

BABERGH DISTRICT COUNCIL

From: Head of Economy	Report Number: R85
To: Council	Date of meeting: 20 January 2016

ADOPTION OF COMMUNITY INFRASTRUCTURE LEVY

1. Purpose of Report

- 1.1 To provide the Council with an update on the Community Infrastructure Levy (CIL) following Examination and to seek approval for the Babergh Community Infrastructure Levy Charging Schedule in accordance with Section 213(3B) of the Planning Act 2008 (as amended). Also to seek approval of supporting documentation in order to facilitate the implementation of CIL on all planning applications determined from 11th April 2016.

2. Recommendations

- 2.1 That the Charging Schedule (as detailed in Appendix B), which includes the modifications proposed by the Examiner, as summarised at paragraph 10.11, be adopted for implementation on 11th April 2016.
- 2.2 That the Instalments Policy (as detailed in Appendix F) and Regulation 123 List (as detailed in Appendix E) be adopted and implemented alongside the Charging Schedule on 11th April 2016.
- 2.3 That delegated authority be given to the Strategic Director to make changes to the Instalment Policy when necessary to ensure that it can respond to changing circumstances and remain relevant to the types of scheme coming forward in the district.
- 2.4 That delegated authority be given to the Strategic Director to make changes to the Regulation 123 List when necessary to ensure the continued effective operation of the CIL and the Section 106 planning obligations regime.

3. Financial Implications

- 3.1 There are financial implications to consider for the Council, in the adoption and running of a CIL charging framework.
- 3.2 The CIL is intended to ensure that owners and developers of land make a contribution towards the delivery of infrastructure required as the CIL rates are considered an up-front cost to be deducted from the value of the land itself (i.e. not added on to the price of a house at the end).

- 3.3 Current estimates of S106 funding generated (prior to the legislative pooling restrictions) amount to approximately £0.8m/yr for the Council. If a CIL is adopted, it is currently estimated that it could generate approximately £1m/yr of funding for the Council to spend on infrastructure over the next 15 years (in accordance with the CIL infrastructure list).
- 3.4 In accordance with the CIL Regulations, upon CIL implementation there is a requirement that a 'Neighbourhood Portion' of the Council CIL funding generated must be passed on directly to local communities where CIL liable development takes place. This is at least 15% in all parishes (subject to capping restrictions), and is increased to 25% for those areas which have an adopted Neighbourhood Plan.
- 3.5 If a CIL is adopted, within the Community Infrastructure Levy Regulations the Council can reclaim the administrative costs of both the development and implementation of the Community Infrastructure Levy. Up to 5% of the total CIL collected can be reclaimed to cover these costs within the first three years.
- 3.6 Currently the development and first three years of the implementation costs of CIL has been funded through the Transformation Fund. The Fund will be reimbursed as income is collected from CIL. The predicted CIL fund levels indicate that implementation costs will be less than the 5% threshold and therefore self-financing.
- 3.7 Conversely, if the Council does not adopt CIL, the significant restrictions imposed on Section 106 planning obligations are likely to seriously disadvantage the Council in collecting funds for infrastructure provision, as the Council is now restricted to a maximum of 5 individual agreements per infrastructure item. This limit means that no tariffs can be applied or 'pots' built up to fund infrastructure.

4. Legal Implications

- 4.1 The CIL Charging Schedule has been developed in line with the requirements of the Planning Act 2008 and the Community Infrastructure Levy Regulations 2010 ("CIL Regulations") as amended.
- 4.2 The proposed Regulation 123 List is made pursuant to the CIL Regulations 2010 as amended.
- 4.3 The Charging Schedule has been found to be in compliance with the relevant legislation and statutory guidance by an independent Examiner. In accordance with the Planning Act 2008 (as amended) the Council has had regard to the Examiner's recommendations and the reasons for them and has incorporated her recommendations within the Charging Schedule.
- 4.4 The CIL Regulations and Planning Practice Guidance state that the Charging Schedule must be formally approved by a resolution of full Council. The resolution should include an appropriate commencement date. Under the Regulations, this is noted as the beginning of the day on which it takes effect. The recommended commencement date is **11th April 2016**.

5. Risk Management

5.1 Key risks are set out below:

Risk Description	Likelihood	Impact	Mitigation Measures
Legal challenge to CIL adoption	Unlikely	Severe	The CIL has been rigorously tested at Examination for legal compliance and has been recommended for adoption by the Examiner, subject to modifications.
Incomplete operational preparation	Unlikely	Noticeable	An Infrastructure Team has been established and has progressed tasks with high priority to ensure that CIL implementation date is achievable.
Viability issues	Unlikely	Noticeable	The CIL has been tested at Examination with a robust evidence base that factors in appropriate viability testing of development with full policy compliance.

5.2 Not utilising developer contributions in a timely and effective manner represents a lost opportunity to provide sustainable community benefits and mitigate the impact of development. The significant tightening of Section 106 rules means that funding for infrastructure is significantly limited if the Council relies solely on S106 (and does not adopt CIL).

5.3 The CIL Charging Schedule has now undergone scrutiny, and has been recommended for adoption by the independent Examiner, subject to modification. However, there is a risk of legal challenge to the adoption of CIL, and aggrieved parties have a period of 6 weeks to lodge any such challenge. No such challenge is anticipated at this time, based on the nature of the objections heard at the Examination. Should the Council vote to adopt CIL, an implementation date should be set at least 6 weeks after the decision date to allow for the statutory challenge period to expire. In addition, the Council must be mindful of the required preparatory tasks in order to successfully implement the CIL. The relevant work is well advanced on these matters and it is fully anticipated that the proposed date of effect is achievable.

6. Consultations

6.1 A comprehensive programme of statutory and non-statutory consultation and engagement has been undertaken for CIL. The key stages and milestones in the programme are set out in Appendix A.

7. Equality Analysis

- 7.1 An Equality Impact Assessment has been carried out and is attached to this report at Appendix G. The adoption of CIL is not considered to have any negative impact on key protected characteristic groups across the district. When assessed, it has an overall positive impact, particularly relating to the potential for CIL-funded infrastructure schemes.

8. Shared Service / Partnership Implications

- 8.1 There are no shared service or partnership implications. However, Members should note that the Infrastructure Team will be shared officer resource to both Babergh District Council and Mid Suffolk District Council.

9. Links to Joint Strategic Plan

- 9.1 Adoption of the CIL will enable to the Council to realise objectives of the Joint Strategic Plan 2014-2019, primarily based around Economy and Environment and Housing. Funding will be secured which will help to support sustainable economic and housing growth in the district, through appropriate infrastructure and environmental improvements. A proportion of CIL funding (15/25%) will also be directly available to local communities for them to spend on their specific local priorities.

10. Key Information

- 10.1 The Community Infrastructure Levy (CIL) was created under the Planning Act 2008. It is a levy which local authorities across the country can choose to charge on new development within their area.
- 10.2 Funds collected through the CIL can typically be used to support the delivery of off-site infrastructure (and not on site services and facilities) which the local authority, local communities and stakeholders consider necessary to support the future growth of an area.
- 10.3 CIL is a charge that is placed on most new developments to contribute towards the provision of adequate infrastructure. The Government is clear that most new development has an impact on the need for infrastructure, services and facilities.
- 10.4 Currently, the Council collects development contributions through Section 106 planning obligations to deliver infrastructure and facilities. Historically these have been pooled to deliver larger contributions, but national Regulation changes have now constrained the use of these. Instead, the CIL Regulations establish the introduction of CIL as the primary means which Councils can choose to collect funds to deliver the infrastructure and facilities required to support future growth and development across the district.
- 10.5 The landscape for Section 106 agreements has changed significantly. The pooling restrictions deadline came into force in April 2015 meaning that the standardised tariff based approaches are no longer possible. As a result, without the introduction of CIL, the Council is facing an uncertain time in respect of the funding and delivery of key infrastructure and facilities across the district.

- 10.6 Many local authorities across the country have already implemented CIL. It is estimated that around half of the country has a CIL in place, and the majority of the remainder are working towards their own CIL Charging Schedule. (Locally for example Huntingdon, South Norfolk, Suffolk Coastal, Waveney, Chelmsford, Southend have all adopted CIL).
- 10.7 Councillors are referred to the previous Strategy Committee reports, [P91](#) (January 2015) [P67](#) (October 2014) and [P14](#) (May 2014) and Full Council paper [P116](#) (March 2015) for further background information on the CIL adoption programme. Appendix A sets out the key stages and milestones for the CIL Consultation and Engagement programme. There has been continuous and on-going dialogue with Councillors, key stakeholders (agents, infrastructure providers etc.) and local communities throughout the process.
- 10.8 The Council's Core Strategy, sets out the future growth proposals for the district and formed the basis for preparing the evidence required for CIL. An Infrastructure Delivery Plan (IDP) was commissioned and concluded that an estimated total of £76m was required for infrastructure investment in the district. The rationale for introducing the CIL charge is to make a meaningful contribution towards funding infrastructure requirements, although the regulations acknowledge that CIL cannot be the only means to fund new infrastructure.
- 10.9 The Council commissioned expert consultants, Peter Brett Associates (PBA), to undertake a CIL Viability Report to determine what level of CIL charge might be appropriate across the district. The regulations require that the level of CIL charges strike an appropriate balance between the desirability of funding infrastructure from the levy, and ensuring that the charges do not have a detrimental impact upon the economic viability of development in the area.
- 10.10 A statutory process of consultation has been followed in the development of the CIL. The CIL Charging Schedule has been examined by Mrs Yvonne Wright BSc (Hons) Dip TP MSc DMS MRTPI from the Planning Inspectorate. The Examination process has provided a full opportunity for the CIL Charging Schedule to be tested with objectors making their case to the Examiner and the Council defending its position and evidence.
- 10.11 The CIL Examination has now finished and the Council is in receipt of the Examiner's Report dated 15th December 2015. The Report concludes that the statutory tests have been met, subject to a number of modifications to the CIL Charging Schedule. These modifications are summarised as:
- EM1 – recommending the appropriate rates upon which to charge CIL
 - EM2, EM3 and EM4 – amendments to ensure consistency with national policy and clarity of understanding.
- 10.12 Officers consider these modifications to be reasonable and justified. They also ensure that the Council can move towards the introduction of CIL charges across the district without delay. The Examiner's recommended charges are not considered to put the overall development of the area at risk and therefore, strike the appropriate balance as required by the CIL Regulations.

- 10.13 The Examiner's Report has been made available for inspection on the Council's website and in the locations where previous documents were made available, in accordance with Regulation 23 of the CIL regulations 2010 (as amended).
- 10.14 The final CIL Charging Schedule following Examination is found in Appendix B of this report. A summary of the charges is set out in the table below.

Residential development	<u>High zone – all developments</u> £115 <u>Low zone</u> 1-2 dwellings - £90 3 + dwellings - £50
Strategic sites (as defined in the Core Strategy: Chilton Woods – Sudbury, strategic broad location for growth – East of Sudbury/ Gt Cornard, Lady Lane – Hadleigh, Babergh Ipswich Fringe, Brantham Regeneration Area)	£0/sqm
Convenience retail (supermarkets etc.)	£100/sqm

- 10.15 It is proposed that the Charging Schedule comes into effect on **11th April 2016**. Any planning applications for full planning permission of chargeable development (see table above) determined from that date onwards will be liable to pay CIL according to the rates in the Charging Schedule. Applications for Reserved Matters planning applications determined from the date of effect will also be liable for CIL except where they relate to outline planning permissions that were determined prior to the date of effect.
- 10.16 CIL charges will be applied to all new residential uses (subject to the statutory exemptions such as Affordable Housing relief and Self Build relief). It will also be applied to convenience retail uses where the floorspace is greater than 100sqm. The identified strategic sites will charged at a zero CIL rate, but will pay S106 contributions towards their necessary infrastructure requirements. All other uses will not be charged CIL. Local Town and Parish Councils will not qualify for the receipt of the Neighbourhood Portion of CIL funding from development, until the implementation date for the Charging Schedule.
- 10.17 Upon CIL adoption, the CIL infrastructure list (known as the 'Regulation 123 list') becomes an essential supporting document to the Charging Schedule. It sets out infrastructure projects or types of infrastructure that the Council intends will be, or may be, wholly or partly funded by CIL funds. From the date of CIL implementation, the Council cannot also collect S106 funding for items stated on the CIL infrastructure list. The Council may amend the CIL infrastructure list without revising its charging schedule, subject to appropriate consultation. However, where a change to the CIL infrastructure list would have a very significant impact on the viability evidence that supported the Examination of the charging schedule, this should be made as part of a review of the Charging Schedule.

- 10.18 As a further supporting document to the charging schedule, the Council is also proposing to operate an Instalments Policy, in order to assist with delivery and in recognition of development economics and cash flow over time.
- 10.19 Should the Council resolve to adopt the Charging Schedule, officers will then publicise the decision and the Charging Schedule in accordance with the Regulations (see draft statutory notice in Appendix D). The newly appointed Infrastructure Team are responsible for the implementation of CIL collection, administration, monitoring, and enforcement and spending.
- 10.20 From the date CIL is agreed for adoption, the Council will need to address a number of key matters ahead of the CIL date of implementation, including:
- i. **Residual S106 matters** – Council officers are continuing to process S106 agreements, including any ‘locked’ historic matters and getting them signed will enable planning permissions to be formally issued on these sites. Awareness raising has taken place and will be ongoing with the development sector to advise on where sites are likely to become CIL liable. In addition, the Council notes the advice of the CIL Examiner to produce a Planning Obligations Supplementary Planning Document to clarify the role of CIL and S106 collection in accordance with the Regulations.
 - ii. **Back office systems and processes** – Specialist software is available to ensure that efficient and detailed information on S106 and CIL funding is recorded and monitored accurately. The Infrastructure Team are currently finalising and testing the software and procedures for collection as well as communicating with all stakeholders in readiness for implementation. Upon adoption, officers will populate the software with relevant forms and letter templates etc. to facilitate the smooth administration and reporting of developer contributions.
- 10.21 The matters above have been identified as high priority and are being addressed by Council officers to ensure the Charging Schedule can take effect from the proposed implementation date.

11. Appendices

Title	Location
A CIL Consultation and engagement programme	Attached
B Babergh Charging Schedule	Attached
C Examiner’s Final Report	Attached
D CIL Approval Notice [draft]	Attached
E CIL Regulation 123 Infrastructure List	Attached
F CIL Instalments Policy	Attached
G Equality impact assessment	Attached

12. Background Documents

12.1 There are three background documents: Babergh Core Strategy & Policies (February 2014) and Babergh Infrastructure Delivery Plan (February 2013), Peter Brett Associates – Babergh and Mid Suffolk Community Infrastructure Levy Viability Study (October 2014).

Authorship

Matt Deakin

Senior Policy Strategy Planner

01473 825747

Matt.Deakin@baberghmidsuffolk.gov.uk

k:\governance\docs\committee\reports\council\2015\200116-cil adoption.docx

Appendix A

CIL Consultation and Engagement programme

Date	Stage
Winter 2013 / 2014	Evidence gathering for development viability and future infrastructure requirements
Spring 2014	Creation of a CIL Member Reference Group and Member briefings
May 2014	CIL Preliminary Draft Charging Schedule formal consultation
Summer / Autumn 2014	CIL Member Reference Group, Member briefings, town/parish council workshops, developer workshops
November 2014	CIL Draft Charging Schedule formal consultation
Winter 2014 / 2015	CIL Member Reference Group, Member training, town/parish council workshops
January 2015	Revised CIL Draft Charging Schedule formal consultation
March 2015	Submission of CIL Revised Draft Charging Schedule for Examination
June 2015	CIL Member training and CIL Examination Hearing sessions. CIL Stakeholder and parish liaison workshops
November 2015	CIL Member training
December 2015	Publication of CIL Examiner's Final Report CIL Stakeholder workshops and Portfolio Holder briefings
January 2016	Open sessions on CIL for Members

k:\governance\docs\committee\reports\council\2015\200116-cil adoption.docx

COMMUNITY INFRASTRUCTURE LEVY BABERGH CHARGING SCHEDULE



1. Introduction

- 1.1 This Schedule has been prepared, approved and published in accordance with Part 11 of the Planning Act 2008 and the Community Infrastructure Levy Regulations 2010 (as amended).

The Charging Authority:	Babergh District Council
Date of Approval:	<i>20 January 2016</i>
Date of Effect:	<i>11 April 2016</i>

2. Scope of CIL Charges

- 2.1 For the purposes of Part 11 of the Planning Act 2008, **Babergh District Council** is a Charging Authority for Community Infrastructure Levy (CIL) in respect of development within its administrative area.

3. CIL Rates

- 3.1 The Council has produced district wide viability evidence to inform the setting of its CIL rates which apply across the whole of **Babergh District Council's** administrative area and are set out in **Table 01** below:-

Table 01 – Babergh District Council CIL Rates

Development Type*	Zone	Proposed CIL rate (per sqm)
Residential development (1-2 dwellings) (Use Class C3, excluding 'specialist older persons housing'**)	Low	£90
Residential development (3+ dwellings) (Use Class C3, excluding 'specialist older persons housing'**)	Low	£50
Residential development (Use Class C3, excluding 'specialist older persons housing'**)	High	£115
Strategic Sites (Chilton Woods - Sudbury, strategic broad location for growth - East of Sudbury / Gt Cornard, Lady Lane – Hadleigh, Babergh Ipswich Fringe, Brantham Regeneration Area)	n/a	£0
Wholly or mainly Convenience retail***	District	£100
All other uses	District	£0

* As defined by the Use Classes Order 1987 (as amended).

** 'Specialist older persons housing' is used to describe developments that comprise self-contained homes with design features and support services available to enable self-care and independent living. Sometimes also known as sheltered/retirement housing and extra care accommodation

*** where no particular form of retail use is conditioned, the LPA will assume that the 'intended use' for the CIL charging purposes may encompass "wholly or mainly" convenience retail as an open ended permission would allow this.

4. Calculation of CIL Chargeable Development

4.1 The precise amount charged for each development will be calculated in accordance with Regulation 40 of the CIL Regulations, 2010 (as amended). As stipulated in the Regulations, all charges are based on the total net additional floorspace created (measured as gross internal area). The CIL rates will be tied to the Royal Institute of Chartered Surveyors (RICS) Building Costs Information Service (BCIS) All-in Tender Price Index and the rate of CIL charged will therefore alter depending on the year planning permission for the chargeable development commences.

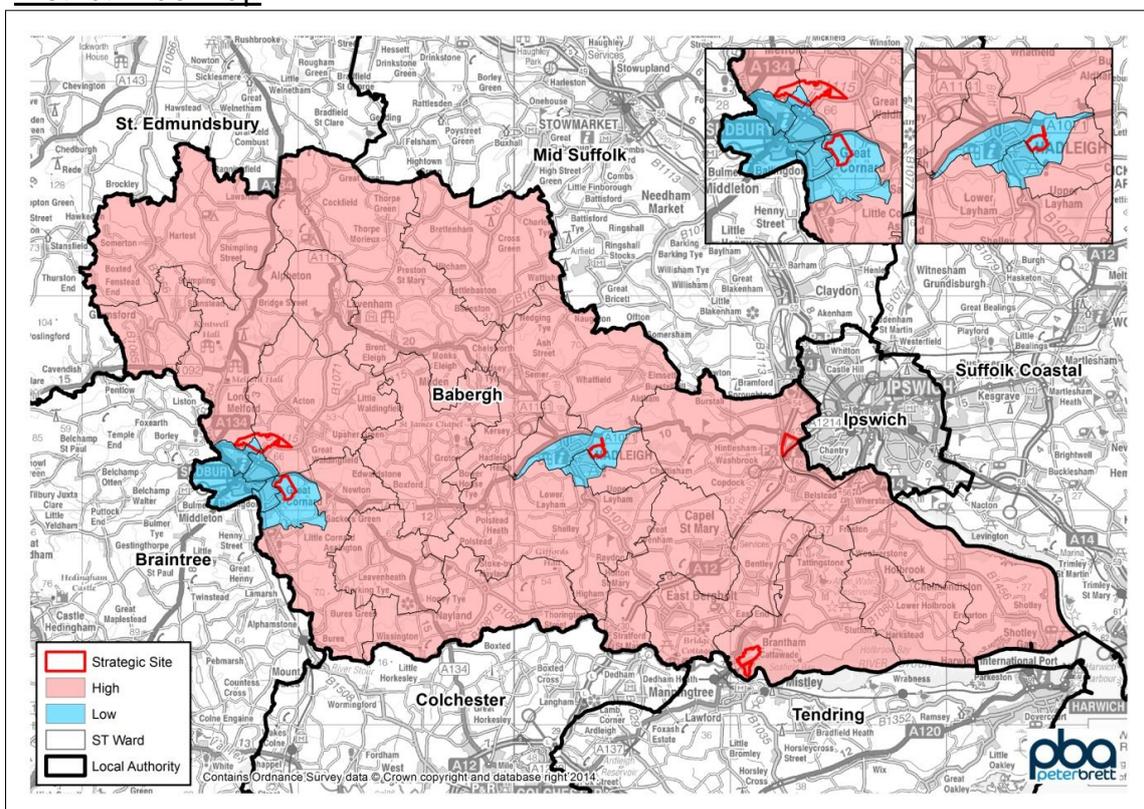
5. Monitoring and Review

5.1 Collection and spending of CIL funds will be reported regularly through the Annual Monitoring Report process. Unless economic or development delivery conditions change significantly in the intervening period, the Council does not anticipate to review the CIL for 3 years after the date of adoption. However, the Charging Schedule is based on the growth expected from the Council's adopted Core Strategy and a review of the Charging Schedule, may be undertaken, as part of future Local Plan documents if they change the strategic direction and targets across the district.

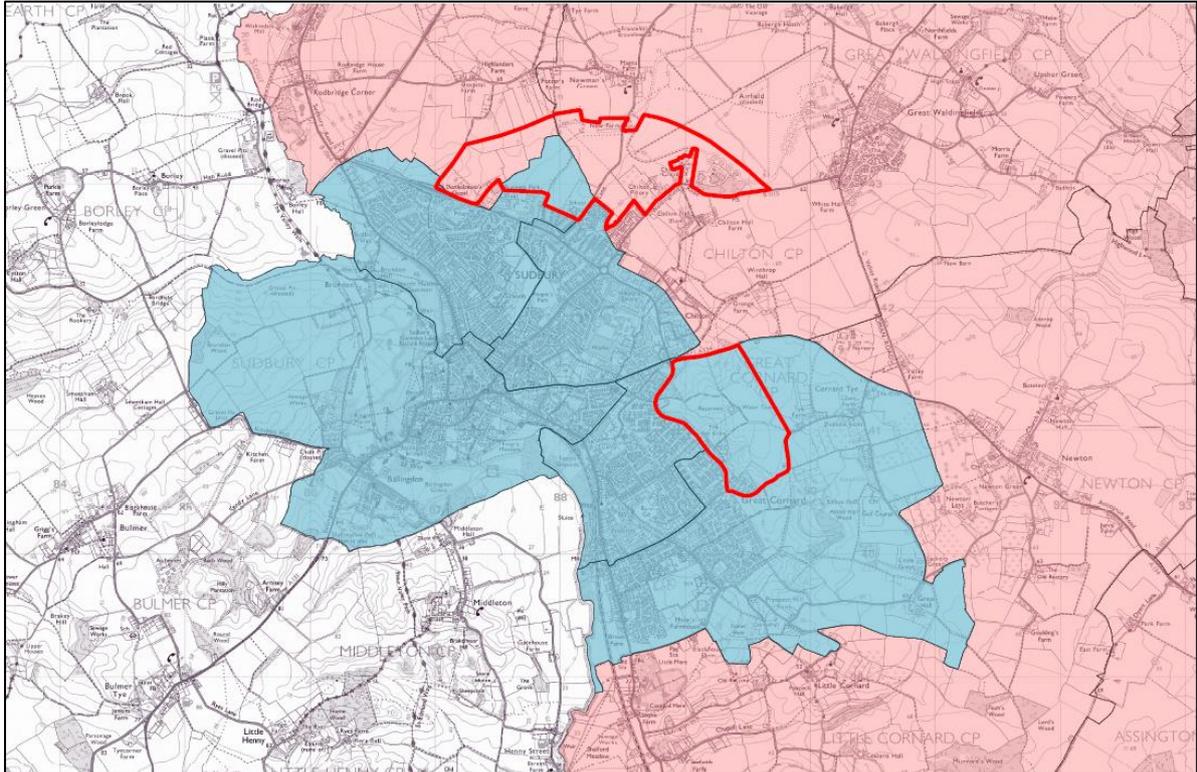
6. Charging Zones

The Babergh District Council CIL charging zones can be seen on the maps below and should be read with the proposed charging rates:

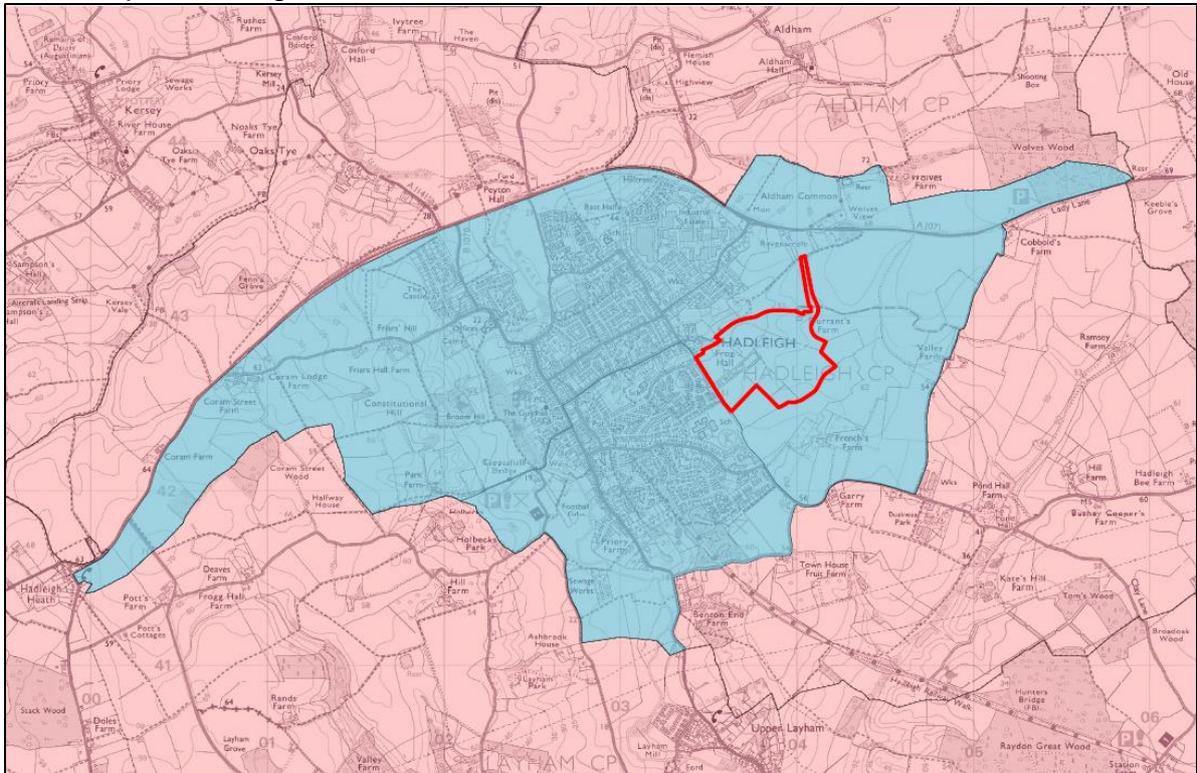
District-wide map



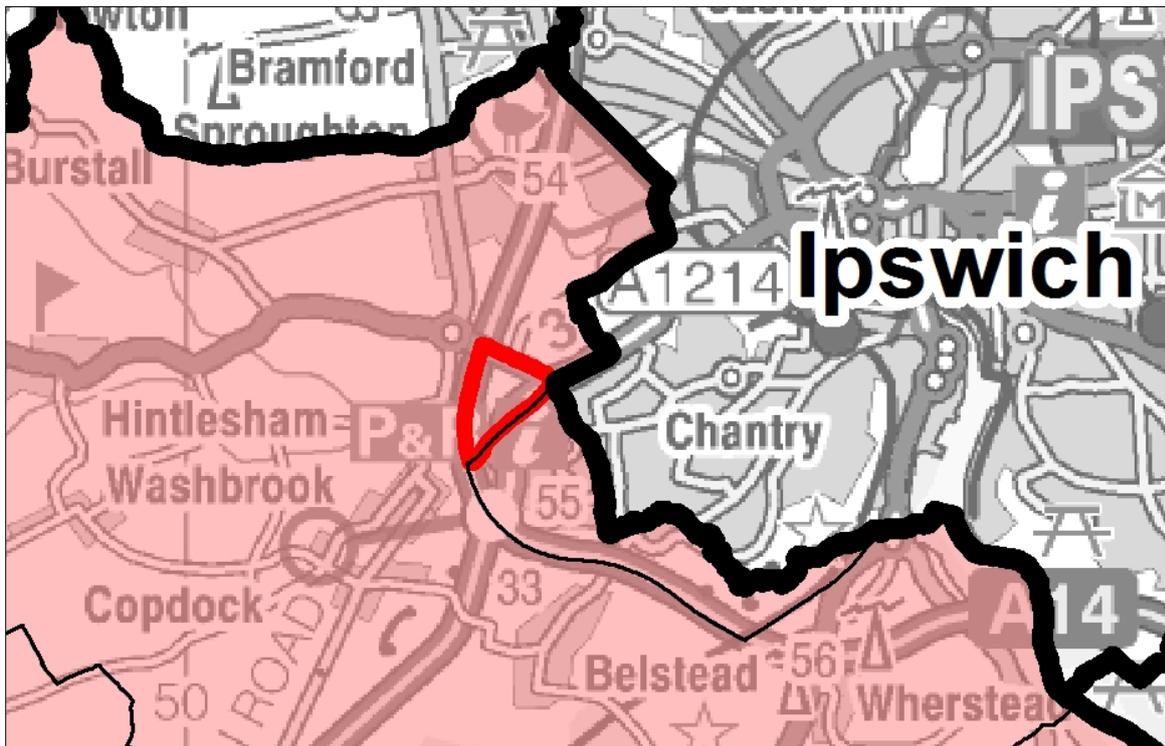
Inset map – Sudbury area



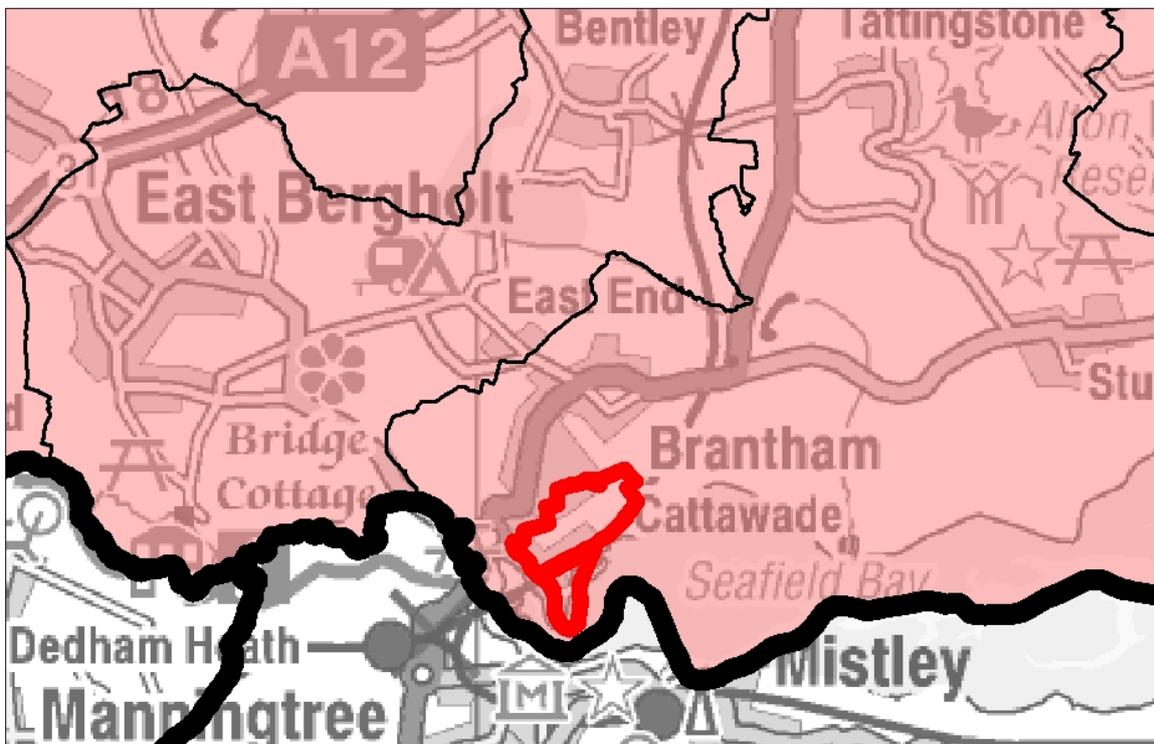
Inset map – Hadleigh area



Inset map – Babergh Ipswich Fringe area



Inset map – Brantham area



Report to Babergh District Council

by Yvonne Wright BSc (Hons) Dip TP MSc DMS MRTPI

an Examiner appointed by the Council

Date: 15 December 2015

PLANNING ACT 2008 (AS AMENDED)

SECTION 212(2)

REPORT ON THE EXAMINATION OF THE BABERGH DISTRICT COUNCIL REVISED DRAFT COMMUNITY INFRASTRUCTURE LEVY CHARGING SCHEDULE

Charging Schedule submitted for examination on 19 March 2015.

Examination hearing held on 17 June 2015

File Ref: PINS/D3305/429/4

Non Technical Summary

This report concludes that, subject to the modifications set out in Appendix A, the Babergh District Council Revised Draft Community Infrastructure Levy Charging Schedule provides an appropriate basis for the collection of the levy in the area. The Council has sufficient evidence to support the schedule and can show that the levy is set at a level that will not put the overall development of the area at risk.

Introduction

1. This report contains my assessment of the Babergh District Council Revised Draft Community Infrastructure Levy Charging Schedule in terms of Section 212 of the Planning Act 2008. It considers whether the schedule is compliant in legal terms and whether it is economically viable as well as reasonable, realistic and consistent with the Planning Practice Guidance (PPG).
2. To comply with the relevant legislation the local charging authority has to submit a charging schedule which sets an appropriate balance between helping to fund necessary new infrastructure and the potential effects on the economic viability of development across the District. The basis for the examination, on which a single Hearing day was held on 17 June 2015, is the submitted Revised Draft Charging Schedule (RDSCS) published in January 2015.
3. This was submitted for Examination by the Council on 19 March 2015, following public consultation in January and February 2015. The RDSCS replaced an earlier Draft Charging Schedule of November 2014 which was subject to public consultation in November to December 2014 (DCS).
4. The Council produced the evidence base jointly with Mid Suffolk District Council. Whilst I also conducted the examination for the Mid Suffolk District Council Revised Draft Community Infrastructure Levy Charging Schedule, I have produced separate reports for each Council. However as these are based on joint evidence they are very similar in parts.
5. Following the Hearing session I requested that the Council prepare alternative appraisals for small sites (1, 5 and 10 dwellings) to sensitivity test relevant evidence provided by the smaller housebuilders. The Council carried out consultation on these additional appraisals during July 2015, proposing that the charging rates for such sites remain unaltered.
6. On 31 July 2015, a High Court judgement (*West Berkshire District Council and Reading Borough Council v Secretary of State for Communities and Local Government [2015] EWHC 2222 (Admin)*) was issued. Following from this the

PPG was amended by removing the requirement that developer contributions such as affordable housing should not be sought from development of 10 units or less. In order to inform my conclusions, during August 2015 I sought views on the implications of this change for the CIL examination, from the Council and representors who submitted comments on the proposed residential rates. The Council provided further clarification of the proposed charging rates for residential development during September 2015 followed by a final opportunity for comments on this matter during October 2015.

7. The Council has accepted that the charging rates for small sites within the RDCS as submitted do not now conform to the revised PPG, as they do not take account of the 35% affordable housing requirements on all residential development sites within the District. I note that several representors have requested that the Council carry out further appraisals and produce modifications for consultation on this matter. However the Council does not consider that this is necessary and instead refers to their previous DCS, which set out rates for residential development in accordance with the Council's affordable housing policy. These previously proposed residential rates were: Low zone (1-2 dwellings) at £90 per sqm; low zone (3+dwellings) at £50 per sq m and high zone at £115 per sqm. Although the Council has not formally advanced any modifications on this matter, they have confirmed that they would be content to accept these charging rates should I be minded to recommend them within this report.
8. Notwithstanding this, the basis for the Examination and this report is the RDCS which was submitted in March 2015. As such the Council proposes to include differential charging rates for residential development, based on a low value zone, high value zone and strategic site geographical areas. The low and high zones are proposed to be further differentiated by the number of units. In summary the proposed residential rates are:
 - Low value zone (excluding assisted living housing): sites of 1-10 dwellings at £125 per sqm and sites of 11+ dwellings at £75 per sqm.
 - High value zone (excluding assisted living housing): sites of 1-10 dwellings at £165 per sqm and sites of 11+ dwellings at £115 per sqm.
 - Strategic sites at £0 per sqm.
9. The Council also proposes a District wide charge of £100 per sqm for development that would comprise wholly or mainly of convenience retail. A zero rate would apply to all other uses.

10. In reaching my conclusions I have taken all consultation responses into account.

Is the charging schedule supported by background documents containing appropriate available evidence?

Infrastructure planning evidence

11. The Babergh Core Strategy & Policies (2011-2031) Local Plan Document (CS) was adopted in February 2014. This sets out the main elements of growth, including the provision for 5,975 new homes within the District between 2011 and 2031. The growth strategy directs this development to the towns, urban areas, core villages and hinterland villages within the District.
12. The Council recognises that this development will need to be supported by further infrastructure, including education, utilities, transport, emergency service provision, community and green infrastructure, flood prevention measures and waste provision. This is detailed within the Babergh District Council Infrastructure Development Plan 2013 (IDP), which has been informed by appropriate consultations with service providers.
13. The IDP broadly identifies the infrastructure that is likely to be required from the growth strategy set out within the CS and was considered as part of the CS Examination. The IDP includes an estimate for total infrastructure costs of about £76m during the Plan period up to 2031. Although the Council recognises that many of the infrastructure providers will invest in some of the future infrastructure required, it is not known at present how much funding would be made available. The Council accepts that it has therefore taken a precautionary approach in setting out the infrastructure costs. The Council originally estimated that there would be a funding gap of approximately £21.5m to be provided by CIL receipts. However it was confirmed at the Hearing that the Council estimates that the strategic sites infrastructure would mainly be provided through developer S106 contributions to the value of £48.7m, leaving a funding gap of around £27.3m to be funded through CIL. This demonstrates the need to levy a charge on future development.
14. The Council estimates that its CIL receipts during the plan period could be between £20m and £25m. This would be delivered mainly through residential development, as the Council anticipates that there would be limited CIL receipts from convenience retail development during the Plan period. The CIL revenue would therefore make a significant contribution towards filling the likely £27.3m funding gap.
15. The Council has produced a Regulation 123 list (November 2014) which sets out in general terms the types of infrastructure that it intends to fund, partly or wholly, through CIL receipts. This includes the provision of passenger

transport, library facilities, additional school places, health facilities and leisure and community facilities. Infrastructure requirements for the defined strategic sites are excluded from the list.

16. It is not the purpose of the CIL examination to challenge the draft Regulation 123 list. Although a number of representations have raised concerns about the generic nature of the list and have sought revisions to it, there is no evidence that this approach would hinder the delivery of specific infrastructure. I therefore consider that the Council has clearly identified the types of infrastructure that could be funded through the CIL receipts.
17. The Regulations prevent any infrastructure from being paid for through both S106 contributions and CIL (termed 'double dipping'). The Council at the Hearing stated that notwithstanding the existing County wide planning obligations documents, they are proposing to produce a supplementary planning document to explain the split between S106 contributions and CIL funding. However I note that there is no timescale for the production of this document at present. I would urge the Council to produce this document without delay to aid clarity for developers.

Economic viability evidence and approach to rate setting

18. The Council has produced viability evidence in the form of the *Babergh and Mid Suffolk CIL Viability Study Final Report (October 2014)* (VS) and the *Babergh and Mid Suffolk CIL Viability Study Report Addendum: Viability update on revised affordable housing thresholds (January 2015)* (Addendum). In addition the *Babergh and Mid Suffolk Community Infrastructure Levy Viability Study: Response to Additional Examiners Questions (July 2015)* (Addendum 2) has also been produced.
19. The assessments set out within the VS and both addendums are based on a residual valuation approach using industry standard assumptions for a range of factors including build costs and profit levels. In summary they seek to establish a residual value by subtracting all costs (except for land purchase) from the value of the completed development (the *gross development value*). The price at which a typical willing landowner would be prepared to sell the land (the *threshold or benchmark land value*) is then subtracted from the residual value to arrive at the *overage* or '*theoretical maximum charge*'. This is the sum from which the CIL charge can be taken provided that there is a sufficient viability buffer or margin.
20. The Addendum and Addendum 2 were both produced prior to the recent changes to the PPG, in which the requirement that developer contributions such as affordable housing should not be sought from development of 10 units or less has been removed. Consequently the residential development viability assessments contained within them for small sites (10 dwellings or less) do

not include policy implications for the provision of affordable housing in accordance with the Council's policy. As such the Council considers that the earlier VS is the correct one to use because it applies full policy costs. I shall refer to this later in my report.

21. The provision of a viability buffer is recommended by the PPG¹ so that the levy rate is not set at the margins of viability and is able to support development when economic circumstances adjust. This can also provide some degree of safeguard in the event that gross development values (GDV) have been over-estimated or costs under-estimated and to allow for variations in costs and values between sites. In broad terms, I consider that the appropriate buffers have been applied.

Benchmark Land values (BLVs)

22. For residential development, the BLVs range from £500,000 to £1,000,000 per hectare, according to its geographical location. As there has been limited transactional data within the area, the assumptions about BLVs have been based on three main sources, including land marketed on the UK Land Directory website and EG Property Link, consultations with local property agents and developers and values reported in viability studies submitted to the Council as part of recent S106 negotiations. The Council clarified at the hearing that the BLVs are based on the net developable area of fully serviced sites with no planning permission. No substantive evidence has been submitted to justify the use of alternative values and I therefore find that the appraisal assumptions appear reasonable.
23. Due to the lack of transactions and comparable data the BLVs for other forms of development including offices and retail schemes are based on professional expertise provided by the Council's viability consultants and from discussions with local agents. This approach is reasonable and based on the evidence available.

Sales values

24. The Council suggests that for residential development the sales values as set out within the VS are a fair assessment of market value of between £2,150 and £2,485 per sqm, based on a combination of average sales prices for both new and second hand home transactions as at August 2014. Whilst several representors argue that the sales price assumptions are too generic, I note that the Council has used Land Registry data which has been supplemented by local market information provided by agents and house builders' sales representatives. I am satisfied that the Council has taken a reasonably

¹ Planning Practice Guidance Paragraph 019 - Reference ID: 25-019-20140612

cautious approach when calculating these values.

25. Commercial valuations are based on professional expertise provided by the Council's viability consultants and local evidence received through consultation. This approach is reasonable and based on the evidence available.

Build costs and site densities

26. Build costs for residential development are based on BCIS data as at September 2014 (£865 per sqm for houses and £965 per sqm for flats). Evidence shows that build costs have increased since the VS was produced, but these can be broadly balanced against rising sales values. Furthermore it is reasonable for the VS to be carried out using a single base date.
27. Although the Code for Sustainable Homes (CSH) has now been withdrawn by the Government, I note the intention is to set energy performance requirements out in the Building Regulations from late 2016. The Council's approach to including an additional cost over BCIS to allow for achieving the equivalent to Code for Sustainable Homes Level 4 is pragmatic and helps to ensure that build costs are not underestimated.
28. Whilst suggestions have been made that abnormal costs should be included in the appraisals the VS clearly states that these have been carried out based on the assumption that sites are serviced and therefore such costs have already been incorporated into the land value. Whilst there may be some sites where there are abnormal construction costs, these are unlikely to be typical and this would, in any case, be reflected in a lower BLV for a specific site. In addition such costs could, at least to some degree, be covered by the sum allowed for contingencies. I therefore find the Council's approach is reasonable.
29. In relation to build costs for small sites, this was discussed at some length during the Hearing and since then I have received further representations in response to my additional questions and the Council's consultation on this matter. Representors have drawn my attention to the BCIS higher build cost figure for 3 dwellings or less of £1,374 and a recent BCIS report on the economics of small site housing development². This specifically states that the build costs for all residential schemes of 10 units or less is on average 6% higher than for larger developments. The Council does not dispute this in their letter of 28 September 2015 and have used the higher BCIS build costs for small sites within their Addendum 2 appraisals. However they also use updated sales values and conclude that higher construction costs can generally be off-set by higher sales values, resulting in no material difference to small

² BCIS Report for the Federation of Small Businesses 'Housing development: the economics of small sites – the effect of project size on the cost of housing construction' August 2015

site viability.

30. Whilst I note the concerns on density, at the Hearing the Council confirmed that the assumptions used are based on monitoring work, planning application records and the size of the developments planned. Whilst the Council accept that during the past 5 years the average density on all sites has been around 19 dwellings per hectare, this is not the norm and has been during a period where few Local Plan allocations remain and a larger proportion of windfall and small sites have subsequently been delivered. Considering a large proportion of development during the Plan period will be on strategic and larger sites I am satisfied that generally the density assumptions reflect this and are appropriate.
31. Whilst I recognise that the small site appraisals within the VS are based on these average site densities and build costs, to my mind the approach taken by the Council is both proportionate and pragmatic. It is clear that there will always be exceptions and it would not be reasonable for the VS to take account of every eventuality, considering its purpose is to provide a broad assessment of economic viability across the District. Furthermore the viability margins proposed are generous and provide sufficient flexibility for any additional costs.
32. Build costs for other forms of development have not been significantly questioned, have been based on available data including BCIS figures and appear to be reasonable.

Section 106 and Section 278 costs

33. For non-strategic residential sites, an assumption of £1,000 per dwelling has been used to cover Section 106/Section 278 costs in the VS and Addendums. This would cover items such as local access roads and on-site open space provision. The Council indicated at the Hearing that as the appraisals assume fully serviced sites, Section 278 costs would likely be reflected in the BLV.
34. Representors raise concerns that £1,000 is too low and provide development examples where average Section 106 costs for on-site open space provision alone have been significantly higher. The Council confirmed at the Hearing that once CIL is introduced, the use of S106 will be scaled back and that the assumed £1,000 reflects this approach. I also recognise that the £1,000 cost is an average and that some developments could have higher Section 106 costs whilst others could be lower. In addition, the viability margins are sufficient to accommodate some additional costs without prejudicing development coming forward. I therefore find the Council's assumptions to be reasonable.
35. For strategic sites the Section 106/Section 278 requirements assumed in the

VS are much larger and are more bespoke, in recognition of the additional infrastructure needed to develop these sites. This approach is also reasonable.

Development scenarios

36. The VS provides appraisals for eight types of residential development scenarios with houses ranging from single plot development to a 50 unit scheme and flats ranging from 3 units to 50 units. Each type of development has been tested for viability according to its low or high value location.
37. Concerns have been raised that the scenarios do not reflect the development that is proposed to come forward over the Plan period, such as sites larger than 50 dwellings but less than the smallest strategic site of around 250 dwellings. Whilst a Site Allocations development plan is not currently in place, the Council indicated at the Hearing that one is being progressed and that the scenarios generally reflect the size of non-strategic development proposed to come forward during the Plan period. Overall I consider that the sampling used covers a reasonably representative selection of the types and sizes of development likely to be constructed within the District.
38. In relation to retail development the VS has tested one scenario for comparison retail and three different scenarios for convenience retail according to the size of the store. I note that no large format convenience stores are proposed within the District so the largest development scenario was adjusted to a £4,000 sqm (gross) convenience store. This appears to be a pragmatic and reasonable approach.
39. The VS has also appraised six other development types including office, light industrial, retail, care homes and hotels. There is no indication that rental values and yields might vary significantly across the District and therefore there is no justification for carrying out finer grained sampling. The Council's approach to these development scenarios is therefore reasonable.

Affordable housing

40. The Council's planning policy requires 35% affordable housing on all residential development sites within the District. The policy also states that for development of 1-2 dwellings a commuted sum will be required whereas for all other schemes provision will be provided on site. The calculations for the commuted sums are contained within the *Babergh Affordable Housing Supplementary Planning Document 2014 (SPD)*. The Council calculates that the cost for providing a commuted sum on one house in the low value area is up to £4,860, whilst this increases to up to £10,620 in the high value area. In comparison the costs for on-site provision are considerably more at around £23,923 per dwelling based on a development of 5 houses within the low value

area. I am satisfied that the VS appraisals reflect these costs.

Developer Profit

41. The VS assumes a developer profit of 20% of GDV for market housing and 6% of GDV for affordable housing. This equates to around 17.5% of overall GDV. Although representors argue that the figure should be higher, the assumptions made seem reasonable and are sufficient to ensure that development would not be prejudiced. The rate of return for other development also seems reasonable.

Other costs

42. The viability assessment and appraisal results for residential development include 8% of development costs for professional fees, £500 per unit for legal fees, sales agents fees of 1.25% of private sale value, £1000 per private unit for marketing costs and finance interest at 7%. Contingency costs are mainly set at 5% although the Brantham Regeneration Area strategic site has a higher cost of 15%. A number of representations criticise these figures as being too low. However the assumptions appear reasonable and generally follow industry standards. In addition I have no firm evidence to indicate that significantly higher percentages should be applied.
43. The costs for other types of development also appear to be in accordance with industry standards and are reasonable.

Conclusion

44. The draft Charging Schedule is supported by detailed evidence of community infrastructure needs and economic viability. On this basis, the evidence which has been used to inform the Charging Schedule is robust, proportionate and appropriate. I recognise that there are different opinions on individual cost elements and that small variations in some could cumulatively have an impact on viability. However there are no definitive right or wrong figures to be applied and the assumptions made by the Council in the main reflect appropriate industry costs and are not set too low. The existence of contingency costs and the use of significant viability buffers reinforces the Council's approach and provides reasonable margins for any additional costs.

Is the charging rate informed by and consistent with the evidence?

CIL rates for residential development

45. The Council confirmed at the Hearing that most residential development is proposed to come forward from the low value areas of the District. The VS shows that within the low value zone, overages for houses range from £183 for a 50 house scheme to £330 for a single dwelling. Within the high value

zone the maximum CIL charge ranges from £273 to £375.

46. As previously set out above, the proposed charging rates in the RDCS are not consistent with the VS evidence as they are informed by the non-policy compliant Addendum appraisals. It is therefore necessary for me to consider what rates are appropriate based on the policy compliant evidence that is before me. As requested by the Council I have considered the proposed charging rates set out within the DCS against the maximum overages available. The CIL charge rates of £90 for 1-2 dwellings and £50 for 3+ dwellings within the low value zone and £115 within the high value zone would provide generous buffers of between approximately 60 and 70%.
47. Within the low value zone the proposed £125 rate for 1-10 dwellings would not be justified as this does not reflect the affordable housing policy. The Council's suggested lower rate of £90 for 1-2 dwellings would take into account the cost of providing a commuted sum for affordable housing and the suggested lower rate of £50 for 3-10 dwellings would reflect the higher cost of on-site provision. The affordable housing issues that have led the Council to propose these lower differential rates for developments of 1-10 dwellings do not apply to schemes of over 10 dwellings. However, I agree with the Council's current position that the rate for these larger schemes should be reduced from £75 to £50. This is so that the viability buffer for these schemes would be in line with that for developments of 1-10 dwellings. This will help reduce risk and ensure the delivery of planned development. Furthermore, it is reasonable to base the rates on a set of appraisals which were prepared at the same time to the same assumptions. Overall, therefore, modifying the rates as suggested by the Council would be justified by the viability evidence.
48. Within the high value zone the evidence shows that the maximum overages are higher than those within the lower value area and therefore a higher CIL rate would be justified. However a reduction in the charging rate from £165 to £115 for 1-10 dwellings, as suggested by the Council, would be reasonable to reflect the increased costs of providing affordable housing in accordance with the policy. Although on-site provision of affordable housing has a higher cost for 3+ dwellings, in reality this does not appear to make a significant difference to viability within this zone, as such costs represent a lower percentage of the overall value of the development than they do in the low value area. Consequently the use of a modified flat rate of £115 within the high value area would provide a generally consistent buffer of around 60-70%, which would be justified by the viability evidence.
49. Whilst I note that low levels of affordable housing have been achieved on recent residential schemes within the District, I see no reason why the delivery of affordable housing would be prejudiced by the imposition of the modified CIL rates, particularly as these would be lower than those set out in the submitted RDCS. In addition lower charging rates would assist the delivery of

small sites within both zones.

50. Representors have queried proposed charging for flat developments as the evidence shows that these would predominantly be unviable. However the Council confirms that flats would form a very small proportion of planned growth and that these would mainly come forward as part of mixed use schemes where one housing type would cross-subsidise another, ensuring that such development was viable. I was informed at the Hearing that over the last 5 years flats have accounted for only around 5.4% of total residential development. Furthermore flats account for only around 7.1% of overall housing stock within the District. The Council anticipates that a low level of flat developments is likely to come forward within the Plan period which is not essential to the delivery of the Plan and as such a charging rate for flats would not threaten planned growth.
51. Whilst I note that agricultural dwellings could fall within the residential charging rate, it has not been demonstrated to me that such development would not be viable.
52. Taking all the above into account I recommend that the Charging Schedule is modified as set out within Appendix A to this report, to include lower residential development charging rates as suggested by the Council and as justified by the viability evidence **(EM1)**. In addition for reasons of clarity the text 'reference to combined gross floorspace upto 1,000sqm' within the residential rates is no longer needed due to the changes to the PPG and therefore should be deleted **(EM2)**.
53. A representor has also sought that the term 'assisted living' is changed to 'specialist older persons housing' as this best describes the specific provision referred to. The Council at the Hearing confirmed that they had no objections to this and I therefore recommend, for the avoidance of doubt, that references to 'assisted living' housing within the Charging Schedule is replaced with the term 'specialist older persons housing' **(EM3)**.

Strategic sites

54. The VS contains individual assessments for the 5 strategic sites allocated within the Core Strategy to deliver residential development within the District. In all cases the viability assessments have included individually assessed section 106 and section 278 costs and where relevant additional contingencies have been included to take account of matters such as flood mitigation measures. The appraisals show that CIL could not be viably accommodated on these sites. I have received no objections to these appraisals or the proposed nil charge for these sites. Based on the evidence before me I

consider that a CIL charge could hinder the delivery of these strategic sites. The proposed nil rate is therefore consistent with the evidence and is justified.

CIL rates for convenience retail development

55. There are no site specific proposals for convenience retail development within the District. Concerns have been raised by representors that the proposed CIL charge of £100 per sqm could affect the delivery of stores within the town centres, should they come forward. However based on the evidence before me there appears to be little variation as to the viability of this form of retail whether it is within or outside town centre locations. Indeed the VS identifies that in contrast to all other types of commercial development, convenience retail generates positive residual values within the District. The proposed District wide charge of £100 per sqm is therefore consistent with the evidence and is justified.

Other development

56. The VS shows that viability for all other development, including offices, light industrial, comparison retail, care homes and assisted living (specialist older peoples housing) is negative without CIL being charged. A £0 CIL rate for all other development is therefore appropriate. However for the avoidance of doubt, the schedule should be amended by removing all reference to use classes under 'All other uses' within the schedule **(EM4)**.

Other matters

57. Representors have raised concerns that the Council's draft instalments policy is not flexible enough, but it has not been demonstrated that the payment periods and amounts requested would affect scheme viability. I also note the Council has not produced a payments in kind policy or exceptional circumstances relief policy. However the Council has discretion over these matters and it is not the role of the examination to consider them. There is therefore no need for me to comment further on these matters.

Does the evidence demonstrate that the proposed charge rate would not put the overall development of the area at serious risk?

58. The Council's decision to set the rates in the charging schedule is based on reasonable assumptions about development values and likely costs. The evidence indicates that the overall development of the area, as set out in the development plan, will not be put at risk if the proposed charges are applied, subject to the recommended modifications. In setting the CIL charging rates the Council has had regard to detailed evidence on infrastructure planning and the economic viability evidence of the development market in the District of Babergh.

59. I recognise the modifications to the residential charging rates as set out in Appendix A will reduce the level of CIL income to some degree. However the CIL received will still make a significant contribution to filling the funding gap, whilst ensuring that a range of development remains viable across the District.

Conclusion

60. Overall therefore, and subject to the recommended modifications, an appropriate balance has been achieved between the desirability of funding the costs of new infrastructure and the potential effects on the economic viability of development across the charging area. However it would be prudent for the Council to review the schedule within 3 years of adoption, as subsequent development plan documents are prepared, to ensure that the overall approaches taken remain valid, that development remains viable and that an appropriate balance is being struck.

LEGAL REQUIREMENTS	
National Policy/Guidance	Subject to the recommended modifications the Charging Schedule complies with national policy/guidance.
2008 Planning Act and 2010 Regulations (as amended)	The Charging Schedule complies with the Act and the Regulations, including in respect of the statutory processes and public consultation, consistency with the adopted Core Strategy and Infrastructure Delivery Plan and is supported by adequate financial appraisals.

61. I conclude that, subject to the modifications set out in Appendix A, the Babergh District Council Revised Draft Community Infrastructure Levy Charging Schedule satisfies the requirements of Section 212 of the 2008 Act and meets the criteria for viability in the 2010 Regulations (as amended). I therefore recommend that the Charging Schedule be approved.

Y Wright

Examiner

This report is accompanied by **Appendix A** (attached) – Modifications that the Examiner specifies so that the Charging Schedule may be approved.

Appendix A

Modifications recommended by the Examiner so that the Charging Schedule may be approved. Unless otherwise specified, new text is in **bold and underlined** and deletions are marked in **~~bold and strikethrough~~**.

Examiner Modification (EM) Number	Reference	Modification
EM1	Table 01, CIL Rates	Replace the residential development rates , excluding strategic sites, with the following: <u>1-2 dwellings – Low value zone: £90 per sqm</u> <u>3+ dwellings – Low value zone: £50 per sqm</u> <u>High value zone: £115 per sqm</u>
EM2	Table 01, CIL Rates	Delete 'reference to combined gross floorspace upto 1,000sqm' within the residential rates.
EM3	Table 01, CIL Rates	Replace reference to 'assisted living' housing with <u>'specialist older persons housing'</u> within the brackets under Residential development and in the footnote to the table.
EM4	Table 01, CIL Rates	Delete brackets and text under ' All other uses '

COMMUNITY INFRASTRUCTURE LEVY BABERGH DISTRICT COUNCIL



CHARGING SCHEDULE NOTICE OF APPROVAL

Planning Act 2008 (as amended)

Community Infrastructure Levy Regulations 2010 (as amended)

Regulation 25: Approval and publication of a charging schedule

In accordance with Regulation 25 of the Community Infrastructure Levy (CIL) Regulations 2010 (as amended), notice is hereby given that the Babergh District Council CIL Charging Schedule was formally approved by a meeting of the full Council on 20 January 2016. This included the approval of the Regulation 123 Infrastructure List and the Instalments Policy. These documents will take effect on **11 April 2016**.

Copies of all approved documents above, together with the report made under Section 213(3B) of the Planning Act 2008 are available for inspection on the Council's website at www.babergh.gov.uk. In addition, the documents can be viewed in the Reception of the Council's main headquarter offices in Hadleigh during normal office hours.

For further information, please contact the Infrastructure Team at Babergh District Council, Corks Lane, Hadleigh, Ipswich, Suffolk, IP7 6SJ. Tel: 01449 724563.
Email: Infrastructure@baberghmidsuffolk.gov.uk

Appendix E

COMMUNITY INFRASTRUCTURE LEVY BABERGH DISTRICT COUNCIL



Regulation 123 Infrastructure list January 2016

Regulation 122 and 123 of the Community Infrastructure Levy Regulations 2010 (as amended) places limitations on the Council's ability to use planning obligations to fund the provision of infrastructure across the district.

As a charging authority, **Babergh District Council** is required by Regulation 123(2) to publish a list of infrastructure projects or types of infrastructure that it intends will be, or may be, wholly or partly funded by CIL. The order of infrastructure items within the list do not imply or signify any order of preference or priority for CIL funding.

The CIL Regulation 123 List will be expected to be subject to review once a year, as part of the ongoing and continuous monitoring of CIL collection and spend.

Where site-specific exclusions are identified, they will be subject to statutory tests set out under Regulation 122 of the Community Infrastructure Levy Regulations 2010 (as amended), which stipulates:

"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."*

Infrastructure across the district that may be wholly or partly funded by Community Infrastructure Levy funds, except for the listed strategic sites
Provision of passenger transport
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 leisure and community facilities
Provision of 'off site' open space
Strategic green infrastructure (excluding suitable alternative natural greenspace)
Maintenance of new and existing open space and strategic green infrastructure
Strategic flooding
Provision of waste infrastructure

It is expected that the proposed development of the strategic sites at Chilton Woods, Sudbury/Gt. Cornard; strategic broad location for growth - East of Sudbury / Gt Cornard; Lady Lane, Hadleigh; Babergh Ipswich Fringe; Brantham Regeneration Area will provide all the necessary infrastructure for each site through planning obligations (and not Community Infrastructure Levy) relating specifically to those developments.

CIL funding will not be spent on specific planning obligations required with the following strategic sites:

- Chilton Woods, Sudbury
- Strategic broad location for growth - East of Sudbury / Gt Cornard
- Lady Lane, Hadleigh
- Babergh Ipswich Fringe
- Brantham Regeneration Area

Babergh District Council as Charging Authority is required to pass a set percentage (15% or 25%) of CIL funds generated onto local communities in line with the Regulations. The money passed onto local communities can be spent on a wider remit than detailed on the Regulation 123 List but must be used to support the development of the area.

COMMUNITY INFRASTRUCTURE LEVY BABERGH DISTRICT COUNCIL



Instalments Policy

The CIL Regulations set a default requiring full payment of the Levy charge within 60 days of the commencement of the chargeable development. However, under Regulation 69B of the Community Infrastructure Levy Regulations 2010 (as amended) it is permissible for a Charging Authority to establish an Instalments Policy, thus offering developers more flexible payment arrangements.

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

Amount of calculated CIL liability	Number of Instalments	Payment periods and amounts
Any amount less than £50,000	2	50% of the chargeable amount within 90 days (3 months) of the commencement date, the remaining 50% of the chargeable amount within 150 days (5 months) of the commencement date
Amounts equal to or greater than £50,000 and less than £100,000	3	25% of the chargeable amount within 90 days (3 months) of the commencement date, 25% of the chargeable amount within 270 days (9 months) of the commencement date, and the remaining 50% of the chargeable amount within 360 days (12 months) of the commencement date
Amounts equal to or greater than £100,000	5	20% of the chargeable amount within 90 days (3 months) of the commencement date with the balance payable in four equal instalments within 270 days (9 months), 360 days (12 months), 480 days (16 months) and 730 days (24 months) of the commencement date

Appendix G



**Mid Suffolk District Council
Babergh District Council
Joint Equality Impact Assessment
Template**

Summary of activity (to keep a record of the stages of the assessment already completed)		
Assessment section(s)	Date completed	By who

1) General information			
1a) Please state if you are assessing a strategy, policy, project, contract, decision or function	Decision		
1b) What is the name of the strategy, policy, project, contract, decision or function being assessed?	Community Infrastructure Levy (CIL) adoption		
1c) Who are you targeting with the strategy, policy, project, contract, decision or function? (Please tick any that are applicable)	Residents ✓	Staff ✗	Specific protected characteristics ✗
If specific 'protected characteristics' please state ...			
1d) Are there any other individuals, departments or partners involved in the delivery of the strategy, policy, project, contract, decision or function?	Yes ✓	No ✗	
If yes please state who ...	<p>Babergh District Council (staff, elected members and associated parties including consultants and infrastructure providers) have led on the development and implementation of CIL, including a project group drawing on expertise from different service areas as well as a member group to help steer the process.</p> <p>Various stakeholder groups have been involved in the development and implementation of CIL. In Summer of 2014, two workshops were held with various developers, agents and landowners as well as subsequent meetings every six months for developers, agents and landowners to discuss CIL along with a continuing dialogue updating them on the development of CIL. There have been continual meetings with Parish and Town Councils throughout the development of the CIL project.</p> <p>The Preliminary Draft Charging Schedule was subjected to a 8 week public consultation, the Draft Charging Schedule was subject to a 6 week public consultation and the revised draft Charging Schedule has been subject to four week public consultation.</p> <p>There has been an independent examination as per the regulations set down by Government. This examination focused on economic viability and whether the proposed CIL charge has any unintended effects on certain types of development or geographic locations and therefore had an indirect consideration to the charges impact on equality.</p>		
1e) Is this a new or existing strategy, policy, project, contract, decision or function?	New ✓	Existing ✗	

<p>1f) What is the main purpose of the strategy, policy, project, contract, decision or function?</p>	<p>The Community Infrastructure Levy (CIL) is a new planning charge introduced under the Planning Act 2008. It allows local authorities in England and Wales to charge developers who are building in their area. The money can be used to pay for a wide range of infrastructure that is needed to support growth of the area. This can include things like new roads, schools and community facilities.</p> <p>CIL is not charged on affordable housing and buildings used for charitable purposes. The amount payable for other forms of development will be set at the time of planning permission is granted and payment will be due at the commencement of development. Larger amounts will be payable in instalments over fixed time periods. CIL is intended to complement rather than replace other funding streams and is intended to promote development rather than hinder it. Its main advantages are that:</p> <ul style="list-style-type: none"> • It is modest, representing around 2-5% of total development costs and is not charged on types of development that cannot sustain it; • It is a fixed, non-negotiable charge and is therefore transparent and predictable; • It is less time-consuming and complicated than s106 planning obligations, with less need for protracted negotiations with applicants and the drawing up of legal agreements; and • Local communities will be able to influence how a proportion of CIL receipts are spent in their areas, so that communities can benefit from development in their area. <p>The introduction of CIL should, in principle, benefit all groups by contributing to the delivery of strategic and local infrastructure and helping to achieve more sustainable development. CIL payments will be used to fund infrastructure such as delivery of new school places, health facilities, public realm, open space projects and therefore it is anticipated it will generate benefits for all equality groups. Any possible impacts would arise at the time money is secured through CIL and new or improved infrastructure is actually delivered; impacts will not arise directly as a result of the CIL Charging Schedule itself.</p> <p>The Department for Communities and Local Government (DCLG) undertook Equalities Impact Assessment of CIL legislation and regulations in January 2012. Part of this assessment states that:</p> <p><i>“The Community Infrastructure Levy is unlikely to have an adverse impact on any social group. By making communities more sustainable, the Community Infrastructure Levy will facilitate economic growth and liveability and so create opportunity for all. The infrastructure and services that the Community</i></p>
---	---

	<p><i>Infrastructure Levy will provide (such as medical and community facilities and transport networks) will enhance accessibility and liveability for all sectors of society, and could help to deliver new infrastructure that serves different needs within the community, for example, by increasing mobility and accessibility. We do not anticipate the reforms to the Community Infrastructure Levy changing this assessment.”</i> DCLG, Jan 2010 (http://www.parliament.uk/documents/impact-assessments/IA11-010AG.pdf)</p> <p>It is clear that the Government do not expect the implementation of CIL to cause any adverse impact on any protected characteristic groups; indeed they anticipate that it will in general have a positive influence on a number of groups.</p>	
<p>1g) In your opinion, does the strategy, policy, project, contract, decision or function need to be equality impact assessed?</p> <p>If no, please fully explain your reasons and describe the evidence you used to come to this decision. Then go to Q17</p>	<p>Yes ✓ (Go to Q2)</p>	<p>No ✗</p>

2) Gathering information to help the assessment		
<p>2a) What information will you use to assess the impact of the strategy, policy, project, contract, decision or function? (Please tick any that are applicable)</p>	Performance indicators/targets	✓
	Benchmarking with other organisations	✓
	Complaints information	
	Consultation results	✓
	External verification, i.e. expert views of stakeholders/employers organisations representing people with protected characteristics	
	Service uptake data	✓
	Staff monitoring data	
	Staff survey results	
	User satisfaction survey results	✓
	Risk assessment	✓
	Other, please state...	

<p>2b) Please provide a list of all evidence gathered i.e. document titles, sources etc</p>	<p>CIL Draft Charging Schedule CIL Revised Draft Charging Schedule CIL Preliminary Draft Charging Schedule Census data 2011 Affordable Housing SPD Babergh and Mid Suffolk CIL Viability Addendum Babergh and Mid Suffolk CIL: Preliminary Draft Charging Schedule (May 2014) Babergh and Mid Suffolk CIL Viability Study (April 2014) Babergh Infrastructure Delivery Plan (February 2013) Mid Suffolk Infrastructure Delivery Plan (April 2014) Mid Suffolk Core Strategy (September 2008) Mid Suffolk Core Strategy Focused review (December 2012) Babergh Core Strategy (February 2014)</p>
---	---

3) Type of impact

<p>3a) Using your evidence in Q2a, you now need to make an initial assessment of the type of impact you might expect to find with this strategy, policy, project, contract, decision or function for:</p> <p>1) People with protected characteristics 2) Mid Suffolk District Council staff 3) Residents</p> <p>(Please tick a box for each protected characteristic)</p>	Protected characteristics	No negative impact	Negative impact	Insufficient evidence
	Age	✓	<input type="checkbox"/>	<input type="checkbox"/>
	Carers ¹	✓	<input type="checkbox"/>	<input type="checkbox"/>
	Disability	✓	<input type="checkbox"/>	<input type="checkbox"/>
	Gender reassignment	✓	<input type="checkbox"/>	<input type="checkbox"/>
	Marriage and civil partnership	✓	<input type="checkbox"/>	<input type="checkbox"/>
	Pregnancy and maternity	✓	<input type="checkbox"/>	<input type="checkbox"/>
	² Race	✓	<input type="checkbox"/>	<input type="checkbox"/>
	Religion or belief	✓	<input type="checkbox"/>	<input type="checkbox"/>
	Sex	✓	<input type="checkbox"/>	<input type="checkbox"/>
	Sexual orientation	✓	<input type="checkbox"/>	<input type="checkbox"/>
	Socio economic (income, rural isolation)	✓	<input type="checkbox"/>	<input type="checkbox"/>
	Transgender	✓	<input type="checkbox"/>	<input type="checkbox"/>
	Other, please state...	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

4) Identifying potential negative impacts

<p>4a) You now need to list and explain each negative impact identified in Q3a, providing details of the protected characteristics affected, and what the negative impacts are</p>	Protected characteristic	What the potential negative impact is	Evidence of potential negative impact (if any i.e. document titles / names / dates)

¹ Includes people who have caring responsibility for children or for sick/disabled adults

² Includes Gypsies, Travellers and Non UK Nationals

Note: When providing the evidence for potential negative impacts, use the information you gathered in Q2a. If you have no evidence of the negative impact, please say so...			

5) Uptake of services impact			
5a) Do you think people with protected characteristics will take up services associated with the strategy, policy, project, contract, decision or function equal to Mid Suffolk District Council staff or residents? If no, please provide details...	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Insufficient evidence <input type="checkbox"/>
5b) Do you think the strategy, policy, project, contract, decision or function likely to exclude or disadvantage people with protected characteristics in the longer term? Please provide details...	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Insufficient evidence <input type="checkbox"/>
	<p>Age – The age breakdown for Babergh is as follows:</p> <p>16 years or under: 18.14% 16 to 64 years: 60.48% 65 years and over: 21.38%</p> <p>The age breakdown for Mid Suffolk is as follows:</p> <p>16 years or under: 18.43% 16 to 64 years: 61.44% 65 years and over: 20.13%</p> <p>The CIL regulations establish that social housing is exempt from paying CIL and there is charitable relief. Therefore, this may benefit older persons and young families who rely on the provision of social housing and support from charities.</p> <p>The councils are proposing a NIL charge on healthcare and education facilities which means the CIL will not represent an additional financial barrier to the delivery of these uses. Indeed the charging of CIL from other development uses will help deliver much needed education places and health facilities, particularly, in areas earmarked for significant population growth.</p> <p>CIL may also fund, in whole or part transport infrastructure which will benefit older and younger population's alike improving accessibility to community services facilities.</p>		

Carers –There is only a limited amount of information on carers available. As outlined above the introduction of CIL should result in positive effects on all equality groups as it helps deliver strategic and local infrastructure to support new developments and population growth

Disability – In Babergh there is a total of 17.38% of the population are limited with day to day activities.

Limited a lot – 7.22%
 Limited a little – 10.16%

In Mid Suffolk there is a total of 16.55% of the population are limited with day to day activities.

Limited a lot – 6.67%
 Limited a little – 9.88%

The CIL regulations establish that social housing is exempt from paying CIL and there is charitable relief.

The councils are proposing a NIL charge on healthcare and education facilities which means the CIL will not represent an additional financial barrier to the delivery of these uses. Indeed the charging of CIL from other development uses will help deliver much needed education places and health facilities, particularly, in areas earmarked for significant population growth.

CIL may also fund, in whole or part transport infrastructure which will benefit older and younger population's alike improved accessibility to community services facilities.

Gender Assignment – Overall not much is known about gender reassignment group in the areas. There is no specific impact (positive or negative) are identified for the gender assignment group although as outlined above the introduction of CIL will benefit all groups and people by contributing to the delivery of strategic and local infrastructure.

Marriage and civil partnership – No known negative impacts have been identified for this target group and as noted above, the introduction of CIL should benefit all groups.

Pregnancy and maternity – No known negative impacts have been identified for this target group and as noted above, the introduction of CIL should benefit all groups.

Race – Babergh has a population which is 95.36% which is White British. Mid Suffolk has a population which is 95.88% which is White British.

Overall it is considered that that the proposed charging schedule for CIL is likely to benefit various race equality groups in the districts.

Social housing is exempt from making CIL payments so CIL will not represent an additional barrier to the delivery of social housing and therefore, may help address overcrowding issues affects all races including BME groups.

Religion or belief – In terms of religion, 63.2% of Babergh residents identify themselves as Christian and 28.4% say they do not have a religion with 7.3% not stating.

63.8% of Mid Suffolk residents identify themselves as Christian and 27.6% say they do not have a religion with 7.8% not stating.

The proposed CIL charging schedule does not include a charge for new religious institutions which again means CIL will not represent a financial barrier to the delivery of such facilities. It should also be noted that the CIL regulations declare buildings proposed by charities and used for charitable purposes are exempt from paying CIL.

Sex – The gender split in Babergh is (49% males and 51% females) and Mid Suffolk is (49.5% males and 50.5% females) which is similar to the Suffolk and England ratio, which are both around 50-50.

There are no specific impact (positive or negative) identified although the introduction of CIL will benefit all groups and people by contributing to the delivery of strategic and local infrastructure.

Sexual Orientation – There is only a limited amount of information on sexual orientation available. Guidance from the Equality and Human Rights Commission states to collect it where relevant and sexual orientation so not considered significantly relevant to the charging of CIL.

	<p>As outlined above the introduction of CIL should result in positive effects on all equality groups as it helps deliver strategic and local infrastructure to support new developments and population growth.</p> <p>Socio economic factors – Overall it is considered that the proposed charging levels of CIL should benefit the socio-economic position.</p> <p>The CIL regulations establish that social housing is exempt from paying CIL and there is charitable relief which should have a positive impact.</p> <p>Transgender – There is only a limited amount of information on transgender available. As outlined above the introduction of CIL should result in positive effects on all equality groups as it helps deliver strategic and local infrastructure to support new developments and population growth</p>
--	---

6) Delivery impacts

6a) Please check the delivery arrangements for the strategy, policy, project, contract, decision or function against the criteria (please tick appropriate boxes)	Are the premises accessible for all?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
	Is the computer software and infrastructure accessible for all?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
	Is the consultation and participation inclusive of all?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
	Are public events and meetings accessible for all?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
6b) If you answered 'no' to any of the above, please explain how and why, giving details of any legal justification if you can...				

7) Communication impacts

7a) Please check the accessibility of your information and communication arrangements for the strategy, policy, project, contract, decision or function against the criteria (please tick appropriate boxes)	Are customer contact methods accessible for all?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
	Is electronic, web based and paper information accessible for all?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
	Are publicity campaigns inclusive of all?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
	Are images and text in documents representative of all?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>

7b) If you answered 'no' to any of the above, please explain how and why, giving details of any legal justification if you can...	
---	--

8) Making improvements

8a) If you have identified any potential negative impacts in Q3-7, can they be easily addressed?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
8b) If yes, please list negative impact(s) and state how they will be addressed	Negative Impact	How it will be addressed	
8c) If negative impact (s) cannot be addressed for legal reasons, please explain, giving details of your justification i.e. including details of any legislation if you can...			

9) Making a decision

Decision (please tick one box)		Action to take
9a) The evidence has identified no negative impacts	<input checked="" type="checkbox"/>	Go to Q17
9b) The evidence indicates that there are negative impacts but they can be easily addressed	<input type="checkbox"/>	Go to Q17 and implement any actions you have identified in Q8b
9c) The evidence indicates potential negative impacts that cannot be easily addressed	<input type="checkbox"/>	Action planning required. Go to Action planning Q15
9d) A negative impact was identified but it can be legally justified	<input type="checkbox"/>	Go to Q17
9e) There is not enough evidence to say whether or not there is a negative impact	<input type="checkbox"/>	Additional evidence needed. Go to Additional evidence gathering Q10

10) Additional evidence gathering

General information

Names of other people involved in additional evidence gathering	
Responsible Department	
Responsible Manager	

Notes:

Your assessment so far has identified insufficient evidence to make a judgement about whether your policy, project, contract, decision or function potentially negatively impacts on people with protected characteristics. You will therefore need to undertake some additional evidence gathering before making a final decision.

a) For advice on where to gather information please contact:

- Lead Officer for Equality Impact Assessment Sub Group
- Lead Officer for Equality and Diversity

b) Contact details for the above Officers can be found on InfoWeb:

<http://pan/C16/Equality%20Impact%20Assessments/default.aspx>

c) Available information already gathered can be found on InfoWeb:

<http://pan/C10/C5/Mid%20Suffolk%20District%20datainfor/default.aspx>

d) To discuss any proposed consultation please contact:

The Lead Officer for the Community Engagement Strategic Priority Group 6 (SPG6)

e) Contact details for the SPG6 Lead Officer can be found on InfoWeb:

<http://infoweb.mid-suffolk.local/C4/C1/Community%20Engagement/default.aspx>

11) Gathering additional information		
Gather and analyse relevant additional information to address the gaps in your knowledge, enhance your understanding of the issues and inform options for addressing these.		
11a) What additional evidence are you going to gather? (Please tick any that are applicable)	Advice from experts	
	Data about the physical environment, i.e. housing market or workforce	
	Demographic profile, i.e. Census	
	Existing consultation results	
	External verification i.e. expert views of stakeholders organisations representing people with protected characteristics	
	Local needs analysis	
	National best practice information i.e. Audit Commission reports	
	New consultation with a specific group(s)	
	Research reports on experiences of diverse group(s)	
	Specialist staff expertise	
	Other, please state...	
11b) Please give a summary of additional evidence you have gathered	Document details (title / name / date)	Brief summary

12) Uptake of services impact		
Having now gathered additional evidence, please answer the questions below again...		
12a) Do you think people with protected characteristics will take up services associated with the strategy, policy, project, contract, decision or function equal to Mid Suffolk District Council staff or residents? If no, please provide details...	Yes <input type="checkbox"/>	No <input type="checkbox"/>
13b) Is the strategy, policy, project, contract, decision or function likely to exclude or disadvantage people with protected characteristics in the longer term?	Yes <input type="checkbox"/>	No <input type="checkbox"/>

Please provide details...	
---------------------------	--

13) Making improvements

13a) Having gathered additional evidence, have you now identified any potential negative impacts for anyone with a protected characteristic?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
13b) Can the negative impact(s) be easily addressed?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
13c) If yes, please list the negative impacts and state how they can be addressed	Negative Impact	How it will be addressed	

14) Making a decision

Decision (please tick one box)		Action to take
14a) The evidence has identified no negative impacts	<input type="checkbox"/>	Go to Q17
14b) The evidence indicates that there are negative impacts but they can be easily addressed	<input type="checkbox"/>	Go to Q17 and implement any actions you have identified in Q13c
14c) The evidence indicates potential negative impacts that can not be easily addressed	<input type="checkbox"/>	Go to Action planning Q15
14d) A negative impact was identified but it can be legally justified	<input type="checkbox"/>	Go to Q17

15) Action planning

General information

Names of other people involved in action planning	
Responsible Department	
Responsible Manager	

Notes:

a) You need to draw up an action plan to address the negative impact(s) you have found:

Identify clearly in your action plan the following:

- Protected characteristics affected
- Potential negative impact(s)
- Action(s) to be taken to address negative impact(s)
- Named person responsible for action(s)
- Time by which action(s) will be achieved
- Resources required to achieve action(s)
- Progress report section

b) Use your additional evidence gathering to develop actions for addressing any negative impacts identified that have not been addressed.

c) Please attach a copy of your action plan to this form ensuring it is updated at intervals specified in Q16a.

16) Monitoring arrangements for action plan to address negative impact/s	
16a) When will you monitor, review and update the action plan to address identified negative impact/s? (if at intervals please state)	
16b) Who will be responsible for monitoring the action plan?	
16c) What is the final date all actions are to be implemented by?	
16d) Will actions be implemented immediately?	Yes <input type="checkbox"/> No <input type="checkbox"/>
16e) If no, please give details of the strategy or service plan the action(s) will be integrated into if known	
16f) How will the continuing impact of the strategy, policy, project, contract or decision be monitored?	
16g) Any other comments	

17) Monitoring arrangements for the strategy, policy, project, contract or decision		
17a) When will you monitor the strategy, policy, project, contract or decision (if at intervals please state)	Quarterly monitoring reports as well as links to the Councils performance data measures and annual reporting.	
17b) Who will be responsible for monitoring the strategy, policy, project, contract or decision?	Infrastructure team	
17c) How do you intend to monitor the impact of the strategy, policy, project, contract, decision or function? (Please tick any that are applicable)	Performance indicators/targets	✓
	Benchmarking with other organisations	✓
	Complaints information	✓
	Consultation results	
	External verification, i.e. expert views of stakeholders/employers organisations representing people with protected characteristics	
	Service uptake data	✓
	Staff monitoring data	
	Staff survey results	
	User satisfaction survey results	✓
	Risk assessment	✓
Other, please state...		
17d) Please details of all monitoring methods i.e. National Indicator 187 or name of consultation	Quarterly monitoring reports	
Please move on to Q18 for 'Completion'		

18) Completion	
Name	Kate Parnum
Job title	Project and Research Officer
Service Area	Business Improvement
Date of completion	8 th January 2016
Date of next equality impact assessment, if relevant (This should be in line with next review date of strategy, policy, project, contract, decision or function).	N/A
Management Sign Off (Please print name in block capitals)	PETER QUIRK

Notes:

When completed, an electronic copy of this assessment (with the action plan attached if appropriate) should be saved with the policy, strategy, project, contract or decision. A hard copy should be printed and signed by management and then kept in a safe place. The details of this assessment should be recorded in your service area's policy register and should be published on the Council's website if the policy, strategy, project, contract or decision is for external publication.

-END-