminary Draft Charging Schedule.

Note: The composite reference number in the box at the top of the page is made up of the following information: Object/Support - Representation Number - Respondent Number - Plan Reference - Soundness Tests (if applicable).
Community Infrastructure Levy Draft Charging Schedule

5452
Comment
Section 2: CIL in Suffolk Coastal

Respondent: Suffolk Constabulary (Mr Leigh Jenkins) [654]
Agent: N/A

Full Text:

Background

It is well documented that from a Countywide and National perspective, SCDC enjoys a low level of crime and as a result those living within SCDC on the whole feel secure and safe. It is acknowledged that one of the key motivators for people moving to an area is that of low crime and safety. Therefore SCDC, SC and developers have a vested interest in maintaining the current level of policing afforded to the SCDC community (be this the established or emerging community).

Suffolk Constabulary holds no views as to the merits of a new development, only that the development does not have an adverse impact on the current level of policing and community safety enjoyed by those who live and work in the area.

Q1: Do you consider that the Council has adequately identified a funding gap using appropriate evidence?
It is not felt that the need for contributions towards policing has been acknowledged to the appropriate level by SCDC.
Therefore an understanding of the level of funding gap that will need to be addressed, as a result of the scale of development being proposed, is not appropriate as it will not have incorporated the needs of policing.
If the proposed rates set have not factored in an adequate need to contribute towards policing, they will by default have been set too low and a funding gap will exist. This view is evidenced in Q2.
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.

The Suffolk Coastal Community Infrastructure Levy Viability Study of May 2014, pba Peter Brett, does not make reference to policing and community safety. Therefore, unlike Health, Education and Libraries etc, it can only be deduced that policing has not been considered.
This belief is further supported by the omission of policing in the draft Community Infrastructure Levy, Draft Regulation 123 List, where policing is omitted from the Adastral Park Development (the largest development) as infrastructure which will be delivered through planning obligations (and not CIL) relating specifically to this development.

Although it is acknowledged that Police Infrastructure is shown within ‘infrastructure that may be funded by CIL and will not be sought through planning obligation’ this will not be to the level that will address the policing needs as set out in the response from Suffolk Constabulary to Navigus Planning, and indeed appear within the Suffolk Coastal Infrastructure Delivery Plan.

Q3: In setting the CIL rates, do you consider that the rates proposed represent the appropriate balance between desirability of funding infrastructure and the need to maintain overall viability of growth across the District?
As stated in Q1, Suffolk Constabulary holds no view as to the level of proposed growth, only that the growth does not have an adverse impact of the current level of policing enjoyed by those who live and work within SCDC.
Re the funding of policing infrastructure, and the lack of comment re-funding for policing, Suffolk Constabulary is concerned that policing has not been acknowledged to the appropriate level and as a result will not receive adequate funding for the necessary infrastructure.
An opportunity to discuss this concern with SCDC, and allay such apprehensions, would be welcomed by the Constabulary.
Q4: Do you consider the boundaries for the different charging zones to be appropriate? If you disagree please provide evidence.
No comment.
Q5: Do you have any other comments on the Draft Charging Schedule or any other associated documents or evidence based documents?

Through the lack of acknowledgment of policing through the Suffolk Coastal Community Infrastructure Levy Viability Study of May 2014, pba Peter Brett, and omission of policing in the Adastral park development, it can only be deduced that policing is not being considered as an equal recipient of funding through CIL and the planning process.

The Constabulary, as with other key stakeholders, needs to evidence its requirements and cannot always expect to receive all that is requested through planning obligations. However, the fact that policing has for too long been omitted from the planning process, unlike Libraries, Education, Health etc, does need to be understood by the Constabulary i.e. how has the evidence submitted by other parties warranted their inclusion, when policing has not?

It is important that from the off the Constabulary states its intent to be robust and ensure that it is considered an equal recipient of developer contributions as other key stakeholders (which have more traditionally been the main recipients of funding through the planning process).

To this end, the Association of Chief Police Officers (ACPO) has sought counsel from a leading QC in the planning arena, Ian Dove QC, as to the police eligibility for funding through the planning process.

The advice given supports the view that the police are qualified for funding through the planning process and eligible for funding that includes vehicles, communications technology, training uniform, ANPR etc.

This assertion is comprehensively evidenced by the following Secretary of State and Planning Inspector decisions, which confirm Section 106 contributions towards policing and in the context of CIL Regulation 122 tests.

* APP/H1840/A/13/2199085 (Secretary of State determination) - 02 July 2014
* APP/F2415/A/12/2183653 (Secretary of State determination) - 17 April 2014
* APP/X2410/A/13/2196929 & APP/X2410/A/13/2196938 (Secretary of State determination) - 08 April 2014
* APP/T2405/A/13/2200867 - 02 January 2014
* APP/T2405/A/13/2193758 - 01 August 2013
* APP/X2410/A/12/2173673 (Secretary of State determination) - 14 May 2013

Note: The composite reference number in the box at the top of the page is made up of the following information:Object/Support - Representation Number - Respondent Number - Plan Reference - Soundness Tests (if applicable).
The most recent Secretary of State decision of 02 July 2014 concerned a development in West Mercia Police geographical area (Wychavon District). The Section 106 agreement included a contribution for police premises, equipment and vehicles, as per the request in the appeal case. Paragraph 19 of the Secretary of State’s decision states: “The Secretary of State has also considered the S106 Planning Agreement in respect of Appeal A submitted by the main parties at the inquiry and, like the Planning Inspector, he is satisfied that the provisions can be considered compliant with CIL Regulation 122 and paragraph 204 of the Framework and that full weight in support of the appeal proposal can therefore be given to the obligations.”

Suffolk Constabulary can only emphasis its desire to work with SCDC, when ensuring that the adequate level of policing is maintained. To this end, Suffolk Constabulary would appreciate the opportunity to meet with SCDC and ensure that the appropriate planning documents do reflect the need for contributions towards policing.

I wish to be heard at the public hearing by the examiner

Unless Suffolk Constabulary is confident that SCDC has taken the necessary measures to ensure that policing is considered on an equal footing as other key service providers i.e. Health, Education and Libraries, then Suffolk Constabulary will wish to be heard by the examiner.

The purpose of being heard by the examiner would be to ensure that policing has been included when calculating CIL rates. If this is not the case, then the Constabulary needs to understand how evidence submitted by other parties, when compared to that of policing, has warranted its inclusion.

Summary: Through the lack of acknowledgment of policing through the Suffolk Coastal Community Infrastructure Levy Viability Study of May 2014, pba Peter Brett, and omission of policing in the Adatral park development, it can only be deduced that policing is not being considered as an equal recipient of funding through CIL and the planning process. It is important that from the off the Constabulary states its intent to be robust and ensure that it is considered an equal recipient of developer contributions as other key stakeholders (which have more traditionally been the main recipients of funding through the planning process).
Executive Summary

This representation has been prepared by Savills (UK) Limited on behalf of a local housebuilder consortium, hereafter known as ‘the Consortium’. It is made in respect of Suffolk Coastal District Council’s (SCDC) emerging Community Infrastructure Levy (CIL) Draft Charging Schedule.

The Statutory CIL Guidance is clear on the narrow focus of the CIL Examination process permitted by the Regulations: -

* The Examiner should establish that:

* The charging authority has complied with the required procedures set out in Part 11 of the Planning Act 2008 and the CIL Regulations;

* The charging authority's draft charging schedule is supported by background documents containing appropriate available evidence;

* The proposed rate or rates are informed by and consistent with, the evidence on economic viability across the charging authority's area; and

* Evidence has been provided that shows the proposed rate (or rates) would not threaten delivery of the relevant Plan as a whole." (Paragraph 038, Reference ID 25-038-20140612, CIL Guidance (revision date 12th June 2014))

The Consortium has fundamental concerns with the approach proposed by the Council notably:

* Unviable Rates - The current proposed CIL rates are unviable and risk rendering a significant proportion of the housing supply across the District undeliverable;

* Incorrect Assumptions - A number of the key viability inputs adopted by PBA are incorrect. This results in an over-estimation of the maximum CIL rates that can be supported;

* Code for Sustainable Homes - The viability testing does not include an allowance for Code for Sustainable Homes (Level 4) despite being referenced in the Viability Study. This input alone is shown in our alternative viability appraisals to reduce the maximum CIL rates by 19%; (Based on analysis of 50 unit house in mid value area)

* Alternative Viability Appraisals - We have undertaken alternative viability appraisals looking at the impact of build costs, profit margin, Code for Sustainable Homes and Section 106 obligations on the level of CIL that can be supported. This illustrates that the proposed CIL rates are too high and suggests that the CIL rates should be as follows:

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<td>£0 £0</td>
</tr>
<tr>
<td>Mid</td>
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<tr>
<td>High</td>
<td>£25 £0</td>
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* Charging Zones - SCDC have proposed three differential CIL rates by ‘zone’ (or geography) and scale of development. Whilst the principle of applying differential rates is not questioned, the proposed Charging Zone Map prepared by Peter Brett Associates (“PBA”) does not correlate to the supporting sales values evidence; and

* Housing Supply - The Council does not currently have a Site Allocations Document or a recognised five year land supply. The CIL rates have therefore been formulated and tested on sites that may not come forward for development in the plan period.

We have subsequently prepared the following representation, which can be split up as follows:

* Section 1 - provides an introduction to the representation.

* Section 2 - looks at the “three-way trade-off” and Savills research;

* Section 3 - provides an overview of planning and infrastructure delivery in the District;

* Section 4 - provides first scrutiny of the available viability evidence (PBA, May 2014) and includes alternative viability appraisals;

* Section 5 - outlines the position of the Consortium in respect of the effective operation of CIL; and

* Section 6 - provides conclusions.

Where relevant this representation provides comment on the supporting evidence/existing guidance and also makes
Community Infrastructure Levy Draft Charging Schedule

5454 Object
Section 2: CIL in Suffolk Coastal

reference to policy documents, a list of which can be found at Appendix 1.

1. Introduction

Overview

1.1 This representation is submitted by Savills (UK) Limited (hereafter known as "Savills") in respect of the Suffolk Coastal District Council ("SCDC") Community Infrastructure Levy ("CIL") Draft Charging Schedule ("DCS") consultation, on behalf of the following (in alphabetical order):

i. Bloor Homes;
ii. Gladman Developments;
iii. Hopkins Homes;
iv. Persimmon Homes; and
v. Taylor Wimpey Homes.

1.2 Hereafter referred to as the "Consortium".

1.3 The purpose of this representation is to set out our responses to the specific questions set out in the DCS Representation Form. It is intended to supplement the comments previously submitted to SCDC and does not reiterate our representations submitted to the Preliminary Draft Charging Schedule consultation (included at Appendix 2). This representation subsequently builds upon the issues we have previously raised and, where available, provides further evidence to support these concerns.

1.4 Our clients' particular comments relate to the proposed rates for residential development.

Purpose

1.5 The following representation is made in the context of the Community Infrastructure Levy (Amendment) Regulations 2014 and relevant statutory guidance (February 2014). These Regulations and associated guidance came into force on 24th February 2014. The Draft Charging Schedules (DCSs) will subsequently be subject to the requirements of these latest set of Regulations and Guidance.

1.6 The desirability of funding from CIL is a key test of the Regulations. The purpose of CIL is to facilitate the delivery of development, including new housing to meet the key National Planning Policy Framework (NPPF) objective for a significant boost in the supply of housing. This NPPF objective provides perspective on how desirable CIL funding may or may not be, in relation to the range of legal and planning mechanisms available to secure infrastructure delivery. There is no obligation on the Councils to pursue CIL; should they do so, they should be minded that the initiative is new, and that existing tools are available to secure site specific mitigation costs.

1.7 The objective of this representation is not to oppose CIL; it merely seeks to ensure a reasonable rate, based on the evidence and a collective interest to deliver well planned, viable and feasible development in the respective Councils' areas. The opportunity has been taken to provide further evidence to SCDC, which it is hoped is used to inform modifications to the DCS prior to submission for Examination.

1.8 In submitting this representation, the Consortium is only commenting on particular key areas of the evidence base. The lack of reference to other parts of the evidence base cannot be taken as agreement with them and the Consortium reserves the right to make further comments upon the evidence base at the Examination stage.

2. Savills Research - The 'Three-Way Trade Off'

2.1 In Section 4 of our PDCS representation, we provided details of the Savills Benchmarking Model and the results of its application to Suffolk Coastal. The Consortium noted that in the Responses to Preliminary Draft Charging Schedule Document (4 October 2014) the Council raised concerns that the model had been applied to sites of 5 or more dwellings (Page 43). We would therefore like to take the opportunity to address this point, as we believe the Council has misinterpreted our analysis.

2.2 The Savills Benchmarking Model is based on a hypothetical large scale residential development (6 The key assumptions are contained within the CIL - Getting it Right, Savills (UK) Ltd document (January 2014)). In our PDCS representation, the illustrative example used the lowest proposed CIL rate of £50 per sq m (7 Applicable to residential development (low value) on sites of 6+ net new dwellings.), which is applicable to developments of 5 or more net dwellings in the low value area, and applied it to a large residential development. This showed that there was limited capacity to support CIL.

2.3 To aid this point, we have now prepared additional graphs reflecting the CIL rates that would apply to large residential sites across all of the proposed Charging Zones. The box below explains how to interpret the results.

Note: The composite reference number in the box at the top of the page is made up of the following information: Object/Support - Representation Number - Respondent Number - Plan Reference - Soundness Tests (if applicable).
How to interpret the Savills Benchmark Land Model

* The pink bars indicate the cost of CIL per unit (across all tenures);
* The red line illustrates the maximum viable combined ‘pot’ for Section 106 and CIL assuming policy compliant affordable housing provision;
* The dotted blue lines show how the ‘pot’ for Section 106 and CIL increases as the affordable housing requirement is reduced to 10 and 20%.

Viable CIL rate - a proposed CIL rate is therefore viable where the pink bar is below the red line, leaving headroom for residual Section 106 and 278 costs.

Unviable CIL rate - where the pink bar is above the red line, the proposed CIL rate is unviable.

Marginal CIL rate - where the pink bar is level with the red line, the proposed CIL rate is viable, but there will be no additional capacity for Section 106 or 278 obligations.

Low Value Areas

2.4 The DCS states that residential development in the low value areas with 6 or more net new dwellings will be subject to a CIL rate of £50 per sq m. In Graph 1 below, we have therefore applied this CIL rate to the Savills Benchmarking Model to assess the impact of this rate on the viability of large residential development.

2.5 In doing this we have applied policy compliant 33% affordable housing and reflected the low value sales value of £2,050 per sq m (£190 psf) adopted in the Viability Study (8 PBA, Suffolk Coastal Viability Study Final Report, May 2014). This is plotted alongside the equivalent CIL rates in neighbouring authorities that have published a Charging Schedule; to assess the viability of the proposed rates.

Graph 1 - Savills Benchmark Land Model for Suffolk Coastal, assuming £50 psm CIL, 33% affordable housing and £2,050 psm sales values

(See attached document)

Mid Value Areas

2.6 Similarly, development of 6 or more net new dwellings in the mid value areas will be subject to a CIL rate of £90 per sq m. In Graph 2 below, we have therefore applied this CIL rate to the Savills Benchmarking Model assuming 33% affordable housing and £2,350 per sq m (£218 psf) (PBA, Suffolk Coastal Viability Study Final Report, May 2014).

Graph 2 - Savills Benchmark Land Model for Suffolk Coastal, assuming £90 psm CIL, 33% affordable housing and £2,350 psm sales values

(See attached document)

High Value Areas

2.7 Finally, the DCS states that all new residential development in the high value areas will be subject to a CIL rate of £150 per sq m. In Graph 3 below, we have therefore applied this CIL rate to the Savills Benchmarking Model with 33% affordable housing and a sales value of £2,600 per sq m (£242 psf)(PBA, Suffolk Coastal Viability Study Final Report, May 2014).

Graph 3 - Savills Benchmark Land Model for Suffolk Coastal, assuming £150 psm CIL, 33% affordable housing and £2,600 psm sales values

(See attached document)

2.8 This indicates the following:

* Neighbouring Authorities - All of the neighbouring authorities in Suffolk that have published a Charging Schedule are proposing a rate in excess of the viable level indicated by the Benchmarking Model;

* Viable Rates - In all three zones, the proposed CIL rates applicable to large residential sites is above the viable “pot” for Section 106 and CIL (indicated by the red line) assuming 33% affordable housing and the sales value indicated by PBA in the Viability Study. This is likely to result in the level of affordable housing being reduced on these sites if they are to come forward for development; and

* Low Value Area - Based on this analysis, large-scale residential development in the low value area would be unable to
support a CIL rate in addition to 33% affordable housing. This is improved in both the mid and high value areas where increased sales values increase the capacity for CIL and Section 106 obligations. However, in all cases this is shown to be at relatively low levels.

2.9 In the absence of a Site Allocations document, there is a degree of uncertainty over the location of future development in the District. Taking this in to account, and looking at the analysis set out above, we would strongly recommend that the Council carefully considers the CIL rates that will be applicable to future large residential allocations. Given the Council's current lack of a five year land supply this is particularly poignant, as it is possible that additional large housing sites will need to come forward during the plan period. These sites are likely to be able to deliver a large number of dwellings; therefore the proposed CIL rates could have a significant implication on the deliverability of housing numbers within SCDC. It is therefore of paramount importance that the CIL rates are set at a viable level.

Strategic Sites

2.10 The Consortium acknowledges that SCDC have taken a pragmatic approach to setting CIL rates in respect of Adastral Park, a strategic greenfield site, choosing to pursue a £0 per sq m CIL rate. We understand that this is as a direct result of the Council acknowledging that the introduction of a CIL rate to a site of this scale, in addition to Section 106/278 obligations and affordable housing, will make the development unviable - 'once site specific costs have been taken into account, the introduction of CIL charges in addition to the S106 costs would make the development unviable' (11 SCDC CIL DCS Background Document, October 2014).

2.11 The Council is not alone in proposing such an approach, with in excess of 30 other Local Authorities across England and Wales pursuing £0 per sq m CIL rate on strategic sites. In each case, the Council has recognised that these strategic sites, which comprise a significant proportion of their future housing supply, would be unable to support a CIL rate in addition to the large "site-mitigation" Section 106 obligations that will remain post-CIL, in addition to delivering policy compliant levels of affordable housing. A point that is of particular relevance in areas with lower sales values (such as Suffolk Coastal) where the CIL - Getting it Right research shows that large-scale development will struggle to support a CIL, in addition to residual Section 106 costs and on-site affordable housing provision.

2.12 We would therefore highlight the importance of the results of the above analysis and strongly advise that the Council undertakes a similar exercise for all planned, or potential, strategic sites to ensure that future greenfield strategic sites are not prevented from coming forward.

3. Planning and Infrastructure Delivery

The Development Plan & Housing Delivery

Five Year Housing Supply

3.1 SCDC's Core Strategy was adopted in July 2013. It can therefore be considered as being 'up-to-date', as it was prepared and examined in accordance with the National Planning Policy Framework (NPPF). However, the Council cannot currently demonstrate a five year housing land supply (5YHLS) as required by the NPPF (12 Paragraph 47).

3.2 Since 2009, SCDC has demonstrated a persistent under delivery of housing in relation to Regional Spatial Strategy and adopted Core Strategy housing target. There are two ways the Council can address the shortfall resulting from this persistent under delivery. In the majority of cases, the Sedgefield methodology is considered the preferred approach. The Sedgefield methodology ensures that the shortfall from persistent under delivery is addressed within the first five years of the plan period (i.e. within the 5YHLS). It is also important to note that where a persistent under delivery has occurred paragraph 47 of the NPPF requires a 20% buffer should be added to the OAN figure to ensure that delivery can be achieved (the buffer would be 5% in other circumstances). Given SCDC's historic records of persistent under delivery, extra care needs to be taken when setting a CIL charge to ensure that delivery is not further threatened by the added pressure of CIL.

3.3 The Housing Land Supply Assessment (2013) states that the Council currently has 3.7 years of supply for the period 2014/5 - 2018/9. This is largely on account of the anticipated delivery timescales for Adastral Park, which represents the majority of the Council's housing supply and is not planned for development until the latter stages of the plan period. As such the Council's policies in respect of housing supply are considered to be out-of-date, as SCDC will be unable to deliver their annual housing target in the first part of the plan period. For decision-making in relation to housing applications, the Council is subsequently reliant on the presumption in favour of sustainable development as set out in the NPPF.

Housing Targets

3.4 The Core Strategy sets out a requirement for the delivery of 7,900 new homes between 2010 and 2027, which is significantly lower that the 11,000 dwellings requirement set out in the former East of England Plan. It is also significantly lower that the 11,000 dwellings estimated by the Council at the time of the Core Strategy Examination as being the District's OAN. The table below reproduces the Council's housing supply calculation for the plan period:
Table 1 - SCDC Housing Supply Calculation (2010 - 2027)

<table>
<thead>
<tr>
<th>Development Type</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Outstanding planning permissions deemed deliverable as at April 2010 (discounted by 10%)</td>
<td>1480</td>
</tr>
<tr>
<td>(b) Identified brownfield potential (sites within existing physical limits boundaries)</td>
<td>230</td>
</tr>
<tr>
<td>(c) Outstanding housing allocations from previous Local Plan 80</td>
<td>850</td>
</tr>
<tr>
<td>(d) Estimated windfall (unidentifiable supply)</td>
<td>7730</td>
</tr>
<tr>
<td>(e) SHLAA theoretical capacity</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL (a + b + c + d + e)</strong></td>
<td><strong>10,370</strong></td>
</tr>
</tbody>
</table>

Source: Table 3.2, SCDC Adopted Core Strategy and Development Management DPD 2013

3.5 This reflects an annual housing requirement of 465 dwellings per annum over the plan period. As discussed above, this target cannot be achieved in the first five years as the Council is reliant on the delivery of Adastral Park to achieve its housing target. The Consortium acknowledges that the Council is taking a pragmatic approach and is proposing a £0 per sq m CIL rate for Adastral Park. However, given the Council's current lack of a five year housing land supply, we would recommend more testing is undertaken in relation to CIL, based on realistic scenarios using the scale and level of obligations identified in the emergent planning policy as a basis for the testing assumptions.

Windfall Sites

3.6 Suffolk Coastal are also reliant on windfall development to meet their housing targets. Windfall development is unpredictable and we consider that care should be taken to ensure that the introduction of CIL does not adversely impact upon these unique and sporadic developments.

3.7 In Suffolk Coastal approximately 11% of housing over the next five years is expected to be delivered through windfall development. Given the unique and broad range of constraints that exist across the District, it is important therefore that adequate testing is undertaken across a range of smaller development scenarios, with a range of values and affordable housing levels, in addition to the testing required for the identified strategic greenfield sites to protect delivery through these types of development.

Emerging Regulation 123 List

3.8 The new Community Infrastructure Levy (Amendment) Regulations 2014 require the Regulation 123 list to form part of the evidence base (13 Regulation 14 (5)). We therefore welcome the publication of a draft list of infrastructure for SCDC in response to the PDCS stage of consultation. Whilst we acknowledge this is not the final version, nor will it ever be exhaustive, it does serve as a useful guide as to the direction that the Council envisages taking in providing for the delivery of infrastructure to support the Plan.

3.9 The items currently listed on the draft Regulation 123 list are broad ranging and indicate generic types of infrastructure:

- Suffolk Coastal District Council (SCDC) Infrastructure that may be funded by CIL and will not be sought through planning obligations
  - Strategic highway improvements including strategic cycling and pedestrian infrastructure
  - Provision of library facilities
  - Provision of additional pre-school places at existing establishments
  - Provision of primary school places at existing schools
  - Provision of secondary, sixth form and further education places
  - Provision of health facilities
  - Provision of police infrastructure
  - Provision of fire service infrastructure
  - Provision of ambulance service infrastructure
  - Provision of leisure and community facilities
  - Provision of off site open space
  - Maintenance of open space
  - Strategic green infrastructure
  - Strategic flooding and coastal defence works

Note: The composite reference number in the box at the top of the page is made up of the following information:Object/Support - Representation Number - Respondent Number - Plan Reference - Soundness Tests (if applicable).
o) Provision of waste infrastructure  
p) Adastral Park - it is expected that the proposed development at Adastral Park will provide the following infrastructure which will be delivered through planning obligations (and not CIL) relating specifically to that development:
   a. Pre-school provision  
   b. Primary school provision  
   c. Secondary school provision  
   d. Electricity network undergrounding and upgrading  
   e. Sewerge pumping station  
   f. Health centre  
   g. Community hall/ facilities  
   h. Library provision  
   i. Indoor sports hall  
   j. Allotments  
   k. Play areas  
   l. Open space provision to mitigate impact of development on designated European nature conservation sites  
   m. Improvements to highway network  
   n. Improvements to public transport linkages

Please note - the inclusion of an item on this list does not signify a commitment from the Council to fund all the projects or types of infrastructure listed, or the entirety of any project through funds generated by CIL. The order of items in the table does not imply any order of preference for spend.

3.10 The Consortium is concerned that the Council's draft Regulation 123 list only includes generic 'types' of infrastructure rather than specific projects. We would therefore recommend that the Council produce a supporting Planning Obligations SPD to give the development industry a clearer indication of what specific items of infrastructure will be delivered through CIL and what will remain through Section 106.

3.11 Under the CIL Regulations, the Regulation 123 list should only include infrastructure necessary to deliver the objectives set out in the Council's development plan. Infrastructure specific to a development therefore should not be included on this list, as set out in the Planning Practice Guidance (PPG) which states -

"Charging authorities should work proactively with developers to ensure they are clear about the authorities' infrastructure needs and what developers will be expected to pay for through which route. There should be no actual or perceived 'double dipping', with developers paying twice for the same item of infrastructure." (Paragraph 095, Reference ID 25-095-20140612, CIL Guidance 2014 (as amended))

3.12 The Consortium is therefore concerned over the following wording in the Regulation 123 list, which we believe gives rise to "double dipping":

   a) Provision of additional pre-school places at existing establishments  
   b) Provision of primary school places at existing schools

3.13 This suggests that where pre-school and primary school places cannot be provided at existing establishments that Section 106 obligations will be sought. This is concerning, as it would result in developers funding primary school places by Section 106 and CIL, which is expressly prohibited by the CIL Regulations and PPG. It is therefore essential that the Council re-drafts the List to offer a clearer distinction between what is to be funded by CIL and Section 106 obligations. Housing delivery is likely to be threatened unless clarity can be provided for developers in this respect.

3.14 Finally, we welcome that SCDC acknowledge that this list is not exhaustive and will need to be reviewed and updated, as stated by the Council; "at least once a year, as part of the ongoing and continuous monitoring of CIL collection and spend" (SCDC CIL Draft Regulation 123 List , October 2014). SCDC will therefore continue to seek site specific infrastructure, which is necessary to make the development acceptable in planning terms, through Section 106 Agreements on a site by site basis. It is therefore important that the Council considers the cost of providing this infrastructure in addition to CIL and Section 278 costs when calculating their CIL rates.

3.15 It is therefore of paramount importance that the Council produces a draft Planning Obligations SPD document to set out how CIL and Section 106 will work alongside one another on all sites. This will provide certainty to the development industry and ensure that no "double-dipping" occurs. This should be prepared in conjunction with the draft Regulation 123 list to ensure that no items included on the list are items that the Council anticipates wanting to collect through Section 106. In doing so, we would also advise that the Council has suitable regard to the provisions of

Note: The composite reference number in the box at the top of the page is made up of the following information: Object/Support - Representation Number - Respondent Number - Plan Reference - Soundness Tests (if applicable).
Regulation 122 of the CIL Regulations, which states:

"A planning obligation may only constitute a reason for granting planning permission for the development if the obligation is:

(a) Necessary to make the development acceptable in planning terms;
(b) Directly related to the development; and
(c) Fairly and reasonably related in scale and kind to the development."

Section 106 Obligations vs. CIL

3.16 The power to seek Section 106 obligations remains under CIL, as discussed in the PPG CIL Guidance which states that "section 106 requirements should be scaled back to those matters that are directly related to a specific site" (Paragraph 097, Reference ID 25-097-20140612, CIL Guidance (2014)) (emphasis added). The Consortium is therefore pleased to note that the Council is aware of the inter-relationship between CIL and Section 106 (Page 9, 4th paragraph, SCDC DCS CIL Background Document, October 2014) and the need to scale back Section 106 -

'Once the CIL charging schedule is in place, a section 106 planning obligation can not be used to fund the same piece of infrastructure, so developers will not pay for the same piece of infrastructure through site specific section 106 planning obligation and CIL.' (SCDC CIL DCS Background Document, October 2014)

3.17 Nonetheless, we remain concerned about the scale of Section 106 obligations that will continue to be sought alongside the proposed CIL rates, which may render the delivery of some sites difficult.

Residual Section 106 Assumptions

3.18 The Council comments in the Background Document that -

'Given the small scale nature of most development proposals in the district, the vast majority of development are unlikely to pay no financial contribution for infrastructure through section 106 planning obligations once CIL is adopted' (SCDC CIL DCS Background Document, October 2014).

3.19 However, having now had the opportunity to review the draft Regulation 123 list, the Consortium maintains the position expressed in the PDCS representations (Paragraphs 4.25 - 4.30, Savills PDCS Representation on behalf of a Housebuilder and Developer Consortium, July 2014) that the assumption within the PBA viability appraisals for Section 106 and 278 obligations (£1,000 per unit) (Section 5.3, Suffolk Coastal Viability Study Final Report, May 2014) is too low (With the exception of Adastral Park, which was modelled at £14,551 per dwelling for Section 106 to reflect site-specific requirements.).

3.20 For example, the following items are expressly excluded from the Regulation 123 list:

* Provision of public on-site open space;
* Provision of pre-school places where places are not available at existing establishments;
* Provision of primary school places where places are not available at existing schools; and
* Section 278 costs.

3.21 To provide further evidence in support of £1,000 per dwelling being insufficient to cover non-CIL items, Table 2 below sets out data provided by the Consortium detailing the cost of providing on-site open space -

<table>
<thead>
<tr>
<th>Suffolk Coastal Site</th>
<th>Total No. Homes On Site</th>
<th>POS Cost On Site</th>
<th>POS Cost (Per Plot)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Framlingham, 100</td>
<td>100</td>
<td>£275,000</td>
<td>£2,750</td>
</tr>
<tr>
<td>Station Road</td>
<td>65</td>
<td>£200,000</td>
<td>£3,077</td>
</tr>
<tr>
<td>Castle Brooks</td>
<td>119</td>
<td>£150,000</td>
<td>£1,261</td>
</tr>
<tr>
<td>Leiston, Aldeburgh</td>
<td>24</td>
<td>£50,000</td>
<td>£2,083</td>
</tr>
<tr>
<td>Woodbridge, 24</td>
<td>145</td>
<td>£600,000</td>
<td>£4,138</td>
</tr>
<tr>
<td>Melton Grange Hotel</td>
<td>170</td>
<td>£200,000</td>
<td>£1,176</td>
</tr>
<tr>
<td>Saxmundham, 145</td>
<td>26</td>
<td>£75,000</td>
<td>£2,885</td>
</tr>
</tbody>
</table>

Note: The composite reference number in the box at the top of the page is made up of the following information: Object/Support - Representation Number - Respondent Number - Plan Reference - Soundness Tests (if applicable).
Community Infrastructure Levy Draft Charging Schedule

5454 Object
Section 2: CIL in Suffolk Coastal

<table>
<thead>
<tr>
<th>Street</th>
<th>£50,000</th>
<th>£877</th>
</tr>
</thead>
<tbody>
<tr>
<td>Felixstowe, Tower 57</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Road</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Snape, Church 26</td>
<td>£75,000</td>
<td>£2,885</td>
</tr>
<tr>
<td>Road</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wenhaston, St 26</td>
<td>£25,000</td>
<td>£962</td>
</tr>
<tr>
<td>Michaels Way</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wickham Market, 65</td>
<td>£120,000</td>
<td>£1,846</td>
</tr>
<tr>
<td>Michaels Way Gardens</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AVERAGE (£/plot)</td>
<td>£2,176</td>
<td></td>
</tr>
</tbody>
</table>

Source: Consortium Members

3.22 The clearly illustrates that the Public Open Space alone exceeds the £1,000 per dwelling assumption modelled in the Viability Study. Taking the comment above, in respect of additional Section 106 costs (pre-school and primary school places) and site-specific Section 278 costs, it would appear that this allowance is a gross underestimate of the residual obligations that will be sought on sites. We would therefore ask that SCDC review this assumption in light of the above.

Historic Section 106

3.23 We note that in the Responses to PDCS document, the Council comments that, in relation to our historic Section 106 contribution evidence, ‘some infrastructure would now be covered by CIL, rather than all by S.106’ (SCDC CIL Responses to PDCS, October 2014). The Consortium accepts this statement. However, in light of the evidence presented above, we are still of the view that the cost of providing residual Section 106 and 278 works will be in excess of the £1,000 per dwelling assumed for the purposes of the Viability Study.

3.24 The Consortium would therefore ask that the Council review their figures and assumptions in respect of residual Section 106 obligations (post-CIL) to ensure that combined future CIL and planning obligations liabilities are not in excess of the total ‘pot’ previously delivered on sites; as failure to do so poses a substantial risk to the housing supply.

Supporting Documents

3.25 In addition to progression of the CS a number of supplementary documents can also be produced to support and expand understanding and expectations with regard to key areas of focus within the CS. One of these documents would be a Planning Obligations SPD. Section 106 and CIL are inextricably linked and as such should not be considered in isolation. We recommend that a Planning Obligations SPD is produced to support and enhance the development of the CIL charging regime and to ensure that the combined impact of CIL and Section 106 will not threaten the delivery of housing in the District.

4. Viability Evidence

4.1 As raised at the start of this representation we highlighted that at Examination the Council will be required to demonstrate that the DCS is supported by "background documents containing appropriate available evidence" and that the proposed rate(s) are "informed by and consistent with, the evidence on economic viability" (Paragraph 638, Reference ID 25-038-20140612, CIL Guidance (revision date 12th June 2014)). It is therefore essential that the viability appraisals are fit for purpose and strike an appropriate balance.

The PBA Viability Assessment

4.2 For the purpose of the DCS we have assumed that SCDC is relying on the Suffolk Coastal Community Infrastructure Levy (Final Report) prepared by PBA (May 2014). We have therefore reviewed the viability evidence prepared by PBA and split our response in respect of the viability work in to the following:

* Part 1 - outlines the areas that the Consortium still has concerns over and justification for any differences.
* Part 2 - includes our revised appraisals taking the points discussed in Part 1 in to account.

Part 1 - Areas of Concern

"Up-to-date" Evidence

4.3 It is fundamental that the appraisals are run with assumptions reflective of the current market to ensure that the rates are set as viable levels. The Consortium is therefore concerned that the Viability Study (ibid, May 2014) has not
been updated since its original production in May 2014. This is important; as by the time the DCS is examined the data and assumptions used to formulate these rates could be almost 12 months out of date. We would therefore challenge the Council’s statement that ‘the Viability Study is up to date and provides a robust and credible evidence base on which to progress CIL within Suffolk Coastal’ (Page 42, Responses to PDCS, October 2014). We would therefore strongly advise that SCDC update their Viability Study to ensure that the data and inputs are appropriate.

Appraisal Assumptions

4.4 In principle, the Consortium considers the overall methodology of seeking to determine viability on a residual valuation exercise as being appropriate. However, the Consortium is disappointed to note that none of the comments made in our previous representations (attached at Appendix 2) in respect of the viability assumptions and inputs have been reflected in the revised viability assessment.

4.5 The Consortium continues to fundamentally disagree with a number of the assumptions made by PBA in the Viability Study (Ibid, May 2014), notably:

* Affordable Housing - as stated in our previous representations (Paragraphs 4.13 - 4.14), we do not believe that PBA has correctly applied the affordable housing policy thresholds to all of the typologies. We note that within SCDC’s Response Document (SCDC CIL Responses to Preliminary Draft Charging Schedule, October 2014) it is stated that ‘all of the appropriate policy requirements have been reflected (including geographical sensitive ones) in the viability study testing’. We do not believe that this is the case for ‘Scenario 2’ as in some locations (Major Centres and Market Towns) affordable housing will be triggered, whereas is some it will not (Key Service Centres and Local Service Centres). We would therefore recommend that a scenario in Key Service Centre and Local Service Centres is also tested for this typology;

* Professional Fees - as discussed previously (Paragraph 4.31), we would advocate an allowance of 12% for professional fees on all typologies. We note that SCDC have responded that ‘professional fees typically fall within a range of 8% to 12%’ (Page 41, Ibid, October 2014). We therefore question why SCDC have adopted the lower allowance of this range. In light of the uncertainty of the nature of the sites coming forward in the District over the plan period, we would recommend that a minimum allowance of 10% would be a suitable allowance;

* Abnormals - we note that SCDC have confirmed in the response document (Page 42, Ibid, October 2014) that abnormal costs have been factored into the appraisals through an allowance of 5% of build costs for archaeology and ecological works. However, this fails to take into account the additional abnormal costs typically experience on sites in the District, such as non-standard foundations and flood mitigation. We would therefore expect a higher allowance to be included in reflect this on all typologies;

* Benchmark Lane Values - in our PDCS representation we questioned the methodology and assumptions relating to the BLVs (Paragraph 4.15 - 4.17, Ibid, July 2014). Whilst the Consortium welcomes confirmation from the Council that the BLVs are on a net serviced basis, we are still concerned that the net to gross ratios for each typology (this can be as low as 40% on large greenfield sites) has not been taken in to account. It is also unclear how PBA has established which BLVs are appropriate in the absence of a Site Allocations Document to understand what type of site will be coming forward for development in each value area.

4.6 However, for the purpose of reaching a consensus on an appropriate residential CIL rate, and to enable to Examiner to make direct comparisons between our evidence and that of the Council, we have focused on three key points which the Consortium feel are of the utmost importance:

* Developer’s Profit;
* Section 106 obligations; and
* Build Costs.

4.7 In doing so, we have examined the impact of each of these points on the ability of sites to support a CIL levy by preparing alternative viability appraisals (see paragraphs 4.17 - 4.23 below).

Developer’s Profit

4.8 As stated in our previous representations (Paragraphs 4.5 - 4.10, April 2013), the blended profit rate adopted by PBA in the Viability Study is below the minimum level required by national housebuilders.

4.9 The NPPF states that to ensure viability developments should provide competitive returns to a willing land owner and willing developer. A competitive return to a developer is one that provides a sufficient return for the developer to continue a successful business through the economic cycle, taking account of the risk profile of the business. We are therefore concerned that the profit margin included in the Viability Study is 20% on GDV for the private housing and 8% on GDV for the affordable housing, reflecting a blended rate in the region of 17.5% on GDV. This assumption is too low and does not take account of the minimum returns required by shareholders of quoted Plc housebuilders.

4.10 We have attached a report on Competitive Developer Return (Appendix 3), which provides evidence on the minimum profit margins required by Plc housebuilders. The key focus is the distinction between gross (site level) margin
and net operating margin. A point discussed in the Harman Report, which suggests that "Overheads for house-building typically lie in the range of 5%-10% of gross development value". This is particularly relevant for large Greenfield sites and regeneration areas, where large up-front costs have an impact on a developer's required Return on Capital Employed (ROCE), as a higher margin is required to reflect the higher risk.

%Taking this in to account, we would therefore ask that a minimum profit level of 20% on GDV (blended) plus 25% ROCE across all tenures, subject to consideration of the risk profile of the scheme, is adopted in the viability testing.

Section 106 Costs

4.12 As discussed previously (Ibid. Paragraphs 4.25 - 4.30, July 2014), and as set out above at paragraphs 3.24 - 3.28 above, the generic allowances included in the viability appraisals underestimate the costs associated with on-site open space provision.

4.13 The Consortium is therefore of the view that insufficient and unrealistic allowances have been included within the Viability Assessment for residual Section 106 obligations. We would therefore recommend that a minimum of £2,500 per dwelling is tested to reflect the continued use of Section 106 for the provision of public open space. Please note that this figure is exclusive of Section 278 and additional infrastructure costs that may be required on a site specific level.

Build costs

4.14 As raised in our PDCS representation (Paragraph 4.35 - 4.37, Ibid, July 2014), build costs have increased rapidly over the past 12 months as a result of rising material and labour costs. This impact of this is highlighted in Table 3 below, which highlights the movement since 2013:

<table>
<thead>
<tr>
<th></th>
<th>December 2013</th>
<th>June 2014</th>
<th>Movement %</th>
<th>November 2014</th>
<th>Movement %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Houses (£/m²)</td>
<td>£861</td>
<td>£985</td>
<td>14%</td>
<td>£1,009</td>
<td>17%</td>
</tr>
<tr>
<td>Flats (£/m²)</td>
<td>£986</td>
<td>£1,183</td>
<td>20%</td>
<td>£1,204</td>
<td>22%</td>
</tr>
</tbody>
</table>

Source: Viability Study, and updated figures from BCIS online

As reported on page 19 of the Viability Study May 2014 report

39 Table 4, PDCS representation (figures quoted are mean figures)

4.15 This indicates an average increase of 19.5% in build costs for houses and flats since December 2013. It is therefore imperative that SCDC updates their Viability Study to reflect current build cost estimates. It should also be highlighted that as the build costs link to a number of other inputs (i.e. 'Abnormals' are calculated as a percentage of the build cost); an incorrect base build costs risks a significant underestimation of the true costs of development.

4.16 We note that the Council has responded to this point (Page 42, Ibid, October 2014) commenting that 'although build costs have increased house prices have also increased in the intervening period since the viability testing was undertaken'. Although we can broadly agree with this statement, we would highlight that build costs have increased at a much faster and higher rate than the sales values within Suffolk. As illustrated by Chart 1, which highlights the disparity between the two factors, with the BCIS (BCIS All-in TPI (UK), November 2014) and BIS (Department for Business, Innovation and Skills tender price index figure, November 2014) build cost figures lying well above the House Price Index for Suffolk and indeed the average house price across England and Wales.

Chart 1: Tender Price and House Price Indices Suffolk

See attached document

4.17 In light of this, we further emphasise that the Viability Study should appraise up to date assumptions to ensure that the costs are not being underestimated. We note that SCDC have stated that the viability buffer applied to the CIL charges rates allows for these levels of build costs increase, whilst still leaving a margin for viability. We do not believe this is the case, as illustrated in Part 2 below.

4.18 Finally, we note that the Viability Report states the following:

"In line with the Council's instructions we have adopted an additional cost over BCIS to allow for achieving Code of Sustainable Homes - Code Level 4. The following costs have been allowed in line with DCLG's Housing Standards Review Consultation - Impact Assessment (August 2013):

Houses - £2,004 per unit
Flats - £1,319 per unit"
4.19 However, looking at the summaries in Appendix 1 this does not appear to have been included in the viability testing. We would therefore ask that PBA re-run their appraisals to include an allowance for achieving Code for Sustainable Homes Level 4.

Part 2 - Alternative Viability Appraisals

4.20 Given the concerns set out above, we have produced a set of alternative viability appraisals in order to demonstrate the impact of the underestimation of the following on the calculation of the maximum CIL rate:

1) Code for Sustainable Homes (Level 4);
2) Developer’s Profit;
3) Section 106 Allowance; and
4) Build Costs

4.21 For simplicity, using the same assumptions PBA has used for the 50 unit scenario (mid value), we have prepared a base appraisal and then undertaken subsequent sensitivity testing on alternative assumptions as set out below.

Table 4 - Alternative Viability Appraisal Assumptions
See attached document

4.22 PBA have provided their viability appraisals in Appendix A of the Viability Study. We have therefore been able to use the appraisal summary of the 50 unit (mid value) typology to re-create, as close as possible, the residual land value reported by PBA. In doing so we have used ARGUS Developer appraisal software and incorporated the assumptions set out in Table 4 above.

Table 5 - Base Appraisal Residual Land Value

<table>
<thead>
<tr>
<th>Base Appraisal Savills PBA</th>
<th>% Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>RLV</td>
<td>£1,353,046 £1,359,211 0.31%</td>
</tr>
<tr>
<td>Less BLV</td>
<td>£1,000,000 £1,000,000</td>
</tr>
<tr>
<td>Capacity for CIL</td>
<td>£355,046 £359,211 £4,165</td>
</tr>
<tr>
<td>Private GIA 2098</td>
<td>2098</td>
</tr>
<tr>
<td>Max. CIL Rate (£/psm)</td>
<td>£169 £171 £2</td>
</tr>
</tbody>
</table>

(Max. CIL Rate (£/psm) calculated by dividing the capacity for CIL by the private GIA.
Source: Savills)

4.23 We have subsequently used the above RLV as our baseline position and used for comparison purposes for the alternative assumptions as follows:

Table 6 - Alternative Viability Appraisal Results
See attached document

4.24 The results above highlight the impact that individual inappropriate assumptions can have on the residual land value. When all of these assumptions are combined, in appraisal F, the cumulative impact is significant and will render delivery of such a site difficult given that the RLV (per net hectare) is below the PBA BLV of £1,000,000 (per net hectare).

4.25 We have also calculated the maximum CIL rates that can be supported for each of these scenarios in the table overleaf.

Table 7 - Alternative Maximum CIL Rates
See attached document

4.26 This illustrates that incorporating the revised inputs discussed above has a significant impact on the ability of a 50 unit housing scheme to support CIL, even before a viability buffer is applied. We have therefore undertaken the same exercise for all of the housing typologies tested within the PBA report. We have not tested the flatted schemes, as in all but one scenario (3 flats, high value) the viability testing demonstrated minimal or no viability. The results of our additional testing (incorporating assumptions B-E) is set out below:

Table 8 - Alternative Maximum CIL Rates, housing typologies
See attached document

Note: The composite reference number in the box at the top of the page is made up of the following information: Object/Support - Representation Number - Respondent Number - Plan Reference - Soundness Tests (if applicable).
4.27 These results can be summarised as follows:

Table 9 - Summary of Results

<table>
<thead>
<tr>
<th>Zone</th>
<th>Savills Max. CIL Range (£psm)</th>
<th>Recommended CIL Rate (£psm)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1-5 Dwellings</td>
<td>6+ Dwellings</td>
</tr>
<tr>
<td>Low</td>
<td>£0</td>
<td>£0</td>
</tr>
<tr>
<td>Mid</td>
<td>£3 - 15 psm</td>
<td>£10</td>
</tr>
<tr>
<td>High</td>
<td>£13 - £32 psm</td>
<td>£25</td>
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<tr>
<td></td>
<td>1-5 Dwellings</td>
<td>6+ Dwellings</td>
</tr>
<tr>
<td></td>
<td>£0</td>
<td>£0</td>
</tr>
</tbody>
</table>

Source: Savills analysis (November 2014)

4.28 We would therefore advise that the Council reviews their viability evidence and resulting CIL rates to ensure that they are not set at the margins of viability.

Site Specific Testing

4.29 The CIL Guidance states that -

"The sampling should reflect a selection of the different types of sites included in the relevant Plan, and should be consistent with viability assessment undertaken as part of plan-making. Charging authorities that decide to set differential rates may need to undertake more fine-grained sampling, on a higher proportion of total sites, to help them to estimate the boundaries for their differential rates. Fine-grained sampling is also likely to be necessary where they wish to differentiate between categories or scales of intended use.

The focus should be in particular on strategic sites on which the relevant Plan relies and those sites (such as brownfield sites) where the impact of the levy is likely to be most significant." (Paragraph 019, Reference ID 25-019-20140612, CIL Guidance (2014)) (Emphasis added)

4.30 In light of this, the Consortium have fundamental concerns that site specific testing of the sites contained within Table 12.1 of the Viability Study (Page 51, Ibid, May 2014) has been undertaken for SCDC despite there not being a Site Allocations Document or a five year land supply document. It is therefore not certain that the specific sites that were tested will come forward within the plan period.

4.31 The Consortium would therefore highlight that generic site testing would be more appropriate for SCDC and therefore request that larger generic sites are tested which incorporate the appropriate inputs and assumptions. We refer you to our Preliminary consultation document (Paragraph 4.12, Ibid, July 2014) where we explored this in more detail.

5. Effective Operation of CIL

5.1 In our PDCS representation, we highlighted the importance of the Council publishing supporting documents to outline how CIL will work in practice. We therefore provide further comment on some of these points below.

Instalments Policy

5.2 The Consortium would reiterate the importance of an Instalments Policy reflecting, as closely as possible, the timing of delivery of the development, to ensure that the CIL does not put unnecessary pressure on cashflow and viability.

5.3 We therefore reiterate our concern over the proposed Instalments Policy and would ask that this be amended to reflect the following (as set out in our previous representation (Paragraph 5.7, Savills Representation on behalf of Housebuilder and Developer Consortium PDCS, July 2014)):

Table 10 - Alternative Instalments Policy

See attached document

Relief

5.4 It remains unclear whether SCDC are proposing to implement Discretionary Charitable or Social Housing Relief. We note that SCDC has not provided any further information on relief since the Preliminary Draft Charging Schedule which that ‘no locally specific exemptions are expected to be introduced’ (Section 5.5, PDCS, May 2014).
5.5 We would remind SCDC again that such policies can only be applied if they are in force prior to an application being submitted, therefore the need for the policy will arise prior to it being made available.

5.6 We do not consider there to be any detriment arising from the Councils making available such reliefs within policies as part of their Charging Schedules, as the Councils will still retain control over the application of the policies. There are strict tests surrounding the availability and applicability of Exceptional Circumstances Relief. It would therefore only be applicable to those schemes that can justify the need for it and meet those strict tests.

5.7 There may well be instances where CIL (even with a buffer) would render development, which the Councils may otherwise want to support, unviable. For example, there can be instances where enabling development is permitted to support the delivery of some other planning objectives, such as ensuring the future of listed buildings or to facilitate the relocation of particular uses. With the lack of flexibility under CIL compared to Section 106, it is likely that such developments will simply not happen and important policy objectives might be undermined. It is also the case that where residential development is rendered unviable, by the cumulative impact of CIL and Section 106, that the only option open to the Councils will be to negotiate on affordable housing. That may not always be the most appropriate planning balance.

5.8 The Consortium therefore considers it imperative that SCDC make both Discretionary and Exceptional Circumstances Relief available from the adoption of CIL. We would therefore ask that relief is included in the Charging Schedule and that the intended approach to doing so is outlined prior to Examination.

Payment in Kind

5.9 Our comments in respect of this are unchanged from our response to the PDCS consultation (Paragraphs 5.12 - 5.14).

Reviewing CIL

5.10 As above, our comments in respect of this are unchanged from our PDCS response (Paragraph 5.15).

Application of Differential Rates

5.11 Within our PDCS representation (Paragraph 4.48 - 4.52, Ibid, July 2014), we recommended that SCDC review their CIL Charging Zones map to reflect the market value areas within the District. In light of the uncertainty of the location of future housing sites, it is essential that the CIL rates are applied correctly across the District in accordance with the identified value areas.

5.12 PBA have produced an Average House Price map within their Viability Study which we have sense-checked against Savills Average House Price heat map (Figure 1). Please note that for clarity the lowest values areas have been highlighted with a yellow outline. Comparing the two maps, we broadly agree with the value areas that PBA have identified.

Figure 1 - Comparison of Average House Price Map produced by PBA and Savills

See attached document

5.13 However, the Consortium raises their continued concerns around SCDC proposed CIL Charging Zone Map and the relationship to the above value areas. Figure 2 compares the proposed CIL Charging Zone Map against the Savills Average House Price heat map.

Figure 2 - Comparison of Average House Price Map produced by PBA and Savills

See attached document

5.14 In particular, the Consortium would like to highlight their concerns that parts of the lowest value areas (outlined in yellow on the Savills map) fall within the "high" and "mid" CIL Charging Zones. We would therefore recommend that the Charging Zone boundaries are reviewed to ensure that they reflect the value areas clearly visible across the District.

6. Conclusions

6.1 This Representation has been prepared by Savills on behalf of a local Housebuilder Consortium. As set out at the start of these representations there are three key tests at Examination:

i) That “the charging authority’s Charging Schedule is supported by background documents containing appropriate available evidence”;

Note: The composite reference number in the box at the top of the page is made up of the following information: Object/Support - Representation Number - Respondent Number - Plan Reference - Soundness Tests (if applicable).
ii) That "the proposed rate or rates are informed by and consistent with, the evidence on economic viability across the charging authority's areas"; and

iii) That "evidence has been provided that shows the proposed rate would not put at serious risk overall development of the area".

6.2 The assessment of planned development and its viability is therefore an inherent test of the Examination, making the following points significant:

* Unviable Rates - The current proposed CIL rates are unviable and risk rendering a significant proportion of the housing supply across the District undeliverable;

* Incorrect Assumptions - A number of the key viability inputs adopted by PBA are incorrect. This results in an over-estimation of the maximum CIL rates that can be supported;

* Code for Sustainable Homes - The viability testing does not include an allowance for Code for Sustainable Homes (Level 4) despite being referenced in the Viability Study. This input alone is shown in our alternative viability appraisals to reduce the maximum CIL rates by 19% (Based on analysis of 50 unit house in mid value area);

* Charging Zones - SCDC have proposed three differential CIL rates by 'zone' (or geography) and scale of development. Whilst the principle of applying differential rates is not questioned, the proposed Charging Zone Map prepared by Peter Brett Associates ("PBA") does not correlate to the supporting sales values evidence; and

* Housing Supply - The Council does not currently have a Site Allocations Document or a recognised five year land supply. The CIL rates have therefore been formulated and tested on sites that may not come forward for development in the plan period.

6.3 In light of this, Savills and the Consortium would recommend that SCDC review their supporting "appropriate available evidence". In particular we would ask that the Council undertakes the following:

* Undertaking additional viability work, incorporating the points raised above, to ensure that the proposed CIL rates are viable. In particular, this should look at build costs which have increased substantially in the last 12 months;

* Revising the Charging Zones map to remove the lowest value areas from the "mid" and "high" value CIL rates; and

* Reviewing the draft Instalments Policy and Regulation 123 list.

6.4 The Consortium feel it necessary to stress that if the CIL level is set too high, it will almost certainly have a negative impact on a large proportion of development coming forward, especially bearing in mind the historic undersupply in the District. Taking the above comments in to account we would therefore recommend that the Council consider the following CIL rates:

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<tr>
<th>Zone</th>
<th>Recommended CIL Rate (£/psm)</th>
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<tbody>
<tr>
<td>1 - 5 Dwellings 6+ Dwellings</td>
<td>£0 £0</td>
</tr>
<tr>
<td>Low</td>
<td>£10 £0</td>
</tr>
<tr>
<td>Mid</td>
<td>£25 £0</td>
</tr>
</tbody>
</table>

6.5 Moving forward, the Consortium is open to a meeting with SCDC and their advisors to discuss the approach taken and to discuss common ground in advance of the submission of the DCS for Examination. To this end, the Consortium would like to reserve the right to be heard at Examination and to be notified when:

i) The DCS is submitted to the Examiner in accordance with Section 212 of the PA 2008;

ii) The recommendations of the Examiner and the reasons for these recommendations are published; and

iii) The Charging Schedule is approved by the charging authority.

Summary:

The Consortium has fundamental concerns with the approach proposed by the Council notably:

Unviable Rates-The proposed CIL rates are unviable and risk rendering a significant proportion of the housing supply across the District undeliverable;

Incorrect Assumptions-A number of the key viability inputs adopted by PBA are incorrect. This results in an over-estimation of the CIL rates that can be supported;

Code for Sustainable Homes-The viability testing does not include allowance for Code for Sustainable Homes despite being referenced in the Viability Study. This input alone is shown in our alternative viability appraisals to reduce the maximum CIL rates by 19%

Note: The composite reference number in the box at the top of the page is made up of the following information: Object/Support - Representation Number - Respondent Number - Plan Reference - Soundness Tests (if applicable).
Community Infrastructure Levy Draft Charging Schedule

5454  Object
Section 2: CIL in Suffolk Coastal  Section 2: CIL in Suffolk Coastal

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Attachments:
141117 - SCDC CIL Draft Charging Schedule Consultation - Savills respons .pdf

Note: The composite reference number in the box at the top of the page is made up of the following information: Object/Support - Representation Number - Respondent Number - Plan Reference - Soundness Tests (if applicable).
As highlighted in our previous response, Suffolk Coastal has not yet produced their Site Specific Site Allocations DPD and further CIL plans. It is noted that the Council has not published an anticipated date for when the Council hopes to adopt CIL and make it effective.

We welcome the clarity set out within the response to consultation that professional fees have been set within a range of 8-12%, as per our previous response. Whilst we note that Suffolk Coastal have chosen to use 8%, we hope that this will be tested and find an early review of the CIL Charging Schedule to update the Objectively Assessed Housing Need and consider appropriate housing targets for the future. The Infrastructure Delivery Plan, produced by Navigas Planning (2014) considers the cost of two scenarios (as highlighted at paragraph 12.1). The document identifies the cost of infrastructure to support the 9,005 million. Whilst the evidence base provides clear evidence of a funding gap which will need to be met through CIL and S106 contributions, it is unable to properly account for spatial differences that may occur as a direct result of differential distributions and allocations.

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Exemptions and Relief

It is welcomed that the Council makes reference to the Exemptions currently included in the regulations (paragraph 2.5 of the preliminary Draft Charging Schedule). Taylor Wimpey objects to the statement at paragraph 2.4 that there will be no locally defined exemptions. Given that the Council can not currently demonstrate a five year housing land supply it is considered that there should be a locally defined relief policy to assist in bringing forward sites which are deemed to be unviable. Without the locally defined exemptions/relief it is considered that there will be additional pressure to reduce the supply of affordable housing to improve the viability of schemes.

Please refer to representations made by Savills on behalf of the Housebuilder Consortium.

Strategic Sites and £0 per m2 CIL rate

The Council is required to undertake an early review of the adopted Core Strategy to update the Objectively Assessed Housing Need to inform housing targets for the District. The Inspector requested that this early review take place in 2015. In addition to this, the Council has not started to produce the Site Allocations DPD. It is considered that there is insufficient information about the supply of housing to bring forward CIL at this moment in time. In particular there is no information on whether there are likely to be any other strategic sites which should also have a CIL rate of £0 per m2. It is reiterated that the Council should progress with the review of the Core Strategy and the production of the Site Allocations DPD before establishing CIL rates for the District.

Implementation Date

It is noted that the Council has not published an anticipated date for when the Council hopes to adopt CIL and make it effective.

Note: The composite reference number in the box at the top of the page is made up of the following information: Object/Support - Representation Number - Respondent Number - Plan Reference - Soundness Tests (if applicable).
effective. Given that CIL is intended to offer Developers additional certainty about the infrastructure costs associated with development it is requested that there is a 6 month break between the Council's adoption of CIL and its implementation to allow developers to take full account of CIL.

Review of CIL rates

We note that the Council has committed to reviewing the document every three years. Whilst this is a longer time period that we had suggested, we note the commitment. We would suggest that, in addition to a periodical review, that the IDP is also reviewed when Neighbourhood Plans are 'made' or Development Plans reach significant milestones. This will ensure that the IDP remains up-to-date, relevant and reflects the current planning policy position. In particular it is requested that the District Council works alongside the Education Authority and the NHS to establish a unified approach to planning for growth across the District.

Instalment Policy

We welcome the instalment policy that has been drafted, and believe that the time periods for the three instalments (60 days/ 2 months, 547 days/ 18 months and 730 days/ 24 months of the development commencing for liabilities over £80,000, or 60 days/ 2 months, 365 days/ 1 year and 547 days/ 18 months for liabilities under £80,000) will assist with managing Cash Flow for developments. However it is considered that these instalments are quite ridged and it is requested the instalment timescales for payment for sites are responsive to the scheme in question, particularly where there is also a S106 associated with the development proposals which sets certain timescales for phasing. The Council should work with Developers to assist in maintaining cash flow to enable appropriate CIL payments.

Summary:

As the site allocations DPD has not been progressed any further, we maintain that the CIL change should not be progressed until the level of growth expected at each settlement is confirmed. The appropriate level of funding, to support the amount of allocated growth, must form the basis of any approach to avoid unnecessary doubt counting of infrastructure requirements (and as such, the associated costs). Such an approach will also provide additional time to source and secure additional funding streams to support the delivery if infrastructure, particularly in respect of the larger planned developments.

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<td>None</td>
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</tbody>
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Attachments:

CIL Response Form 17 11 14 Rev B_Taylor Wimpey.pdf
Thank you for consulting Sport England on the above document.

Our Only comment is as follows:

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

Sport England supports the fact that only residential or retail proposals will be eligible to pay CIL charges, thus excluding community facilities such as sports halls, swimming pools etc.

We also support the inclusion of leisure and community facilities, off-site open space and open space maintenance within the types of development that can benefit from CIL contributions, though further work is necessary to identify specific infrastructure priorities within the local authority for funding.

Suffolk Coastal DC are currently preparing a Playing Pitch Strategy and Built Facilities Strategy, and these documents should be used to identify sports facility needs which may be funded through CIL contributions. This will require Section 8 (Leisure and Community) of the IDP report (May 2014) to be reviewed and updated, as is acknowledged in Para. 8.2 of the report.

Summary: Sport England supports the fact that only residential or retail proposals will be eligible to pay CIL charges, thus excluding community facilities such as sports halls, swimming pools etc.

We also support the inclusion of leisure and community facilities, off-site open space and open space maintenance within the types of development that can benefit from CIL contributions, though further work is necessary to identify specific infrastructure priorities within the local authority for funding.
As a local property development company working within Suffolk Coastal we would like to make the following comments and representations to the CIL Draft Charging Schedule.

In a climate where the government are trying to encourage housebuilding as a result of the national shortage it must be clearly understood that CIL is an untimely charge on house builders, the impact of which will be felt most pertinently with the smaller developers, such as ourselves.

The viability study has largely disregarded the smaller house builder and focused on volume developers. We do not feel that an environment where only the volume house builders can function viably is a healthy one for Suffolk Coastal.

Where it is stated at 2.5.2 in the SC CIL Viability Study "That we should not waste time and cost analysing types of development that will not have significant impacts, either on the total CIL receipts or on the overall development of the area as set out in the local plan". We would argue that collectively smaller housebuilders do have a relevance and should not be dismissed. When you look at the individual villages and towns that make up this region you will see that the large majority of housing in Suffolk Coastal has historically been erected by smaller house builders, to the benefit of the overall appearance of the area.

In 2.8.2 of the same document it is at least transparent when stated that "CIL may reduce development by making certain schemes which are not plan priorities unviable". This would appear to be contrary to the NPPF Communities and Local Government, National Planning Policy Framework (March, 2012) which states that CIL "should support and incentivise new development". Furthermore the CIL Guidance Notes (Revision date 12th June 2014) clearly state that "a charging authority should directly sample an appropriate range of types of site across its area . . . should focus on . . .and those sites where the impact of the levy on economic viability is likely to be most significant".

As an example of how we operate in the marketplace please take note of these figures. The average house in the area is sold at £2500/m. The developer sets out to make a 20% profit once land costs, build costs and professional fees are all taken into consideration. Forgetting the inevitable unforeseen costs that come as a result of the risks taken on one hopes to therefore achieve a profit of £500/m. Out of that profit we are now expected to pay a CIL charge of £150/m2. That represents a diminished return of 30% and an expectation that smaller developers should from here on operate with a margin of 14%.

You have used only examples of large volume housebuilder's schemes when testing sites and appraising costs. The figures therefore have little bearing on developers such as ourselves, generally building 1-5 units per scheme. All the figures you have used factor in an economy of scale that is obviously unachievable by smaller companies.

The smallest site explored in your Site Tests & Site Specific Appraisals is a scheme for 70 houses. This is not representative.

Land values within your Viability Study have correctly been based on Residual Land Values calculations. Whilst this is the starting point for all development land valuations it is more complex when looking at smaller plots. The reality is that demand is very high and supply is scarce therefore the true cost of smaller sites is inflated. Obviously one would hope that land values may diminish once CIL comes in and that a correction would help counteract the impact on developers. Given that the supply of sites is unlikely to change we are unconvinced that this will occur. The majority of land sold locally for development is owned by farmers. Agriculture has enjoyed a particularly successful period of business over the last ten years and therefore there is little requirement to sell land, especially as agricultural land values have risen dramatically in recent times.

Added to the forthcoming challenges, at our end of the market we will also have to compete with Self Builders, who are not charged a CIL.

The build costs you have used in your examples of Residential Scenarios Tested use the same build cost per m2 for 1 unit as it uses for 50 units. The real build costs of a single unit is obviously going to be far higher and in our own experience this can often be 50% higher than your figures.

This pattern of using volume house builder's figures for far smaller schemes has led to incorrect assumptions being made across the viability of smaller projects in your study. We are more than happy to share figures from our own schemes to prove that your figures are disproportionate.

We accept that we have used the £150/m High Band cost in our example above, of CIL's impact, but the vast majority of the region lies within your high band. When you look at the charging approach it is clearly excessive when measured against other CIL charges brought in by other District Councils, particularly when measured against the average house prices within those areas.

<table>
<thead>
<tr>
<th>Location</th>
<th>High Band CIL</th>
<th>Av. House Price</th>
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<tbody>
<tr>
<td>Cambridge</td>
<td>£125/m2</td>
<td>£386,568</td>
</tr>
<tr>
<td>Chelmsford</td>
<td>£125/m2</td>
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Note: The composite reference number in the box at the top of the page is made up of the following information:Object/Support - Representation Number - Respondent Number - Plan Reference - Soundness Tests (if applicable).
It should also be noted, and factored into the equation, that average house sizes in SCDC are larger than the national average and therefore the costs are proportionately higher when you look at a house-by-house comparison in different areas. Typically an average house in more urban areas would be below 80m² whereas here in Suffolk they are generally 90m² plus.

Given that sales prices of houses are ultimately dictated by the market, rather than a decision by developers, a house builder can not simply increase sales prices to accommodate CIL in the same way as other industries may be able to accommodate imposed charges.

The impact of the current situation is that there is an uneven playing ground within Suffolk Coastal. The large companies will survive and smaller companies are going to really struggle. The approach inevitably lends itself to a proportionately high density of housing estates and a very low ratio of smaller, individual developments being built over the coming years.

CIL is an uncontestable charge and comes before Section 106 payments. Given that Section 106 payments can be contested on the basis of project viability we foresee that more and more 106 payments will need to be contested given the increased viability challenges that housebuilders will have once CIL is factored in to the economics of individual schemes. Therefore the contributions towards social housing from developers have to be expected to drop.

We are a young company, just a couple of years old. We set up our business with the intention of building attractive, quality houses across this region. With CIL as it is right now we will need to explore alternatives in terms of the areas where we build in order to keep ourselves going. We are proud of our work and we would not be comfortable attempting to cut every conceivable corner of house building costs to pass on a compromised product to customers.

CIL is clearly coming in and we will need to adjust the business model accordingly. I would, however, really urge Suffolk Coastal to reconsider the charging scales that are currently being explored. I believe that only very small pockets of Suffolk Coastal can wear the £150/rate. I feel strongly that the majority of the region can not afford to take on board any rate beyond £100/m² without having a detrimental impact on maintaining a sustainable mix of housebuilding over the coming years.

We strongly believe that local specific exemptions to CIL should be introduced where the viability of individual schemes can be examined and assessed on a case by case basis.

Over the next twelve months we project that our business will inject £1.4million into the local economy by utilising a healthy mixture of local employment, trades and suppliers. Whilst this might be a small sum when compared with figures from the larger volume house builders, companies such as ours deserve to be collectively considered.

We would be very happy to engage with Suffolk Coastal and enter into any dialogue that may prove constructive.

Summary:
The viability study has largely disregarded the smaller house builder and focused on volume developers. We do not feel that an environment where only the volume house builders can function viably is a healthy one for Suffolk Coastal.

The impact of the current situation is that there is an uneven playing ground within Suffolk Coastal. The large companies will survive and smaller companies are going to really struggle. The approach inevitably lends itself to a proportionately high density of housing estates and a very low ratio of smaller, individual developments being built over the coming years.

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Attachments:
CIL-Comment form-NestDevelopment.pdf
EDF Energy is one of the UK's largest energy companies with activities throughout the energy chain. Our interests include nuclear, renewables, coal and gas-fired electricity generation, combined heat and power, and energy supply to end users. We have over five million electricity and gas customer accounts in the UK, including both residential and business users.

EDF Energy welcomes the opportunity to respond to this consultation on the Local Planning Authorities draft charging schedule for CIL.

Our general view on CIL is outlined below:

Our key points are:

* We firmly believe that all energy infrastructure should be exempt from CIL.

* Section 106 (s106) Agreements under the Town and Country Planning Act 1990 (TCPA) and the Planning Act 2008 provide a more appropriate framework for mitigating the identified impacts of a proposed development and for delivering any community development required in response to infrastructure investments.

* Where implemented, CIL should be led by the need for clearly identified infrastructure that would encourage further development within that area.

It is noted and supported that the draft charging schedule provided as part of this consultation exempts new energy infrastructure projects and also exempts extensions and new buildings at existing generating Stations such as Sizewell B.

The CIL guidance on Charge setting and charging schedule procedures published in March 2010 advises charging authorities when identifying infrastructure that is to be funded by CIL that they "will want to consider what additional infrastructure is needed in its area to support development" (page 6, paragraph 12). It would seem to us that energy infrastructure fits that definition, and whilst it is clear that CIL should not be used to fund such infrastructure, it would seem at odds with this principle if developers of energy projects are charged CIL.

Energy infrastructure projects already contribute to meeting the costs of providing mitigation for identified impacts that arise from those projects. This is done through the existing s106 agreements under the TCPA and Planning Act 2008, and in our view this is the more appropriate system for such mitigation provided that all the planning tests are met.

Once again thank you for the opportunity to comment on the consultation.

Summary:

Energy infrastructure projects already contribute to meeting the costs of providing mitigation for identified impacts that arise from those projects. This is done through the existing s106 agreements, and in our view this is the more appropriate system for such mitigation provided that all the planning tests are met.

Where implemented, CIL should be led by the need for clearly identified infrastructure that would encourage further development within that area.

It is noted and supported that the draft charging schedule exempts new energy infrastructure projects and also exempts extensions and new buildings at existing generating Stations.

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Attachments:

SCDC CIL LETTER 17-11-14.pdf
The only comment concerns the zero CIL charge to be applied to the proposed new development at Adastral Park. Councillors believe that this development should attract CIL in the same way as all other developments and sees no reason why it should be exempt.
Repeat objection to Adastral Park zero rate CIL from preliminary draft charging schedule.

Thank you for your response to my previous objection. I am concerned that because they are site specific, the s106 provisions can potentially be reduced by the developers lobbying that their development will not be viable. Any developer can argue that their proposed development is not viable yet developers make profits otherwise they wouldn't do it. They aren't doing it to be altruistic. They will do anything to suggest that their development is not viable. Since Adastral Park borders a high value residential area it should also be high value. Especially since the nice folks at BT have assured us all about the fantastic quality development they have in store for us. At least with CIL for high value residential the levy will be non-negotiable.

Change to Plan

Summary:
Repeat objection to Adastral Park zero rate CIL from preliminary draft charging schedule.

The s106 provisions can potentially be reduced by the developers lobbying that their development will not be viable. Adastral Park borders a high value residential area and it should also be high value. BT have assured us all about the fantastic quality development they have in store for us. At least with CIL for high value residential the levy will be non-negotiable.
Thank you for your email of 6 October consulting The Theatres Trust on the CIL draft charging schedule.

We support a nil charge as stated in Table 1 on page 4 as D1, D2 and some sui generis uses (e.g. theatres) often do not generate sufficient income streams to cover their costs, yet are vital for the social and cultural well being of the local community.

The Theatres Trust is The National Advisory Public Body for Theatres. The Theatres Trust Act 1976 states that 'The Theatres Trust exists to promote the better protection of theatres. It currently delivers statutory planning advice on theatre buildings and theatre use through the Town & Country Planning (General Development Procedure) (England) Order 2010 (DMPO), Articles 16 & 17, Schedule 5, para.(w) that requires the Trust to be consulted by local authorities on planning applications which include 'development involving any land on which there is a theatre.'

We support a nil charge as stated in Table 1 on page 4 as D1, D2 and some sui generis uses (e.g. theatres) often do not generate sufficient income streams to cover their costs, yet are vital for the social and cultural well being of the local community.
Object

Section 3: CIL Rates

Respondent: Mrs Carol Florey [166]  
Agent: N/A

Full Text:

I object strongly to Felixstowe being graded as Low. This is supposed to reflect the amount required for appropriate infrastructure to be put in place, so area should clearly be in a higher band. The infrastructure in place now fails to support our present population. The sewerage system does not cope as demonstrated by the significant increase of time of overflow into Felixstowe Port waters. The roads are gridlocked when the A14 experiences problems. The new Academy only has capacity for around 100 more students. Should this crucial element be ignored. I disagree with the boundary that crosses over the A14/A154 boundary in two places. The Local Development Framework identifies this as a clear boundary between the town and the countryside. This should be maintained. Gulpher Road had recently been identified as a ‘quiet lane’ and therefore should not be subjected to an associated significant increase in traffic.

Summary:

I object strongly to Felixstowe being graded as Low. This is supposed to reflect the amount required for appropriate infrastructure to be put in place, so should clearly be in a higher band. The infrastructure in place now fails to support our present population. The sewerage system does not cope as demonstrated by the significant increase of time of overflow into Felixstowe Port waters. The roads are gridlocked when the A14 experiences problems. The new Academy only has capacity for around 100 more students. I disagree with the boundary that crosses over the A14/A154 boundary in two places.

Change to Plan

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Attachments:

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Economic viability in our village would be compromised as the scale of changes would either be a dis-incentive or result in very expensive houses to cover costs. Councillors felt that the proposed scale of changes was a dis-incentive to developers. Councillors felt it was an ill-conceived piece of legislation in respect of smaller villages.

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Attentions:
Peasenhall PC CIL comments.pdf
We have received your consultation response to our letter from the parishes of Bawdsey, Alderton, Shottisham, Sutton and Bromeswell (The Sutton Ward excluding Sutton Heath). Our letter stated that we did not agree that the house prices in the villages and surrounding area should be anything less than the top level which is hatched pink on the CIL proposal. The reason that this change is appropriate is that we do not think that your consultants understood, or perhaps chose to ignore, the fact that Sutton Heath has a considerable effect on the average house value in the area. Sutton Heath is an ex USAF airbase with small married quarters housing which has outlived its design life by many years, hence the low value. It is in a confined, fenced area which is now occupied by a UK military barracks with the attendant disruption. Sutton Heath is an urban environment within a large rural area but is of sufficient population to affect average house prices in the Ward. It should therefore be excluded from any calculation concerning the wider area. Suffolk Coastal recognized Sutton Heath's unusual status in April 2012 by allowing it to become a parish in its own right, separate from Sutton village which is 3 miles away by road.

We are not seeking a revision of this decision for any reason other than a lower CIL charge will, we believe, encourage development pressure on this area which is probably the most sensitive part of the Suffolk Coast and Heaths Area of Outstanding Natural Beauty.

You say in your response that you would ‘welcome the provision of additional comparables in order that we can ensure that our viability testing is as accurate as possible.’ We have set out below the data we have produced from publicly available sources.

House numbers sold and average values (£000) for the last 3 years
Bawdsey 16 £315
Alderton 22 £267
Shottisham 8 £318
Sutton Village 8 £352
Bromeswell 9 £478
Average house price sold in Ward (EXCL Sutton Heath) £326
Sutton Heath 36 £163
Average house price sold in Ward (INC Sutton Heath) £267 (source Zoopla)

This demonstrates that Sutton Heath most definitely affects average prices for the Ward. It also shows that the area commands some of the highest prices in Suffolk Coastal and should be hatched pink on your map.

We would like your confirmation that this rebuttal of your response will be put in front of the Inspector together with our original response. We also wish to be heard at the public meeting before the Inspector.

Summary:
Sutton Heath is an ex airbase with small married quarters which has outlived its design life, hence the low value. It is in a confined, fenced area which is now occupied by a military barracks with the attendant disruption. Sutton Heath is an urban environment within a large rural area but is of sufficient population to affect average house prices in the Ward. It should therefore be excluded from any calculation concerning the wider area. Suffolk Coastal recognized Sutton Heath's unusual status in April 2012 by allowing it to become a parish in its own right, separate from Sutton village.
Community Infrastructure Levy Draft Charging Schedule

5437 Object
Section 3: CIL Rates

Respondent: C/O Asda Stores Limited [2949] Agent: Thomas Eggar LLP (Mr Rory Bennett) [3052]

Full Text: Under Regulation 14 of the Community Infrastructure Levy Regulations 2010 ("CIL Regulations") the Council's primary duty when setting the level of Community Infrastructure Levy ("CIL") charge is to strike an appropriate balance between the desirability of funding the cost of infrastructure required to support development from CIL and its potential effects on the economic viability of development.

In our view, the approach taken to assessing the Draft Charging Schedule does not achieve an appropriate balance between these two objectives.

We wish to object to the approach taken to assessing the Draft Charging Schedule on the following grounds:

1. The fact that the consultation study fails to take adequately take account of changes introduced by the Community Infrastructure Levy (Amendment) Regulations 2014/385;
2. the impact on policies concerning enhanced economic performance;
3. the financial assumptions and viability assessments contained in the Council's Viability Study;
4. issues relating to State Aid; and
5. concerns about the Council's approach to setting CIL charges generally.

As the Council will be aware, the Community Infrastructure Levy (Amendment) Regulations 2014/385 came into effect in February.

These regulations have made a number of wide-reaching changes to the CIL regime, the most important of which, for the purposes of this letter, are summarised below:

* Regulation 14 has been amended so as to strengthen the obligations on the Council objectively to justify the adopted charging rates. Reg 14 now states that a Council "must strike an appropriate balance" as opposed to simply aiming to do so;
* Examiners are now being asked to assess whether an appropriate balance has, in fact, been struck;
* The Regulations governing payment in kind have been amended to allow local authorities to accept items of infrastructure as well as the transfer of land;
* Draft Regulation 123 lists should now be made available much earlier in the rate-setting process and these will be capable of being examined at inquiry; and
* There have been significant changes to the various CIL exemptions; which will significantly affect the Council's expected levels of receipts.

Although the Draft Charging schedule, and the viability report on which it is based, considers the impact of these amendments it does not include any analysis of the cost or types of infrastructure that are likely to require funding through s.106 Agreements for non-residential development.

As a result, the 'balancing exercise' carried out by the viability study is flawed, as it does not include all of the likely costs of bringing forward development. This in turn casts doubt on the level of 'headroom' available out of which CIL can be paid.

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

We do not consider that the Council has adequately identified a funding gap using appropriate infrastructure evidence. Whilst the Local Plan was adopted in July 2013, in recognition of the lengthy time period involved in the development of the Plan, we suggest a review of the Plan with full up-to-date evidence in order to fully assess the funding gap.

The Navigus Planning Report identifies that not all of the funding gap is expected to be borne by the developer. However the Council at present does not know how much will be invested by other providers, such as UK Power Networks, who are expected to invest as part of their investment programmes. This creates great uncertainty and potential fluctuations to the identified funding gap. Furthermore, there are some costs which are not known which could add to costs and therefore increase the funding gap.

Q2. In setting the CIL rates, do you consider that the Council's economic viability assessment has used appropriate evidence?

Note: The composite reference number in the box at the top of the page is made up of the following information:Object/Support - Representation Number - Respondent Number - Plan Reference - Soundness Tests (if applicable).
We also have a number of concerns about the study Peter Brett Associates conducted in May 2014 (the "Viability Study"). The Viability Study contains retail development assumptions that in our view may not make sufficient allowance for the costs involved in obtaining planning permission for a development scheme. By underestimating the true cost of residual planning obligations commercial developments, the Council is at risk of artificially inflated the residual land values used for the financial viability models. This will, in turn, have inflated the amount of CIL proposed for these uses.

As stated above, the Viability Study does not provide analysis of the cost for non-residential residual s106 / s278 agreements. It is our view that the retail development assumptions are inadequate as they do not make allowances for s.106 contributions which need to be paid by developers in addition to CIL payments: We urge you to look again at the allowances for such residual s.106/s.278 contributions for non-residential schemes.

Although the Council will not be able to pool section 106 contributions once CIL is adopted, the types of commonly pooled contributions tend not to make up a large proportion of the contributions sought from commercial schemes - which are usually focussed on site specific highways and access works, employment and training contributions, environmental mitigation works and other, site specific, requirements.

The draft Regulation 123 list produced makes it clear that any site specific matters such as green infrastructure, off site landscaping, improvements to the public transport network or highways improvements, that are needed to mitigate the impact of the development and to make it acceptable in planning terms, are likely to be funded through section 106 and section 278 agreements. The costs of these works are almost certain to exceed the £10,000 allowance included in the Viability Assessment.

Taking the example of a 4,000 sqm convenience supermarket used in the Viability Report, this sized store, would be expected to bear a CIL payment of £400,000 and potentially fund all of the following costs:

* demolition, remediation and on site highways works
* the cost of non-strategic any off-site highways works required to make the development acceptable in planning terms including junction improvements, road widening schemes, new access roads, diversion orders and other highways works;
* the cost of extending the Council's CCTV or public transport network to include the scheme (including the costs of creating new bus stops, real time information and providing new bus services to serve the site);
* monitoring costs of compliance with employment/apprenticeship schemes and travel plans;
* environmental off-set contributions to mitigate the loss of habitat or greenery caused by the scheme;
* The cost of any remediation and decontamination works to be carried out by the council on the developer's behalf; payment for town centre improvements intended to mitigate the impact of the development on the town centre or neighbouring areas; and
* the costs incurred by the Council of maintaining any site specific infrastructure required by the development.

To put this in context:

* the section 106 Contributions incurred in relation to a c.3,000 sqm food store in Ware, Hertfordshire amounted to £871,800. These sums related to bus service contributions; development of a community centre, nursery; education contributions; various highway safety improvements; youth service contribution; residents parking schemes and open space contribution. In addition to these Contributions, green travel plan contributions, monitoring fees and architectural lighting on pedestrian routes between the store and city centre were also incurred.

* the section 106 Contributions incurred in relation to a c.6,700 sqm food store in Newhaven, East Sussex amounted to £1,345,544. These sums related to contributions for improvements to and an extension of the local bus network; economic initiatives; contributions for relocating local habitats; improvement of recreational space; recycling contributions; residential and retail travel plan auditing; transportation and town centre contributions.

With this in mind, we again, suggest that the Council has significantly underestimated the impact of CIL on the viability of such developments. We request that the underlying viability evidence be revised accordingly.

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?

We will not repeat the Council’s strategic objectives in full here, but in order to achieve its overall objectives, it will be important for the Council to set an appropriate CIL charge to encourage new development to come forward.

An appropriate CIL charge will encourage new development and promote redevelopment to create employment and ensure a range of shopping choices for consumers and enhance the vitality and viability in district and local centres.

The proposed retail CIL rates would discourage larger retail developments and would not ensure that the relevant retail and employment aims of the local plan are met. This could have the effect of reducing the range, variety and choice of retail shopping and, if no redevelopment or regeneration schemes are put forward, then existing buildings are unlikely to be refurbished and re-used.

It is our view that if the retail charges set out in the Draft Charging Schedule are adopted, there will be several consequences across the Borough that will put the Council's ability to achieve its key objectives at risk. For example:

* All other forms of development will receive a significant subsidy at the expense of retail schemes; and

Note: The composite reference number in the box at the top of the page is made up of the following information: Object/Support - Representation Number - Respondent Number - Plan Reference - Soundness Tests (if applicable).
* There will be a corresponding disincentive (and market distortion accordingly) to investment in this sector of the local economy.

The Government is keen to encourage the creation of additional employment across the economy and the retail sector as a whole is one of the largest employers and the largest creator of new jobs at the present time as well as being one of the most dynamic and innovative sectors within the UK economy.

Asda example 1

Asda has a proven track record of investing in local communities and of creating jobs within these areas. For example, of the 123 colleagues recruited for the ASDA store in Tunbridge Wells, 76 colleagues (71%) were previously unemployed.

The supporting papers do not acknowledge this trend nor do they fully assess the role of retail within the national economy. They simply assert that large scale retail is performing stronger in comparison to the other aspects of the retail sector and accordingly, it implies that large scale retail establishments have the capacity to pay potentially very large sums of CIL, whereas the Town Centre comparison and small convenience retail rates are much lower. Any CIL schedule that imposes a substantial CIL charge on supermarkets or superstores and a very low or nil rate on all other uses could effectively undermine the retail function of local and town centres, detracting from their viability and vitality as large scale retail developers would be discouraged by the imposition of CIL.

Asda example 2

Asda stores regularly rejuvenate and regenerate existing centres, and the surrounding areas, and draw new shoppers to them, which benefits the existing retailers, and those who open stores in Asda-anchored centres in their wake. For example in 2006, Asda opened a store in Romford, transforming a derelict brownfield site through an extension of an existing retail mall and creating 347 jobs. This helped to propel Romford into the top 50 UK retailing cities. Indeed, due to the success of the store in attracting more footfall to that part of the town’s Primary Shopping Area, the local authority redrew the town centre boundary to include the edge of centre Asda store into the heart of the Romford town centre.

Q4. Do you consider the boundaries for the different charging zones to be appropriate?

It is noted that the boundary running through Trimley St Mary creates two distinct charging zones of mid and low. We ask the Council to clarify its position creating certainty for those wishing to develop throughout the district.

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

1. State Aid

We wish to bring it to your attention that there will be EU State Aid issues arising out of the setting of differential rates for different types of commercial entity within the same use class. Introducing such differential rates confers a selective economic advantage on certain retailers depending on the size of the shop they operate out of, or their type of business. For example, setting the levy for comparison retail schemes at a lower rate than an equivalent convenience retail scheme provides an economic advantage to comparison retailers. Alternatively, basing rate differentials on the size of a store favours smaller retailers over their larger competitors.

As far as we are aware, the UK government has not applied for a block exemption for CIL. CIL charges do not form part of the UK’s taxation system and there does not appear to be an exemption in place to cover any State Aid issues that may arise. With this in mind, we would be grateful if the Council adopted a flat levy rate for comparable sectors of the economy/use classes or, if it is not prepared to do so, providing an explanation as to why State Aid issues are not engaged by the setting of differential rates within use classes to the Inspector at the Inquiry.

2. Concerns about the Council’s approach to setting CIL charges generally

The stated purpose of CIL is to raise revenue for infrastructure necessary to serve development. CIL is intended to address the imbalance of raising funds for infrastructure under the section 106 route, where larger schemes have effectively subsidised minor developments. However, CIL does not replace the section 106 revenue stream - it will simply provide additional revenue for infrastructure.

In light of this, we have some further concerns:

Concerns relating to change of use and conversion projects

The Council appears only to have taken the economics of regeneration projects into account when considering the strategic development areas as otherwise the viability assessments do not appear to have given any weight to this consideration (particularly for retail developments).

As you will be aware, Regulation 40 of the CIL Regulations only permits developers to deduct pre-existing floor space from the CIL calculation if it is ‘in lawful use.’ Lawful use is defined in Regulation 40 (10) and essentially requires part of a building to have been in use for a six month continuous period in the three years before the date of the planning permission permitting the development.
However, many regeneration projects on brownfield land or town centres involve demolishing, converting or redeveloping buildings that have lain vacant for some time. This is particularly true of schemes which involve changes of use from employment land, where the fact that a unit has been vacant for a considerable time is often a key factor in the Council's decision to grant planning permission for the scheme.

The Viability Study does not acknowledge that the economics of conversion schemes are very different to those of new build schemes. It is difficult to see how the Council can assess whether the imposition of CIL will put the majority of these schemes at risk without having considered its impact on their viability.

ASDA’s SUGGESTIONS

1. Instalment Policy

We support the Council's decision to introduce an instalment policy for CIL payments. Managing cash flow during development is often key in determining whether a scheme will be successfully delivered. We would strongly encourage the Council to adopt a realistic instalment policy that spreads the cost of CIL over a number of months or years (depending on the size of the development scheme proposed).

We would recommend that any instalment policy should link the instalments to the pace of the actual development; and should not link the instalments to an arbitrary time frame following on from the date the development is commenced.

2. Exceptional Circumstances Relief

We note that the Council has indicated that at present it will provide any discretionary relief from CIL. We would encourage the Council to adopt an Exceptional Circumstances Relief Policy. By doing so, the Council will have the flexibility to allow strategic or desirable, but unprofitable, development schemes to come forward, by exempting them from the CIL charge or reducing it in certain circumstances.

Given the rigid nature of the CIL regulations, which operate in a similar manner to a development land tax, this is a necessary and worthwhile safeguard that the Council will be able to use in appropriate circumstances.

3. Flat Rate Levy

Accepting for the purpose of this argument the premise that CIL is necessary for the purpose of funding Borough-wide infrastructure, a much fairer solution would be to divide the Council's estimate of total infrastructure costs over the charging period (and in this connection, it is important to remember that the Government's guidance as recorded in the National Planning Policy Framework is that only deliverable infrastructure should be included) by the total expected development floor space and apply a flat rate levy across the Borough and across all forms of development. That will have the least possible adverse effect upon the market for land and for development, and yet the greatest possible opportunity for the economy to prosper and thrive and for jobs to be created.

The potential impact of a flat rate levy on the viability of those types of development which are not currently identified as viable could be balanced by the Council's implementation of Exceptional Circumstances Relief, as mentioned above.

Consequently, reducing the levy proposed per square metre on retail and residential floor space would not result in a proportionate increase in the levy required on other forms of commercial or other development. However, applying the current proposed levy could run the risk of diminishing substantially the number of such retail stores built, with a consequential loss of employment opportunities and investment.

4. Provision of Infrastructure as Payment in Kind

We support the Council's decision to introduce a provision of infrastructure as payment in kind. As stated above, the latest set of amendments to the CIL Regulations have now made it lawful for authorities CIL contributions to be paid by the provision of infrastructure in certain circumstances. Given that the provision of infrastructure is often key to unlocking unimplemented planning permissions and enabling developments.

CONCLUSION

For these reasons, we would ask that the Council undertakes a rethink of its position and substantially alters its Charging Schedule in so far as it relates to retail development.

Accordingly, we would request that the Council:

* Revisits its viability assessments for retail development, to address the concerns set out above;

* Adopts a staged payments policy;

* Adopt an Exceptional Circumstances Relief Policy;
Section 3: CIL Rates

* Considers the allowing developers to pay their CIL Liability through the provision of infrastructure; and

* Adopts a single flat rate levy across all development within its boundaries.

Summary:
By underestimating the true cost of residual planning obligations commercial developments, the Council is at risk of artificially inflating the residual land values used for the financial viability models. This will, in turn, have inflated the amount of CIL proposed for these uses.

It is our view that the retail development assumptions are inadequate as they do not make allowances for s.106 contributions which need to be paid by developers in addition to CIL payments. We urge you to look again at the allowances for such residual s.106/s.278 contributions for non-residential schemes.

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Although the Council will not be able to pool section 106 contributions once CIL is adopted, the types of commonly pooled contributions tend not to make up a large proportion of the contributions sought from commercial schemes - which are usually focussed on site specific highways and access works, employment and training contributions, environmental mitigation works and other, site specific, requirements.

The draft Regulation 123 list produced makes it clear that any site specific matters such as green infrastructure, off site landscaping, improvements to the public transport network or highways improvements, that are needed to mitigate the impact of the development and to make it acceptable in planning terms, are likely to be funded through section 106 and section 278 agreements. The costs of these works are almost certain to exceed the £10,000 allowance included in the Viability Assessment.

Taking the example of a 4,000 sqm convenience supermarket used in the Viability Report, this sized store, would be expected to bear a CIL payment of £400,000 and potentially fund all of the following costs:

- * demolition, remediation and on site highways works
- * the cost of non-strategic any off-site highways works required to make the development acceptable in planning terms including junction improvements, road widening schemes, new access roads, diversion orders and other highways works;
- * the cost of extending the Council's CCTV or public transport network to include the scheme (including the costs of creating new bus stops, real time information and providing new bus services to serve the site);
- * monitoring costs of compliance with employment/apprenticeship schemes and travel plans;
- * environmental off-set contributions to mitigate the loss of habitat or greenery caused by the scheme;
- * The cost of any remediation and decontamination works to be carried out by the council on the developer's behalf;
- * payments for town centre improvements intended to mitigate the impact of the development on the town centre or neighbouring areas; and
- * the costs incurred by the Council of maintaining any site specific infrastructure required by the development.

To put this in context:

- * the section 106 Contributions incurred in relation to a c.3,000 sqm food store in Ware, Hertfordshire amounted to £871,800. These sums related to bus service contributions; development of a community centre, nursery; education contributions; various highway safety improvements; youth service contribution; residents parking schemes and open space contribution. In addition to these Contributions, green travel plan contributions, monitoring fees and architectural lighting on pedestrian routes between the store and city centre were also incurred.
- * the section 106 Contributions incurred in relation to a c.6,700 sqm food store in Newhaven, East Sussex amounted to £1,345,544. These sums related to contributions for improvements to and an extension of the local bus network; economic initiatives; contributions for relocating local habitats; improvement of recreational space; recycling contributions; residential and retail travel plan auditing; transportation and town centre contributions.

With this in mind, we again, suggest that the Council has significantly underestimated the impact of CIL on the viability of such developments. We request that the underlying viability evidence be revised accordingly.

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?

We will not repeat the Council’s strategic objectives in full here, but in order to achieve its overall objectives, it will be important for the Council to set an appropriate CIL charge to encourage new development to come forward.

An appropriate CIL charge will encourage new development and promote redevelopment to create employment and ensure a range of shopping choices for consumers and enhance the vitality and viability in district and local centres.

The proposed retail CIL rates would discourage larger retail developments and would not ensure that the relevant retail and employment aims of the local plan are met. This could have the effect of reducing the range, variety and choice of retail shopping and, if no redevelopment or regeneration schemes are put forward, then existing buildings are unlikely to be refurbished and re-used.

It is our view that if the retail charges set out in the Draft Charging Schedule are adopted, there will be several consequences across the Borough that will put the Council’s ability to achieve its key objectives at risk. For example:

- * All other forms of development will receive a significant subsidy at the expense of retail schemes; and

Note: The composite reference number in the box at the top of the page is made up of the following information:Object/Support - Representation Number - Respondent Number - Plan Reference - Soundness Tests (if applicable).
Section 3: CIL Rates

5438 Object
Section 3: CIL Rates

* There will be a corresponding disincentive (and market distortion accordingly) to investment in this sector of the local economy.

The Government is keen to encourage the creation of additional employment across the economy and the retail sector as a whole is one of the largest employers and the largest creator of new jobs at the present time as well as being one of the most dynamic and innovative sectors within the UK economy.

Asda example 1

Asda has a proven track record of investing in local communities and of creating jobs within these areas. For example, of the 123 colleagues recruited for the ASDA store in Tunbridge Wells, 76 colleagues (71%) were previously unemployed.

The supporting papers do not acknowledge this trend nor do they fully assess the role of retail within the national economy. They simply assert that large scale retail is performing stronger in comparison to the other aspects of the retail sector and accordingly, it implies that large scale retail establishments have the capacity to pay potentially very large sums of CIL, whereas the Town Centre comparison and small convenience retail rates are much lower.

Any CIL schedule that imposes a substantial CIL charge on supermarkets and a very low or nil rate on all other uses could effectively undermine the retail function of local and town centres, detracting from their viability and vitality as large scale retail developers would be discouraged by the imposition of CIL.

Asda example 2

Asda stores regularly rejuvenate and regenerate existing centres, and the surrounding areas, and draw new shoppers to them, which benefits the existing retailers, and those who open stores in Asda-anchored centres in their wake. For example in 2006, Asda opened a store in Romford, transforming a derelict brownfield site through an extension of an existing retail mall and creating 347 jobs. This helped to propel Romford into the top 50 UK retailing cities. Indeed, due to the success of the store in attracting more footfall to that part of the town’s Primary Shopping Area, the local authority redrew the town centre boundary to include the edge of centre Asda store into the heart of the Romford town centre.

Q4. Do you consider the boundaries for the different charging zones to be appropriate?

It is noted that the boundary running through Trimley St Mary creates two distinct charging zones of mid and low. We ask the Council to clarify its position creating certainty for those wishing to develop throughout the district.

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

1. State Aid

We wish to bring it to your attention that there will be EU State Aid issues arising out of the setting of differential rates for different types of commercial entity within the same use class. Introducing such differential rates confers a selective economic advantage on certain retailers depending on the size of the shop they operate out of, or their type of business. For example, setting the levy for comparison retail schemes at a lower rate than an equivalent convenience retail scheme provides an economic advantage to comparison retailers. Alternatively, basing rate differentials on the size of a store favours smaller retailers over their larger competitors.

As far as we are aware, the UK government has not applied for a block exemption for CIL. CIL charges do not form part of the UK's taxation system and there does not appear to be an exemption in place to cover any State Aid issues that may arise. With this in mind, we would be grateful if the Council adopted a flat levy rate for comparable sectors of the economy/use classes or, if it is not prepared to do so, providing an explanation as to why State Aid issues are not engaged by the setting of differential rates within use classes to the Inspector at the Inquiry.

2. Concerns about the Council's approach to setting CIL charges generally

The stated purpose of CIL is to raise revenue for infrastructure necessary to serve development. CIL is intended to address the imbalance of raising funds for infrastructure under the section 106 route, where larger schemes have effectively subsidised minor developments. However, CIL does not replace the section 106 revenue stream - it will simply provide additional revenue for infrastructure.

In light of this, we have some further concerns:

Concerns relating to change of use and conversion projects

The Council appears only to have taken the economics of regeneration projects into account when considering the strategic development areas as otherwise the viability assessments do not appear to have given any weight to this consideration (particularly for retail developments).

As you will be aware, Regulation 40 of the CIL Regulations only permits developers to deduct pre-existing floor space from the CIL calculation if it is ‘in lawful use.’ Lawful use is defined in Regulation 40 (10) and essentially requires part of a building to have been in use for a six month continuous period in the three years before the date of the planning permission permitting the development.

Note: The composite reference number in the box at the top of the page is made up of the following information: Object/Support - Representation Number - Respondent Number - Plan Reference - Soundness Tests (if applicable).
However, many regeneration projects on brownfield land or town centres involve demolishing, converting or redeveloping buildings that have lain vacant for some time. This is particularly true of schemes which involve changes of use from employment land, where the fact that a unit has been vacant for a considerable time is often a key factor in the Council's decision to grant planning permission for the scheme.

The Viability Study does not acknowledge that the economics of conversion schemes are very different to those of new build schemes. It is difficult to see how the Council can assess whether the imposition of CIL will put the majority of these schemes at risk without having considered its impact on their viability.

ASDA's SUGGESTIONS

1. Instalment Policy

We support the Council's decision to introduce an instalment policy for CIL payments. Managing cash flow during development is often key in determining whether a scheme will be successfully delivered. We would strongly encourage the Council to adopt a realistic instalment policy that spreads the cost of CIL over a number of months or years (depending on the size of the development scheme proposed).

We would recommend that any instalment policy should link the instalments to the pace of the actual development; and should not link the instalments to an arbitrary time frame following on from the date the development is commenced.

2. Exceptional Circumstances Relief

We note that the Council has indicated that at present it will provide any discretionary relief from CIL. We would encourage the Council to adopt an Exceptional Circumstances Relief Policy. By doing so, the Council will have the flexibility to allow strategic or desirable, but unprofitable, development schemes to come forward, by exempting them from the CIL charge or reducing it in certain circumstances.

Given the rigid nature of the CIL regulations, which operate in a similar manner to a development land tax, this is a necessary and worthwhile safeguard that the Council will be able to use in appropriate circumstances.

3. Flat Rate Levy

Accepting for the purpose of this argument the premise that CIL is necessary for the purpose of funding Borough-wide infrastructure, a much fairer solution would be to divide the Council's estimate of total infrastructure costs over the charging period (and in this connection, it is important to remember that the Government's guidance as recorded in the National Planning Policy Framework is that only deliverable infrastructure should be included) by the total expected development floor space and apply a flat rate levy across the Borough and across all forms of development. That will have the least possible adverse effect upon the market for land and for development, and yet the greatest possible opportunity for the economy to prosper and thrive and for jobs to be created.

The potential impact of a flat rate levy on the viability of those types of development which are not currently identified as viable could be balanced by the Council's implementation of Exceptional Circumstances Relief, as mentioned above.

Consequently, reducing the levy proposed per square metre on retail and residential floor space would not result in a proportionate increase in the levy required on other forms of commercial or other development. However, applying the current proposed levy could run the risk of diminishing substantially the number of such retail stores built, with a consequential loss of employment opportunities and investment.

4. Provision of Infrastructure as Payment in Kind

We support the Council's decision to introduce a provision of infrastructure as payment in kind. As stated above, the latest set of amendments to the CIL Regulations have now made it lawful for authorities CIL contributions to be paid by the provision of infrastructure in certain circumstances. Given that the provision of infrastructure is often key to unlocking unimplemented planning permissions and enabling developments.

CONCLUSION

For these reasons, we would ask that the Council undertakes a rethink of its position and substantially alters its Charging Schedule in so far as it relates to retail development.

Accordingly, we would request that the Council:

* Revisits its viability assessments for retail development, to address the concerns set out above;

* Adopts a staged payments policy;

* Adopt an Exceptional Circumstances Relief Policy;

Note: The composite reference number in the box at the top of the page is made up of the following information: Object/Support - Representation Number - Respondent Number - Plan Reference - Soundness Tests (if applicable).
**Community Infrastructure Levy Draft Charging Schedule**

**5438**  **Object**
Section 3: CIL Rates  Section 3: CIL Rates

* Considers the allowing developers to pay their CIL Liability through the provision of infrastructure; and

* Adopts a single flat rate levy across all development within its boundaries.

**Summary:** Any CIL schedule that imposes a substantial CIL charge on superstores or supermarkets and a very low or nil rate on all other uses could effectively undermine the retail function of local and town centres, detracting from their viability and vitality as large scale retail developers would be discouraged by the imposition of CIL.

**Change to Plan**

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**Attachments:**
SuffolkCoastalDraftChargingschedulesrepresentation.pdf

Note: The composite reference number in the box at the top of the page is made up of the following information:Object/Support - Representation Number - Respondent Number - Plan Reference - Soundness Tests (if applicable).
5440  Object
Section 3: CIL Rates  Section 3: CIL Rates

Respondent: Mr Clive Narrainen [3053]  Agent: N/A

Full Text: I object to Felixstowe being graded as Low.

Summary: I object to Felixstowe being graded as Low.

Change to Plan

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Attachments:
1.0 Introduction

1.1 These representations are made on behalf of Bentwaters Parks Ltd and Bentwaters Business Park Ltd; co-owners of the Bentwaters former airbase in Rendlesham. They answer Question 3 of the Community Infrastructure Levy draft Charging Schedule representation form. Bentwaters is identified on the attached plan in Appendix 1.

1.2 This site has planning permission for a wide range of employment related uses across some 140,000 square metres of floor space across a 380 hectare landscaped site.

1.3 These representations are made with the aim of ensuring that the District Council understand that the rural employment sites must remain fit for purpose1 and serve the need of business and the community.

(1 Para3.125 of the Haven Gateway Employment Land Review 2009)

2.0 Site Description and Rationale

2.1 Bentwaters is a former USAF airfield closed to military use in 1993 and formed the technical/airfield element of the former airbase with the residential element now formed of the village of Rendlesham which continues to grow in population.

2.2 The military legacy has left a large number of buildings of various types suiting a mixture of employment related uses with a mix of purpose built office units to warehousing and industrial units (former hangars and aviation workshops) and storage compounds.

2.3 The Bentwaters site currently provides for over 400 jobs (2 Updated Planning Statement for C/10/3239 Feb 2014) and offers some 140,000 square metres of consented employment related floor space, comprehensive site infrastructure including sustainable access to the neighbouring village and open, landscaped environments.

2.4 The following extracts are taken from the Haven Gateway Employment Land Study 2009 and set out the importance of this site (and similar rural employment sites) to the economy of the District:

3.72 The rural employment sites have a strong manufacturing and 'food stuffs' element, built on the agricultural past of the region. [...] Agents consider that these units will continue to prosper, but as they tend to have some owner / occupier element, any growth will be in close proximity to the original site or on land already owned by the occupier, rather than through moving to a new location.

SUFFOLK COASTAL CENTRAL

3.122 Suffolk Coastal Central comprises predominantly rural employment sites, half of which are based on former airfields.

3.123 The three former airfields include mainly distribution and warehouse uses. Most of the building stock is low quality former airfield and military buildings. Rents are relatively cheap due primarily to the low grade buildings, lack of amenities, perceived poor environment and poor access.

3.124 From site visits undertaken as part of the ELR it is noted that former airfields are popular business locations, including predominantly indigenous business uses. No specific sectoral concentrations or specialisms were noted on the sites, although there are a number of distribution companies maximising the space and nature of buildings (and low rental values) on numerous across the area.

3.125 The scale of activity on the former airfields, with very limited vacancy observed, including both 'non dirty' and 'dirty' uses with limited external impact, is considered to be strong. There are also clear indigenous business advantages to the continued use of these sites for employment purposes (B1, B2, B8) including ensuring that required investment (e.g. light touch public realm and building repairs) ensure that the sites are ‘fit for purpose’ whilst also maintaining low rental values.

2.5 The importance of the Bentwaters site (located on the Suffolk Lorry Route Network) for the local economy is supported by the Haven Gateway study. It has become a commercial and agricultural hub responding to local need and providing a location for indigenous businesses.

2.6 There are no other comparable alternative locations for these extant indigenous businesses, it is the principle employment site in the ‘Suffolk Coastal Central’ zone (see Appendix 2).

2.7 Further reinforcing this point because the wealth of businesses located at Bentwaters have no other comparable sites available to them in the locality their prosperity is inextricably linked to that location.

2.8 The key to the ongoing economic success of this site in the future is flexibility and cost effectiveness for businesses and this is recognised in the Haven Gateway Study.

3.0 Response to Question 3

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?

3.1 The CIL rates set out in the draft charging schedule that are relevant to this site come under the category ‘all other uses’.

3.2 The draft charging schedule proposes that the charge per square metre of floor space be £0. This matches the proposed charge for floor space at Adastral Park; itself a former airbase (between 1917 and 1963) which ‘has strong

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strategic importance (including good access and amenity provision) which would benefit from high quality employment functions" (Para 3.141 of the Haven Gateway Employment Land Study 2009).

3.3 Bentwaters and other rural employment sites in Suffolk Coastal District provide flexible tenancy arrangements on sites and in buildings more cost efficiently than available at, for example, Adastral Park.

3.4 The Haven Gateway Employment Land Study recognises that the rural employment sites will "continue to proposer" but that the continued success of these sites for employment uses required ensuring that investment be directed inwards to ensure the sites remain "fit for purpose whilst also maintaining low rental values".

3.5 The cost-efficient and flexible rental arrangements at sites like Bentwaters would undoubtedly be completely curtailed and would force businesses to seek out properties where such controls do not exist, were the proposed charge to be raised at all from £0 at any point in the future.

3.6 It is entirely appropriate for the District Council to keep the proposed charge for these sites at £0 to reflect the need of the 'indigenous' businesses that chose to locate themselves there.

3.7 To take any other approach would be to stifle Bentwaters and other similar rural employment sites, remove their flexibility and their ability to cater for the needs of local businesses in the District.

4.0 Conclusion

4.1 The owners of Bentwaters support the proposed floor space charge of £0 for 'all other uses' because this preserves their business models, so important for local businesses, and allows for inward investment keeping the sites "fit for purpose".

4.2 Were the charge to be increased in the future it is believed this would stifle the success of these sites and encumber business forcing companies to move outside of the District to, for example, Ipswich, Stowmarket, Sudbury and Colchester.

Summary:

4.1 The owners of Bentwaters support the proposed floor space charge of £0 for 'all other uses' because this preserves their business models, so important for local businesses, and allows for inward investment keeping the sites "fit for purpose".

4.2 Were the charge to be increased in the future it is believed this would stifle the success of these sites and encumber business forcing companies to move outside of the District to, for example, Ipswich, Stowmarket, Sudbury and Colchester.

Change to Plan  N/A

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Attachments:

SCDC CIL rep for Bentwaters Parks Nov 2014.pdf
Community Infrastructure Levy Draft Charging Schedule

5446 Support
Section 3: CIL Rates

Respondent: Swilland and Witnesham Parish Council (Sarah-Jayne Bailey) [3058] Agent: N/A

Full Text:
Witnesham & Swilland:
Thank you for the opportunity to participate in a consultation on the proposed "Community Infrastructure Levy Draft Charging Schedule".
We note the new arrangements and can see that Parishes will be tempted to support new development, as the resulting funding would be welcome for local projects.

As yet, there is little detail on how such funds would be accessed in practice. We would welcome an outline of this and how transparency would work.
We support the proposed charging rate for our Parish[s].

Summary:
Witnesham & Swilland:
Thank you for the opportunity to participate in a consultation on the proposed "Community Infrastructure Levy Draft Charging Schedule".
We note the new arrangements and can see that Parishes will be tempted to support new development, as the resulting funding would be welcome for local projects.

As yet, there is little detail on how such funds would be accessed in practice. We would welcome an outline of this and how transparency would work.
We support the proposed charging rate for our Parish[s].

Change to Plan: N/A

Not Specified Not Specified Not Specified Not Specified N/A

Attachments:

Note: The composite reference number in the box at the top of the page is made up of the following information: Object/Support - Representation Number - Respondent Number - Plan Reference - Soundness Tests (if applicable).
Respondent: Trinity College Cambridge (Mr Darren Cogman)

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 this 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 abnormals 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.

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 assumption used, it must be noted that this evidence is not comprehensive and not scheme specific and, therefore, the overall levels planning gain must be adjusted to take account of this.

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 this 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.

Summary:
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 abnormals which can be significant, whether on brownfield or greenfield sites. The level/scope of abnormal costs in schemes will only become apparent as the schemes come forward to be considered, and their presence will reduce the viability of schemes from the levels shown in the report. This will 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.

Change to Plan

Not Specified Not Specified Not Specified Not Specified None

Attachments:
DCS-Representation-Form-October-2014.pdf

Note: The composite reference number in the box at the top of the page is made up of the following information:Object/Support - Representation Number - Respondent Number - Plan Reference - Soundness Tests (if applicable).
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 allocation 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:

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<th>Value Type</th>
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<td>£13,500</td>
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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.

Summary:

Paragraph 5.2.8 of the Viability Report by P.B.A 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 determining what is a viable CIL rate.
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.

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Attachments:
Community Infrastructure Levy Draft Charging Schedule

5441  Comment
Appendices: Map of Charging Zones  Appendices: Map of Charging Zones

Respondent: Mr Stephen Beaumont [192]  Agent: N/A

Full Text: The Western boundary of the PBA Leiston Town Zone (found in the appendices) has been drawn arbitrarily. It should be moved further west to include the site by the cemetery (OS grid ref TM433688) SHLAA site 815 included. This is the largest of 4 sites identified in the Leiston Neighbourhood Plan for future housing development for the town.

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Attachments:
I offer the following comments on your consultative document.

1. Paragraph 2.2. I do not see as to why not all new builds and not most will be subject to CIL; I can see that there would always be a body of opinion that would contest any issue near the borderline cases. For instance; why is BT in the not paying any Community Infrastructure Levy (CIL) when they are constantly expanding their operation? Would this CIL be paid on the proposed new village on BT land?

2. I believe that the same sort of conflict will arise as with the previous case. Who would decide whether or not this type of extension is to be included in the CIL.

3. Appendices. I found that I could not understand the plans at all, on 3 points.
   1 the plans list the colours High Medium and Low, but what is high medium and low.
   2 There is no use made of these plans in the main document so why are they there?
   3 Adastral Park is shown as a red hashed box but in reality it is shown on the plans as a blue hashed area.

4. Readability. This document needs a glossary and references to make reading clearer. As in all cases the reference will not be read as it is an already agreed document. For instance, paragraph 2.1 there are two sentences in the paragraph, this paragraph could be shortened to one short sentence.

CIL was introduced in 2008 (ref 1) for developing infra-structure and the process will be based on the existing regulations (ref 2)

At the back of the document would be as below

Reference 1 national legislation, 2008 Planning Act
Reference 2 CIL regulations 2010 and amendments

I offer these comments in reply to your request on the 8/Oct/2014. I must admit I found the document extremely difficult to digest.

Summary:

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Note: The composite reference number in the box at the top of the page is made up of the following information: Object/Support - Representation Number - Respondent Number - Plan Reference - Soundness Tests (if applicable).