

BABERGH DISTRICT COUNCIL and MID SUFFOLK DISTRICT COUNCIL

From: Head of Economy	Report Number: P14
To: Strategy Committee Executive Committee	Date of meeting: 8 May 2014 12 May 2014

COMMUNITY INFRASTRUCTURE LEVY (CIL)

1. Purpose of Report

- 1.1 To provide the Committee with an update on the Community Infrastructure Levy (CIL) development programme and to launch the CIL Preliminary Draft charging schedule consultation.
- 1.2 To approve the proposed approach to the first stage of formal public consultation of the CIL Preliminary Draft Charging Schedule document.

2. Recommendations

- 2.1 That the progress on the CIL developmental programme to date and the future timetable for adoption as set out in paragraph 12.1- 12.5 of the report be approved.
- 2.2 That the launch of the public consultation for the CIL Preliminary Draft Charging Schedule document (referred to in Appendix 2) be approved.
- 2.3 That the Head of Economy be authorised to make typographical and other minor changes together with any technical changes as required to the CIL Preliminary Draft Charging Schedule document prior to its publication and the formal launch of the consultation period.

The Committee is able to resolve these matters.

3. Financial Implications

- 3.1 There are no specific financial implications identified from this report as this is simply a very early, evidence gathering, stage in the CIL programme developmental process. In due course there will be financial implications to consider for the Council's in setting a final rate to be tested for Examination and thereafter, in the adoption of a CIL. Councillors will be provided with relevant reports at a later stage in the programme of work.

4. Risk Management

- 4.1 There are no risks arising from this consultation itself. However, post April 2015, a significant tightening of Section 106 planning obligations is likely to disadvantage the Councils in collecting funds for infrastructure provision. Failure to utilise developer contributions in a timely and effective manner represents a lost opportunity to provide community benefits and mitigate the impact of development.

4.2 This report is most closely linked with the key risks which are set out below:

Risk Description	Likelihood	Impact	Mitigation Measures
Developer awareness/ engagement	Moderate	Moderate	CIL consultation and technical workshops
Insufficient timescales for responses	Unlikely	Low	CIL consultation and technical workshops
Raised expectations	Moderate	Low	Establish the CIL funding gap and present early draft of areas of priority infrastructure (draft Reg 123 list)

5. Consultations

5.1 This report provides the launch for the formal engagement elements of this programme of work; this will include work with key stakeholders (i.e. the developer sector, Town and Parish Councils, statutory partners and individuals). A councillor reference group has been convened from the planning policy group membership to provide oversight and review at key stages in the programme. The political leadership for the Councils has also been engaged through the Joint Member Integration Board and the Political Leaders Group and Portfolio Holders Group for the respective Councils.

6. Equality Analysis

6.1 This report has no specific equality impact in itself, as it relates to statutory requirement to consult on the CIL Preliminary Draft Charging Schedule. However the underpinning engagement programme will provide the opportunity for all communities and individuals that may be impacted by the CIL charging schedule to understand the impact and implications of the proposed approach and provide representations.

7. Shared Service / Partnership Implications

7.1 In the context of the shared services arrangements between Babergh and Mid Suffolk Councils it is appropriate to run a parallel and aligned approach to the CIL Preliminary Draft Charging Schedule consultation. There would also be substantial benefit in developing the CIL work for both Councils with the same timetable so that a joint Examination can be conducted. However, the specific approach to relevant consultation responses, consideration of the revised CIL rates prior to Examination, and whether to adopt the CIL will be key decisions requiring separate determination for each sovereign Council.

8. Key Information- Community Infrastructure Levy

Introduction

- 8.1 The CIL Regulations came into force in April 2010. CIL is a new levy which Local Planning Authorities can choose to charge against most types of new development in their area to help pay for infrastructure such as schools, transport schemes, libraries, parks, leisure facilities and other strategic infrastructure that is required to support the new development. This includes development that does not require planning permission.
- 8.2 While CIL is an optional charge, the Regulations significantly limit the use of S106 agreements, particularly after April 2015. These restrictions, principally the limitation on pooling of contributions, will make S106 impractical as a source of developer contributions for some forms of strategic infrastructure (e.g. green spaces).
- 8.3 CIL charges must take the form of a charge per net additional square metre of floor space arising from a development. CIL may be charged differentially across an authority's area and different charges may be set for different uses.
- 8.4 An authority wishing to implement CIL must produce a charging schedule setting out the levy's rates in its area. A key requirement of CIL and setting the charging rates is that an appropriate balance is struck between the desirability of funding infrastructure from the levy and the potential effects that imposing the levy may have upon the economic viability of development. The chosen CIL rates should be set at a level that ensures development within the authority's area as a whole, based on the plan provision, is not put at serious risk.

What Development will be liable for a CIL

- 8.5 CIL applies to most buildings that people normally use, with the levy being potentially chargeable on most types of new development. Developments exempt from CIL charging are summarised as follows:
- developments providing an addition of less than 100 sq. m in gross internal floor area to an existing building, for example, a small extension to a house or to a commercial / non-residential property, or a non-residential new-build of less than 100 sqm; affordable housing;
 - development by charitable bodies and used for charitable purposes; buildings into which people do not normally go and buildings into which people go only intermittently for the purpose of inspecting or maintaining fixed plant or machinery; and,
 - changes of use

How the charge will be levied

- 8.6 The CIL Charging Schedule sets out which forms of development will be liable to pay CIL and what the charges will be. Charges must be levied in £s per square metre of gross internal floorspace arising from any chargeable development. Only the net additional floorspace on a development site will be liable for CIL, so that existing floorspace on a site will be discounted against any new floorspace for the purposes of calculating CIL liability.

Spending and allocation of the CIL

- 8.7 CIL will deliver additional funding for the local authority (and other infrastructure providers) to carry out a wide range of projects that support growth and benefit the local community and provide the infrastructure to support growth. Local Town and Parish Councils will receive 15% of the CIL relating to new development in their area with a cap of £100 per dwelling or 25% (uncapped) where a neighbourhood plan is in place.
- 8.8 The remaining proportion of CIL must be spent by the charging authority in accordance with its stated infrastructure priorities. Authorities must produce and publish for consultation a list of spending priorities in accordance with Regulation 123 of the Community Infrastructure (2010) (as amended) Regulations. This list must relate to the infrastructure requirements identified by the local authority. The Regulation 123 list will be Examined and agreed at the same time as the Draft Charging Schedule. Any subsequent changes to the infrastructure list can be reviewed directly by the charging authority. The Council will make its formal draft Regulation 123 infrastructure list available for comment as part of the public consultation on the Draft Charging Schedule.

Benefits of a CIL charging framework

- 8.9 The introduction of CIL is intended to:
- provide a clearer mechanism for funding infrastructure in a given area, and give developers more certainty from the outset (when they are formulating a development proposal) about how much money they will be expected to contribute towards infrastructure provision;
 - give local planning authorities a predictable funding stream that allows them to plan for the future more effectively;
 - give local authorities as charging authorities the freedom to set their own priorities for what infrastructure the money raised through CIL should be spent on;
 - benefit local communities who agree to development in their area by securing funding to be spent on a wide range of infrastructure; and
 - make the system more transparent for local people, as local planning authorities (and Town and Parish Councils) are required to report each year on how CIL money generated in their area has been spent.

Setting the charge

- 8.10 The regulations require two distinct aspects to be considered before setting any charges. Firstly, Regulation 14 of the CIL regulations states that, 'in setting rates (including differential rates) in a charging schedule, a charging authority must aim to strike what appears to the charging authority to be an appropriate balance between:
- (a) the desirability of funding from CIL (in whole or in part) the actual and expected estimated total cost of infrastructure required to support the development of its area, taking into account other actual and expected sources of funding; and
 - (b) the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area.

9. The Suffolk Context

- 9.1 The Council has been working jointly with other Suffolk local authorities, for around 2 years to gather and test robust viability evidence. In particular, discussions have been held with various officers involved in the process across both Districts and at Suffolk County Council. Waveney District Council adopted a CIL in August 2013, Suffolk Coastal District Council is at a similar stage to Babergh and Mid-Suffolk Councils, and Ipswich Borough Council has recently consulted and is assessing feedback to its CIL Preliminary Draft Charging Schedule. There is no current information on the CIL stages of both St Edmundsbury and Forest Heath District Councils.

10. Viability assessment

- 10.1 The Councils have been working with other Suffolk Districts and the County Council to gather and prepare the evidence required for the introduction of a CIL in each authority area. Both Councils have an adopted Core Strategy identifying future growth and respective Infrastructure Delivery Plans ("IDP") which itemises the infrastructure needs and costs associated with the identified growth strategies.
- 10.2 A district-wide viability report covering both Babergh and Mid-Suffolk Districts has been prepared by independent consultants (Peter Brett Associates) and provides a set of recommended CIL charges. The report can be found at Appendix 1. In the current economic climate, the proposed rates are considered the optimal balance between securing funds for infrastructure provision and ensuring that the bulk of development expected remains viable. The Regulations and guidance require Councils to have regard to the viability evidence when setting the proposed CIL rates.
- 10.3 This independent viability assessment (Appendix 1) has formed the key evidence base for the Councils' CIL Preliminary Draft Charging Schedule document.

11. Launch of the CIL Preliminary Draft Charging Schedule consultation

- 11.1 The draft consultation document for the CIL Preliminary Draft Charging Schedule (Appendix 2) has been produced consistent with the recommendations from the consultant's viability study. This consultation represents an early stage in the CIL process and is important to gather market feedback on the CIL evidence and proposed charges. Crucially, it will enable the Councils to develop further evidence and will then inform the debate and decisions to be taken over the final CIL charges, and areas to include in the Draft Charging Schedule for Examination.
- 11.2 The consultation is being carried out in accordance with Regulation 15 of the Community Infrastructure Regulations 2010 (as amended). Comments are invited on any points raised by this consultation document and its supporting evidence, and in particular the assumptions applied and the proposed rates set out in the Preliminary Draft Charging Schedule (PDCS).
- 11.3 An engagement programme has been developed to ensure that key stakeholders, communities and Councillors are able to fully understand the impact of the proposed changes. An effective publicity campaign and use of existing avenues for engagement (i.e. biannual Parish/Town liaison meeting in June 2014) will ensure that the key stakeholders are fully aware and can input into the CIL consultation process.

12. CIL adoption process

- 12.1 The formal process for development of and consultation on a CIL draft final charging schedule is prescribed in legislation through regulations and guidance. Following the initial CIL Preliminary Draft Charging Schedule consultation, the Council will undertake the following stages of the process.
- 12.2 Firstly the Council will consider all responses to the initial consultation, make changes as necessary and then publish its Draft Charging Schedule for a further public consultation. This process will be reviewed by a Member reference group with recommendations made to the Strategy and Executive Committees with regard to the revised document known as the CIL Draft Charging schedule. This is expected to be around October 2014.
- 12.3 Following this second consultation the Draft Charging Schedule and all supporting evidence will be submitted to the Planning Inspectorate to allow for an Examination in Public to take place which will be overseen by an Independent Examiner.
- 12.4 The appointed Examiner will consider any representations submitted at that stage. Anyone who makes a representation will have the right to be heard by the Examiner. The Examiner may recommend approval of the Charging Schedule with or without modifications.
- 12.5 The Charging Schedule may only come into effect on a date to be specified once it has been approved by a resolution of Full Council. Only then will the charge be levied on new relevant development applied for after the commencement date.

13. Linked elements of the Community Infrastructure Levy programme

- 13.1 In addition to the development of an adoptable CIL charging scheme and associated engagement programme, there are a number of linked projects required to deliver the overall CIL environment and operational framework. These include:
- 13.2 An implementation programme to ensure that effective and efficient processes, procedures and systems are in place to identify, collect and manage CIL funds, and ensure that this dovetails with the existing and future arrangements for S106 funds.
- 13.3 A project to complete the work currently underway to align the management and monitoring of the existing S106 environment across the two Councils, and examine the opportunities to align future approaches to setting the parameters for S106 agreement development.
- 13.4 Development of the policies and processes and procedures for the determination and allocation of CIL funds to infrastructure projects and programmes highlighted in the Regulation 123 list and Council's Infrastructure Delivery Plan (see Appendix 3)

14. Appendices

Title	Location
1. Babergh and Mid Suffolk Community Infrastructure Levy Viability Study	http://bdcdocuments.onesuffolk.net/assets/Uploads/Committees/Committee-Reports/Reports-2014-15/080514-Appendix-1-CIL.pdf
2. Babergh and Mid Suffolk Community Infrastructure Levy Preliminary Draft Charging Schedule (draft consultation document).	Attached
3. Babergh Infrastructure Delivery Plan	http://www.babergh.gov.uk/assets/Uploads-BDC/Economy/Strategic-Planning-Policy/LDF/Evidence_Studies/BDC-Inf-Prog-2013.pdf

15. Background Documents

None

Authorship:

Name: Matt Deakin
Job Title: Spatial Planning Policy Officer

Tel. 01473 825747
Email: matt.deakin@babergh.gov.uk

APPENDIX 2

Babergh District Council and
Mid-Suffolk District Council

Community Infrastructure Levy

Preliminary Draft Charging Schedule - April 14



Contents

Page

1. Introduction	3
2. The principles of CIL	4
2.1. What is CIL?	4
2.2. What are the benefits of CIL?	4
2.3. What development will be liable for CIL?	5
2.4. Exceptions and discretionary relief from CIL	5
2.5. The relationship between CIL and other planning obligations	6
2.6. When is CIL payable?	7
2.7. The evidence base	7
2.8. Infrastructure delivery plan	8
2.9. Funding gap	9
2.10. Viability assessment	9
3. The Preliminary Draft Charging Schedule (PDCS)	10
APPENDIX A – AREAS OF KEY INFRASTRUCTURE PRIORITIES	12
APPENDIX B - BABERGH PRELIMINARY DRAFT CHARGING SCHEDULE	13
APPENDIX C – MID-SUFFOLK PRELIMINARY DRAFT CHARGING SCHEDULE	14

1. Introduction

- 1.1. This consultation document sets out the Community Infrastructure Levy (CIL) Preliminary Draft Charging Schedule for Babergh District Council and Mid-Suffolk District Council (“the Councils”). The consultation will be carried out in accordance with Regulation 15 of the CIL Regulations 2010 (as amended).
- 1.2. The Councils respective Local Plan - Core Strategy documents propose growth for the Districts in the form of new homes and jobs. To ensure that this growth is sustainable, infrastructure such as roads, public transport, school places, health facilities and open space needs to be provided. Each Council has produced an Infrastructure Delivery Plan (IDP) which has looked at the infrastructure required to support the development envisaged by the Core Strategies. Both, the [Babergh IDP \(2013\)](#) and the Mid-Suffolk IDP (2014) documents are available on the Council websites at www.babergh.gov.uk and www.midsuffolk.gov.uk
- 1.3. It is important that developers contribute towards providing for the infrastructure needs that development creates. The introduction of the Community Infrastructure Levy Regulations in 2010 established a new way for local authorities to raise funds from developers to achieve this.
- 1.4. Local authorities who wish to charge the levy must produce a draft charging schedule setting out CIL rates for their areas. CIL is levied on the internal floorspace of most new-build development so the rates are expressed as pounds per square metre (sqm). Before CIL may be adopted by the Council, the draft schedule has to be approved by an independent examiner.
- 1.5. As well as formally setting out the Preliminary Draft Charging Schedule for consultation, this document gives a brief summary of CIL, the key requirements for setting the levy and the evidence base which has been used to inform the proposed charging schedule.
- 1.6. The Council, as the CIL charging authority, is required to consult with residents, local communities, businesses and stakeholders on the proposed levy rates.
- 1.7. This consultation on the Preliminary Draft Charging Schedule is the first of two consultations which are required under the Regulations. They will be followed by an Examination-in-Public of the Draft Charging Schedule which will be conducted by an independent examiner appointed by the Council.
- 1.8. More information on the CIL, can be found on the Government’s website at: <https://www.gov.uk/government/policies/giving-communities-more-power-in-planning-local-development/supporting-pages/community-infrastructure-levy>

2. The principles of CIL

2.1. What is CIL?

- 2.1.1. The Community Infrastructure Levy (CIL) was introduced in the Planning Act 2008 and defined in the CIL Regulations 2010 (as amended). This legislation also restricts the use of planning obligations, sometimes known as 'Section 106 agreements'.
- 2.1.2. It is a locally set charge on new development that authorities can choose to introduce across their area. It is based on the size and type of development and once set in an area is mandatory to pay and non-negotiable. The funds raised must be used to provide infrastructure which is required to support new development across the area.
- 2.1.3. The requirements which a local authority, or 'charging authority', setting a CIL charging schedule has to meet are set out in:
- a) The Planning Act 2008 (as amended by the Localism Act 2011);
 - b) The CIL Regulations 2010, as amended in 2011 and 2012 and 2013 and 2014;
 - c) The CIL Guidance issued under S221 of the Planning Act 2008, which is statutory guidance.

2.2. What are the benefits of CIL?

- 2.2.1. CIL provides a simpler and more transparent process than the collection of funds and provision of infrastructure under the Section 106 procedures. The Government suggests there are a range of benefits when local authorities introduce the levy. These include:
- a) CIL collects contributions from a wider range of developments, providing additional funding to allow local authorities to carry out a range of infrastructure projects that not only support growth but benefit the local community;
 - b) CIL gives authorities greater flexibility to set their own priorities on projects benefitting the wider community affected by development, unlike Section 106 funds which require a direct link between a contributing development and an infrastructure project;
 - c) CIL provides developers with clarity about the level of contributions which are required from any development and provides transparency for local people;
 - d) CIL is non-negotiable and therefore should save time by removing the need for negotiations between the local authority and developers as occurs on S106;
 - e) CIL is fair as it relates the contribution to the size of the development in terms of new floorspace;

- f) Parishes where development takes place will receive their own portion of the CIL to spend on the infrastructure they want. In areas where there is no neighbourhood plan this will be 15%, capped at £100 per existing dwelling. Where a neighbourhood plan is in place the portion is an uncapped 25%.

2.3. What development will be liable for CIL?

2.3.1. Most buildings that people normally use are liable to pay the levy, whether the proposal is for a new building or an extension which results in 100 sqm or more of net increase in gross internal floor space. Development which is less than 100 sqm but which involves the creation of an additional dwelling will also be liable.

2.3.2. CIL rates are expressed as pounds (£s) per sqm, as this will be levied on the gross internal floorspace of the net additional liable development.

2.4. Exceptions and discretionary relief from CIL

2.4.1. The CIL Regulations outline that some development will not be subject to a charge:

- a) Development of less than 100sqm, unless it is a whole house, in which case the levy is payable;
- b) Self-build dwellings and residential annexes and extensions;
- c) Those parts of a development which are to be used as affordable housing;
- d) Development by registered charities for the delivery of charitable purposes;
- e) Buildings into which people do not normally go, buildings which people only enter intermittently for the purposes of inspection or maintenance, and structures which are not buildings, such as pylons;
- f) Specified types of development which local authorities have decided should be subject to 'zero' rate and specified as such in their charging schedules;
- g) Vacant buildings brought back into the same use, but where there is no increase in floorspace.

2.4.2. Self-build has been defined as private individuals who typically self-finance their own projects and who build or commission the construction of their own home, either working on their own or working with builders.

2.4.3. The CIL Regulations state that discretionary relief can be made available for charitable investment if the charging authority chooses to make it available in its area and publishes a local policy. To be considered for relief, the whole or greater part of the chargeable development must be

held as an investment from which the profits will be applied for charitable purposes.

2.4.4. The CIL Regulations also state that discretionary relief can be made available for 'exceptional circumstances' however relief can only be given where the following eligibility criteria set out in the Regulations are fulfilled:

- a) The claimant owns a material interest in the land;
- b) A Section 106 Planning Obligation has been entered into in respect of the planning permission which permits the chargeable development; and

The charging authority considers that:

- c) Requiring payment of the charge would have an unacceptable impact on the economic viability of the chargeable development; and
- d) Granting relief would not constitute State Aid.

2.4.5. The Councils have used the significant development viability evidence it has commissioned to inform and set CIL rates which are expected to be affordable and deliver the growth anticipated in the Core Strategies. Accordingly, the Council does not propose to make discretionary relief available for exceptional circumstances.

2.5. The relationship between CIL and other planning obligations

2.5.1. The use of 'Section 106' planning obligations has been scaled back by the Government to ensure there is no overlap between obligations and CIL. Pooling of obligations from more than five schemes is restricted after April 2015. This is because CIL is intended to take over the collection and pooling of funds to deal with the cumulative demands on infrastructure caused by development across a district.

2.5.2. However, there may be some site-specific infrastructure requirements, without which, planning permission should not be granted. Some of these needs may be provided with levy funds but some may be very local or specific, perhaps arising only from one or a small group of major developments in an area, such as the proposed growth at Sudbury/Great Cornard and Stowmarket which are allocated. For this reason, while planning obligations have been scaled back, they have not been abolished.

2.5.3. To safeguard developers, authorities cannot charge for the same items through both planning obligations and CIL. Under CIL Regulation 123, they should show which items or types will not be subject to planning obligations by publishing a list of infrastructure projects or types they intend will be or may be funded by CIL. The 'Regulation 123 list' is presented as supporting evidence when the CIL Draft Charging Schedule

is Examined, but it is not part of the charging schedule as it can be reviewed and changed independently of it.

- 2.5.4. The Councils are making an indicative draft Regulation 123 list available alongside this consultation (Appendix A), which sets out the broad areas of anticipated CIL priority spending. A Supplementary Planning Document will be produced in due course to create transparency over the way it is intended the two methods (CIL and planning obligations) will work together to help provide the infrastructure our communities need.

2.6. When is CIL payable?

- 2.6.1. Liability to pay CIL is triggered by commencement of the development. By default it must be paid within 60 days, but for schemes with phased outline permission payment will be triggered separately for each phase. In addition, authorities can set their own policies allowing all large liabilities to be paid by instalments. To implement this, the Council would be required to publish an instalment policy on its website. Such a policy would not be part of the charging schedule and could be changed independently of it. By law, an instalment policy would apply to all developments and could contain only the following:

- a) The number of instalment payments;
- b) The amount or proportion of CIL payable in any instalment;
- c) The time from commencement by which the first and subsequent instalments must be paid;
- d) Any minimum amount of CIL below which CIL may not be paid by instalment.

- 2.6.2. The Council will consider introducing an instalment policy and is seeking views on the above points.

2.7. The evidence base

- 2.7.1. To set a CIL charge, an authority must first show there is an overall need for infrastructure funding to support the Local Plan, and that there is a funding gap because other sources of funding will not be sufficient to provide all that is necessary.

- 2.7.2. Having established a funding gap, the law requires a charging authority to strike an appropriate balance between raising funds from developers towards infrastructure to support the development envisaged in the Local Plan, and the effect of taking those funds on the viability, and so deliverability of that development. In other words, the proposed CIL must have a positive effect and support, not threaten, delivery of the Local Plan. The authority will be required to explain that balance at the CIL Examination-in Public.

2.7.3. To help strike and explain that balance, the CIL charging schedule must be informed by appropriate available evidence, which includes the Local Plan (to show the development envisaged), the Infrastructure Delivery Plan (to demonstrate broad need for infrastructure and a funding gap), and a Viability Study to assess the likely impact of CIL on the viability of development envisaged in the Local Plan. Full details of these evidence base documents are as follows:

- a) Babergh District Council Infrastructure Delivery Plan (Navigus Planning, February 2013)
- b) Babergh & Mid-Suffolk Community Infrastructure Levy Viability Study (Peter Brett Associates, April 2014)
- c) Babergh Local Plan 2011 – 2031: Core Strategy & Policies (February 2014)
- d) Mid-Suffolk Core Strategy Development Plan Document (September 2008)
- e) Mid-Suffolk Core Strategy Focussed Review (December, 2012)
- f) Mid-Suffolk District Council Infrastructure Delivery Plan (Navigus Planning, April 2014)

2.7.4. The evidence which supports the Preliminary Draft Charging Schedule is available on the Councils' website at www.babergh.gov.uk and www.midsuffolk.gov.uk

2.8. Infrastructure delivery plan

2.8.1. The IDP identifies the infrastructure requirements necessary to support the anticipated development and growth across the District and so demonstrate that the policies and proposals contained within the LDP will be delivered in accordance with the principle of sustainable development.

2.8.2. The IDP identifies the lead organisations to deliver and manage infrastructure. In addition, it identifies the infrastructure costs arising as a result of development put forward in the Local Plan and where feasible aligns with the aims and objectives of other local and sub-regional strategies. It outlines how costs may be met in order to ensure necessary infrastructure can be delivered and informs policy on the continued use of planning obligations, particularly on major sites such as Sudbury/Gt Cornard and Stowmarket, which informs the assessment of the viability of the Local Plan and proposed CIL rates.

2.8.3. To provide transparency over the Councils intends to use CIL and planning obligations together in a complementary way to help provide infrastructure, the Councils are making draft 'Regulation 123' lists available alongside this consultation.

2.9. Funding gap

- 2.9.1. In assessing likely funding sources, the IDP will provide evidence for an aggregate funding gap over the plan period. The IDP is therefore a key part of the evidence base to inform the justification of the Council's CIL Preliminary Draft Charging Schedule, as well as forming part of the Local Plan evidence base.
- 2.9.2. Revenue from CIL is not expected to bridge the funding gap entirely, but it is expected to have a significant impact on available finances to enable the Councils to bring forward infrastructure for sustainable development.
- 2.9.3. It is not possible at this stage to be definitive about the total cost of infrastructure or about the funding gap. Indeed, this position will change over time. As such, the funding gap position is subject to change.
- 2.9.4. Based on the most recent assessment of infrastructure needs, costs and funding, there is currently a funding gap in Babergh totalling around £76m. The funding gap in Mid-Suffolk is currently totally around £106m.
- 2.9.5. For residential development, based on the proposed growth allocated in the Local Plan and the charges proposed in Appendix B, it is currently estimated that CIL could raise in the region of £25-30m in Babergh, and £25-30m in Mid-Suffolk over the plan period up to 2031. These funds will help to address the funding gap and contribute to local infrastructure needs. This takes into account the approach for major strategic sites to contribute to infrastructure needs they create separately via planning obligations, and so represents a significant contribution towards delivering sustainable development in Babergh and Mid-Suffolk Districts.

2.10. Viability assessment

- 2.10.1. The Councils commissioned Peter Brett Associates to assess the feasibility and viability of a CIL in the context of the growth proposed in the respective Core Strategy documents. The assessment considered the policy requirements, including for the provision of affordable housing and infrastructure contributions via planning obligations. The study also considered the viability of a selection of strategic development sites, and assessed the effect which the introduction of CIL may have on development viability.
- 2.10.2. The CIL rates proposed in the Preliminary Draft Charging Schedule have been based on the results of these assessments of viability across the two Districts. The consultants tested different development types and scenarios. Evidence was collected from a variety of sources including discussions with local landowners, agents and developers for information on property sales and values and to inform assumptions on the costs of

development. The testing examined the effects of different levels of affordable housing contribution and took account of the impact on development viability of other policy costs faced by development, including other planning obligation costs.

- 2.10.3. The assessment found that, generally, residential development was sufficiently viable to pay CIL except some of the strategic sites with significant s106 costs such as Chilton Woods, Sudbury/Gt Cornard and Chilton Leys, Stowmarket. These sites have high infrastructure costs associated with development, which would render development unviable if a CIL rate was required in addition to policy requirements in the Local Plan. Convenience retail developments such as supermarkets were found to be viable based on a higher rate of CIL.

3. The Preliminary Draft Charging Schedule (PDCS)

- 3.1.1. The Council's respective Preliminary Draft Charging Schedules are set out in Appendix B and C.

- 3.1.2. The Preliminary Draft Charging Schedules are available for consultation from [redacted] to [redacted].

- 3.1.3. Babergh and Mid-Suffolk District Councils would like your views on the Preliminary Draft Charging Schedules and in particular responses on the following questions:

- I. Do you feel that the proposed rates are suitably informed by the viability evidence provided in the Community Infrastructure Levy Viability Study (April 2014).
- II. Do you believe the evidence on viability is correct? If not, please set out alternative evidence to support your view.
- III. Do you think the rates proposed strike an appropriate balance between helping to fund infrastructure through CIL and the potential effects of imposing CIL on the viability of development set out in the Local Plan?
- IV. Do you think the Council should introduce an instalments policy for payment of CIL monies?
- V. Do you think the Council should include discretionary relief from CIL for charitable investment or 'exceptional circumstances'?
- VI. Are the indicative areas of infrastructure to be wholly or partly funded by CIL appropriate?

VII. Do you have any other comments on the Preliminary Draft Charging Schedule or supporting evidence?

3.1.4. Copies of this document, including the Preliminary Draft Charging Schedule, are available for inspection online at www.babergh.gov.uk , www.midsuffolk.gov.uk and at Babergh and Mid-Suffolk District Council Offices. All evidence base documents are available online and from the District Council Offices.

3.1.5. In order to assist the Council processing and considering responses effectively, **please note that comments MUST be made on the prescribed CIL response forms**. The Council's will not be able to accept comments otherwise. A response form is attached to the back of this document and is also available as a separate document at www.babergh.gov.uk , www.midsuffolk.gov.uk Completed forms can be emailed to the Council at _____@_____.gov.uk. Alternatively they can be posted to:

CIL Consultation
Planning Policy
Babergh District Council
Corks Lane
Hadleigh
Ipswich
IP7 6SJ

3.1.6. All comments must be received by _____.

3.1.7. Following this consultation, the Councils will review the comments received together with any other evidence that emerges and use the findings to inform the next stage, which is the preparation of a Draft Charging Schedule.

3.1.8. Once the Council considers that the Draft Charging Schedule is ready for an Examination, it will publish the document for consultation. During this period, representations can be made and any person making a representation has the right to be heard at the CIL Examination.

APPENDIX A – AREAS OF KEY INFRASTRUCTURE PRIORITIES

Under Regulation 123 of the CIL Regulations, the Councils are required to each publish a list of infrastructure which may be wholly or partly funded through CIL. At this early stage, the lists below are indicative and identify the general areas of infrastructure which the Councils consider to be priorities for CIL funding. The list is flexible and can and will change over time, as the infrastructure needs and priorities from development change. It is anticipated that it will be reviewed annually by each Council as part of the monitoring of CIL collection and spend.

The final detailed Regulation 123 infrastructure lists will be produced and consulted upon along with the Draft Charging Schedules and will be submitted for Examination.

Babergh District Council – draft infrastructure priorities

- Education
- Green Infrastructure
- Ecological networks
- Strategic transport
- Health
- Sports facilities
- Cultural infrastructure (museums, libraries, art etc)
- Improvements to pedestrian and cycle networks
- Strategic flood risk management
- Waste reduction and recycling
-

Mid-Suffolk District Council – draft infrastructure priorities

- Education
- Green Infrastructure
- Ecological networks
- Strategic transport
- Health
- Sports facilities
- Cultural infrastructure (museums, libraries, art etc)
- Improvements to pedestrian and cycle networks
- Strategic flood risk management
- Waste reduction and recycling
-

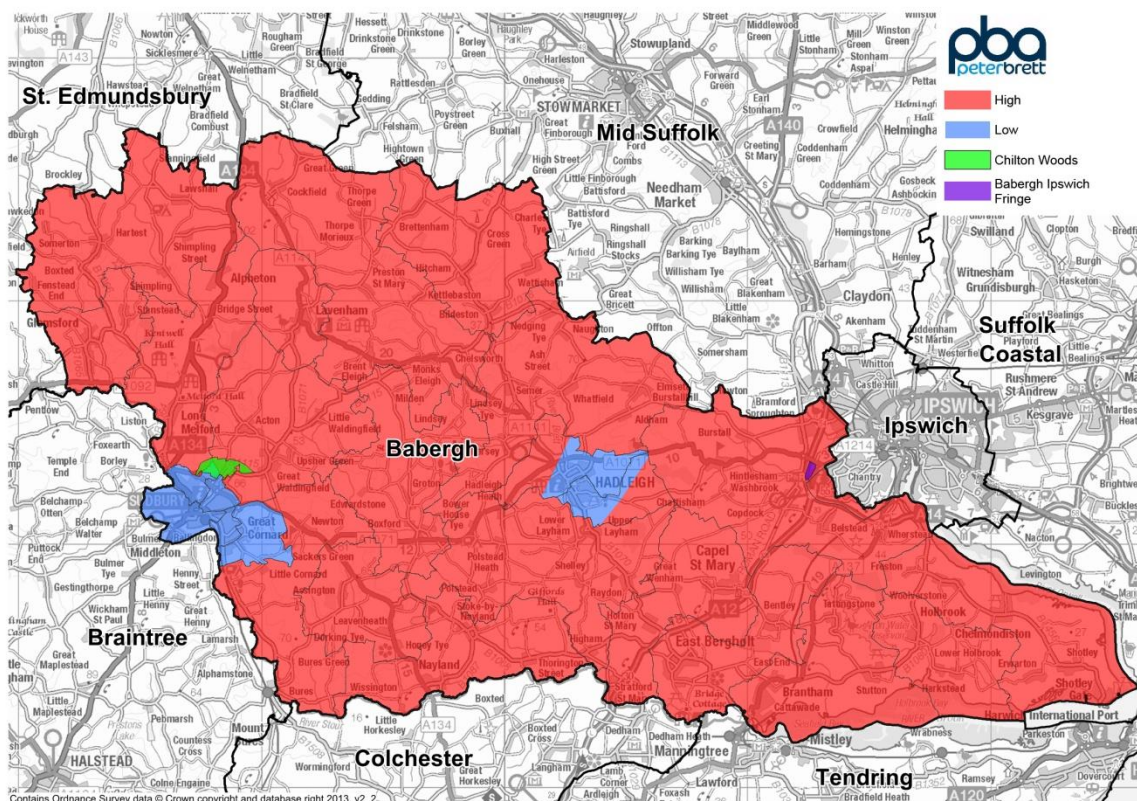
APPENDIX B - BABERGH PRELIMINARY DRAFT CHARGING SCHEDULE

The Community Infrastructure Levy proposed charging rates for development across Babergh District Council are as follows:

Babergh District Council:

Development Type	Proposed CIL rate (per sqm)
Residential development – low zone (1-2 dwellings)	£90
Residential development – low zone (3+ dwellings)	£50
Residential development – high zone	£115
Babergh Ipswich Fringe	£40
Chilton Woods	£0
Wholly or mainly Convenience retail	£120
All other uses	£0

The proposed Babergh charging zones can be seen on the map below and should be read with the proposed charging rates:



APPENDIX C – MID-SUFFOLK PRELIMINARY DRAFT CHARGING SCHEDULE

The Community Infrastructure Levy proposed charging rates for development across Mid-Suffolk District Council are as follows:

Mid-Suffolk District Council:

Development Type	Proposed CIL rate
Residential development – low zone (1-14 dwellings)	£75
Residential development – low zone (15+ dwellings)	£50
Residential development – high zone	£115
Chilton Leys	£0
Wholly or mainly Convenience retail	£100
All other uses	£0

The Mid-Suffolk charging zones can be seen on the map below and should be read with the proposed charging rates:

